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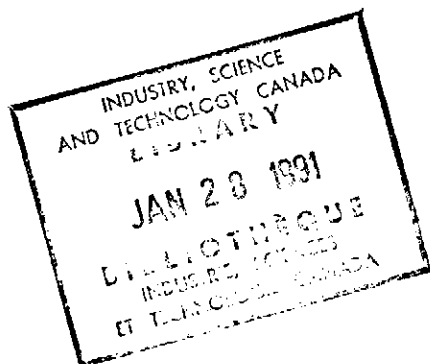
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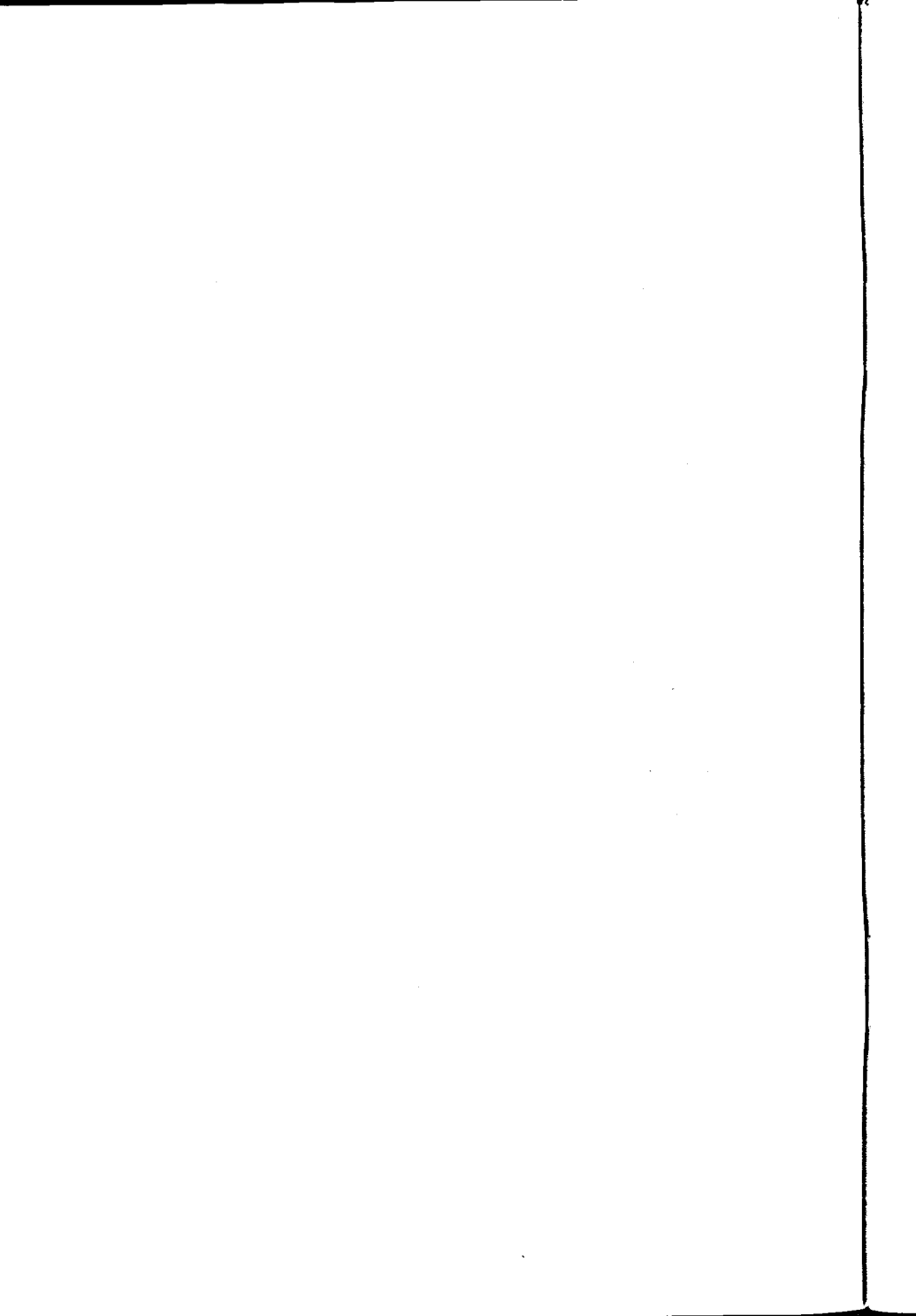
Canada-Québec
Subsidiary Agreement
on Transportation
Development
1985-1990

Canada 

Québec 

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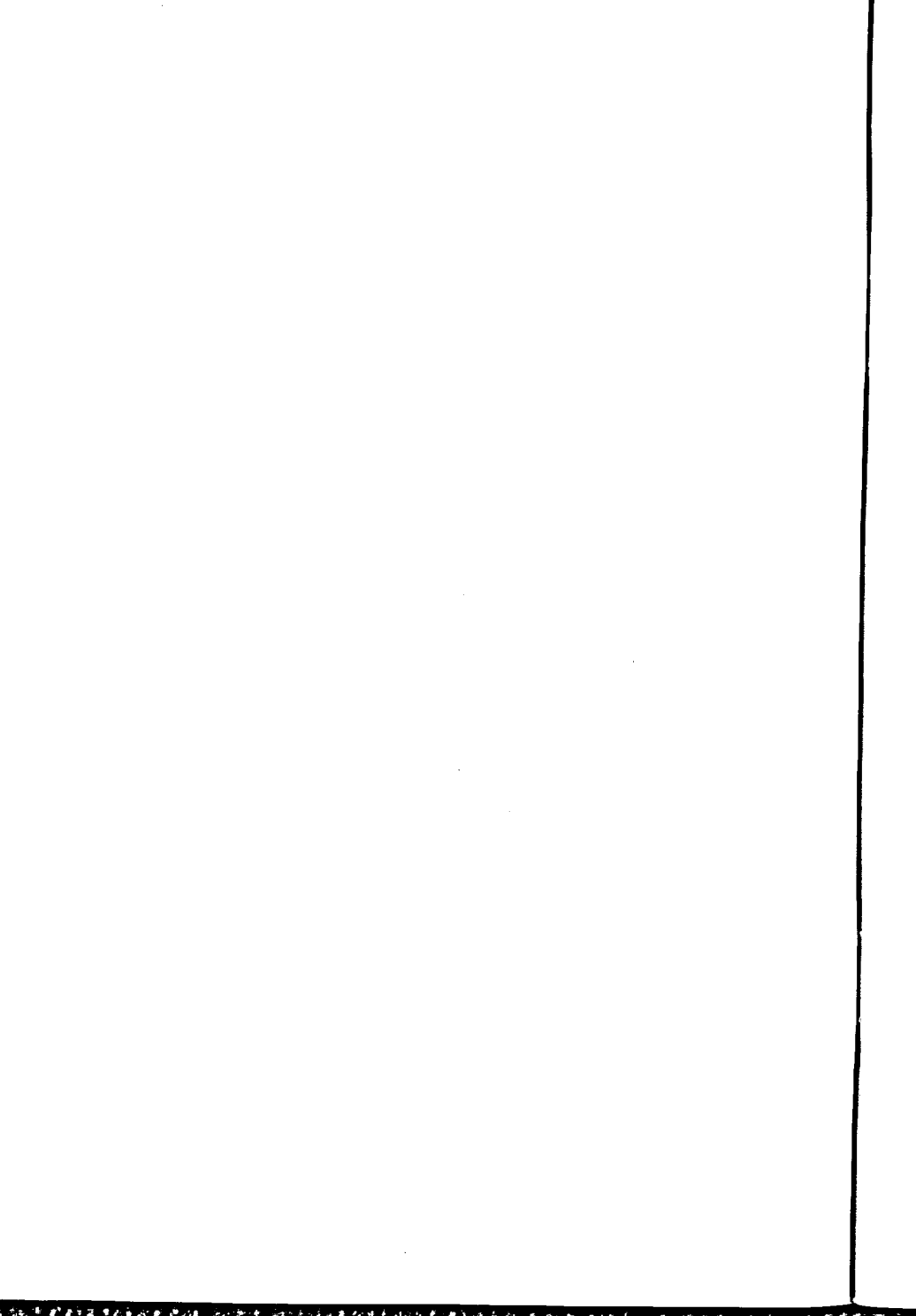
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**CANADA-QUEBEC
SUBSIDIARY AGREEMENT ON
TRANSPORTATION DEVELOPMENT**

THIS AGREEMENT made this 8th day of July, 1985.

BETWEEN:

THE GOVERNMENT OF CANADA represented herein by the Minister of Transport and the Minister of State (Transport);

OF THE FIRST PART

AND:

THE GOVERNMENT OF THE PROVINCE OF QUEBEC represented herein by the Minister responsible for Canadian Intergovernmental Affairs and the Minister of Transport;

OF THE SECOND PART

WHEREAS the Government of Canada and the Government of Quebec have entered into the Canada-Quebec Economic and Regional Development Agreement on December 14, 1984, for the purposes of attaining the following objectives:

- (a) to intensify the economic and regional development of Quebec and to create an environment in which Quebec and its regions can achieve their economic potential through, in particular, the enhancement of their own comparative advantages, the development and strengthening of productive enterprises and by the growth of employment;

- (b) to consolidate and improve opportunities for employment and income so that the population of Quebec can contribute to the economic and regional development of Quebec, and to benefit from it, given that human resource development is an integral element of economic and regional development;
- (c) to facilitate consultation on and coordination of the economic and regional development policies, programs and activities of both governments, in order to benefit as much as possible from development opportunities and to reduce constraints to such development.

WHEREAS the Canada-Quebec Economic and Regional Development Agreement provides that where Ministers who have signed the said Agreement have identified measures to be undertaken requiring a financial obligation on the part of the Government of Canada and the Government of Quebec, implementing Ministers can jointly elaborate, negotiate and enter into a Subsidiary Agreement describing the responsibilities of the Government of Canada and the Government of Quebec, specifying the measures that one or the other or both governments will want to use for implementation purposes, providing for the establishment of a Management Committee to administer and manage the Subsidiary Agreement and providing, where appropriate, for the following:

- (a) coordination of existing federal and Quebec policies, programs or activities which support the measures to be implemented;
- (b) support, including financial assistance not available under other existing government programs;
- (c) where joint funding is agreed to for projects implemented by the Government of Quebec, or where joint or complementary activities are agreed to, the Subsidiary Agreement shall specify the proportion of the costs to be assumed by each government and the maximum of their contributions.

WHEREAS Schedule "A" of the Canada-Quebec Economic and Regional Development Agreement identifies transportation as a strategic priority and emphasizes, *inter alia*, that transportation services play an essential role in terms of supporting commercial exchanges between regions and foreign markets.

WHEREAS the Ministers who have signed the Canada-Quebec Economic and Regional Development Agreement have determined that the measures to be implemented include a Subsidiary Agreement directed to transportation development, which will include measures such as establishing adequate infrastructure, for instance, in peripheral regions and systemic productivity improvements through research and development.

WHEREAS the Governor in Council, by Order-in-Council No. P.C. 1985-2161 of the 4th day of July, 1985, has authorized the Minister of Transport and the Minister of State (Transport) to enter into this Agreement on behalf of the Government of Canada; and

WHEREAS the Government of Quebec, on the recommendation of the Minister responsible for Canadian Intergovernmental Affairs and the Minister of Transport, has approved the terms and conditions of this Agreement by Decree No. 1346-85 dated the 3rd day of July, 1985.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, covenants and agreements herein contained, the parties convene and agree as follows:

1. Definitions

1.1 In this Agreement,

- (a) "Eligible costs" mean reasonable and direct costs incurred for the purpose of this Agreement that are:

- (i) invoiced by a third party under a contract to a third party awarded through competition or direct negotiation for goods and services made under this Agreement; or
- (ii) any other cost which is determined and defined as an eligible cost by the Management Committee;

but, unless expressly permitted by the Management Committee, shall not include costs which are:

- (iii) any salary or benefit paid by either party to any of its permanent employees, or those of one of its agencies; or
 - (iv) any cost incurred by either party for the use of any fixed assets which are the property of that party, or any overhead or indirect cost which are incurred by that party or those of one of its agencies.
- (b) "Federal Minister" means the Minister of Regional Industrial Expansion for Canada and includes anyone authorized by him to act on his behalf;
 - (c) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
 - (d) "Implementing Federal Minister" means the Minister of Transport for Canada and includes anyone authorized by him to act on his behalf;
 - (e) "Implementing Quebec Minister" means the Minister of Transport for Quebec and includes anyone authorized by him to act on his behalf;

- (f) "Management Committee" means that body that will be established pursuant to section 6.1 of this Agreement;
- (g) "program" means a principal component of this Agreement as outlined in Schedule B to this Agreement;
- (h) "project" means a subdivision of a program; and
- (i) "Quebec Minister" means the Minister responsible for Canadian Intergovernmental Affairs for Quebec and includes any other Minister authorized by him to act on his behalf.

2. Purpose and objectives

2.1 The purpose of this Agreement is to promote the coordination of efforts between the Government of Canada and the Government of Quebec in the transportation sector, in order to assist regional and economic development by facilitating the movement of persons and goods within and between the various regions of Quebec and Canada, and with other countries, in the context of the perspectives outlined in Schedule "A".

2.2 The objectives of this Agreement are to:

- (a) increase the productivity of the Quebec transportation system by way of research and development, studies and demonstration projects in areas of future strategic importance;
- (b) improve the access of people and goods to and from the Lower North Shore region by co-ordinated improvements to the transportation infrastructures;
- (c) improve access and support economic activity in peripheral regions of Quebec by improvements to

highway infrastructures and infrastructures and equipment for the marine and air modes;

- (d) contribute, in the field of urban transportation, to greater efficiency in transportation by improving intermodal stations and terminuses and by interventions designed to improve the operation of the transportation system at important junctions in the network.

3. Implementation of measures

- 3.1 To achieve the objectives outlined in section 2.2, the Government of Canada shall undertake and pursue, in accordance with its laws and policies, the joint and complementary activities arising from the programs outlined in Schedule B for which it is responsible in accordance with the terms and conditions of this Agreement.
- 3.2 To achieve the objectives outlined in section 2.2, the Government of Quebec shall undertake and pursue in accordance with its laws and policies, those projects which will be jointly financed and the joint and complementary activities arising from the programs outlined in Schedule B for which it is responsible in accordance with the terms and conditions of this Agreement.

4. Financial provisions

- 4.1 Notwithstanding anything in this Agreement, the expenditures to be made by the Government of Canada in connection with projects hereunder, whether jointly funded projects or projects other than jointly funded projects, shall not exceed EIGHTY-FIVE million dollars.
- 4.2 Notwithstanding anything in this Agreement, expenditures to be made by the Government of Quebec in connection with projects hereunder, whether jointly funded projects or projects other than jointly funded projects, shall not exceed EIGHTY-FIVE million dollars.

4.3 The monetary obligations of the Government of Canada hereunder are subject to the express condition that there be an appropriation by the Parliament of Canada of the monies necessary therefor for the fiscal year in which any such obligation would come in course of payment.

4.4 The monetary obligations of the Government of Quebec hereunder are subject to the express condition that there be an appropriation by the Legislative Assembly of Quebec of the monies necessary therefor for the fiscal year in which any such obligation would come in course of payment.

5. Amendment

5.1 Subject to section 5.2, this Agreement may be amended from time to time by the written agreement of the Implementing Federal Minister and the Quebec Minister.

5.2 No amendments to the purpose and objectives described in sections 2.1 and 2.2 nor to the provisions of sections 4.1, 4.2, and 7.3, and no amendment which could alter the nature of the programs outlined in Schedule B, shall be made without the prior approval of the Governor in Council and the Government of Quebec.

6. Management and coordination

6.1 A Management Committee will be established and shall be composed of four (4) persons. It will be co-chaired by two senior officers designated by the Implementing Federal Minister and the Quebec Minister respectively; it will include one ex-officio member representing each of the Ministers who have signed the Canada-Quebec Economic and Regional Development Agreement.

6.2 Each member of the Management Committee may, in writing, authorize another person to attend and to vote

at the meetings of the Management Committee on behalf of that member.

- 6.3 The quorum for all meetings of the Management Committee shall be the two chairpersons of the Committee or their representatives duly authorized pursuant to section 6.2
- 6.4 The decisions of the Management Committee at any meeting shall be acted upon only if taken unanimously.
- 6.5 Any matter with respect to which the Management Committee is not unanimous may be referred to the Implementing Federal Minister and to the Implementing Quebec Minister and the matter held in abeyance until a consensus has been reached.
- 6.6 The Management Committee shall continue to exist and to operate after the termination or the expiry of this Agreement until all projects hereunder have been completed.
- 6.7 The Management Committee shall be responsible for:
 - (a) the general administration of the programs including the design and implementation of all procedures to facilitate this administration; of the preparation of appropriate documentation to accommodate the budgetary cycle of each of the parties hereto; and the development of an annual schedule of work and of an annual financial forecast;
 - (b) to recommend to the Implementing Federal Minister and to the Implementing Quebec Minister the cancellation or the addition of any project to the programs provided for in this Agreement when the Management Committee considers that such measures would be conducive to the achievement of the

objectives of this Agreement and, when specified in Schedule B, the approval of any project hereunder;

- (c) the approval of the modalities of implementation of any project hereunder as well as a detailed estimate of eligible costs for such project. The Management Committee will determine the appropriate documentation forms which must be submitted to the Management Committee for the purposes of obtaining the approval of the modalities of any project hereunder.
- (d) to prepare and submit annually, during the currency of this Agreement, a report on the progress of the work provided for under this Agreement prior to the annual meeting of the Ministers referred to in section 5.1 of the Canada-Quebec Economic and Regional Development Agreement;
- (e) to approve the establishment of appropriate advisory committees for the projects hereunder, including the technical and public information committees as required, and to make the necessary arrangements for the attendance of representatives from other departments, agencies and the private sector at Management Committee meetings where their presence could contribute to the effectiveness of the Management Committee;
- (f) to ensure that all contracts and agreements with a third party incorporate all relevant provisions of this Agreement;
- (g) to maintain the appropriate financial records and reports required by section 6.4 of the Canada-Quebec Economic and Regional Development Agreement; and

(h) to carry out any other duties, powers or functions specified elsewhere in this Agreement or such as may be assigned to the Management Committee by the Federal Minister and the Quebec Minister, or the Implementing Federal Minister and the Implementing Quebec Minister.

6.8 The Management Committee will establish and revise from time to time rules and procedures pertaining to the conduct of its activities.

6.9 The Management Committee shall establish a secretariat, which will assist the Committee in administering the ongoing activities of the Agreement. This secretariat shall be managed by a representative of the Quebec Minister; however, a representative of the Implementing Federal Minister and a representative of the Implementing Quebec Minister shall participate in the preparation of the agenda and the minutes of each meeting of the Management Committee. The duties and functions of the secretariat shall be defined by the Management Committee.

7. Authorization of projects

7.1 Before approving any project arising from a program provided for under this Agreement, the Management Committee shall examine such project to ensure that it is consistent with the objectives of this Agreement and of the Canada-Quebec Economic and Regional Development Agreement.

7.2 Before a project arising from a program outlined in Schedule B shall be deemed, for the purposes of this Agreement, to be a project hereunder, such project must be approved by the Management Committee and, when required by the provisions of Schedule B, be approved by the Implementing Federal Minister and the Implementing Quebec Minister.

7.3 No project hereunder may be approved after the termination or expiry of this Agreement in accordance with sections 13.1 and 13.2.

8. Management of contracts

8.1 Each party may enter into one or more contracts with third persons or may utilize its own resources to implement a project hereunder. Nothing herein prevents the contracting party for any project hereunder from arranging with the other party hereto for the delivery of part of a project hereunder which it has the responsibility to implement.

8.2 Any contract entered into by either party with a third person for any project hereunder shall be awarded and administered in accordance with the administrative and management procedures of such contracting party.

8.3 Reports, documents, plans, maps and other materials prepared by a third person who has been awarded a contract by either party for any project hereunder shall become the property of the contracting party and that party shall provide to the other party hereto upon request, copies of the aforementioned reports, documents, plans, maps and other materials which it acquires as a result of carrying out its responsibilities under this Agreement.

8.4 Both parties shall use Canadian goods and services in carrying out any project hereunder to the full extent to which they are procurable, consistent with proper economy and the expeditious carrying out of such project.

8.5 Any contract entered into by either party with a third person for any project hereunder shall provide:

(a) that any of the members of the Management Committee or a duly authorized representative shall be

permitted to inspect the progress of the work carried out under the aforementioned contract at all reasonable times; and

(b) that the third person will respect all applicable labour laws and standards.

8.6 Each party shall indemnify and save harmless the other party hereto, its officers, servants and agents against all claims and demands of any third person arising out of the implementation of a project hereunder except to the extent that claims and demands relate to the act or negligence of any officer, employee or agent of the other party hereto acting in the execution of their duties.

8.7 Upon the completion of any project hereunder, each party or the third person assigned to the ongoing responsibility for such project shall take over full responsibility of that project's operation, maintenance and repair, except in cases where other arrangements between parties hereto specifically apply. Where the ongoing responsibility for the operation, maintenance and repair of any project hereunder is to be vested in a third person, the contractual arrangements made between the contracting party and the said third person shall provide a section in order to save the Government of Canada and the Government of Quebec harmless from any claims, demands, actions, and causes of action which may be made against them arising out of the operation, maintenance and repair of any such project.

9. **Payment procedures**

9.1 In the case of a jointly funded project hereunder implemented by the Government of Quebec, the Government of Canada, on the recommendation of the Management Committee, shall pay to the Government of Quebec its share of the contribution in respect of such project. For this purpose, the Government of Quebec shall submit promptly, as the work progresses, progress

claims setting out the eligible costs which it has incurred and paid in connection with each such project and the share of the eligible costs which must be reimbursed by the Government of Canada. These progress claims shall be certified by an agent designated by the Government of Quebec and shall be verified by the Management Committee.

No claim for any costs over the estimated eligible costs forecasted in the detailed estimate nor for any eligible costs incurred and expended after completion date of the project shall be made unless the Management Committee approves the reimbursement of such costs.

- 9.2 In order to assist with the interim financing of part of the eligible costs of a jointly funded project, the Government of Canada may, if the Government of Quebec so requests and, notwithstanding the provisions of section 9.1, make an initial quarterly interim payment and thereafter, monthly interim payments based on a forecast of its share of the eligible costs in respect of such project. An accounting for any preceding advance will be required before any further advances can be made.
- 9.3 In the case of a joint or complementary activity which involves the payment of a financial contribution to a project in the public sector within the jurisdiction of the Government of Quebec, including universities, the Government of Canada, on the recommendation of the Management Committee, shall pay to the Government of Quebec its share of the contribution in respect of the project. The provisions of section 9.1 apply in respect of such payment.
- 9.4 In the case of a joint or complementary activity other than that referred to in section 9.3, each party shall, in accordance with its own payment procedures, pay directly to the beneficiary its share of the contribution in respect of the project.

9.5 Notwithstanding subsections 9.1, 9.2, 9.3 and 9.4, the Government of Canada will not have to reimburse the Government of Quebec or a beneficiary for the share of the eligible costs incurred and expended after the expiration of a period of twelve months as of the termination or expiry of this Agreement; the Government of Canada will not be responsible to pay any claim which is received more than twenty-four months after the termination or expiry of this Agreement.

10. **Audit procedures**

10.1 Each of the parties shall ensure that proper and accurate accounts and records are maintained with respect to each project hereunder which it is implementing. Each of the parties hereto may audit the amounts of all claims of the other in respect of any jointly funded project hereunder which the other has implemented and the accounts and records related thereto, and any discrepancy between the amounts paid by any of the parties hereto and the amount payable under this Agreement shall be promptly adjusted.

10.2 Each of the parties hereto will provide at the request of the other party hereto all information that would indicate that a project hereunder has been undertaken or completed and the costs incurred with respect thereto.

11. **Public information**

11.1 The Government of Canada and the Government of Quebec agree to prepare press releases jointly, and to prepare and participate jointly in communication programs related to this Agreement. To this end, the Government of Canada and the Government of Quebec agree and accept:

- (a) to collaborate in the preparation and the implementation of a public information program;

- (b) to announce jointly all projects authorized by the Management Committee;
- (c) that all calls for tenders associated with projects hereunder must contain the following sentence: "This development project is financed by the Department of Transport of Canada and the Department of Transport of Quebec";
- (d) that all advertisement panels on work sites for any project hereunder must mention that the project is the joint realization of both levels of government under this Agreement;
- (e) that the Government of Canada and the Government of Quebec have the right to provide and install, upon completion of the project, where it is possible, a permanent plaque or board bearing an inscription respecting the intent of section (d); and
- (f) to organize jointly, and in concert with the recipients of a contribution, the official ceremonies related to projects hereunder.

12. Evaluation

12.1 The information judged necessary by either party to complete an evaluation of the socio-economic impact of this Agreement in terms of its stated objectives shall be furnished on request by the other party pursuant to the evaluation framework specifying the evaluation criteria, which shall be developed by the Management Committee and appended to this Agreement within the year following the signature of this Agreement. To this end, the Government of Canada and the Government of Quebec agree and accept:

- (a) to exchange all relevant information and data as may be reasonably required for any evaluation that pertains to this Agreement;

(b) to consider, within twelve months prior to the termination date of this Agreement, the evaluation framework and the data and information generated, in order to undertake a comprehensive evaluation of the Subsidiary Agreement.

13. General

- 13.1 This Agreement shall commence on and take effect from July 8, 1985, and, subject to section 13.2, shall terminate on March 31, 1990.
- 13.2 Notwithstanding section 13.1, this Agreement may be terminated at the end of any fiscal year, following the expiration of at least three years from the date of execution hereof, by either party giving to the other at least two clear fiscal years' notice in writing thereof.
- 13.3 The laws of the Province of Quebec shall apply to this Agreement.
- 13.4 Any contribution paid by Canada shall be exempt from the application of section 5 of the Fair Wages and Hours Labour Act R.S.C. 1970, c. L-3.
- 13.5 No member of the House of Commons of Canada or the Legislative Assembly of Quebec shall be admitted to any share of part of any contract, agreement, or commission made pursuant to this Agreement or to any benefit arising therefrom.
- 13.6 Nothing in this Agreement is to be construed as authorizing any one of the parties hereto to contract for or to incur any obligation on behalf of the other or to act as agent for the other.
- 13.7 The terms and conditions of the Canada-Quebec Economic and Regional Development Agreement shall apply to this Agreement.

13.8 This document and Schedules A, B, and C form the entire Agreement of the parties hereto.

IN WITNESS WHEREOF this Agreement has been executed on behalf of the Government of Canada by the Minister of Transport and the Minister of State (Transport) and on behalf of the Government of Quebec by the Minister responsible for Canadian Intergovernmental Affairs and the Minister of Transport.

in the presence of

GOVERNMENT OF CANADA

Witness

Minister of Transport

Witness

Minister of State (Transport)

GOVERNMENT OF QUEBEC

Witness

Minister responsible for
Canadian Intergovernmental
Affairs

Witness

Minister of Transport

SCHEDULE "A"

SUMMARY OF TRANSPORTATION DEVELOPMENT IN QUEBEC

General

Because of its vast territories and its economic and demographic importance within Canada, Quebec has, over the years, acquired a highly developed and diversified transportation system. The strategically important geographical position which has made the province a major point of access to the continent, together with the extensive trade relations between its regions, with the rest of Canada and with other countries, account for the fact that transportation has always played a key role in the economy of Quebec.

Thus, transportation represents five per cent of the gross domestic product of Quebec and generates over 100,000 jobs a year. In addition, investment in the transportation network has a direct impact on the manufacturing sector, especially the large transport materiel manufacturing sector of Quebec, in the form of substantial purchases of equipment and services.

While it can be said that Quebec, and particularly the urban and industrial corridor in the St. Lawrence Valley, benefits from an adequate transportation system of good quality, a sustained effort will have to be made to modernise it and to increase its productivity in order to avoid its deterioration. This effort will have to concentrate most notably on improvements to infrastructure and equipment in a rapidly changing urban environment.

it is also necessary to strengthen the transportation network in the large outlying regions where many natural resources

are to be found as well as the refining and finishing activities that are becoming an increasingly important part of the overall economy of Quebec. The quality of life and the productive capacity of isolated and semi-isolated regions are dependent on an adequate transportation network.

The Quebec transportation industry is one of the province's major attributes and deserves to be supported by significant research and development in a field where the technology is undergoing constant change. This is especially true with respect to the transport equipment manufacturing sector, which must operate in a competitive international market.

Objectives

It is with this perspective in mind that the Governments of Canada and Quebec have agreed to co-ordinate their efforts in the transportation sector in order to support regional and economic development by facilitating the movement of people and goods within and between the various regions of Quebec and Canada, as well as between Quebec and other countries; special efforts will be made to give access to remote communities, including native communities.

More specifically the following objectives will be pursued:

- a) to increase the productivity of the Quebec transportation system by way of research and development, studies and demonstration projects in areas of future strategic importance;
- b) to improve the access of people and goods to and from the Lower North Shore region by co-ordinated improvements to the transportation infrastructures;
- c) to improve access and support economic activity in peripheral regions of Quebec by improvements to highway infrastructures and infrastructures and equipment for the marine and air modes;

- d) in the field of urban transportation, to contribute to greater efficiency in transportation by improving intermodal facilities and by other measures to relieve congestion at critical points in the network.

SCHEDULE "B"

CANADA-QUEBEC SUBSIDIARY AGREEMENT ON TRANSPORTATION DEVELOPMENT

A. Programming

Given the support, outlined in Schedule A, that transportation provides to the economic, social and regional development of Quebec, the Government of Canada and the Government of Quebec have agreed to work together to facilitate various improvements to this sector.

In order to do this, the two Governments will rely on five programs, described below, in the areas of:

- a) Research and development
- b) Highway improvements
- c) Marine and air services
- d) Improvement to urban transportation in the major centres of Quebec
- e) Management, evaluation and public information related to the preceding programs.

Further, the two Governments have agreed to attempt to achieve greater harmony between their plans for the future so as to increase the efficacy of projects that may be complementary. In particular, they will carry on discussions concerning the coordination of initiatives in the area of ports and marine infrastructures including those required in the medium and long-term for ferry services. Discussions will also be pur-

sued on an additional rail ferry facility on the North Shore if new industrial activity warrants it.

B. Financial Contribution of the Governments of Canada and Quebec.

The Canada-Quebec subsidiary agreement on transportation development represents total costs of \$180M to be shared equally by the two governments.

C. Components of the Subsidiary Agreement

I: Research and development program

Objective:

This program is intended to increase and accelerate R and D work in the field of transportation in Quebec with the aim of maintaining and strengthening industrial capacity in this sector (one of the strongest in the Quebec economy), as well as increasing the efficiency of the transportation system in order to ensure that it benefits from technological advances and remains highly competitive.

This program will cover four main sectors:

1. road transport systems technology,
2. rail transport systems technology,
3. transport micro-electronics and computerization, and
4. intermodal transport (particularly in Montreal).

Initiatives such as a demonstration project for inter-urban passenger vehicles and studies of truck transport, highway civil engineering, rationalization of the North Shore railway network, railway rolling stock technology, computerized management of road traffic and infrastructure and equipment maintenance and intermodal facilities at port terminals will be considered or undertaken.

As research and development work progresses, individual projects will be evaluated and, if necessary, defined more precisely or modified. Other, more promising initiatives might also be substituted.

Financial implications:

The two governments will allocate an estimated \$15M to this program during the life of the agreement.

The Management Committee will determine the eligible costs for this program and the contribution of each government.

Implementation:

The Management Committee will be responsible for recommending projects to the Ministers responsible for the agreement.

Projects will be implemented mainly through a program of research contributions to industries, universities or research centres involved in the area under study.

Projects in the public sector within the jurisdiction of the Government of Quebec, and including universities, can be jointly funded and managed by the Government of Quebec. The latter is then responsible for the implementation of such projects.

Where joint and complementary activities are involved, the Management Committee will assign the responsibility for each project so as to take advantage as far as possible of the existing expertise of either government.

II Highway Improvement Program

Objective:

This program is intended to support economic activity and facilitate the access of goods and people to and from remote regions of Quebec by providing highway access where there is none or by improving the existing network.

More specifically, this program is intended to extend Highway 138 from Havre St. Pierre to Natashquan as well as from Blanc-Sablon to Vieux-Fort at the other side of the region.

Extensive improvements will be made to Highway 70 and to Highway 170 in the Saguenay-Lac St. Jean region.

The isolation of a whole sector of Abitibi will be relieved and access to resources there will be provided by transforming the forest road between Joutel and Authier-Nord into a link with the main highway network.

Finally, work will be undertaken to protect the pillars of the Laviolette Bridge which carries Highway 55 across the St. Lawrence. The vulnerability of this structure to the risk of marine collisions and its importance as a road link require this work to be done.

Financial implications:

The two governments will allocate an estimated \$98M to these projects during the life of the agreement.

The Management Committee will determine the eligible costs for this program and the contribution of each government.

Implementation:

Highway infrastructure improvement programs will be jointly financed by Canada and Québec and managed by the Government of Quebec.

III Marine and Air Services Program

Objective:

This program will also be designed to improve access for goods and people and to support economic activity in severely isolated outlying areas of Quebec, including native communities, by improving the service provided by the air and marine

modes. In the case of most of the projects described below there is no surface access, so that air and marine services are vital to the population of these regions.

More specifically, this program will include:

1. *Marine and air services to the North Shore*

A variety of projects will be undertaken to contribute to the improvement of marine and air services, which are a key element of the transportation system in this region because of its distance and isolation.

- a) The construction of a new wharf at St. Augustine at a site that will improve navigation and provide better access to the village is planned; similarly, considerable improvements will be made to the wharves at Harrington Harbour and Tête-à-la-Baleine.
- b) Improvements to air services, in particular lengthening the runway at Blanc-Sablon Airport to permit Boeing 737 service, will reduce isolation at certain times of the year, allow for better response to emergency situations and support commercial development of fisheries.
- c) Services from the wharf at Harrington Harbour to isolated localities will be improved by the construction of a modern barge which will ferry goods and people.
- d) Improvements are planned for services to St. Augustine: technical studies will be carried out with a view to improving the link across the St. Augustine River and a road between the new wharf and the airport.
- e) Aids to air navigation (LOC-DME) will be installed at the St. Augustine airport, thus completing the LOC-DME network linking all the main airports on the Lower North Shore. This will improve both the safety and the regularity of air services in the region.

This project will include:

- (i) provision of electronic equipment, and
- (ii) associate unfrustration to allow for the installation of the electronic equipment.

2. Marine services to communities in Northern Quebec

These services will be studied with a view to proceeding by way of a main wharf at Chisasibi (Fort George) on James Bay which is at the end of the road from Matagami. Complementary wharves to receive provisions at the various villages to be served would complete the planned service.

3. Construction of an airport in Temiskaming

An airport near Ville Marie in Temiskaming will allow air services to be provided to this relatively isolated area of Quebec, which has no regular air service or direct road links.

Financial implications:

The two governments will allocate an estimated \$31M to this program during the life of the agreement. The Management Committee will determine eligible costs for this program and the contribution of each government.

Implementation:

The Government of Canada will be responsible for the implementation of projects 1a, b and e(i) and assume all their costs.

The Government of Quebec will be responsible for projects 1c, d, e(ii), 2 and 3 and assume all their costs.

IV: Urban Transportation Program

Objective:

This program is intended to contribute to greater efficiency in urban transportation by way of initiatives aimed at improving the functioning of the transportation system at certain critical points in the Greater Montreal regional network, and by facilitating the development of intermodal stations in urban centres.

This program is intended more specifically to:

1. Reduce environmental impacts of throughways, in Montreal particularly, and develop a traffic control and regulation system for these high density road corridors; and
2. Contribute to the development of intermodal stations or terminals, in particular the construction of infrastructures at the Gare du Palais in Quebec and the integration of bus and coach services at that station.

Financial implications:

The two governments will allocate an estimated \$25M to this program during the life of the agreement.

The Management Committee will determine eligible costs for this program and the contribution of each government.

Implementation:

The Management Committee will be responsible for recommending projects to the Ministers responsible for the agreement.

Projects carried out under this program will be financed by Canada and Quebec and managed by the Government of Quebec.

V: Management and Public Information Program

Objective:

This program is intended to:

1. provide the necessary resources and equipment for the proper management of the agreement;
2. develop public information programs; and
3. ensure a satisfactory evaluation of the socio-economic impact of the agreement.

Financial implications:

The two governments will allocate an estimated \$1M to this program during the life of the agreement.

The Management Committee will determine eligible costs for this program and the contribution of each government.

Implementation:

The Management Committee will be responsible for recommending projects to the Ministers responsible for the agreement.

Jointly funded projects will be managed by the Government of Quebec. The Management Committee will assign responsibility for each project where joint and complementary activities are involved.

CANADA-QUEBEC SUB-AGREEMENT ON TRANSPORTATION DEVELOPMENT

SCHEDULE "C" (\$000)

Description of programs and projects		Breakdown of costs \$000		
		Total estimated costs	Canada	Québec
PROGRAM I	Research and Development	15,000	7,500	7,500
PROGRAM II	Road Improvements			
	1. Highway 138 — Lower North Shore	50,000		
	2. Autoroute 70/170 — Alma/LaBaie	25,000		
	3. Highway 55 — protection of Laviolette Bridge at Trois-Rivières	18,000		
	4. Joutel/Authier-Nord Highway	5,000		
	Sub-Total	98,000	49,000	49,000
PROGRAM III	Air And Marine Transport			
	1. Air and Marine Service Improvements, Lower North Shore	20,000		
	2. Marine Service Improvements, Northern Québec	6,000		
	3. Temiscamingue Regional Airport	5,000		
	Sub-total	31,000	15,500	15,500

CANADA-QUEBEC SUB-AGREEMENT ON TRANSPORTATION DEVELOPMENT

SCHEDULE "C" (continued) (\$000)

Description of programs and projects		Breakdown of costs \$000		
		Total estimated costs	Canada	Québec
PROGRAM IV	Urban Transportation	25,000	12,500	12,500
PROGRAM V	Management, Evaluation and Information	1,000	500	500
TOTAL		170,000	85,000	85,000

APPROVED BY THE FEDERAL MINISTER RESPONSIBLE AND THE QUEBEC MINISTER

CANADA:

Don Mazankowski
Minister of Transport

DATE:

DATE: July 8, 1985

Benoît Bouchard
Minister of State
(Transport)

QUÉBEC:

Pierre-Marc Johnson
Minister responsible for
Canadian
Intergovernmental
Affairs

DATE:

DATE: July 8, 1985

Guy Tardif
Ministre des
Transports

