



BRIEFING NOTE FOR DECISION

DATE: March 14, 2019
PREPARED FOR: Honourable Claire Trevena, Minister of Transportation and Infrastructure
ISSUE: Order in Council – Hours of Service – B.C. motion picture industry

RECOMMENDED OPTION:

- Approve Order.

BACKGROUND:

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Ministry of
Transportation
and Infrastructure

CLIFF 284210
X-ref: 280879
OIC 006 2019

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BRIEFING NOTE FOR INFORMATION

DATE: March 12, 2019

PREPARED FOR: Honourable Claire Trevena, Minister of Transportation and Infrastructure

MEETING: March 25, 2019 meeting with François Cavalier, Head, Project Development, Canada Infrastructure Bank.

ISSUE: Infrastructure Priorities – Which projects would benefit from Canada Infrastructure Bank Support

SUMMARY:

- The Canada Infrastructure Bank (CIB) invests in new, revenue-generating infrastructure projects that are in the public interest.
- CIB investment is done in conjunction with private and institutional investors and requires a return on investment for the investors.
- CIB is currently doing outreach to federal, provincial, territorial, municipal and Indigenous government to develop a list of potential major projects.
- The Federal Ministry of Infrastructure and Communities has indicated that it is looking at alternate revenue models that would allow funding for broadband internet connections in rural and northern communities by bundling projects.
- CIB has also expressed an interest in looking at ways it could finance new highways, transit systems and electricity grids across Indigenous communities by rolling a project or concept out over a number of communities.

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BACKGROUND:

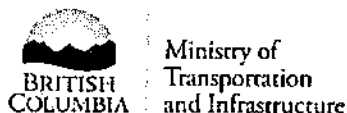
The Canada Infrastructure Bank (CIB) was created in 2017 to address a gap in the market between government funded infrastructure and projects that are privately funded. The Minister of Infrastructure and Communities

CIB's mandate is to invest up to \$35 billion into new, revenue-generating infrastructure projects alongside private and institutional investors and provide advisory services to potential project sponsors. CIB co-invests in infrastructure projects that are in the public interest. Investments are structured to ensure that risks, rewards and costs are shared among parties. Priority areas include public transit, trade and transportation, and green infrastructure.

To receive investment by CIB, projects need to:

- be bankable (sufficient revenue streams to fund project through its lifecycle);
- satisfy commercial due diligence;
- include private sector investment; and
- generate revenue.

CIB is not intended to be a low-interest loan agency but expects to achieve return on investment for the funding it provides. Return on investment will come from usage-generated fees such as tolls, shadow-tolls, fees, fares, tariffs and mechanisms based on appreciating land values.

**DISCUSSION:**

The CIB is currently doing outreach with various levels of government (federal, provincial, territorial, municipal, Indigenous) to develop a list of potential major projects that could be financed through the CIB. The CIB requires a revenue generating stream that will fund the project through its lifecycle. Since the implementation of the CIB, provincial staff have assessed potential projects against CIB mandate and criteria to determine if those projects should apply to CIB for funding.

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Further assessment of potential projects includes consideration of broadband internet connections that may have some applicability. Generally the projects are too small, or financing and funding is available through other more attractive means. However, CIB is investigating the potential for alternate revenue models, which might allow CIB to fund broadband internet connections for rural and northern communities. Projects would be bundled into a larger proposal that could attract private sector interest.

CIB has also expressed an interest in looking at ways that it could finance the construction of new highways, transit systems and electricity grids across indigenous communities by taking a concept or project on one reserve or community and rolling it out over a number of communities, in order to build interest from institutional investors.

Provincial staff will continue to use a CIB lens as projects are identified, to determine if they would benefit from CIB investment.

FINANCIAL IMPLICATIONS:

None

Attachments: Graphic – CIB Project Pool Development

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Major Projects, Infrastructure and Properties
Nancy Bain, Assistant Deputy Minister
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INITIALS:

KV

PM obo NB

CANADA
INFRASTRUCTURE BANK

Our mandate is to attract private capital into new revenue-generating infrastructure that is in the public interest.

We are investing **\$35 billion**, providing advisory services to all levels of government, and building knowledge management capabilities including an Inventory of Canadian Infrastructure Projects.

BANQUE DE L'INFRASTRUCTURE DU CANADA

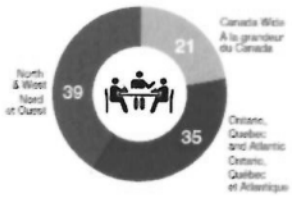
Notre mandat consiste à attirer des capitaux privés dans les infrastructures générant des revenus et servant l'intérêt public.

Nous investissons **35 milliards** de dollars, en fournissant des services-conseils à tous les paliers d'administration publique et en créant des capacités de gestion du savoir, y compris un inventaire des projets d'infrastructures canadiens.

We Have Covered all Regions and Priority Sectors & Started to Make an Impact in the Market
Nous avons couvert toutes les régions et tous les secteurs prioritaires et commencé à faire notre marque sur le marché

120+ Meetings
Réunions

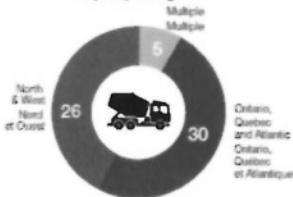
95 Project-Specific
Spécifiques à un projet



- Public sponsors
- Governments and Crown corporations
- Private sponsors
- Investors
- Developers, proponents, bidders, service providers
- Industry associations
- Promoteurs du secteur public
- Administrations publiques et sociétés d'État
- Promoteurs du secteur privé
- Investisseurs
- Développeurs, promoteurs, soumissionnaires, fournisseurs de services
- Associations sectorielles

12 Active Engagements Across Sectors And Geographies
Participations actives à travers les secteurs et les régions

60+ Projects by Region
Projets par région



- Modifying existing projects for CIB bankability
- Novel approaches
- Unsolicited proposals (-30)
- Backstop commitments
- Standardised investments for scalability
- Modification des projets existants concernant pour la rentabilité de la BC
- Approches novatrices
- Propositions non sollicitées (environ 30)
- Engagements de sécurité
- Investissements standardisés à des fins d'adaptabilité

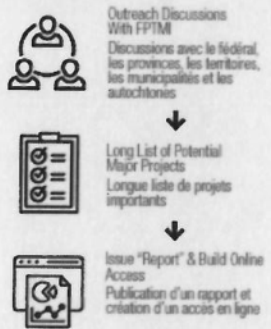


- Business case review
- Market sounding
- Bankability
- Procurement options
- Analyse de rentabilité
- Feasibilité du marché
- Rentabilité
- Options d'approvisionnement

As of Feb. 15, 2018
19-090 (0-75) novembre 2018

We are Developing an Inventory by Engaging Federal, Provincial, Territorial, Municipal and Indigenous Governments

Nous développons un inventaire en mobilisant les administrations publiques fédérale, provinciales, territoriales, municipales et autochtones





BRIEFING NOTE FOR INFORMATION

DATE: February 18, 2019

PREPARED FOR: Honourable Claire Trevena, Minister of Transportation and Infrastructure

ISSUE: Annual input to federal government on negotiating priorities for international air transport agreements.

SUMMARY:

- **BC recognizes and appreciates the progress made by the federal government to liberalize air transport agreements (ATAs) over the last few years:**
 - **The ongoing evolution of the Canada-China ATA which has enabled Vancouver International Airport (YVR) to become the first and only airport in North America to directly serve eight destinations in mainland China;**
 - **The correction of a long-standing restriction on Thai air carriers serving YVR; and**
 - **Conclusion of a new ATA with the United Kingdom to prepare for Brexit, when the United Kingdom would no longer be covered by the Canada-EU ATA.**

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BACKGROUND:

ATAs are treaties between countries that regulate and provide the legal authority for airlines to offer air services across international borders. Akin to trade agreements, they focus on the trade in commercial aviation services. ATAs provide a framework for the level of competition in a market with articles addressing frequency, capacity, destinations, tariffs, doing business matters and route entitlements.

Each year, Transport Canada reaches out to Provinces and various aviation stakeholders (airlines, airports, tourism associations and others) as they build their negotiating priorities for the year ahead. The Ministry coordinates the provincial response in consultation with the Intergovernmental Relations Secretariat, Ministry of Jobs, Trade and Technology, Ministry of Tourism, Arts and Culture, and YVR.

DISCUSSION:

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FINANCIAL IMPLICATIONS:

- None
- **Attachment:** 283556 B.C. Bilateral Priorities Letter to Transport Canada



Ministry of
Transportation
and Infrastructure

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INITIALS

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SPEAKING NOTES
Inter-City Bus Conference Call
Minister Claire Trevena

Discussion with Mayors
March 18, 2019

Welcome!

Welcome, thank you for joining me today.

Current State:

The Province is acutely aware of the impact on people living in rural British Columbia related to the loss of Greyhound service. In response, we have:

- Implemented BC Bus North;
- Encouraged the Passenger Transportation Board to offer a simplified process to expedite private operator applications to provide service on routes vacated by Greyhound;
- Issued a Request for Expression of Interest for routes that remained without service;
- Engaged Canada in discussions regarding shared funding of inter-city bus service.

In working with Canada and other stakeholders to find solutions for inter-city bus service, our objective is not to compete with, or duplicate, existing services whether provided by a private operator or BC Transit.

BC Bus North:

- Quick action was taken last spring to implement BC Bus North.
- In the first seven months there were over 3,000 passengers.

- This month BC Bus North is conducting a travellers' survey.
- Although we only have results from the first week, I was surprised to learn that over 20 percent of people were travelling on BC Bus North for employment purposes. The majority of people are travelling to visit family and friends.
- We are committed to continuing with a northern inter-city bus service and are currently discussing options on how to make this happen.
- As well, Northern Health Connections has been responsive by expanding its passenger eligibility to include seniors (age 60 and older) and people with mobility challenges. All of the Northern Health Connections buses are wheelchair accessible.

Other 'existing' bus transportation services

- BC Transit operates a number of regional services in collaboration with local and regional governments. For example, BC Transit offers service between Kelowna and Vernon and between Nelson and Castlegar.
- In the South, BC Transit also operates the Interior Health Bus. This bus is available to the general public; however, preference is given to people travelling for medical appointments.
- There is also the Highway 16 Inter-community transit system, operated by BC Transit between Terrace and Prince George which allows people to travel to the next largest community and return the same day.
- NOTE: Mayor Busse (Lillooet) is likely aware that there are two days per week, when the Interior Health bus connects Lillooet with Kamloops.

Request for Expressions of Interest

- In late November 2018, a Request for Expressions of Interest was posted for eight routes.

- Four responses were received, none of the respondents were willing to operate on a market basis.
- This confirmed that some rural routes need a subsidy to initiate inter-city bus service.

Remaining gaps in service:

With all of this good work, there are still gaps in service that remain since Greyhound's exit, which include:

Routes vacated by Greyhound on October 31, 2018

1. Cache Creek – Kamloops (84km)
2. Kamloops – Valemount (320km)
3. Valemount - Alberta border (148km)
4. Dawson Creek - Alberta border (42km)

NOTE: Just last week, an operator has applied to the PTB for the Dawson Creek to Alberta border route, so potentially another 'gap' that will be filled by the private sector very shortly

5. Salmo – Creston (83km)
6. Cranbrook - Alberta border (160km)

Routes vacated by Greyhound in Spring 2018

1. Fort Nelson – Yukon border (500km)
2. Hope – Princeton (133km)

Existing Operators/Issues:

There are currently 4 operating Inter-City Bus routes in BC.

1. **Wilson's** Transportation which provides route service on:
 - Hwy 1, 5 - Vancouver and Kamloops; and
 - Hwy 1, 5, 97C - Vancouver and Kelowna
 - Trip and passenger information not available

2. **Rider Express** which provides route service on:
 - Hwy 1, 5- Vancouver and Calgary
 - Since November 2018, there have been 112 trips servicing 645 passengers

3. **Diversified Transportation / DBA eBus** which provides route service on:
 - Hwy 1, 5 - Vancouver and Kamloops;
 - Hwy 1, 7 – Kamloops and Kelowna; and
 - Hwy 1, 5, 97C – Kelowna and Vancouver
 - Trip and passenger information not available

4. **Silver City Stagelines**
 - Hwy 3A, 22, 38, 3 & 33 – Nelson and Kelowna
 - Since November 2018, there have been 126 trips servicing 1600 passengers

- The Passenger Transportation Board remains open to receiving applications, and has recently received applications for routes including: Surrey to Prince George, Dawson Creek to the Alberta Border, Kamloops to Williams Lake, Kamloops to Kelowna (via Vernon), Merritt to Kelowna, and Kelowna to Penticton)

Issues Identified with Operators

- Merritt Shuttle was granted a license by the PT Board in October 2018 to offer services on 6 routes.
 - Hwy 5A, 97C – Lower Nicola and Kamloops;
 - Hwy 5, 97C, 97D – Kamloops and Highland Valley Copper Mine;

- Hwy 8, 97C – Merritt and Highland Valley Copper Mine;
 - Hwy 1, 8 – Merritt and Langley
 - Hwy 1, 8, 97 – Merritt and Prince George; and
 - Hwy 97C – Merritt and Kelowna
- This licence did not become operable as Merritt Shuttle was unable to acquire buses and meet its deadline to activate its license by March 8, 2019. Merritt Shuttle was granted two extensions by the PT Board to meet its license requirements.
- **Rider Express** applied to the PT Board to reduce or eliminate its service due to low ridership on Hwy 1 - Vancouver to Hope and Hwy 5 – Hope to Kamloops as follows:

NEXT STEPS:

Canada's offer of support

- Last October Canada stated that it was “open to considering providing provinces funding support on a cost-shared and transitional basis” for inter-city bus service.
- We are actively in discussions with Canada to determine how we can work together.
- I am optimistic that we will be able re-establish intercity bus service for those impacted by Greyhound's withdrawal and will I will share additional detail with respect to specific timing shortly.

Longer term solutions

BC is also co-chairing a Federal Provincial Territorial Working Group on Long-term Surface Mobility Solutions. The objectives of this Group are to better understand the inter-city mobility needs of Canadians and to develop options for longer-term solutions.

Ride-sharing

We have heard that some communities are interested in a solution that may involve a form of ride-sharing. This government is committed to ensuring that ride hail will be available to British Columbians this fall.

Summary:

We have taken actions to respond to Greyhound's departure. It is not an easy problem to solve. We welcome your support and ideas.



BRIEFING NOTE FOR DECISION

DATE: March 14, 2019
PREPARED FOR: The Honourable Claire Trevena, Minister of Transportation and Infrastructure
ISSUE: BC Ferries Disposal of Howe Sound Queen

RECOMMENDED OPTION:

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BACKGROUND:

On February 28th, BC Ferries wrote to notify the Ministry of its intention to dispose of the 55-year old Howe Sound Queen (HSQ) on or about June 1, 2019. Under the terms of the Coastal Ferry Services Contract (CFSC), BC Ferries must not dispose of a vessel unless it has notified the Province and provided an opportunity for the Province to exercise its option to purchase. If the Province is interested in acquiring the vessel, it has 30 days to respond. The purchase price offer is based on the net book value which is zero.

DISCUSSION:

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FINANCIAL IMPLICATIONS:

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OPTIONS:

OPTION 1: s.13

Pros:

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Cons:

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OPTION 2: s.13

Pros:

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Cons:

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RECOMMENDATION: s.13

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Honourable Claire Trevena
Minister

19/3/19
Date

Attachments

1 – Incoming correspondence from BC Ferries

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REVIEWED BY:

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Nancy Bain, EFO Finance and Management Services Department	PM obo NB



Ministry of
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and Infrastructure

Appendix 1 – Incoming correspondence from BC Ferries



President & CEO, British Columbia Ferries Inc.

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Fax: (250) 978-1362
www.bcferries.com

February 28, 2019

Mr. Grant Main
Deputy Minister
Ministry of Transportation and Infrastructure
PO Box 9850, Station Prov Govt
Victoria, BC V8W 9T5

Dear Mr. Main:

Re: Notice to Dispose of Vessel – Howe Sound Queen

Pursuant to Article 7.01 of the Coastal Ferry Services Contract, BC Ferries hereby provides notice to the Province of its intention to dispose of the *Howe Sound Queen* on or about June 1, 2019.

Article 7.01 of the Coastal Ferry Services Contract states:

BC Ferries will not dispose of a Vessel that is no longer necessary for the purpose of providing Services in respect of a Designated Ferry Route unless

(a) *BC Ferries has notified the Province in writing of its intention to dispose of the Vessel, and*

(b) *The Province has not exercised its Option to Purchase in respect of that Vessel within the time specified in section 7.02.*

Under Article 7.02, the Province may, within thirty (30) days of this notice, exercise its option to purchase the vessel at the Vessel Purchase Price. Article 1.01 defines Vessel Purchase Price as "the net book value of the Vessel and its various components on the date of its purchase."

As of June 1, 2019, the net book value of the *Howe Sound Queen* will be zero.

I look forward to your reply.

Sincerely,

Mark Collins
President & CEO



BRIEFING NOTE FOR INFORMATION

DATE: March 21, 2019
PREPARED FOR: The Honourable Claire Trevena, Minister of Transportation and Infrastructure
ISSUE: Meeting with Serge Buy CEO, Canadian Ferry Operators Association

BACKGROUND:

The Canadian Ferry Association (CFA) is a member-based organization representing Canadian ferry owners, operators and industry stakeholders across the country. CFA has more than 90 members, with the owner/operator members accounting for nearly all of the major ferry routes in Canada.

DISCUSSION:

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FINANCIAL IMPLICATIONS:

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Attachments:

Appendix 1 - Incoming letter February 25, 2019
 Appendix 2 - Bio - Serge Buy

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and Infrastructure

Appendix 1 – Content of Serge Buy letter from February 25, 2019

February 25, 2019

The Honourable Claire Trevena Minister of Transportation and Infrastructure Government of British Columbia PO Box 9055 Victoria, BC V8W 9E2

Dear Minister Trevena,

First, let me thank you for your kind message, read to our members, on the occasion of our 2018 Conference. Your focus on the way ferries impact and shape communities mirrors our own views on the importance of the sector.

Redlin Report – Minimum Safe Manning

The recent report titled "Connecting Coastal Communities – Review of Coastal Ferry Services", authored by Mr. Blair Redlin refers to our efforts on two key issues. One of the issues identified is "Minimum Safe Manning" (pages 44 and 45 of the report). Mr. Redlin first indicates that the Canadian Ferry Association is "urging the federal government to revise the regulations to reduce the number of staff required for each sailing". That is incorrect. Throughout this section, the language used by Mr. Redlin seems to infer that costs are the key driver for our work with Transport Canada on Minimum Safe Manning. That is also incorrect. Mr. Redlin is unaware of the workings of our association and, most probably, did not fully understand our intent.

For the last four years, the Canadian Ferry Association has worked with Transport Canada to ask for a review of the matrix used by the Department to establish minimum safe manning (MSM) aboard ferries. Transport Canada agrees to and supports this request to modernize MSM regulations. We view our request as a request to increase safety aboard ferries. It is important to note that the matrix used by Transport Canada had been established in the 1970s and had not been substantially reviewed since. Technological advances (such as new fire suppression equipment and deployment of evacuation rafts) have not been factored in this matrix. Other changes in the way ships are constructed are also not taken into account. This means that despite investing significant amounts in new safety equipment and safer ship designs, our members are faced with a system that is still based on standards from the 1970s. We compared Canadian ferry operations to the same operations in countries such as Sweden, Denmark and Norway. These countries also operate safe ferries – however they have, on similar vessels, much less crew required.

We are pleased to see that Transport Canada understands our position and is making efforts to change its matrix and procedures to establish minimum safe manning – not for reasons related to costs but rather due to an effort to modernize procedures and better evaluate safety processes.



Ministry of
Transportation
and Infrastructure

At no point in time, since our association's inception, have we ever asked to compromise safety for costs. This is not something our members would ever accept. We are proud of our achievements on safety for ferries. We would like an opportunity to correct the record on this issue.

Request to meet

During discussions on your attendance at our conference, you were kind enough to extend an offer to meet. My office will be contacting yours in order to set a date for a meeting. We especially wish to better explain our work.

In the past few years, the Canadian Ferry Association has worked to

- Change the eligibility criteria of the federal government's New Building Canada Fund. This in turn enabled our members to benefit from \$104 million in funding – money invested in communities throughout the country and, indeed, in British Columbia!
- Look at diversifying our workforce with better inclusion for women, indigenous groups and newcomers;
- Worked with the federal government to develop a conservation framework on the issue of the Southern Resident Killer Whales. Indeed we were one of the first organizations to sign a Conservation Agreement with the federal government;
- Expand collaboration between suppliers and ferry operators by providing a forum of discussion and tools to share information on new technologies, thereby enabling the ferry sector in Canada to remain in a leadership role as it comes to the adoption of new technologies.

We welcome the opportunity to discuss this with you at your earliest convenience.

Yours truly,

Serge Buy Chief Executive Officer

Appendix 2 Bio - Serge Buy



Serge Buy

After many years on Parliament Hill working with parliamentarians on legislation and services for Canadians, Serge turned his attention to assisting small, medium-sized and large NGOs; working with Canadian and multi-national businesses; and providing advice to foreign representatives. Serge has founded businesses and became a senior partner at Flagship Solutions in 2004.

A public speaker who is frequently sought by journalists as a reference on issues of accountability, government relations and ethics, Serge also writes regularly in media on government-related issues.

Serge's work as Flagship Solutions' principal team leader has allowed our clients to obtain measurable positive results that helped them meet and exceed their objectives. Serge has been the driving factor behind Flagship Solutions' innovative government and public relations strategies.

Key areas of expertise: Government Relations, Public Relations, Crisis Communications, Strategic Planning, Association Management, Ethics.

Pattullo Bridge Replacement Project

Briefing Note

What:

Key Information on the Pattullo Bridge Replacement Project and First Nations Engagement and Accommodations.

Who:

Minister Claire Trevena, Ministry of Transportation and Infrastructure and the Premier's Office

Executive Summary:

- **The Pattullo Bridge Replacement Project (the Project) is undergoing an Environmental Assessment (EA) by the BC Environmental Assessment Office (MoE).**
- **There are 14 identified Indigenous groups that are being consulted within the EA process.**
- **The Ministry is engaging with identified Indigenous groups regarding project-related benefits and is committed to ongoing engagement and consultation throughout the Project.**
- **The Project recognizes the importance of meaningful contracting and employment opportunities to the identified Indigenous groups and are working with the groups to ensure opportunities for both Indigenous businesses and employment are provided.**

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Background:

The Pattullo Bridge is a key connection between the communities of Surrey and New Westminster. The new four-lane Pattullo Bridge will provide important improvements for everyone using the bridge, including people who are driving, cycling or walking, as well as communities on either side of the bridge.

The Project commenced its procurement process in July 2018 with the release of a Request for Qualifications (RFQ), and in February 2019 released a Request for Proposals for three pre-qualified Proponents. Construction will begin in 2019, with the new bridge scheduled to open to traffic in 2023. Once the new bridge is open, the existing bridge will be removed.

The approved Project budget is \$1.377 billion.

Environmental Assessment Process

Pursuant to the BC Environmental Assessment Office Section 11 Order, the Ministry has been consulting with 14 Indigenous groups regarding the Project, including: Cowichan Tribes, Halalt First Nation, Katzie First Nation, Kwantlen First Nation, Kwikwetlem First Nation, Lake Cowichan First Nation, Lyackson First Nation, Musqueam Indian Band, Penelakut Tribe, Semiahmoo First Nation, Squamish Nation, Stz'uminus First Nation, Tsawwassen First Nation and the Tseil-Waututh Nation.

Pattullo Bridge Replacement Project

With respect to the EA process, once the review is complete, the EA Certificate will contain conditions that will be binding on the Project and the successful contractor. The conditions are imposed to ensure that any environmental impacts identified during the EA process are avoided or mitigated. The Province has provided capacity funding to all identified Indigenous groups for their continued involvement in the EA process.

The EA process is expected to complete in May 2019.

Benefit Agreements

The Project is engaging with all identified Indigenous groups to provide a range of benefits for inclusion in Benefits Agreements to accommodate any potential impacts of the Project on the Nations' interests. The potential accommodation measures for discussion include funding for community initiatives, contracting and employment opportunities and strategies to recognize other interests.

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Funding proposals to support the negotiation of Benefit Agreements has also been provided to all of the identified Indigenous groups.

Procurement – Indigenous Business Contracting Opportunities

The release of the RFP was delayed by three months to continue discussions with all Indigenous groups, to ensure their concerns were understood and identify enhanced opportunities for improved collaboration. As a result of initial feedback received, additional strategies were implemented with the intention to increase opportunities for Indigenous businesses. It was also decided to postpone the release of the Indigenous Requirements Schedule to allow for additional dialogue with the Indigenous groups on its terms.

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Conclusion:

The Project team will continue to engage with all identified Indigenous groups to successfully finalize Benefit Agreements s.16

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BRIEFING NOTE FOR DECISION

DATE: March 22, 2019
PREPARED FOR: Honourable Claire Trevena, Minister of Transportation and Infrastructure
ISSUE: Approach for setting and amending Container Trucking regulated rates

RECOMMENDED OPTION:

- **Option 1:** Repeal the rates contained in the Container Trucking Regulation and authorize the Container Trucking Commissioner to set rates.

BACKGROUND:

Section 22 of the *Container Trucking Act* (the Act) authorizes the Lieutenant Governor in Council (LGIC) to set initial minimum rates and fuel surcharge to be paid by trucking companies to drivers for container trucking moves in the Lower Mainland. The *Container Trucking Regulation* (the Regulation) sets out the geographic zones and minimum trip rates, hourly rates, and other rates (e.g., fuel surcharge). The Act also states that if the LGIC repeals the initial minimum rates, the Container Trucking Commissioner (CTC) may establish the rates by order. See Appendix 1 for Section 22 of the Act.

In mid-2018, the CTC was directed to conduct a rate review. The draft rate review was completed in October 2018 and makes 12 recommendations. Four of the recommendations amend the rates set out in the Regulation.

DISCUSSION:

The Act references "initial" rates to be set by the Regulation,

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These include:

- The CTC has recommended that a rate review be conducted once every 2 years. The Regulation could be amended to mandate that the CTC conduct a rate review every two years, to be evidenced based, and publicly released.
- The CTC and provincial roles are contained in a Memorandum of Understanding (MOU). Principles and expectations regarding rate setting could be added to the MOU as well as the CTC's appointment Order in Council.
- The CTC is currently required to publish an annual report including information "as specified by the Minister". The Minister could require the annual report to include reasoning behind rate changes or reporting on effects from previous changes, etc.
- Provide CTC with guidance to establish a sector council for the CTC to consult on rate changes.

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RECOMMENDATION: Option 1

APPROVED / NOT APPROVED

Honourable Claire Trevena
Minister of Transportation and Infrastructure

10th April 2019

Date

Attachments:

- 1. Appendix 1 – Section 22 of the Container Trucking Act

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INITIALS

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Appendix 1 – Section 22 of the Container Trucking Act

22 (1) The Lieutenant Governor in Council may, by regulation,

(a) establish an initial minimum rate that a licensee must pay to a trucker who provides, in specified circumstances, specified container trucking services to or on behalf of the licensee,

(b) establish a rate under paragraph (a) based on one or more of the following:

(i) a rate per trip;

(ii) an hourly rate;

(iii) any other basis the Lieutenant Governor in Council considers appropriate,

(c) for the purposes of paragraph (a), specify one or more circumstances and one or more container trucking services on any one or more of the following:

(i) the starting point of the container trucking services;

(ii) the end point of the container trucking services;

(iii) the geographic area within which the container trucking services are carried out;

(iv) the dates or times of the container trucking services;

(v) the duration or distance travelled during the carrying out of the container trucking services;

(vi) any other basis the Lieutenant Governor in Council considers appropriate,

(d) for the purposes of paragraph (b) (i), specify which container trucking services or which parts of the container trucking services constitute a trip to which a rate established under paragraph (b) is to apply,

(e) specify the time by which a rate established under paragraph (a) must be paid, and

(f) establish an initial minimum fuel surcharge, based on a specified unit of fuel used during the provision of container trucking services, that a licensee must pay to a trucker who provides, in specified circumstances, specified container trucking services to or on behalf of the licensee.

(2) For certainty, an initial minimum rate and an initial minimum fuel surcharge established under subsection (1) may be based on container trucking services provided before this section comes into force.

(3) If the Lieutenant Governor in Council repeals the initial minimum rate established under subsection (1), the commissioner may establish, by order, a minimum rate, and, for that purpose, subsection (1) applies as if a reference in that subsection to the Lieutenant Governor in Council were a reference to the commissioner.

(4) If the Lieutenant Governor in Council repeals the initial minimum fuel surcharge established under subsection (1), the commissioner may establish, by order, a minimum fuel surcharge, and, for that purpose, subsection (1) applies as if a reference in that subsection to the Lieutenant Governor in Council were a reference to the commissioner.

(5) An order made under subsection (3) or (4) comes into force on the date the order is published under section 11 or on a later date specified in the order.