

CANADA – BRITISH COLUMBIA

INFRASTRUCTURE FRAMEWORK AGREEMENT

This Agreement made as of November 6, 2007

BETWEEN:

HER MAJESTY IN RIGHT OF CANADA, ("Canada") represented by the Minister of Transport, Infrastructure and Communities,

AND:

HER MAJESTY IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA ("British Columbia") represented by the Minister of Transportation

PREAMBLE

Canada and British Columbia agree on the need for high-quality, modern public infrastructure that contributes to long-term economic growth, a clean environment and strong communities. They also agree on the need for long-term planning to strategically address infrastructure needs in priority areas, including water, wastewater, public transit, the core National Highway System and green energy.

Infrastructure was identified as one of the joint priorities of federal, provincial and territorial governments as part of restoring fiscal balance. Five key principles emerged from Canada's 2006 fiscal balance consultations with the provinces and territories:

- Accountability through clarity of roles and responsibilities;
- Fiscal responsibility and budget transparency;
- Predictable, long-term fiscal arrangements;
- A competitive and efficient economic union; and
- Effective collaborative management of the federation.

The Government of Canada established the new \$33 billion Building Canada Plan under Budget 2007 that is guided by these principles. The Building Canada Plan includes a comprehensive and integrated suite of infrastructure initiatives, as follows:

- base funding in support of infrastructure for municipalities including the \$11.8 billion *Gas Tax Fund* (extended to 2013-14) and an estimated \$5.8 billion in *Goods and Services Tax Rebate*, which represents the benefit of raising the rebate from 57% to 100%;
- a \$2.275 billion provincial and territorial Base Funding initiative (“Base Funding”) to provide each jurisdiction with \$25 million per year over seven years;
- Program funds, including the \$8.8 billion *Building Canada Fund*, the \$2.1 billion *Gateways and Border Crossings Fund*; a \$1.25 billion *Public-Private Partnerships Fund*, and an additional \$410 million for the *Asia-Pacific Gateway and Corridor Initiative*, bringing the total federal investment to \$1 billion for that initiative;

Canada and British Columbia will engage municipal leaders in the delivery of the Building Canada Plan. The Parties fully support the value of municipal participation, and will work with the Union of British Columbia Municipalities and municipalities to address the infrastructure needs in British Columbia.

The Parties recognize that the existing Canada-British Columbia infrastructure agreements will stand on their own, specifically with their respective authorities and terms and conditions, and are not affected by this Agreement.

INTERPRETATION

1.1 Definitions

In addition to the terms defined in the preamble and elsewhere in this Agreement, a capitalized term has the meaning given to it in this Section.

“**Agreement**” means this framework agreement and all of its schedules;

“**Approved Project**” means Public Infrastructure projects falling within the BCF Eligible Categories, and in the case of the Major Infrastructure Component, that are approved by the Federal Minister for funding by Canada in accordance with Subsection 3.3.4, and in the case of the Communities Component, that are approved in accordance with Subsection 3.4.7;

“**Base Funding Agreement**” means the funding agreement to be negotiated between Canada and British Columbia in respect of Base Funding;

“**Base Funding Eligible Projects**” means those Public Infrastructure projects falling within a category identified in Subsection 2.2 of Schedule A;

“**BCF**” means the Building Canada Fund, which includes the Major Infrastructure Component and the Communities Component;

“**BCF Eligible Categories**” means those categories identified in Subsection 1.3 of Schedule A and, for the purposes of Subsection 3.5, the categories described in Subsection 3.5.2 and 3.5.3;

“**British Columbia Infrastructure Plan**” means a plan that outlines the province’s long-term vision and approach to managing Public Infrastructure, prepared in accordance with Schedule B;

“**Building Canada Plan**” means the Government of Canada’s new \$33 billion Building Canada Plan established under Budget 2007;

“**Community**” means, an entity with a population of less than 100,000 that has the legal status of a local government pursuant to provincial legislation in British Columbia, including unincorporated areas;

“**Communities Component**” means the infrastructure funding component under the BCF dedicated to funding projects located in Communities, described in section 3.4 of this Agreement;

“**Communities Funding Agreement**” means the contribution agreement for the Communities Component to be negotiated between Canada and British Columbia;

“**Eligible Costs**” means project costs eligible for funding pursuant to Treasury Board Approvals;

“**Eligible Recipients**” means, in the case of the Major Infrastructure Component, the Communities Component and the Base Funding initiative, the recipients identified in sections 1.1, 1.2 and 2.1, respectively, in Schedule A;

“**Federal Minister**” means the Minister of Transport, Infrastructure and Communities, in his capacity as minister responsible for infrastructure;

“**Fiscal Year**” means the period beginning April 1 of a year and ending March 31 of the following year;

“**IFC**” means the Infrastructure Framework Committee created pursuant to Section 7 hereof;

“**Local and Community Priority Categories**” means the project categories described in Subsection 1.3.2 of Schedule A hereto;

“**Major Infrastructure Component**” means the infrastructure funding component further described in Section 3.3 of this Agreement;

“**Ministers**” means the Federal Minister and the Provincial Minister;

“**National Priority Categories**” means the project categories described in Subsection 1.3.1 of Schedule A hereto;

“**Party**” means Canada or British Columbia and “**Parties**” means both Canada and British Columbia;

“**Project Agreements**” means contribution agreements, containing such terms and conditions that Canada may require, made between Canada and the applicable Eligible Recipient, and such other parties, as the case may be, in respect of projects to which Canada will contribute under the Major Infrastructure Component;

“**Provincial Minister**” means the Minister of Transportation;

“**Public Infrastructure**” means publicly or privately-owned fixed capital assets in Canada for public use or benefit;

“**P3**” means a cooperative venture between the public and private sectors for the provision of Public Infrastructure;

“**Treasury Board Approval**” means approval from Canada’s Treasury Board for the creation of the BCF and the Base Funding program upon terms satisfactory to the Federal Minister.

1.2 Duration or Term of Agreement

This Agreement will be effective as of the date it is signed by both Parties and shall terminate on March 31, 2015.

1.3 Conditions

This Agreement is conditional upon approval from Canada’s Treasury Board for the creation of the BCF and Base Funding program, on or before December 31, 2008 failing which this Agreement will be null and void. Evidence that Treasury Board’s approval has either been given, or not, shall be provided by way of letter from the Federal Minister to the Provincial Minister, which the Provincial Minister agrees will be sufficient evidence of the satisfaction of this condition.

1.4 Schedules

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

- a) Schedule A –Eligible Recipients and Categories under the BCF and the Base Funding Initiative;
- b) Schedule B – Guideline for the British Columbia Infrastructure Plan; and
- c) Schedule C – Communications Protocol.

2 PURPOSE OF THE AGREEMENT

2.1 General Statement

The purpose of this Agreement is to provide a comprehensive and flexible approach to coordinate the implementation of the Building Canada Plan in British Columbia. The Agreement will ensure that Canada and British Columbia take a collaborative approach to long-term infrastructure planning. Under this Agreement, Canada and British Columbia will promote accountability by providing Canadians with regular public reporting on the implementation and outcomes of the Building Canada Plan in British Columbia.

2.2 Specific Objectives and Funding

2.2.1 Objectives

The Parties also wish to:

- a) confirm the amount Canada will make available for Public Infrastructure projects in British Columbia under the BCF, the Base Funding initiative, and the Gas Tax Fund;
- b) set out the eligible project categories and cost-sharing provisions under the BCF and the Base Funding;
- c) establish the funding amount that each Party will make available to the Communities Component;
- d) establish the IFC that will carry out the duties set out below in Section 7; and
- e) Coordinate efforts to communicate and report regularly to Canadians on the implementation and outcomes of the Building Canada Plan.

2.2.2 Individual Agreements

Canada will deliver its funding pursuant to Project Agreements, the Communities Funding Agreement, the Base Funding Agreement, and the Gas Tax Fund agreement.

2.2.3 Allocations

Subject to the terms of this Agreement, to the agreements noted above in subsection 2.2.2, and to Parliament making the necessary appropriations, Canada's contributions under the BCF, the Base Funding Agreement, and the Gas Tax Fund agreement for infrastructure in British Columbia, will be as follows:

Program	Funding Amount
Building Canada Fund	\$1039.960 million
Base Funding	\$175.000 million
Gas Tax Fund	\$1002.788 million
TOTAL	\$2217.748 million

3 BUILDING CANADA FUND

3.1 Objective

Through the BCF, significant investments will be made to build, enhance and modernize Public Infrastructure in British Columbia and across Canada. BCF projects will foster economic growth, support a cleaner environment, or promote stronger and safer communities.

3.2 General Provisions

3.2.1 Confirmation of amount available in British Columbia

The total amount of funding Canada will make available under the BCF in British Columbia will be \$1,039.96 million over seven years, between 2007-08 and 2013-14, subject to Parliament appropriating necessary funding. Any funding to be provided by British Columbia in respect of an Approved Project will be subject to appropriations from the Legislature of British Columbia.

3.2.2 Eligible Projects and Eligible Recipients

Canada's funding pursuant to the BCF will be made to Eligible Recipients and be applied to the construction, renewal or material enhancement of Approved Projects. Canada will develop and provide criteria to further define eligible categories following the approval of the program terms and conditions by Canada's Treasury Board.

3.3 Major Infrastructure Component

3.3.1 Total Funding by Canada

Of the amount made available by Canada for the BCF in British Columbia, the Parties agree that a maximum of \$928.96 million will be applied to Approved Projects under the Major Infrastructure Component.

3.3.2 Focus of Projects under the Major Infrastructure Component

The intent of the Major Infrastructure Component is to fund Public Infrastructure projects that have a national or regional impact and generate significant benefits in terms of a growing economy, a cleaner environment or stronger communities. The Parties expect that the majority of funding under the Major Infrastructure Component will be directed at National priority projects with a minimum total Eligible Cost of \$35 million and non-National priority projects with a minimum total Eligible Cost of \$15 million.

3.3.3 Cost-sharing and Stacking

Federal funding from all sources cannot exceed fifty percent (50%) of the Eligible Costs of an Approved Project owned by the public sector or not-for-profit organizations and twenty five percent (25%) of the Eligible Costs of an Approved Project owned by for-profit private sector organizations. For projects involving a local or regional government, the Parties expect that level of government to provide funding for a minimum of one-third (1/3) of the Eligible Costs of an Approved Project.

3.3.4 Project Approvals

The Infrastructure Framework Committee Co-chairs will present and discuss priorities for infrastructure funding under the Major Infrastructure Component. The Co-chairs will endeavour to present an integrated and consolidated view of the Parties' priorities for funding under this Component. Priorities presented by the Provincial Co-chair for consideration will be consistent with British Columbia's Infrastructure Plan, while Canada's review of funding priorities will be guided by its intention to further the Building Canada Fund program objectives and to focus two-thirds of overall funding under this component on National Priority Categories. Each Co-chair will recommend projects to be considered as a priority for funding to his or her respective Minister. The Federal Minister will approve funding provided by Canada for projects to be funded under the Major Infrastructure Component of the Building Canada Fund. Prior to approval of funding, each Party may conduct its own due diligence review of the project and the Parties agree to cooperate in any project review, including the sharing of relevant studies, information and data.

3.3.5 Project Agreements

Canada's contribution under the Major Infrastructure Component will be made pursuant to Project Agreements. In order to facilitate the negotiation of Project Agreements, the Parties will, in future, append as schedules to this Agreement, terms and conditions in respect of provisions such as audit, evaluation and reporting that will apply to all Project Agreements.

3.3.6 Consideration of P3 Option

The Parties recognize that P3s can further the public interest by providing access to private sector financing, innovation and expertise and by ensuring a suitable allocation of risk between the private and public sectors. To ensure the appropriate use of P3s, all Eligible Recipients seeking funding under the Major Infrastructure Component, for which the federal government's contribution would be equal to or exceed fifty million dollars (\$50,000,000), must demonstrate, to the satisfaction of the Federal Minister, that the option of undertaking the project as a P3 has been fully considered. As an interim measure, a guideline will be established by the Federal Minister to facilitate this requirement. Additional guidance will be provided once the federal P3 Office has been established.

3.4 Communities Component

3.4.1 Total Funding by Canada

Of the amount made available by Canada for the BCF in British Columbia, the Parties agree that a minimum of \$111 million will be applied to Approved Projects under the Communities Component.

3.4.2 Contribution by British Columbia

Notwithstanding subsection 3.4.1, Canada's total contribution under the Communities Component, the details of which will be set out in the Communities Funding Agreement, will not exceed British Columbia's total contribution to Approved Projects under the Communities Component.

3.4.3 Communities Funding Agreement

Canada's contribution under the Communities Component will be made pursuant to a Communities Funding Agreement to be negotiated between Canada and British Columbia. Canada's contribution under the Communities Component will be paid to British Columbia. British Columbia, in turn, will provide the federal contribution to an Eligible Recipient pursuant to a separate agreement to be entered into by British Columbia and the Eligible Recipient. The Communities Funding Agreement will set out the relevant terms and conditions to be included in British Columbia's agreement with the Eligible Recipient.

3.4.4 Governance

The Communities Funding Agreement will be overseen by a subcommittee of the IFC to be appointed from the Parties' senior officials and which may also include representatives from or in consultation with provincial municipal associations.

3.4.5 Funding Conditionality

No calls for applications may be launched under the Communities Component until the last intake of applications under the Canada-British Columbia Municipal Rural Infrastructure Fund Agreement has been closed.

3.4.6 Cost-sharing and Stacking

Federal funding from all sources cannot exceed one-third (1/3) of the Eligible Costs of all Approved Projects under the Communities Component. For an individual Approved Project, federal funding from all sources cannot exceed one-half (1/2) of its Eligible Costs. For an individual Approved Project owned by the for-profit private sector, federal funding from all sources cannot exceed one-quarter (1/4) of its Eligible Costs.

3.4.7 Project Selection

All projects under the Communities Component will be selected jointly by the Parties through a competitive, application-based process in accordance with joint criteria to be set out in the Communities Funding Agreement. Such criteria will include the requirement that all Approved Projects fall under one of the BCF Eligible Categories. All applications under the Communities Component must be endorsed, in writing, by the appropriate order of government.

3.5 Research, Planning and Best Practices

3.5.1 Objective

The promotion of research, planning, capacity building, and the development and sharing of best practices will play an important role in improving the construction, operation and maintenance of public infrastructure, as well as supporting improved information on the state of public infrastructure, the sustainable life cycle management of public infrastructure assets and underpin the development of effective strategies to address our public infrastructure needs.

3.5.2 Major Infrastructure Component

Canada will make available up to one percent (1%) of the federal funding available for the Major Infrastructure Component to Eligible Recipients under the Major Infrastructure Component, in accordance with the terms of subsection 3.3 above, to share up to fifty percent (50%) of Eligible

Costs for research, knowledge, planning, feasibility and other studies in British Columbia. This may include funding to develop the British Columbia Infrastructure Plan.

3.5.3 Communities Component

Canada will make available up to one percent (1%) of the federal funding set out in subsection 3.4.1 to Eligible Recipients under the Communities Component, in accordance with the terms of subsection 3.4, to share up to fifty percent (50%) of Eligible Costs for research, knowledge, planning, capacity-building, feasibility and other studies involving Communities.

4 BASE FUNDING

4.1 Objective

Recognizing that an investment approach that is flexible and responsive will assist in addressing the diverse public infrastructure needs across Canada, the Base Funding will complement other initiatives under the Building Canada Plan by providing annual support over the next seven years for public infrastructure projects in British Columbia.

4.2 Amount Available for British Columbia

The amount Canada will make available for Public Infrastructure projects in British Columbia under the Base Funding initiative will be twenty-five million dollars (\$25,000,000) per year, from 2007-08 through to 2013-14, for a total of one hundred and seventy five million dollars (\$175,000,000), subject to Parliament appropriating the necessary funding. Any funding to be provided by British Columbia under the Base Funding Agreement will be subject to appropriations from the Legislature of British Columbia.

4.3 Eligible Projects and Eligible Recipients

Canada's funding pursuant to the Base Funding initiative will be paid to British Columbia for use by Eligible Recipients and be applied to the construction, renewal, material enhancement or safety-related rehabilitation of Base Funding Eligible Projects as described in Subsection 2.2 of Schedule A. British Columbia agrees that funded projects will be consistent with the British Columbia Infrastructure Plan.

4.4 Cost-Sharing and Stacking

The maximum federal share of the total Eligible Costs of all Base Funding Eligible Projects in any Fiscal Year under the Base Funding will be one-half (1/2). Where British Columbia seeks to fund a project jointly from the Base Funding initiative and another federal program(s), the cost-sharing provisions and limitations of that other federal program(s) will also apply.

4.5 Base Funding Agreement

Canada's contribution under Base Funding will be made pursuant to a Canada-British Columbia Base Funding Agreement to be negotiated between the Parties, following federal Treasury Board approval.

5 GAS TAX FUND

5.1 Gas Tax Fund Agreement

The Parties intend to support an amendment to the existing Canada-British Columbia-Union of British Columbia Municipalities (UBCM) Gas Tax Fund agreement to reflect the additional funding for this program identified in Budget 2007. Following Canada's program evaluation of the Gas Tax Fund, to be completed by 2009, the Parties intend to review the Canada-British Columbia-UBCM Gas Tax Fund agreement in light of the results of the national evaluation and may recommend amendments to the agreement to address the results of the evaluation and covering the extension of the funding from 2010 to 2014.

6 BRITISH COLUMBIA INFRASTRUCTURE PLAN

6.1 Objective

The Parties agree on the importance of long-term planning to better address public infrastructure priorities. Planning plays a vital role in the sound and effective management of our public infrastructure, given the long-term nature of infrastructure investments, the challenges of managing assets throughout their lifecycle and constructing new infrastructure in response to continued growth. Long-term plans can serve as a critical tool to identify priorities as well as develop integrated strategies that address competing pressures in a predictable and manageable way.

6.2 Development of British Columbia Infrastructure Plan

Given its expertise and knowledge of its infrastructure needs, British Columbia agrees to develop a British Columbia Infrastructure Plan in accordance with the guideline in Schedule B and to provide this plan, and any updates, to Canada, in a manner satisfactory to the Federal Minister, within one year of the date of this Agreement. This plan will help the Parties better understand and situate infrastructure priorities in British Columbia. The British Columbia Infrastructure Plan can be updated and reviewed as needed by the IFC.

7 INFRASTRUCTURE FRAMEWORK COMMITTEE

7.1 Establishment of IFC

The Parties hereby establish the IFC to facilitate improved cooperation and coordination between the Parties regarding Public Infrastructure initiatives in British Columbia.

7.2 Members

Each Party will, within 60 days of the date of this Agreement, appoint one person to be a co-chair of the IFC. The Co-Chairs will be the only voting members of the IFC and a quorum for a meeting of the IFC shall exist only when both Co-Chairs are present. The Co-Chairs may jointly agree to invite representatives of other federal, provincial or municipal entities to participate in meetings of the IFC as observers. If a Co-chair is absent, he or she may designate an individual, in writing, to substitute for him or her.

7.3 Role and Mandate of the IFC

The IFC will act as the forum where the Parties can bring forward their infrastructure priorities and issues generally, reflecting the integrated views of their respective governments, and as they relate to the BCF and Base Funding. The IFC will assist in ensuring that there is collaborative and meaningful discussion between Canada and British Columbia. The IFC will help facilitate the coordination of horizontal infrastructure issues related to federal infrastructure programming. As such, the mandate of the Committee will include, but not be limited to:

- a) acting as the principal forum to discuss and coordinate issues and priorities relating to federal funding of public infrastructure in British Columbia;
- b) overseeing the progress and status of infrastructure programs under the Building Canada Plan;
- c) reviewing changes to the British Columbia Infrastructure Plan, pursuant to Schedule B;
- d) where appropriate, directing project proposals to other suitable funding federal funding programs;
- e) developing and implementing a common reporting framework pursuant to Subsection 8.1;
- f) reviewing priorities and discussing projects of interest to be funded under the Major Infrastructure Component;
- g) reviewing proposals for funding related to research, knowledge, planning, feasibility and other studies as outlined in subsection 3.5.2;
- h) establishing sub-committees as needed;
- i) negotiating and recommending to Ministers additional schedules to address common requirements applying to all funding agreements (i.e., audit, evaluation, etc.) to be appended to this Agreement; and
- j) Other duties as may be assigned by the Parties.

7.4 Decisions of the Committee

Decisions of the Committee must be unanimous and recorded in writing.

7.5 Meetings and Administrative Matters

The IFC will:

- a) Meet at least once each calendar year. No more than twelve (12) months shall pass between IFC meetings;
- b) Keep minutes of meetings, which shall be approved and signed as a true record at the following IFC meeting;
- c) Establish rules and procedures with respect to its meetings and those of its sub-committees, including rules for the conduct of meetings and the making of decisions;
- d) Establish a fixed location where this Agreement will be administered, and maintain it until the Committee's activities have concluded; and
- e) Ensure that all documents needed for the proper administration of this Agreement are prepared and retained at the location.

7.6 Duration

The IFC will exist until its activities, including any final reports, have been completed.

7.7 Records

7.7.1 Record Keeping

The Parties agree that proper and accurate accounts and records related to this Agreement will be maintained for a period of six (6) years following the termination of this Agreement, and that they are available to the Parties for inspection at all reasonable times.

7.7.2 Information Management and Sharing

The Parties agree to jointly support the IFC in the administration of this Agreement, including the timely production and sharing of information about projects, proposals, applications, recipients, financial matters and other information.

8 REPORTING AND COMMUNICATIONS

8.1 Reporting

The Parties agree to develop and implement a framework for reporting to the public on the outcomes and results achieved from infrastructure investments in British Columbia across the range of federal infrastructure programs. The reporting framework will be developed within six (6) months of the signing of this Agreement. The Parties agree that any funding agreement signed by the Parties pursuant to the Building Canada Plan will include provisions to ensure that outcomes and results of all investments under the Building Canada Plan form part of the above reporting framework.

8.2 Communications

The Parties agree to implement the Communications Protocol set out in Schedule C hereto.

9 DISPUTE RESOLUTION

9.1 Dispute resolution

The Parties agree to keep each other informed of any disagreement or contentious issue, by notifying the IFC, which will attempt to resolve it.

9.2 Referral

Any disagreement or contentious issue that cannot be resolved will be submitted to the Ministers for resolution.

10 GENERAL (MISCELLANEOUS)

10.1 Binding Obligations

Each Party declares to the other that the signing and execution of this Agreement was duly and validly authorized, and that each has incurred a legal and valid obligation in accordance with the terms and conditions of the Agreement.

10.2 Counterpart signature

This Agreement may be signed in counterpart, and the signed copies will, when attached, constitute an original agreement.

10.3 Amendment

This Agreement may only be amended on written agreement of the Ministers.

10.4 Addresses & Notices

Any notice to Canada will be addressed to:

Assistant Deputy Minister, Policy and Communications
Infrastructure Canada
606- 90 Sparks Street
Ottawa, Ontario, Canada
K1P 5B4

All correspondence and notices to British Columbia will be addressed to:

Assistant Deputy Minister, Transportation Planning and Policy
Ministry of Transportation
PO BOX 9850 STN PROV GOVT
Victoria, British Columbia, Canada
V8W 9T5

Canada and British Columbia may send any written notice by any pre-paid method, including regular or registered mail, courier or facsimile. Notice will be considered as received upon delivery by the courier, or one day after being sent by facsimile or five (5) calendar days after being mailed.

SIGNATURES:

HER MAJESTY IN RIGHT OF CANADA

HER MAJESTY IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA

Original signed by:

Original signed by:

Minister of Transport, Infrastructure and
Communities

Minister of Transportation

Date: _____

Date: _____

SCHEDULE A
ELIGIBLE RECIPIENTS AND CATEGORIES

1. BUILDING CANADA FUND

1.1 Eligible Recipients for the Major Infrastructure Component

The following are eligible recipients for the purposes of the Major Infrastructure Component:

- a) British Columbia or a local or regional government established by or under provincial statute;
- b) A public sector body that is established by or under provincial statute or by regulation or is wholly owned by a province or municipality; and,
- c) A private sector body, either alone or in partnership with British Columbia or a government referred to above.

1.2 Eligible Recipients for the Communities Component

The following are eligible recipients for the purposes of the Communities Component:

- a) A local or regional government, established by or under provincial statute;
- b) A provincial entity that provides municipal-type services to communities, as defined by provincial statute;
- c) A public sector body that is established by or under provincial statute or by regulation or is wholly owned by British Columbia or a municipality which provides municipal sector services in a given area; and,
- d) A private sector body, whose application is supported by a municipal or regional government referred to above.

1.3 BCF Eligible Categories

The following are eligible categories of investment, for Public Infrastructure projects under the Major Infrastructure Component and Communities Component. In the case of the Communities Component, eligible projects must be located in Communities having a population less than 100,000.

1.3.1 National Priority Categories

- a) Water Infrastructure
- b) Wastewater Infrastructure
- c) Public Transit Infrastructure
- d) Core National Highway System Infrastructure
- e) Green Energy Infrastructure

1.3.2 Local and Community Priority Projects

- a) Disaster Mitigation Infrastructure
- b) Solid Waste Management Infrastructure
- c) Brownfield Redevelopment Infrastructure
- d) Cultural Infrastructure
- e) Sports Infrastructure
- f) Connectivity and Broadband Infrastructure
- g) Local Road Infrastructure
- h) Short-line Rail Infrastructure
- i) Short Sea Shipping Infrastructure
- j) Tourism Infrastructure
- k) Regional and Local Airport Infrastructure

2 BASE FUNDING INITIATIVE

2.1 Eligible Recipients

The following are eligible recipients under the Base Funding initiative:

- a) British Columbia or a local or regional government established by or under provincial statute;

- b) A public sector body that is established by or under provincial statute or by regulation or is wholly owned by British Columbia or a municipality; and,
- c) A private sector body, either alone or in partnership with British Columbia or a government referred to above.

2.2 Eligible Categories

The following are eligible categories of investment for Public Infrastructure projects proposed under the Base Funding initiative:

- a) National Priorities (described above in 1.3.1 of this Schedule)
- b) Local and Community Priorities (described above in 1.3 of this Schedule)
- c) Non-Core National Highway System Infrastructure
- d) Safety-related rehabilitation under National Priorities and Local and Community Priorities

SCHEDULE B

GUIDELINES FOR THE BRITISH COLUMBIA INFRASTRUCTURE PLAN

In recognition of the importance of a long-term planning approach to address public infrastructure needs in Canada, British Columbia will develop a long-term, 10-15 year British Columbia Infrastructure Plan.

The British Columbia Infrastructure Plan should include:

1. An overview of British Columbia's strategy for public infrastructure in the province, including key challenges, its approach to identifying needs and planning for new public infrastructure, and its process for evaluating and managing current infrastructure assets.
2. For each of the areas of water and wastewater, public transit, core National Highway System infrastructure and green energy infrastructure, the Plan will include:
 - a) A description of the infrastructure's current state;
 - b) An identification of the desired outcomes in the sector over 10-15 years;
 - c) Infrastructure issues, challenges and pressures in the sector over 10-15 years;
 - d) An identification of potential infrastructure gaps in 10-15 years;
 - e) Significant infrastructure priorities in the sector over 7 years including:
 - The estimated costs associated with identified needs in the sector over a five to seven year period.
 - For priorities that have already received or been formally approved for funding from any level of government (e.g. in the case of the federal government having signed a contribution agreement), this should be indicated.
 - f) Strategies (funding and non-funding) to achieve desired outcomes, including life-cycle planning, monitoring and accountability mechanisms. Discussion of funding strategies should be limited to initiatives that are fully within the control (not dependent on federal approval) of British Columbia.
3. In undertaking the above, the British Columbia Infrastructure Plan should take into consideration a number of factors including, but not limited to:
 - How priorities will support provincial objectives as well as those of a growing economy, a cleaner environment, and stronger communities;
 - An exploration of innovative approaches to address priorities, including the use of P3s;

- Consideration of system integration, regionally-planned approaches, and, where appropriate, complimentary policies in the following sectors: water and wastewater, public transit, Core National Highway System infrastructure and green energy infrastructure;
- Appropriate federal and provincial legislation and regulations;
- Existing provincial plans; and,
- Where relevant, reference to local and municipal government initiatives.

4. Reviews and Amendments

SCHEDULE C COMMUNICATIONS PROTOCOL

1 SCOPE

1.1 The communications provisions of this Agreement apply to all Building Canada Fund (BCF) Agreements and the Base Funding Agreement. These provisions are designed to be consistent with the communication protocol in the existing Gas Tax Fund agreement. However, where such provisions are deemed to be in conflict, the communications provisions of this Agreement shall supersede any applicable requirements set out in the existing Gas Tax Fund agreement.

1.2 British Columbia and other recipients of funding under the BCF or the Base Funding Agreement (referred to collectively as “recipients” in this schedule) will be required to meet all relevant terms and conditions of the communications protocol set out in this schedule. Parties agree that agreements signed with recipients other than British Columbia will ensure these provisions apply.

1.3 References in this Agreement to “Building Canada” include federal infrastructure funding under the BCF and the Base Funding Agreement. “Building Canada” and the “Building Canada Plan” are synonymous. The BCF, however, is a distinct funding program and forms part of the Building Canada Plan (Building Canada).

2 GUIDING PRINCIPLES

2.1 Canada and 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 as well as the Base Funding Agreement, Project Agreements and the Communities Funding Agreement (referred to as “subsequent agreements” in this schedule).

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 Infrastructure Framework Committee (IFC) which may establish a communications sub-committee 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 practicable, 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

In this schedule, “project” refers to projects funded under the BCF or infrastructure supported through the Base Funding Agreement. 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) Recipients are responsible for the promotion of their project and its activities and objectives within their community or jurisdiction. The recipient will provide, as appropriate, project communications such as: a project web site, print, audiovisual and other communications about the project as it proceeds. The recipient will also ensure appropriate mention of Canada’s contributions in annual reports, speeches or other opportunities, as appropriate.
- b) The recipient 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 recipient will share information promptly with Canada on significant emerging media issues relating to the project. Canada will advise the recipient, where appropriate, about media inquiries received concerning the project (for example, joint management questions or serious safety matters).

- d) Canada, British Columbia and the recipient (where the recipient is not British Columbia) each reserve the right to refer to funding provided under the BCF and the Base Funding Agreement in their own separate, and non-project specific communications. Each party commits to acknowledge the other party's involvement in the project.
- e) The recipient will provide, whenever possible, professional quality audio-visual material about the project to Canada and/or British Columbia (where British Columbia is not the recipient) to support wider communications about funding under the BCF or the Base Funding Agreement.

4. COMMUNICATING WITH THE PUBLIC

4.1 General

- a) Canada, British Columbia and the recipient (where the recipient is not 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, line-up 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) Where just one signatory to this Agreement is funding a project, 4.1 (a) does not apply.
- c) Recipients 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 (d).
- d) Projects under the Major Infrastructure Component will include a communications plan showing how the recipient 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).
- e) In the case of the Communities Component, a short communications planning checklist will be incorporated into the application forms themselves to provide Canada and British Columbia a basic outline of planned activities.
- f) Submissions under the Base Funding Agreement will include a communications plan. Additional requirements may be detailed for greater clarity in the Base Funding Agreement.
- g) The IFC may directly, or through delegation to a sub-committee, 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 shall 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 Base Funding Agreement, and infrastructure supported under these funds. 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, British Columbia or the recipient in the news releases.

4.5 News Conferences, Public Announcements, Official Events or Ceremonies

- a) Canada and 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 under the BCF or the Base Funding Agreement shall be made by either Party or by the recipient without the prior consent of the IFC, or its communications sub-committee 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 co-operate in the organization of announcements or ceremonies. The Table of Precedence for Canada, as established by Canadian Heritage (http://www.pch.gc.ca/progs/cpsc-ccsp/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 IFC or its delegate may recommend special events and ceremonies be held where and when appropriate.

4.6 Signage

- a) The recipient 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 IFC or its designate.
- b) Design, wording and specifications of joint signage shall reflect the participation of Canada and British Columbia, and must be approved by the IFC or its designate. Signage and other identifiers must conform to the Building Canada graphic guidelines and FIP. Wording, in official languages, designs, and logos of 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 recipient, if requested.
- c) The IFC or communications sub-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 recipient 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 IFC or its designate.
- e) The requirements set out in this section for temporary and permanent signage may be waived by the IFC 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 recipient.

4.7 Advertising

Recognizing that advertising can be an effective means of communicating with the public, either Party may, at its own cost, organise 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 IFC, the Parties will each bear their own direct costs, e.g., staff time, transportation, per diems, etc. associated with the application of this Agreement.

6 DISPUTES, MONITORING AND COMPLIANCE

- 6.1 The IFC will monitor the Parties' compliance with this Schedule, and may, at its discretion, advise the Parties of issues and required adjustments. Should there be any disagreement or contentious issues, Section 9 of this Agreement will be followed.
- 6.2 To facilitate performance monitoring and measurement, and to ensure Building Canada communications are consistent and effective, the IFC will report to Ministers annually on communications activities and results under this Agreement.
- 6.3 Infrastructure Canada will gather and review the reports (6.2) and provide the Parties with a summary report.