

**CANADA-ONTARIO-QUÉBEC
MEMORANDUM OF UNDERSTANDING (MOU)
ON THE DEVELOPMENT OF THE
ONTARIO-QUÉBEC CONTINENTAL GATEWAY AND TRADE CORRIDOR**

THIS MOU made this 30th day of July, 2007,

BETWEEN: THE GOVERNMENT OF CANADA as represented by the Minister, Transport, Infrastructure and Communities of Canada,

AND: THE GOVERNMENT OF ONTARIO as represented by the Minister, Ministry of Transportation of Ontario,

AND: GOUVERNEMENT DU QUÉBEC as represented by the Minister of Transport and by the Minister responsible for Canadian Intergovernmental Affairs, Aboriginal Affairs, Francophones within Canada, the Reform of Democratic Institutions and Access to Information

RECITALS:

WHEREAS Ontario and Québec's land, air and marine transportation systems, including the Saint Lawrence River and Great Lakes, offer a competitive and attractive gateway for trade within Canada as well as with the United States and other international markets.

AND WHEREAS Ontario and Québec are vital contributors to the Canadian economy representing approximately 60% of Canada's exports and gross domestic product.

AND WHEREAS a limited number of regions in Canada are potential candidates for an integrated "gateway" approach, based on international trade and transportation patterns of national significance, with Ontario-Québec being one of them.

AND WHEREAS gateways and trade corridors are complex systems comprised of many interconnected components for which there is a need to develop an analytical foundation on the transportation aspects as a first step towards a broader Ontario-Québec Continental Gateway and Trade Corridor strategy.

AND WHEREAS an efficient multimodal transportation system is a key contributor to economic prosperity and sustainable development as well as to competitiveness on national and international markets.

AND WHEREAS Canada, Ontario and Québec have a common interest in ensuring that the Ontario-Québec Continental Gateway and Trade Corridor's multimodal transportation system can meet current and future transportation requirements, with respect to goods movement and, where appropriate, intercity passenger travel.

AND WHEREAS Ontario and Québec's transportation systems will benefit in effectiveness being assessed and planned from an integrated multimodal perspective.

AND WHEREAS the work undertaken under this MOU should be consistent with and build upon other priorities of the three governments.

AND WHEREAS Canada, Ontario and Québec agree that it is practicable and desirable for Canada, Ontario and Québec to enter into a MOU ON THE DEVELOPMENT OF AN ONTARIO-QUÉBEC CONTINENTAL GATEWAY AND TRADE CORRIDOR.

AND WHEREAS "Parties" means Transport, Infrastructure and Communities of Canada, Ministry of Transportation of Ontario and Ministère des Transports du Québec.

NOW THEREFORE, the Parties covenant and agree as follows:

1. PURPOSE AND GENERAL AGREEMENT

1.1 The purpose of this MOU is to affirm the intention of the Parties to collaborate on the development of an Ontario-Québec Continental Gateway and Trade Corridor by:

- Confirming a shared vision and shared objectives;
- Outlining a governance structure for this MOU;
- Convening of a framework for collaboration with private and public partners;
- Developing a joint action plan;
- Collaborating and exchanging information and best practices; and
- Adopting a communications protocol.

2. VISION AND OBJECTIVES

2.1 The Parties confirm their common vision of establishing an Ontario-Québec Continental Gateway and Trade Corridor as a strategic, integrated and globally competitive transportation system that facilitates movement for international trade as well as for domestic inputs toward foreign trade. The Ontario-Québec Continental Gateway and Trade Corridor must benefit Ontario and Québec as well as Canada, in supporting their economic growth, achieving sustainable development, increasing international trade and enhancing Canada's competitive position in the global economy.

2.2 The Parties confirm their intent to work together for the development of an Ontario-Québec Continental Gateway and Trade Corridor in coordination with other national gateway and corridor initiatives, to establish it as a key element for trade with the United States and other international markets.

2.3 A particularity of the Ontario-Québec Continental Gateway and Trade Corridor is all four modes of transportation (air, marine, rail and road) are in proximity of one another. One of the main challenges will be the optimisation of their interconnectivity, to meet current and future freight transportation demand.

2.4 The Parties agree the work to be undertaken for an Ontario-Québec Continental Gateway and Trade Corridor is on the multimodal transportation system supporting international trade. However, the analytical work will also consider domestic movements, as these share the same transportation infrastructure.

2.5 The Parties agree to collaborate, exchange information and share best practices, while developing an Ontario-Québec Continental Gateway and Trade Corridor strategy.

2.6 The general goals for the development of an Ontario-Québec Continental Gateway and Trade Corridor strategy are to:

- Acquire a better understanding of the multimodal transportation system of national significance;
- Foresee the impact of future freight demand on the multimodal transportation system;
- Identify challenges and opportunities, and define objectives and specific targets;
- Develop a strategy on infrastructure improvements and non-infrastructure measures for the optimisation and integration of the multimodal transportation system to support international trade;
- Consult and seek participation from private and public sector stakeholders throughout the activities under this MOU; and
- Promote the Ontario-Québec Continental Gateway and Trade Corridor on domestic and international markets.

3. GOVERNANCE STRUCTURE

- 3.1** As illustrated in Annex 1, a Strategic Leadership Committee will be created to establish and coordinate the framework for collaboration between the three governments and the industry stakeholders. The Strategic Leadership Committee will consist of six permanent members. The three rotating chairs will be the Deputy Ministers of Transport, Infrastructure and Communities of Canada, the Ministry of Transportation of Ontario and the Ministère des Transports du Québec.
- 3.2** Each Deputy Minister has nominated an industry representative to be a strategic advisor and a member of the Strategic Leadership Committee, as well as a member of the Private Sector Advisory Committee. These strategic advisors have been chosen based on their knowledge of the transportation and other key industries, experience, recognition from private and public sectors and leadership ability. In addition, a counsellor to the Strategic Leadership Committee will provide insight and advice on the Canada-U.S. perspective.
- 3.3** Additional representatives of the government or the industry may be invited to attend certain Strategic Leadership Committee meetings, as deemed appropriate by members.
- 3.4** The Strategic Leadership Committee will guide the development of an Ontario-Québec Continental Gateway and Trade Corridor strategy, to be completed no later than 24 months from the signing of this MOU. This strategy will identify short-term (less than five years), medium-term (six to ten years) and long-term (eleven to fifteen years) priorities for an Ontario-Québec Continental Gateway and Trade Corridor.
- 3.5** The mandate of the Strategic Leadership Committee will be to review and recommend the workplan to advance the objectives outlined in the MOU; review and approve the communication strategy and review recommendations submitted by the Advisory Committees (public and private) and the Secretariat.
- 3.6** Deputy Ministers may meet whenever required. Deputy Ministers will manage the MOU and report regularly to their respective Minister.
- 3.7** A Private Sector Advisory Committee will be created to provide a forum for private sector stakeholders to share their expertise, information and advice, as well as to contribute to the development and implementation of the action plan outlined in section 4.
- 3.8** The Private Sector Advisory Committee will be co-chaired by the three strategic advisors who are members of the Strategic Leadership Committee.
- 3.9** Other members of the Private Sector Advisory Committee will include executives from modal and multimodal transportation providers and shippers, as well as key gateway and trade corridor stakeholders. These permanent members will be nominated by consensus of the three Deputy Ministers of the Strategic Leadership Committee. Members of the Secretariat will attend as observers and support the Committee's meetings.
- 3.10** An alternate representative may be identified to attend Private Sector Advisory Committee meetings on behalf of the member. Additional persons may be invited to attend certain meetings, as deemed appropriate by the co-chairs.
- 3.11** The quorum of all meetings of the Private Sector Advisory Committee shall be two co-chairs and half of the permanent members.
- 3.12** A Public Sector Advisory Committee will be created to provide a forum for public stakeholders to share governmental perspectives, expertise, information and advice, as well as to collaborate on the development and implementation of the action plan in section 4.

- 3.13** The mandate of the Public Sector Advisory Committee will be to provide advice to the Strategic Leadership Committee on public policy issues as well as regulatory challenges and opportunities, and identify current and future transportation and trade-related governmental measures that may impact the Ontario-Québec Continental Gateway and Trade Corridor.
- 3.14** The Public Sector Advisory Committee will be co-chaired by Deputy Ministers of Transport, Infrastructure and Communities of Canada, the Ministry of Transportation of Ontario and the Ministère des Transports du Québec.
- 3.15** Other members of the Public Sector Advisory Committee will consist of federal and provincial Deputy Ministers from economic development and international trade ministries. Governmental representatives on the municipal perspective will also be members of this committee. These permanent members will be nominated by consensus of the three Deputy Ministers of the Strategic Leadership Committee. Members of the Secretariat will attend and support meetings of the Committee.
- 3.16** An alternate representative may be identified to attend Public Sector Advisory Committee meetings on behalf of the member.
- 3.17** Additional persons or organisations may be invited to attend certain meetings as deemed appropriate by the co-chairs, such as officials from intergovernmental affairs and public infrastructure ministries.
- 3.18** The quorum of all meetings of the Public Sector Advisory Committee shall be two co-chairs and half of the permanent members.
- 3.19** In addition, the strategic counsellor on the Canada-U.S. perspective will be a member of the Private Sector Advisory Committee and of the Public Sector Advisory Committee.
- 3.20** A Secretariat will be created and will be co-chaired by Assistant Deputy Ministers of Transport Canada, the Ministry of Transportation of Ontario and the Ministère des Transports du Québec. Other members will include officials from Transport Canada, the Ministry of Transportation of Ontario and the Ministère des Transports du Québec. Moreover, officials from other public and private sector organizations may be invited on an ad-hoc basis to participate in the Secretariat's activities.
- 3.21** The Secretariat will develop and recommend to the Strategic Leadership Committee a Gateway and Corridor Strategy, composed of policy and regulatory measures, as well as infrastructure improvements, to optimise the multimodal transportation movements for international trade and domestic inputs toward international trade. This strategy will identify short-term (less than five years), medium-term (six to ten years) and long-term (eleven to fifteen years) priorities for the Ontario-Québec Continental Gateway and Trade Corridor.
- 3.22** The Secretariat may establish working groups as required to advance specific aspects of the Ontario-Québec Continental Gateway and Trade Corridor. Public and private stakeholders may also be invited to participate in the activities of some working groups, as deemed appropriate by the Secretariat.
- 3.23** In addition to the foregoing, the Secretariat shall be responsible for:
- Developing a detailed workplan of the action plan for the next 24 months and oversee its implementation;
 - Developing and implementing the analytical and research plans;
 - Developing a communication strategy and oversee communication activities;
 - Reviewing and updating on an annual basis the action plan outlined in the MOU, with the approval of the Strategic Leadership Committee, to ensure that the MOU responds to the concerns and common interests of the MOU signatories;

- Facilitating information sharing between the committees under the governance structure of the MOU; and
- Convening and supporting committee meetings (i.e. Strategic Leadership Committee and Public and Private Advisory committees) and preparing some documentation for those meetings to advance and achieve MOU objectives.

3.24 The Secretariat will manage the financial contributions of each Party outlined in section 5, to advance the activities of the action plan in section 4.

3.25 The Strategic Leadership Committee, the Public and the Private Advisory Committees, and the Secretariat shall meet regularly at such places and on such dates as may be agreed by the three co-chairs. They shall continue to exist for as long as necessary to meet the requirements of this MOU.

3.26 Once a year, all committees and groups established by the governance structure in section 3 will be convened to an event (e.g. conference, forum, workshops) to present their output, meet other stakeholders and gain an overall understanding of the issues related to an Ontario-Québec Continental Gateway and Trade Corridor.

4. ACTION PLAN

4.1 The action plan will comprise many activities to examine transportation patterns, explore the ability of the multimodal transportation system to meet current and future demand, and identify opportunities and challenges. It will guide the development of the infrastructure and non-infrastructure strategy, projects and investments to achieve transportation optimisation in support of international trade as well as for domestic inputs toward foreign trade.

4.2 The *Ontario-Québec Cooperation Protocol* and the agreement regarding the transportation sector signed on June 2, 2006, establishes a foundation for collaboration between the provinces and will guide their work. The protocol, among other objectives, seeks to promote the development of the Ontario-Québec Trade Corridor, stating: "Interprovincial and international trade along the Ontario-Québec trade corridor play a critical role in the economies of the two jurisdictions, and of Canada. Québec and Ontario will support efforts to promote the development of the Ontario-Québec Trade Corridor and will pursue collaborative initiatives to improve the efficiency of the corridor in all modes for the movement of goods and people."

4.3 Moreover, the *National Policy Framework for Strategic Gateways and Trade Corridors* (NPFSGTC), developed by Transport Canada, will also guide the development of federal initiatives with respect to national gateway and trade corridor. The action plan in the present MOU is aligned with the five lenses of the NPFSGTC:

- International commerce strategy: gateway and corridor strategies must help align Canada's major transportation systems with our most important opportunities and challenges in global commerce;
- Volume/value of national significance: gateway and corridor strategies must have, at their core, systems of transportation infrastructure that carry nationally significant trade volumes and values;
- Future patterns in global trade and transportation: gateway and corridor strategies must be forward looking, addressing major trends in international transportation. Long-term planning is essential, but must be based on empirical evidence and analysis;
- Potential scope of capacity and policy measures: gateway and corridor strategies must have systems of transportation infrastructure at their core, but also go further to address interconnected issues that directly impact how well the system works and how well Canada takes advantage of it; and
- Federal role and effective partnerships: gateway and corridor strategies must ground federal actions in both concrete responsibilities and real partnerships with other governments and the private sector.

4.4 The Parties acknowledge that the development of an Ontario-Québec Continental Gateway and Trade Corridor strategy under this MOU will reflect the common interests outlined in the *Ontario-Québec Cooperation Protocol* at 4.2 and the *National Policy Framework for Strategic Gateways and Trade Corridors* at 4.3.

4.5 The Parties acknowledge the main activities under this MOU will include the following:

A) Economic Factors and Geographic Parameters

- Define the geographic scope of an Ontario-Quebec Gateway and Trade Corridor;
- Study and monitor Canada's and provincial economic indicators and economic trends;
- Study international trade patterns (e.g., Canada-United States trade by all modes), emerging trading blocks and the importance of economic exchanges;
- Study trends in the international transportation sector (e.g. Panama canal, Suez canal, post-Panamax ships), as well as the importance of strategic positioning; and
- Consider current trade agreements already implemented by the Parties.

B) Inventory and Diagnosis

- Ensure the availability of appropriate data as well as analytical and forecasting capacity, and bridge any data or analytical gap;
- Analyse the current multimodal transportation system, supply chains and land-use, in support of movements of international trade of national significance; and
- Forecast transportation demand on the multimodal transportation system and evaluate the performance of current and planned infrastructures (e.g. capacity, efficiency, security, sustainability and safety).

C) Identification of Challenges and Opportunities

- Identify current and future key transportation components of an Ontario-Québec Continental Gateway and Trade Corridor that are essential to support international trade and their capacity to accommodate future demand;
- Identify congestion issues and impediments to integrated and efficient transportation supply chains and movements for international trade;
- Identify current and future environmental issues (e.g. water level in the Great Lakes, dredging, air and noise pollution); and
- Scrutinise all policy, regulatory, and institutional aspects, as well as skills development and technology deficiencies and options.

D) Scenarios and Action Proposals

- Identify additional research and data requirements, as well as improve reliability of existing data;
- Propose a list of potential changes on regulatory, institutional, labour and technology aspects that could improve the flow of movements for international trade; and
- Identify infrastructure priorities for the short, medium and long term and make recommendations.

E) Implementation Plan

- Propose an implementation plan, reflecting agreement among the Parties on actions to take in the short, medium and long term; and
- Develop a strategic communications plan and promote the advantages of the Ontario-Québec Continental Gateway and Trade Corridor through strategic alliances and outreach activities directed at current and potential users (e.g., Canadian industry stakeholders, international trade partners).

4.6 A key output of this action plan shall be a strategy with recommendations to the Strategic Leadership Committee, on policy and regulatory measures as well as infrastructure improvements, to optimise the multimodal transportation movements for international trade. Recommendations shall be developed for the short-term (less than five years), medium-term (six to ten years) and long-term (eleven to fifteen years).

4.7 Other outputs will consist of data and analytical reports on the transportation aspects of an Ontario-Québec Continental Gateway and Trade Corridor.

4.8 The Parties acknowledge that advancing the analytical work will involve consultation and coordination with stakeholders.

4.9 Outputs in section 4.5, 4.6 and 4.7 will be completed and submitted to the Strategic Leadership Committee within 24 months of the signature of the MOU.

4.10 The Parties agree that collaboration, information and data sharing, as well as integration are essential to understand and produce a comprehensive multimodal analysis of transportation for international trade in the Ontario-Québec Continental Gateway and Trade Corridor. The Parties will make every reasonable effort to provide input and advance the analytical work.

5. COST-SHARING

5.1 It is agreed that financial commitments related to the cooperative activities under section 4 of this MOU will be cost-shared equitably between the Parties and in accordance with applicable financial policies. Subject to funding being available through appropriation or otherwise, each party will contribute \$500,000, for a total of \$1.5 million. This does not preclude each party from increasing its contribution, subject to securing the requisite approvals.

5.2 All activities that may be carried out under this MOU are subject to the availability of appropriated funds and other resources.

6. COMMUNICATIONS STRATEGY

6.1 The Parties agree to develop jointly a communications strategy outlining a set of key messages to be used for communication and media activities on an Ontario-Québec Continental Gateway and Trade Corridor strategy. Such communication activities shall recognise the contribution of all Parties equally and be consistent, effective, and transparent. All Parties must agree on any new messages to be used for such communication activities. A minimum notice of 15 days must be given for any new message to be included in the communications strategy unless the Parties agree otherwise.

6.2 Official public announcements will be held at appropriate milestones agreed to by all Parties. A minimum notice of 30 days must be given for such events unless the Parties agree otherwise. The Parties will cooperate in organising media conferences, announcements and official ceremonies.

6.3 Joint communication materials must respect each Party's communication policies.

7. DISCLOSURE AND EXCHANGE OF INFORMATION

7.1 Notwithstanding any provisions of this MOU, the information to be shared or exchanged between the Parties under this MOU shall not include personal information within the meaning of their respective acts regarding the protection of personal information.

7.2 Notwithstanding any provisions of this MOU, the information to be shared or exchanged between the Parties under this MOU shall not include information which disclosure is restricted by any of their respective acts, unless the information is shared, exchanged or disclosed in accordance with the provisions of the acts that restrict its disclosure.

8. WARRANTY

8.1 The Parties make no representation or warranty of any kind with respect to the accuracy, usefulness, novelty, validity or scope of the information or best practice shared and exchanged under this MOU.

9. AMENDMENT AND TERMINATION

9.1 This MOU is effective for 24 month from its signature, and may be extended in writing by the Parties.

9.2 This MOU may be amended in writing by the written agreement of the Parties and may be terminated by any party Party on sixty (60) days written notice.

10. SETTLEMENT OF DISPUTES

10.1 Any disputes regarding the interpretation or implementation of this MOU will only be resolved by consultation among all the Parties.

IN WITNESS THEREOF this MOU has been signed on behalf of Canada by the Minister of Transport, Infrastructure and Communities of Canada, on behalf of Ontario by the Minister of the Ministry of Transportation of Ontario and on behalf of Québec by the Minister of Transport and the Minister responsible for Canadian Intergovernmental Affairs, Aboriginal Affairs, Francophones within Canada, the Reform of Democratic Institutions and Access to Information.

This MOU, which reflects the current understanding and intentions of the Parties, has been signed by the parties hereto and takes effect on July 30th 2007.

THE GOVERNMENT OF CANADA

_____ *Stéphane Dion*
Date Minister, Transport, Infrastructure and
Communities of Canada

THE GOVERNMENT OF ONTARIO

_____ *Danna Crossfield*
Date Minister, Ministry of Transportation
of Ontario

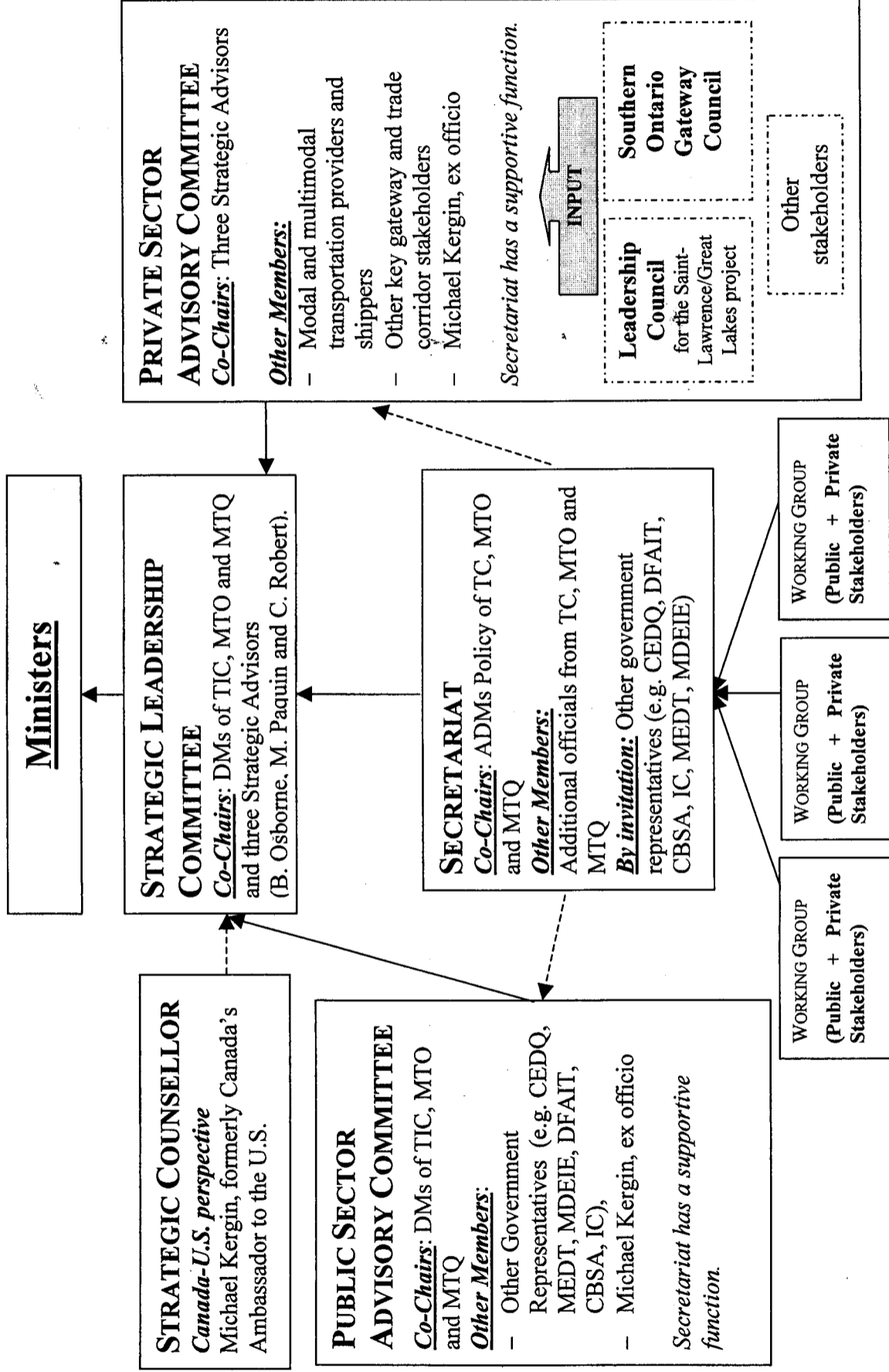
GOUVERNEMENT DU QUÉBEC

_____ *Julie Boulet*
Date Minister of Transport

10 AOUT 2007 _____
Date Minister responsible for Canadian
Intergovernmental Affairs, Aboriginal Affairs,
Francophones within Canada, the Reform of
Democratic Institutions and Access to
Information.

ANNEX 1

Ontario-Québec Continental Gateway and Trade Corridor MOU: Governance Structure



CEDQ : Canada Economic Development for Québec Regions
DFAIT : Foreign Affairs and International Trade Canada

MEDT : Ministry of Economic Development and Trade
MDEIE : Ministère du Développement Économique, Innovation et Exportation

CBSA : Canada Border Services Agency
IC : Industry Canada/FedNor