



BRIEFING NOTE FOR DECISION

DATE: May 21, 2015

PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure

ISSUE: Amendment of the *Canada-British Columbia Contribution Agreement for Core National Highway System Projects* to record savings on approved projects, add 5 new projects and extend the term of the agreement to March 31, 2020.

RECOMMENDED OPTION:

- It is recommended that the Minister sign 3 copies the Second Amending Agreement (SAA) to the *Canada-British Columbia Contribution Agreement for Core National Highway System Projects* to release unleveraged funds (i.e. savings) for reallocation to new priorities, add five announced projects for which Approval-in-Principle has been received and extend the term of the agreement to March 31, 2020.

BACKGROUND:

On July 23, 2010 Canada and British Columbia ("the Parties") entered into the *Canada-British Columbia Contribution Agreement for Core National Highway System Projects* ("the Contribution Agreement") under which Canada agreed to provide British Columbia with a maximum of \$215,589,000 in federal funding under the Major Infrastructure Component (MIC) of the Building Canada Fund (BCF) for the construction of ten Core National Highway System (NHS) projects: Highway 1 Brake Check to Yoho National Park, Highway 1 Golden Hill to West Portal, Highway 1 Monte Creek to Prichard, Highway 1 Prichard to Hoffman's Bluff, Highway 1 Donald Bridge and Overhead, Highway 1 Clanwilliam Overhead, Highway 97A Larkin Road to Crozier Road, Highway 97A Pleasant Valley Cross Road to Lansdowne Road, Highway 97 Winfield to Oyama and Highway 97 Westside Interchange.

On April 12, 2013 the Parties amended the Contribution Agreement to reduce the maximum payable by Canada for the construction of the ten Core NHS projects by \$28,500,000 from \$215,589,000 to \$187,089,000 to account for cost savings on these projects and release the associated federal funds to augment the residual funds remaining under MIC for allocation to priority projects.

Seven new Core NHS projects were announced under MIC and Approval-in-Principle (AIP) letters subsequently provided by Canada. Five of these projects, as outlined in the table below, are to be added to the Contribution Agreement through the SAA. The remaining two projects, Highway 97: Highway 33 to Edwards and Highway 11 Nexus Lane and Vye Road Overpass will be the subject of a subsequent amendment as in the case of the former the AIP letter requires that all property acquisition be completed prior to entering into a Contribution Agreement and in the case of the latter a scope and budget amendment submitted by the City of Abbotsford to replace the McConnell Road at-grade crossing with a rail overpass is under consideration.

Project	AIP Letter	Total	Federal
Highway 97 South Taylor Hill	August 20, 2013	\$28,800,000	\$10,750,000
Highway 1 Malakwa Bridge	August 11, 2014	\$33,000,000	\$13,000,000
Highway 3 Sunday Summit /Sunday Creek	February 19, 2015	\$18,641,136	\$7,433,325
Highway 1 Mountain Highway	February 25, 2015	\$36,000,000	\$12,500,000
Jon Hindle Drive	March 31, 2015	\$11,365,000	\$3,500,000
Total:		\$127,806,136	\$47,183,325



The cost information for Highway 3 Sunday Summit to Sunday Creek reflects the results from the recent tender; the total cost was reduced by \$8,934,864 from \$27,560,000 to \$18,641,136 and the federal contribution was reduced by \$2,909,175 from \$10,342,500 to \$7,422,325.

In addition, a further \$2,274,910 in unleveraged federal funds is being released from the \$187,089,000 allocated to the original ten projects based on the final cost for completing projects; reducing the federal obligation to these projects to \$184,814,090.

DISCUSSION:

The federal project approval process involves:

- Announcement as a priority for funding once the priority and eligibility of a project have been confirmed;
- Approval-in-Principle letter authorizing expenditures once the federal due diligence review of business case submission is complete; and,
- Execution of a Contribution Agreement.

In summary the SAA to the Contribution Agreement:

- Reduces the federal obligation to the original 10 core NHS projects by \$2,274,910 from \$187,089,000 to \$184,814,090 and releases those funds for reallocation to other priorities;
- Adds five new core NHS projects with an aggregate federal contribution of \$47,183,325;
- Amends the maximum federal contribution to \$231,997,416 for all 15 projects; and,
- Extends the agreement end date from March 31, 2017 to March 31, 2020.

The five new Core NHS projects are programmed within the Ministry's Transportation Investment Plan and implementation is in progress. Although AIP letters authorizing expenditures have been received, payment of federal funds owed requires an executed Contribution Agreement. The amendment also extends the agreement end date from March 31, 2017 to March 31, 2020 to allow completion of the new projects within the term of the Contribution Agreement.

Infrastructure Canada had introduced a requirement in AIP letters that property acquisition be completed prior to executing a contribution agreement as was applied to the AIP letter for Highway 97: Highway 33 to Edwards Road. The Ministry was successful in its argument that this condition be removed from subsequent AIP letters as property acquisition is not an impediment to the implementation of provincial highway improvement projects.

Three copies of the SAA need to be signed as once the federal Minister has signed, one copy is retained by Canada, one copy is retained by British Columbia and one copy is formally registered.

FINANCIAL IMPLICATIONS:

- If the SAA is not executed British Columbia will be unable to claim eligible costs incurred, to a maximum of \$47,183,325, for the five Core NHS projects proceeding under the Ministry's Transportation Investment Plan.

**SECOND AMENDING AGREEMENT
CANADA – BRITISH COLUMBIA
BUILDING CANADA FUND**

**CONTRIBUTION AGREEMENT FOR CORE NATIONAL HIGHWAY SYSTEM PROJECTS
[2008/2009 – 2019/2020]**

AMENDING AGREEMENT No. 2

THIS SECOND AMENDING AGREEMENT ("Amending Agreement") is made as of the date of last signature.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, represented by the President of the Queen's Privy Council for Canada, Minister of Infrastructure, Communities and Intergovernmental Affairs ("Canada")

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the Minister of Transportation and Infrastructure ("British Columbia", the "Province of British Columbia" or the "Recipient")

Individually referred to as a "Party" and collectively referred to as the "Parties".

WHEREAS the Parties entered into a Framework Agreement (the "Framework Agreement") dated November 6, 2007, subsequently amended by an amending agreement dated February 19, 2009, which set out the general framework under which Canada would provide contributions for infrastructure improvements to be made in British Columbia under the Building Canada Fund;

AND WHEREAS the Framework Agreement includes a Communications Protocol, and shall terminate on March 31, 2015;

AND WHEREAS the Parties entered into a contribution agreement on July 23, 2010 under which Canada agreed to provide British Columbia with a maximum of \$215,589,000 in federal funding under the Building Canada Fund for the construction of ten Core National Highway System projects, and subsequently entered into an amending agreement on April 12, 2013 (the original contribution agreement and the amending agreement collectively described as the "Contribution Agreement");

AND WHEREAS as a result of competitive construction prices in British Columbia it is now expected that Canada's contribution to British Columbia's ten Core National Highway System projects will not exceed \$184,814,090 and British Columbia has requested that the unused funding under the Contribution Agreement be made available to fund other Building Canada Fund projects in the province.

AND WHEREAS the Parties agree that in the Contribution Agreement the "Recipient" means the Province of British Columbia;

AND WHEREAS by virtue of the Order-in-Council PC 2013-0869, dated July 15, 2013, the President of the Queen's Privy Council for Canada was transferred the control and supervision of the Office of Infrastructure of Canada;

NOW THEREFORE, in accordance with the principles set out above and the mutual covenants and agreements contained herein, Canada and British Columbia hereby agree as follows:

1. AMENDMENTS TO THE AGREEMENT

- 1.1. Section 1.3 (Duration of Agreement) of the Contribution Agreement is hereby deleted and replaced by the following:

This Agreement will be effective as of March 31, 2010 ("Effective Date") and shall terminate on the earlier of:

- a) Eighteen (18) months after the date of Substantial Completion contained in the Solemn Declaration of Substantial Completion (Schedule D) delivered to Canada for the final project in Schedule B to be completed; and
- b) March 31, 2020

Unless subject to early termination in accordance with this Agreement.

- 1.2 Section 1.5 (Schedules) of the Contribution Agreement is hereby deleted and replaced by the following:

The following schedules are attached to, and form part of, this Agreement:

- a) Schedule A – Eligible and Ineligible Costs;
- b) Schedule B – Description of the Projects;
- c) Schedule C – Reporting, Audit and Evaluation;
- d) Schedule D – Solemn Declaration of Substantial Completion;
- e) Schedule E – Communications Protocol.

- 1.3 Section 3.1 (Contribution by Canada) of the Contribution Agreement is hereby deleted and replaced by the following:

Canada agrees, subject to the terms and conditions of this Agreement to pay a contribution to the Province of British Columbia of not more than 50% of the total Eligible Costs for the Projects, during the eleven Fiscal Years starting in 2008-2009 and ending in 2019-2020, but only up to a maximum of Two Hundred and Thirty-One Million, Nine Hundred and Ninety-Seven Thousand, Four Hundred and Sixteen Dollars (\$231,997,416) and only in accordance with the Fiscal Year breakdown in Schedule B. Canada's contribution towards any Project as identified in Schedule B cannot be increased without approval of the Federal Minister.

- 1.4 Section 3.5 (Fiscal Year Budgeting) of the Contribution Agreement is hereby deleted and replaced by the following:

- a) The estimated amount of the contribution payable by Canada for each Fiscal Year of the Projects is set out in Schedule B.2 (Description of the Projects).
- b) If the actual amount paid by Canada in respect of any Project in a Fiscal Year is less than the estimated amount of the contribution payable by Canada in that Fiscal Year in Schedule B.2 (Description of the Projects), the Province of British Columbia may request that Canada re-allocate the difference between the two amounts to a subsequent Fiscal Year. Subject to Section 3.4 (Appropriations), Canada agrees to make reasonable efforts to accommodate the Province of British Columbia's request. The Province of British Columbia acknowledges that requests for re-allocation of Project funding will require appropriation adjustments or federal Crown approvals.
- c) In the event that any requested re-allocation of a Project funding is not approved, the amount of Canada's contribution payable pursuant to Section 3.1 (Contribution by Canada) will be reduced by the amount of the requested re-allocation. If the

contribution payable by Canada pursuant to Section 3.1 (Contribution by Canada) is so reduced, the Parties agree to review the effects of such reduction on the overall implementation of the Projects and to adjust the terms and conditions of this Agreement as appropriate.

- 1.5 Section 4.1 (Conditional Commitment) of the Contribution Agreement is hereby amended by adding the following as subsections 4.1(d) and (e):

- d) With respect to the Projects listed in Appendix 1 to Amending Agreement No. 2, all references in section 4 to the Canadian Environmental Assessment Act shall be read as referring to the Canadian Environmental Assessment Act 2012 (*CEAA 2012*).
- e) Notwithstanding any other provisions of this Agreement, should a subsequent EA or a determination be required for a Project pursuant to sections 52 or 67 of the *CEAA 2012*, the Recipient agrees that Canada's obligations under this Agreement in respect of that Project will be suspended from the time that Canada so informs the Recipient, and will remain suspended until a decision statement is issued to the Recipient or Canada has determined that the Project is not likely to cause significant adverse environmental effects or is likely to cause significant adverse environmental effects that are justified in the circumstances. The Recipient will be, or will continue to be, responsible under this Agreement to comply with all conditions, including those set out in a decision statement arising out of the subsequent EA or those set out in a determination.

- 1.6 Section 8.2 (HCOMS) of the Contribution Agreement is hereby deleted and replaced by the following:

8.2 HCOMS AND SIS

The Parties agree to use Transport Canada's Surface Contribution Management System ("HCoMS") or its successor, Surface Infrastructure System ("SIS"), to process claims and payments and monitor progress under this Agreement. HCoMS and SIS will be available to The Province of British Columbia in both official languages. Modifications and improvements to the system may be made by Canada at its own expense and will not apply an unreasonable burden on the Province of British Columbia, as determined by the Management Committee. Any reference to HCoMS in the Agreement is deemed to also refer to SIS.

- 1.7 Section 8.4 (Time Limits for Claims) of the Contribution Agreement is hereby deleted and replaced by the following:

The Province of British Columbia agrees to submit all claims for payment no later than the earlier of:

- a) Twelve (12) months after the Projects have been substantially completed as determined by the Federal Minister; and
- b) January 31, 2019, Canada shall have no obligation to pay any claim submitted after this date.

- 1.8 Section 8.6 (Final Adjustments) of the Contribution Agreement is hereby deleted and replaced by the following:

After the Province of British Columbia has submitted the final annual progress report, the final audit as well as the Solemn Declaration and before March 31, 2020, the Parties will jointly carry out a final reconciliation of all claims and payments in respect of the Projects and make any adjustments required in the circumstances in accordance with this Agreement.

- 1.9 Section 13 (Communications) of the Contribution Agreement is deleted and replaced by the following:

The Parties hereby agree to follow the Communications Protocol set out in the Framework Agreement, which is hereby incorporated by reference into this Agreement. In addition to

and notwithstanding anything to the contrary in this Agreement, the Province of British Columbia agrees that:

- a) The Province of British Columbia agrees to install temporary federal signage recognizing the funding contribution a minimum of 90 days before the start of construction and to ensure that signage remains in place for 90 days following the Project Completion Date, unless otherwise agreed to by the Committee. Federal signage will be produced and installed in accordance with guidelines provided by Canada.
- b) The Province of British Columbia acknowledges that:
 - i. its name, the contribution amount awarded, and the general nature of the activities supported by the contribution may be made publicly available by Canada; and
 - ii. reports on evaluations, audits and other reviews related to this Agreement may be made publicly available by Canada.
- c) Upon expiration of the Framework Agreement, the Communications Protocol set out in Schedule E will take effect.

1.10 Section 15.1 (Disposal of Assets) of the Contribution Agreement is hereby amended by adding the following as subsection 15.1(g):

- g) Notwithstanding any of the foregoing, the Recipient shall be permitted to transfer any Fixed or Non-Fixed Asset to the local municipality, either in whole or in part, without reimbursement of any portion of Canada's contribution provided under this Agreement, PROVIDED HOWEVER, that the local municipality shall acknowledge, and shall agree in writing, to be bound by the provisions of Sections 15.1, 15.2 and 15.3 of this Agreement to the same extent as the Recipient, as if it had signed the Agreement as a Party thereto.

1.11 Section 15.2 (Abandonment of Fixed and Non-Fixed Assets) of the Contribution Agreement is deleted and replaced by the following:

If, at any time during the Term of Agreement (Section 1.3), the Fixed Asset Disposal Period or Non-Fixed Asset Disposal Period the Province of British Columbia proposes to significantly reduce, abandon or substantially abandon, as determined by Canada, any Fixed Asset or Non-Fixed Asset, even if it remains under the ownership of the Province of British Columbia, Canada may require the Province of British Columbia to reimburse Canada, on demand, a proportionate amount of the funds contributed by Canada for the section of any Project listed in Schedule B has been reduced, abandoned or essentially abandoned as provided in subsection 15.1 a) (Disposal of Fixed and Non-Fixed Assets).

1.12 Section 15.3 (Notice) of the Contribution Agreement is deleted and replaced by the following:

- a) The Province of British Columbia shall notify Canada in writing, one hundred eighty (180) days in advance if, at any time during the Term of Agreement, the Fixed Asset Disposal Period or Non-Fixed Asset Disposal Period, the Province of British Columbia proposes, plans or anticipates to take any action as described in subsection 15.1 a) (Disposal of Fixed and Non-Fixed Assets).
- b) The Province of British Columbia shall notify Canada in writing, one hundred eighty (180) days in advance if, at any time during the Term of Agreement, the Fixed Asset Disposal Period or Non-Fixed Asset Disposal Period, the Province of British Columbia proposes, plans or anticipates to take any action as described in subsection 15.2 (Abandonment of Fixed and Non-Fixed Assets).

1.13 Schedule B.1 (Scope of the Projects) of the Contribution Agreement is hereby amended by adding the text included in Appendix 1, attached hereto.

1.14 Schedule B.2 (Description of the Project) of the Contribution Agreement is hereby deleted and replaced by the Table in Appendix 2, attached hereto.

1.15 The Communications Protocol attached in Appendix 3, is hereby appended to the Contribution Agreement as Schedule E.

2. EFFECT OF THE AMENDMENTS

- 2.1 All capitalized terms not otherwise defined herein have the meaning ascribed to them in the Contribution Agreement.
- 2.2 All other terms and conditions of the Contribution Agreement shall remain in full force and effect.
- 2.3 This Amending Agreement No. 2 may be signed in counterpart, and the signed copies will, when attached, constitute an original and fully executed agreement.

SIGNATURES

IN WITNESS WHEREOF this Amending Agreement has been duly executed by the Parties hereto.

HER MAJESTY THE QUEEN IN RIGHT
OF CANADA

Original signed by:

HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF BRITISH COLUMBIA

Original signed by:



The Honourable Denis Lebel
Minister of Infrastructure, Communities
and Intergovernmental Affairs

The Honourable Todd Stone
Minister of Transportation and Infrastructure

JUN - 4 2015

Date: _____

Date: _____

APPENDIX 1

SCHEDULE B

B.1 – SCOPE OF THE PROJECTS

PROJECT NO.11 – HIGHWAY 97 SOUTH TAYLOR HILL

Project Objectives and Results

The project involves the 4-laning of a 2.0 km section of Highway 97 in northern BC.

Boundaries

The section of highway is located between Fort St. John and Dawson Creek.

Requirements

All pre-construction CEAA, 2012 requirements must be met prior to commencement of construction.

Deliverables

Project Completion as defined in Schedule D (Solemn Declaration of Substantial Completion)

Level of Service

The proposed project has significant safety, efficiency, and strategic network benefits.

Eligible Cost Date

In a letter dated August 20, 2013, the Minister informed BC that eligible costs (including for capital construction) incurred as of the date of the letter will be eligible for federal reimbursement, subject to the signing of a Contribution Agreement.

PROJECT NO.12 – MALAKWA BRIDGE REPLACEMENT

Project Objectives and Results

The project involves the replacement of the Malakwa Bridge on the Trans-Canada Highway, approximately 50km west of Revelstoke. The new bridge will include two separate structures, one for the eastbound lanes and another for the westbound lanes, and will upgrade the highway in the vicinity of the bridge to 4-lanes.

Boundaries

The new bridge will replace the existing bridge over the Eagle River, near Malakwa, BC, and will upgrade approximately 3.1km of highway in the vicinity of the bridge, extending east from an existing 4-lane section that ends at Malakwa.

Requirements

All pre-construction CEAA requirements must be met prior to commencement of construction.

Deliverables

Project Completion as defined in Schedule D (Solemn Declaration of Substantial Completion)

Level of Service

The proposed project has significant safety, efficiency, and strategic network benefits.

Eligible Cost Date

In a letter dated August 11, 2014, the Minister informed BC that eligible costs (including for capital construction) incurred as of the date of the letter will be eligible for federal reimbursement, subject to the signing of a Contribution Agreement.

PROJECT NO.13 – HIGHWAY 3 SUNDAY SUMMIT TO SUNDAY CREEK REALIGNMENT

Project Objectives and Results

The project will realign 5km of Highway 3 between Sunday Summit and Sunday Creek, near Princeton, BC. The realignment will eliminate two reduced speed curves and will add a passing lane in each direction.

Boundaries

Sunday Summit and Sunday Creek are located on Highway 3, approximately 27km south of Princeton, BC.

Requirements

All pre-construction *CEAA, 2012* requirements must be met prior to commencement of construction.

Deliverables

Project Completion as defined in Schedule D (Solemn Declaration of Substantial Completion)

Level of Service

The proposed project has significant safety, and efficiency benefits.

Eligible Cost Date

In a letter dated February 19, 2015, the Minister informed BC that eligible costs (including for capital construction) incurred as of the date of the letter will be eligible for federal reimbursement, subject to the signing of a Contribution Agreement.

PROJECT NO.14 – HIGHWAY 1 & MOUNTAIN HIGHWAY INTERCHANGE**Project Objectives and Results**

The project will convert the Highway 1 - Mountain Highway interchange to a full interchange, adding new access ramps and a signalized intersection.

Boundaries

The Highway 1 - Mountain Highway Interchange is located in North Vancouver on Highway 1, approximately 2 km north of the Ironworkers Memorial Bridge.

Requirements

All pre-construction *CEAA, 2012* requirements must be met prior to commencement of construction.

Deliverables

Project Completion as defined in Schedule D (Solemn Declaration of Substantial Completion)

Level of Service

The proposed project has significant safety, efficiency, and strategic network benefits.

Eligible Cost Date

In a letter dated February 25, 2015, the Minister informed BC that eligible costs (including for capital construction) incurred as of the date of the letter will be eligible for federal reimbursement, subject to the signing of a Contribution Agreement.

PROJECT NO.15 – JOHN HINDLE DRIVE EXTENSION**Project Objectives and Results**

The project will extend John Hindle Drive in Kelowna, creating a connection between Glenmore Road and Highway 97. The extension will involve building a 2-lane roadway and multi-use pathway approximately 1.6km long through undeveloped agricultural land.

Boundaries

The project will connect John Hindle Drive at the Glenmore Landfill to the University of British Columbia Okanagan Campus.

Requirements

All pre-construction *CEAA, 2012* requirements must be met prior to commencement of construction.

Deliverables

Project Completion as defined in Schedule D (Solemn Declaration of Substantial Completion)

Level of Service

The proposed project has significant safety, efficiency, and strategic network benefits.

Eligible Cost Date

In a letter dated March 31, 2015, the Minister informed BC that eligible costs (including for capital construction) incurred as of the date of the letter will be eligible for federal reimbursement, subject to the signing of a Contribution Agreement.

APPENDIX 2

B.2 – DESCRIPTION OF THE PROJECTS

Name of Project	Description of Project (Start date, finish date, main technical and financial stages, location, construction methods, etc.)	Estimated Eligible Costs	Estimated Contribution by Canada	Canada's Estimated contribution to Eligible Costs per Party, per Fiscal Year					
				Previously Claimed	2013/14	2014/15	2015/16	2016/17	2017/18
Highway 1: Brake Check to Yoho National Park	Upgrading approximately 9 kilometres of Highway 1 between Brake Check and Yoho National Park to a four lane 100 km/hr design standard, including replacement of the Mount Hunter Creek Bridge, concrete median barrier, maximum 4% grade, access consolidation, grade separated structure (underpass) to serve the Wapiti/Beaverfoot area, wildlife exclusion fencing and wildlife crossings/passage.	\$56,681,188.46	\$28,340,594.23	\$28,340,594.23	\$-	\$-	\$-	\$-	\$-
Highway 1: Golden Hill to West Portal	Upgrading approximately 3.8 kilometres of Highway 1 between Golden Hill and West Portal to a four lane design standard (80 km/hr urban / 100 km/hr rural), including extending a fourth lane through to the signals at the west end of Golden-grade separation of the Golden-Donald Upper Road (north) / Golden View Road (south) intersection in the form of an underpass structure that will provide for right-in / right-cut movements for the connecting roads, eliminate of three at-grade intersections, road network connections, concrete median barrier, maximum 6% grade, wildlife fencing and wildlife passage.	46,286,113.08	23,143,056.54	20,517,702.38	2,390,397.22	234,956.94			

Name of Project	Description of Project (Start date, finish date, main technical and financial stages, location, construction methods, etc.)	Estimated Eligible Costs	Estimated Contribution by Canada	Canada's Estimated contribution to Eligible Costs per Party, per Fiscal Year					
				Previously Claimed	2013/14	2014/15	2015/16	2016/17	2017/18
Highway 1: Monte Creek to Pritchard	Upgrading approximately 10.5 kilometres of Highway 1 between Monte Creek and Pritchard to a four lane 100 km/hr design standard; including intersection improvements at Pinanian Road and Boslock Road.	33,400,000.00	16,700,000.00	5,756,317.39	4,732,300.62	6,211,381.99	-	-	-
Highway 97A: Larkin Road to Crozier Road	Upgrading approximately 4.2 kilometres of Highway 97A between Larkin and Crozier Road to a 100 km/hr design standard; including a single diamond interchange between Larkin Road and Otter Lake Cross Road, removal of direct highway accesses and associated road network connections.	19,935,536.88	9,967,768.44	9,967,768.44	-	-	-	-	-
Highway 97: Winfield to Oyama	Upgrading approximately 9 kilometres of Highway 97 between Winfield and Oyama through the construction of a new four-lane, in-land alignment; including associated road network connections.	53,659,947.92	24,998,938.64	15,285,807.44	7,803,331.20	736,681.83	1,173,318.17	-	-
Highway 1: Pritchard to Hoffman's Bluff	Upgrading 6.1 km of Highway 1 between Pritchard to Hoffman's Bluff, including Hoffman's Bluff itself, to a four lane 100 km/h design standard, including access management and frontage roads.	53,800,000.00	26,900,000.00	1,165,912.50	2,725,420.97	3,266,534.54	11,318,450.00	8,423,681.99	-

Name of Project	Description of Project (Start date, finish date, main technical and financial stages, location, construction methods, etc.)	Estimated Eligible Costs	Estimated Contribution by Canada	Canada's Estimated contribution to Eligible Costs per Party, per Fiscal Year					
				Previously Claimed	2013/14	2014/15	2015/16	2016/17	2017/18
Highway 1 ClanWilliam Overhead Replacement	Replacing the existing ClanWilliam Overhead (10 kms west of Revelstoke) with a new four lane structure and approximately 2.3 kilometres of four laning to a 100 km/h design standard.	24,053,211.46	11,735,248.24	10,864,125.73	763,347.59	-	107,774.82	-	
Highway 1: Donald Bridge and Overhead Replacement	Replacing the existing Donald Bridge with a new four lane structure, replacing the existing CPR Overhead with a new structure and approximately 4.0 kilometres of four laning to a 100 km/h design standard.	51,068,002.26	25,391,484.14	23,709,157.70	1,639,611.47	42,714.97	-	-	
Highway 97A: Pleasant Valley Cross Road to Lansdowne Road	Upgrading approximately 4 kilometres of Highway 97A from Pleasant Valley Cross Road to Lansdowne Road to a four lane design standard; including upgrading five intersections (left turn bays and deceleration/acceleration tapers) and a "protected tee" intersection at Smith Road.	13,319,999.94	6,659,999.97	6,659,999.97	-	-	-	-	
Highway 97: Westside Road Interchange	Replacing existing at-grade intersection of Westside Road and Highway 97 with a grade separated interchange and associated road network connections.	21,954,000.00	10,977,000.00	9,856,182.74	1,120,817.26	-	-	-	
Highway 97 South Taylor Hill	Widening of a 2.0 km section of Highway 97, from 2-lanes to 4-lanes, between Fort St. John and Dawson Creek. The project includes improvements to 2 intersections.	22,811,865.00	10,750,000.00	-	-	-	10,750,000.00	-	

Name of Project	Description of Project (Start date, finish date, main technical and financial stages, location, construction methods, etc.)	Estimated Eligible Costs	Estimated Contribution by Canada	Canada's Estimated contribution to Eligible Costs per Party, per Fiscal Year					
				Previously Claimed	2013/14	2014/15	2015/16	2016/17	2017/18
Malakwa Bridge Replacement	The replacement of the bridge over the Eagle River on the Trans-Canada Highway, near Malakwa, British Columbia, and the 4-laning of 3.1km of highway in the vicinity of and over the bridge.	26,659,900.00	\$13,000,000.00	-	-	-	6,200,000.00	4,600,000.00	2,200,000.00
Highway 3 Sunday Summit	Realignment of 5km of Highway 3 between Sunday Summit and Sunday Creek, near Princeton, BC. The realignment will eliminate two reduced speed curves and will add a passing lane in each direction.	14,866,650.00	7,433,325.00	-	-	-	2,621,600.00	4,811,725.00	-
Highway 1 Mountain Highway Interchange	Converting the Highway 1 - Mountain Highway interchange to a full interchange, adding new access ramps and a signalized intersection.	25,000,000.00	12,500,000.00	-	-	-	975,000.00	6,151,250.00	5,373,750.00
John Hindle Drive Extension	Extension of John Hindle Drive in Kelowna, creating a connection between Glenmore Road and Highway 97. The extension will involve building a 2-lane roadway and multi-use pathway approximately 1.6km long through undeveloped agricultural land.	\$10,500,000.00	\$3,500,000.00	\$-	\$-	\$-	\$483,300.00	\$1,393,400.00	\$1,623,300.00
Total		\$474,016,415.00	\$231,997,415.20	\$132,123,368.52	\$21,175,226.43	\$10,492,270.27	\$33,629,442.99	\$25,380,056.99	\$9,197,050.00

APPENDIX 3

SCHEDULE E – COMMUNICATIONS PROTOCOL

1. SCOPE

- 1.1 The Province of British Columbia will be required to meet all relevant terms and conditions of the communications protocol set out in this schedule.

2. GUIDING PRINCIPLES

- 2.1 Canada and The Province of British Columbia agree to undertake joint communications activities and collaborate on products to ensure open, transparent, proactive and effective communications with Canadians. This transparency and accountability will be achieved through appropriate and consistent public communications activities that recognize the contributions of all participating parties under this Agreement.
- 2.2 The Parties can carry out their own communications activities relating to their infrastructure programs and investments that are part of this Agreement. However, such communications will nonetheless recognize and emphasize the partnership nature of the funds and the contributions of all parties.
- 2.3 The Parties agree that all communications products produced pursuant to this Agreement shall comply with the Federal Identity Program (FIP) and relevant provincial requirements. Branding standards and graphic guidelines will be developed by Canada to guide development of communications products and activities under the Building Canada Plan.
- 2.4 The mechanisms for such communications and public information activities and products shall be determined by the Committee which may establish a communications subcommittee to provide it with advice and support on such matters. This sub-committee shall be comprised of at least one federal representative and one Provincial representative.
- 2.5 All communications through electronic media such as web sites or management information systems should follow the same guiding principles as those established for "traditional" means of communications.
- 2.6 All public information material pursuant to this Agreement shall be in both official languages (English and French) and indicate, where practical, that a project is being implemented under the Building Canada Plan. All such material shall fairly reflect the contribution of all parties to the project. This includes ensuring equal recognition and prominence where words, logos, symbols and other types of identification are incorporated into materials.

3. PROJECT COMMUNICATIONS

3.1 GENERAL

All written communications concerning projects shall be prepared in a manner that supports the communications objectives and branding of Building Canada.

3.2 CONTRACTS

All public information material related to calls for tendering for projects shall clearly and prominently indicate that the project is funded under Building Canada.

3.3 PROJECT PROMOTION

- a) The Province of British Columbia is responsible for the promotion of their project and its activities and objectives within their community or jurisdiction. The Province of British Columbia will provide, as appropriate, project communications such as: a project web site, print, audiovisual and other communications about the project as it proceeds. The Province of British Columbia will also ensure appropriate mention of Canada's contributions in annual reports, speeches or other opportunities, as appropriate.
- b) The Province of British Columbia is solely responsible for operational communications including calls for tender, construction, and public safety notices. Operational communications as described above are not subject to official language policy. However, in cases where an activity, project, or program receiving financial assistance is national in scope and includes services to the general public of both linguistic communities, both official languages must be used.
- c) The Province of British Columbia will share information promptly with Canada on significant emerging media issues relating to the project. Canada will advise The Province of British Columbia, where appropriate, about media inquiries received

concerning the project (for example, joint management questions or serious safety matters).

- d) Canada and The Province of British Columbia reserve the right to refer to funding provided under the BCF in their own separate, and non project specific communications. Each party commits to acknowledge the other party's involvement in the project.
- e) The Province of British Columbia will provide, whenever possible, professional quality audiovisual material about the project to Canada) to support wider communications about funding under the BCF.

4. COMMUNICATING WITH THE PUBLIC

4.1 GENERAL

- a) Canada and The Province of British Columbia shall consult with each other, 15 working days in advance, about all proposed news releases or public announcements relating to jointly funded projects. This is to provide all parties sufficient notice of key project communications, and, where appropriate, the time to determine a course of action, lineup principals and prepare joint material. Notwithstanding the advance notice requirement, consent shall not be unreasonably withheld by either party if a news release or public announcement must be issued in less than 15 working days as the result of unforeseeable circumstances, including matters of public safety or where an emergency response is required.
- b) The Province of British Columbia will advise Canada regularly of upcoming public events or community relations activities relating to the project as per the initial communications plan specified in 4.1 (c).
- c) Projects will include a communications plan showing how The Province of British Columbia intends to manage communications and provide funding partners with equal visibility. This plan should also forecast: major milestones for joint communications; project communications activities (e.g., tender notices, plans to provide partner visibility after project completion, and estimated expenditures for key communications activities and issue management).
- d) The Committee may directly, or through delegation to a subcommittee, working group, agent or other representative, monitor the parties' performance with respect to the communications provisions of this Agreement and order appropriate remedies, as it sees fit, where insufficiencies are found.

4.2 SIGNING OF THE AGREEMENTS

The Parties may issue a joint news release when this Agreement and subsequent agreements are signed. The parties agree to hold, where appropriate, an official ceremony on these occasions.

4.3 PUBLIC INFORMATION KITS

The Parties may develop information kits, brochures, public reports, and web site material to inform potential recipients and the public about the Building Canada Fund, and infrastructure supported under this fund. Such material shall be prepared in a manner consistent with the Building Canada brand guidelines and any relevant messages developed by the Parties.

4.4 NEWS RELEASES

The Parties shall issue joint news releases after funding decisions are made, or upon project milestones. In all such news releases, the Parties shall receive equal prominence. The Parties shall mutually agree on the use of quotes from the designated representatives of Canada, The Province of British Columbia or The Province of British Columbia in the news releases.

4.5 NEWS CONFERENCES, PUBLIC ANNOUNCEMENTS, OFFICIAL EVENTS OR CEREMONIES

- a) Canada and The Province of British Columbia agree to hold news conferences at the request of either Party. The requestor shall provide at least 10 working days notice of such a news conference, which will take place at a mutually agreed date and location. The Ministers, or a designated representative of either Party, should participate in such news conferences.

- b) No public announcement of funding shall be made by either Party or by The Province of British Columbia without the prior consent of the Committee, or its communications subcommittee or designate.
- c) The Party proposing a public announcement or official ceremony related to funding under the BCF or the Base Funding Agreement shall provide the other Party with at least 15 working days notice. The Ministers, or their designated representatives, will participate in such announcements or ceremonies to take place at a mutually agreed date and location.
- d) The Parties shall cooperate in the organization of announcements or ceremonies. The Table of Precedence for Canada, as established by Heritage Canada (http://www.pch.gc.ca/progs/cpscccsp/pe/precedence_e.cfm), or other mutually agreed protocol, should be respected. Messages and public statements for such events should be mutually agreed upon. The Committee may recommend special events and ceremonies be held where and when appropriate.

4.6 SIGNAGE

- a) The Province of British Columbia shall provide and install temporary signage or other appropriate identifiers at a prominent location where there is visible activity related to a project indicating the participation of all funding partners, and bearing any other such message approved by the Committee.
- b) Design, wording and specifications of joint signage shall reflect the participation of Canada and The Province of British Columbia, and must be approved by the Committee. Signage and other identifiers must conform to the Building Canada graphic guidelines and FiP. Wording, in both official languages, designs, and logos as one Party should be of the same size and occupy the same amount of space as the other Party's. Signs or other identifiers shall have appropriate space indicating participation by The Province of British Columbia, if requested.
- c) The Committee shall issue specifications for signs or other identifiers, as well as timeframes for their installation. Temporary signs must be removed within 90 days of project completion.
- d) The Province of British Columbia will provide and install, upon completion of projects, where feasible, a plaque, permanent sign or other suitable identifier bearing an appropriate inscription. The design, wording and specifications of such permanent signs shall respect the general provisions of this Agreement and must be approved by the Committee.
- e) The requirements set out in this section for temporary and permanent signage may be waived by the Committee in the rare situation where it is deemed impractical or impossible to comply.
- f) The costs of all project signage shall be borne by The Province of British Columbia.

4.7 ADVERTISING

Recognizing that advertising can be an effective means of communicating with the public, either Party may, at its own cost, organize an advertising or public information campaign related to the Building Canada Plan. However, such a campaign must respect the provisions of this Agreement. In the event of such a campaign, the sponsoring Party agrees to inform the other Party of its intention as soon as possible, as early notice is essential for any required review process. In any event, notice must be provided a minimum of 20 working days before launch.

5. COST ALLOCATION

Unless otherwise agreed by the Committee, the Parties will each bear their own direct costs, e.g., staff time, transportation, per diems, etc. associated with the application of this Agreement.



BRIEFING NOTE FOR INFORMATION

DATE: May 27, 2015

PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure

ISSUE: Limousine Industry Reps are Concerned that an Increased Focus on *Liquor Control and Licensing Act* Compliance is having Unintended Consequences for Licensees

SUMMARY:

- **Non-compliance with the *Liquor Control and Licensing Act* may result in suspension or cancellation of a Passenger Transportation Licence, as well as police ticketing a driver and/or passenger**
- **Limousine operators report that passengers continue to consume alcohol in commercial passenger vehicles despite attempts to change expectations**
- **The Ministry of Justice and Attorney General has not supported the consumption of liquor in any vehicle**

BACKGROUND:

Under the *Liquor Control and Licensing Act* (LCLA), passenger transportation providers are prohibited from allowing the consumption of alcohol in their vehicles. Enforcement of the LCLA is the responsibility of police and the Liquor Control and Licensing Branch. All violation tickets issued to the driver of commercial vehicle are tracked under the operator's National Safety Code Carrier Profile and the driver's record, which could impact a driver's willingness to work in the limousine industry.

As of May 1, 2015, operators of any size of primarily perimeter seating vehicle must have a Passenger Transportation Licence with special authorization from the Passenger Transportation (PT) Board. The PT Board introduced a LCLA compliance declaration to the streamlined perimeter seating bus (PSB) application process and the following condition is now placed on all the licence of all PSB operators:

The licensee must at all times operate its passenger directed vehicles in compliance with the Liquor Control & Licensing Act.

s.13

With this change, the Registrar may now issue administrative fines and penalties, including suspension or cancellation of a licence, when she becomes aware of a violation of the LCLA or advertising that refers to the consumption of alcohol in commercial passenger vehicles.

On May 6th, ADM Bowman met with Alpine Limousine owner Stewart Young and General Manager Kayla Ottosen to s.13

On May 12, 2015 the PT Board and Registrar met with 30 perimeter seating bus licensees to debrief the streamlined transition process, review the requirements for ongoing maintenance of the licence, including LCLA compliance, and to provide a heads up on upcoming enforcement activities.



DISCUSSION:

Licensees have met with Ministry and PT Board staff, both at the May 12 meeting and individually. In these consultations operators have reported that despite their best efforts to inform customers and ensure there is not alcohol in their vehicle, passengers continue to believe alcohol consumption is allowed in limousines and that this misconception is impacting business through lost revenue and the ongoing threat of violation tickets against drivers and administrative fines and penalties against the company.

Operators report that despite LCLA information posted on booking websites, charter contract language specifically prohibiting alcohol, not transporting minors without adult consent and pre-boarding instructions and inspections by the driver, passengers continue to break the law and put businesses and drivers at risk. Operators report having difficulty recruiting drivers due to the risk of LCLA violations tickets on their record impacting present and future employment opportunities.

Operators report that even after signing a contract stating they will not consume alcohol in the limousine or bus, passengers will sneak liquor into a vehicle under clothing. Others report that past customers are telling them that they will move their business to another operator that allows the consumption of alcohol in passenger transportation vehicles and passengers are even willing to assume financial responsibility for any fines incurred as a result.

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Next steps:

Enforcement:

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To level the playing field and ensure consumers are not misled by licensees, PT Branch Inspectors are reviewing the websites and social media of all PSB operators. Any advertising that implies that the operator condones alcohol consumption in vehicles or by minors will be given a warning by the Registrar. Failure to remove the images or text will result in administrative fines or penalties.

s.13



Consultation:
s.13,s.14,s.15

FINANCIAL IMPLICATIONS:

None

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INITIALS

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BRIEFING NOTE FOR INFORMATION

DATE: June 1, 2015
PREPARED FOR: Minister Todd Stone, Minister of Transportation and Infrastructure
MEETING: Senior Executive Roundtable, Business Council of British Columbia, June 2, 2015
ISSUE: Business Council of British Columbia's Position on Transportation

SUMMARY:

- **The Business Council of British Columbia (BCBC) believes that infrastructure boosts economic growth, drives productivity and improves overall prosperity. BCBC considers modern and well-functioning infrastructure to be essential to enhancing British Columbia's (B.C.) competitiveness, attracting business investment and creating jobs.**
- **BCBC believes B.C. needs to adopt a comprehensive and long-term strategy that incorporates growth projections, demographic changes, regional planning, prioritizing of projects, and innovative ways of financing projects.**

BACKGROUND:

- BCBC conducts timely and exceptional public-policy research and advises on issues to enhance B.C.'s competitiveness and prosperity.
- Membership consists of B.C.'s top employers, including companies from all of B.C.'s major economic sectors. Members are drawn from all major sectors of the provincial economy, including forest products, mining, manufacturing, transportation, agri-food, telecommunications, information technology, financial services, energy, tourism, retail, construction, health care, education and professional services.
- BCBC has over 250 current members. Transportation members include: Air Canada, BC Road Builders Association, Bombardier Transportation, BC Ferries, BC Trucking Association, BNSF Railway, CN Railway, CP Railway, ICBC, inTransit BC, Seaspam, TransLink, TI Corp, and the Vancouver Airport Authority.

DISCUSSION:

BCBC believes that the advancement of B.C.'s prosperity requires new forms of energy and the infrastructure necessary to connect B.C. to global markets. BCBC's work supports the efforts of businesses and governments to develop resource projects, energy systems and transportation networks in a way that minimizes the environmental impacts and maximizes economic benefits for communities and B.C.'s job creators.

Topics of interest for the Senior Executive Roundtable include:

Topic 1: Recently announced *B.C. on the Move: A 10-Year Transportation Plan*

BCBC is interested in hearing more about the commitments made in the recently announced *B.C. on the Move: A 10 Year Transportation Plan*. In November 2014, BCBC published **Building B.C. for the 21st Century: A White Paper on Infrastructure Policy and Financing** (attached). One of the transportation themes identified in the White Paper was for the development of a long-term and comprehensive infrastructure strategy for the Province of British Columbia (Province).

The Ministry of Transportation and Infrastructure (MOTI) developed *B.C. on the Move: A 10-Year Transportation Plan* that will grow the economy, accommodate our growing population and support



expanding resource sectors. B.C. on the Move includes investing \$2.5 billion over the next three years in transportation infrastructure, including:

- Approximately \$1 billion to ensure our network has the capacity and reliability to meet transport and trade needs, with maximum safety and minimal delays and uncertainties;
- \$380M to resurface provincial highways;
- Increase investment to \$180 million to repair and replace provincial bridges;
- Increase investment to \$270 million to improve the condition of provincial side roads;
- \$60 million to upgrade roads in northeastern B.C. in support of the natural gas industry;
- \$75 million in a new Road Safety Improvement Program;
- \$30 million in intersection safety improvements in communities throughout B.C.; and
- \$18 million to partner with communities to build new bike lanes and trails throughout B.C.

Topic 2: Movement of goods across the Province and to international markets

B.C. is Canada's Pacific Gateway – the preferred gateway for Asian trade between North America and the world. Along with the road and aviation networks, port and rail infrastructure play a key role in maintaining B.C.'s competitive advantage, which supports job creation and economic growth.

The Province is developing a Trucking Strategy to support the safe and efficient movement of goods across the Province. The Strategy will include: upgrading and replacing structures such as bridges and overpasses to accommodate increasingly heavy and large loads; streamlining the permit process; and expanding the number of provincial highway corridors pre-approved for the transport of 85- to 125-metric-tonne loads.

Starting in 2015, the Province will establish a new program to provide community airports with access to \$24 million in new funding over the next three years to invest in infrastructure improvements, such as runway extensions, terminal-building expansions, lighting and navigational system upgrades.

The Pacific Gateway Transportation Strategy 2012-2020, identified an additional \$25 billion in new investments, with \$155 billion committed by funding partners, including more than \$9 billion in new private-sector projects since the strategy was released. Priorities include:

- determine potential infrastructure upgrades needed to support LNG;
- facilitate Port of Kitimat development with port structure and governance models that support economic activity;
- invest in infrastructure that enhances access to ports and increases port bulk, breakbulk and container capacity;
- continue to work with its private sector partners to explore road/rail grade separations on key trade corridors; and
- explore options for the revitalization of the Belleville Terminal in Victoria.

Topic 3: Infrastructure Plans

Another theme identified in the BCBC White Paper was regarding engaging the federal government to leverage federal financial support for our infrastructure. The Province is working with Canada to secure federal funding for highway expansion priorities, as well as developing partnerships with other levels of government and the private sector.

Nine key corridors were identified in *B.C. on the Move* where the Province will invest approximately \$1 billion over the next three years to ensure our network has the capacity and reliability to meet transport trade needs, with maximum safety and minimal delays and uncertainties. Corridors include:



- Highway 1 – Kamloops to the Alberta Border
- Highway 97 – Okanagan Valley Highways
- Highway 3 – Crowsnest
- Highway 5 – Yellowhead
- Highway 97 – Cariboo Connector
- Northwest B.C./Highway 16 – Yellowhead
- Northeast B.C./Highways 97 North and 2
- Vancouver Island Highways
- Lower Mainland Highways

Under the new Building Canada Fund \$1.090 billion was allocated to B.C.; \$109 million through the Small Community Fund and \$981 million for National and Regional Projects (NRP).

The first call for applications under SCF closed February 18, 2015 and we expect the announcement of approved projects to proceed in the near future.

The first project under NRP, Highway 1 Lower Lynn Corridor improvements, was announced in April and we are working with the federal government to confirm additional priorities.

BC is also pursuing federal funding available under the \$4 billion National Infrastructure Component of the new Building Canada Fund and the \$1.25 billion renewed P3 Canada Fund and will be pursuing opportunities under the new Public Transit Fund.

Topic 4: Outcome of the Metro Vancouver Plebiscite

BCBC is interested in the outcome from the Metro Vancouver Plebiscite and the ministry's response. The counting of ballots will begin after the close of voting on May 29, 2015, and counting and reporting of voting results is expected to last a number of weeks, depending on voter participation.

Transit expansion will be a critical component of ensuring that Metro Vancouver is able to accommodate the million additional people expected over the next 30 years.

The provincial government has committed to funding one-third of the cost of the project, provided it fits within the provincial fiscal plan and is supported by a strong business case. This commitment does not depend upon the plebiscite outcome.

**FINANCIAL IMPLICATIONS:**

- None.

Attachments: 1: Building BC for the 21st Century: A White Paper on Infrastructure Policy and Financing
2: Business Council of B.C. Council Staff

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INITIALS

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APPENDIX B: Business Council of B.C. Council Staff



**PRESIDENT &
CHIEF EXECUTIVE OFFICER**
Greg D'Avignon



**EXECUTIVE VICE PRESIDENT &
CHIEF POLICY OFFICER**
Jock Finlayson



**CHIEF ECONOMIST &
VICE PRESIDENT**
Ken Peacock



DIRECTOR, ENVIRONMENT AND SUSTAINABILITY
Denise Mullen



CONTROLLER
Markian Beley