November 3, 2015

Dear [Redacted],

RE: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (Our File TW/048/2015 (formerly BTCRD-37-2015))

On October 9, 2015, the Department of Transportation and Works received your request for access to the following records/information:

Funding application to Provincial Territorial Base Fund of the Building Canada Plan for restoration of the Colonial Building, St. John’s. Funding was awarded August, 2011. Not sure of the date the funding application was submitted.

I am pleased to inform you that a decision has been made by the Deputy Minister for the Department of Transportation and Works to provide access to the requested information.

The Building Canada Infrastructure plan was established by the Government of Canada in 2008. This included a comprehensive and integrated suite of infrastructure initiatives, including the announcement of $25 million per year under the Provincial-Territorial Infrastructure Base Funding Program. As the Government of Newfoundland and Labrador was identified as an eligible recipient, an agreement was established between the Province of Newfoundland and Labrador and the Government of Canada. Each year, the Province is required to submit an Annual Capital Plan, which the Government of Canada then reviews and accepts. This Annual Capital Plan acts as the application for funding under the Provincial Territorial Base Fund, and the Colonial building funding was included on the Department of Transportation and Works’ Annual Capital Plan in 2011.

In accordance with your request for a copy of the records, the Annual Capital Plan as well as the original agreement and the Government of Canada’s acceptance of the plan are enclosed with this letter.

P.O. Box 8700, St. John’s, NL, Canada, A1B 4J6
Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act (the Act). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner  
2 Canada Drive  
P. O. Box 13004, Stn. A  
St. John’s, NL. A1B 3V8  
Telephone: (709) 729-6309  
Toll-Free: 1-877-729-6309  
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement's website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact the undersigned by telephone at (709) 729-6814 or by e-mail at janinemurphy@gov.nl.ca

Sincerely,

Janine Murphy  
ATIPP Coordinator  
Department of Transportation and Works
Provincial-Territorial Base Funding Agreement

TW/048/2015
CANADA – NEWFOUNDLAND AND LABRADOR
PROVINCIAL-TERITORIAL BASE FUNDING AGREEMENT
BUILDING CANADA INFRASTRUCTURE PLAN
2007/2008-2016/2017

This Agreement made as of ____________, 2008

BETWEEN:

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

AND:

HER MAJESTY IN RIGHT OF THE PROVINCE OF NEWFOUNDLAND AND LABRADOR ("Newfoundland and Labrador") represented by the Minister of Transportation and Works ("Provincial Minister") and the Minister for Intergovernmental Affairs

PREAMBLE

WHEREAS:

1. Canada established the $33 billion Building Canada infrastructure plan under Budget 2007 that includes a comprehensive and integrated suite of infrastructure initiatives, including the announcement of $25 million per year for seven years in equal per jurisdiction funding, which is now referred to as the Provincial-Territorial Infrastructure Base Funding Program.

2. And whereas, in recognition of their mutual agreement on the need for high-quality, modern public infrastructure that contributes to long-term economic growth, a clean environment and strong communities, Canada and Newfoundland and Labrador entered into a Framework Agreement on December 17, 2007;

3. And Whereas the Lieutenant Governor in Council by OIC 2008-093 has authorized the Minister of Transportation and Works to enter into this Agreement on behalf of Newfoundland and Labrador;
NOW THEREFORE, in accordance with the principles set out above, Canada and Newfoundland and Labrador hereby agree as follows.

1. INTERPRETATION

1.1 Definitions

A capitalized term has the meaning given to it in this section unless the context clearly dictates otherwise.

“Agreement” means this Canada – Newfoundland and Labrador Base Fund agreement.

“Annual Expenditure Report” means the annual report to be prepared and delivered by Newfoundland and Labrador to Canada, more particularly described in Schedule D.

“Annual Capital Plan” means the Annual Newfoundland and Labrador Capital Plan described below in Section 5.3.

“Audit Report” means an audit report prepared, at Newfoundland and Labrador’s cost, by the Newfoundland and Labrador auditor general or other P/T licensed auditor, more particularly described in Schedule C.

“Eligible Costs” means those costs described in Schedule B, incurred in respect of Eligible Plan Components.

“Eligible Plan Component” means a Public Infrastructure work that (i) is within an eligible category identified in Schedule A hereto; and (ii) that has been identified in an Annual Capital Plan that has been accepted by the Federal Minister.

“Eligible Recipient” means:

a. Newfoundland and Labrador,

b. A Local Government;

c. A public sector body that is established by or under Newfoundland and Labrador statute or by regulation or is wholly owned by Newfoundland and Labrador or a Local Government; and,

d. A private sector body, either alone or in partnership with Newfoundland and Labrador or a Local Government.
"Fiscal year" means the period beginning April 1 of a year and ending March 31 of the following year.


"Funds" means the funds made available by Canada pursuant to this Agreement and includes all interest earned on the said Funds.

"Gas Tax Fund" means the Gas Tax Fund Transfer Payment Program established by Canada in Budget 2005, and in respect of which Canada and Newfoundland and Labrador signed the Canada-Newfoundland and Labrador Gas Tax Agreement on August 1, 2006.

"Infrastructure Framework Committee" means the committee created pursuant to the Framework Agreement.

"Infrastructure Programs" means (i) Canada's infrastructure programs known as the Canada Strategic Infrastructure Fund, the Border Infrastructure Fund, the Municipal Rural Infrastructure Fund and the Infrastructure Canada Program and (ii) any of those future federal infrastructure programs identified in Budget 2007 as the Building Canada Fund, the Gateways and Border Crossing Fund and the Public Private Partnerships (P3) Fund.

"Local Government" means an entity that has the legal status of a local government pursuant to provincial legislation in Newfoundland and Labrador and includes unincorporated areas.

"Ministers" means the Federal Minister and the Provincial Minister.

"Newfoundland and Labrador Base Fund" means the Provincial-Territorial Infrastructure Base Funding Program in Newfoundland and Labrador, being a component of the Building Canada infrastructure plan, pursuant to which this Agreement is entered into.

"Parties" means Canada and Newfoundland and Labrador.

"Public Infrastructure" means tangible capital assets in Canada primarily for public use or benefit owned by an Eligible Recipient.

"Provincial-Territorial Infrastructure Base Funding Program" means the $25 million per year for seven years in equal per jurisdiction program funding established by Canada through Budget 2007.
"Third Party" means any person, other than a party to this Agreement that participates in the implementation of an Eligible Plan Component.

1.2 Entire Agreement

Save for the Framework Agreement, this Agreement supersedes and invalidates all other commitments, representations and warranties between the Parties pursuant to the Provincial-Territorial Infrastructure Base Funding Program, which the Parties may have made either orally or in writing prior to the date hereof, and all of which shall become null and void from the date this Agreement is signed.

1.3 Schedules

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

Schedule A - Description of Eligible Categories

Schedule B - Eligible Costs

Schedule C - Audit, Reporting and Evaluation

Schedule D - Annual Expenditure Report

Schedule E - Reporting Format for Eligible Plan Components (Template)

1.4 Precedence

In the event of a conflict, the part of this Agreement that precedes the signatures of the Parties shall take precedence over the Schedules and in the event of a conflict between this Agreement and the Framework Agreement, this Agreement shall prevail.

1.5 Accounting and Auditing Principles

All accounting terms not otherwise defined herein have the meanings assigned to them. All calculations will be made and all financial data to be submitted will be prepared, in accordance with the Generally Accepted Accounting Principles (GAAP) in effect in Canada. These will include, without limitation, those principles and standards approved or recommended from time to time by the Canadian Institute of Chartered Accountants or the Public Sector Accounting Board, as applicable, or any successor institute, applied on a consistent basis.
2 PURPOSE

2.1 Purpose of the Agreement

The purpose of this Agreement is to implement the Newfoundland and Labrador Base Fund.

3 OUTCOMES

Through the Newfoundland and Labrador Base Fund, Canada and Newfoundland and Labrador shall provide funding for Annual Capital Plans that promote:

• Enhanced competitiveness and productivity of the economy;
• Cleaner air, water and land; and,
• Strong and prosperous communities

4 FUNDING PROVISIONS

4.1 Allocation to Newfoundland and Labrador

Canada’s total Funding to Newfoundland and Labrador shall be as follows:

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Canada’s Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2008</td>
<td>$ 25 million</td>
</tr>
<tr>
<td>2008-2009</td>
<td>$ 25 million</td>
</tr>
<tr>
<td>2009-2010</td>
<td>$ 25 million</td>
</tr>
<tr>
<td>2010-2011</td>
<td>$ 25 million</td>
</tr>
<tr>
<td>2011-2012</td>
<td>$ 25 million</td>
</tr>
<tr>
<td>2012-2013</td>
<td>$ 25 million</td>
</tr>
<tr>
<td>2013-2014</td>
<td>$ 25 million</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 175 million</td>
</tr>
</tbody>
</table>

4.2 Funding

4.2.1 Any funding ear-marked for Fiscal Year 2007-2008 means funding that is attributed to initiatives accepted under the Annual Capital Plan for 2007-2008, and any payment, will be made in accordance with the relevant sections of this Agreement for Fiscal Year 2007-2008 even though that period may be over at the
time of signing this Agreement; any other section referring to Fiscal Year 2007-2008 is hereby adjusted mutatis mutandis.

4.2.2 In the first Fiscal Year (2007-08) of this Agreement, Canada’s Funding shall flow in a single instalment following receipt and acceptance by the Federal Minister of the Annual Capital Plan for that Fiscal Year. The Federal Minister shall have the authority to waive the requirement for the submission and acceptance of an Annual Capital Plan in the first year of program operation.

4.2.3 In subsequent Fiscal Years, Canada’s Funding shall flow by way of two (2) payments as follows:

(i) The first payment, representing 50% of the total Funds for that Fiscal Year shall be made within three months following receipt and acceptance by the Federal Minister of the Annual Capital Plan in respect of the Fiscal Year to which the Annual Capital Plan applies, but shall not be made before April 1st of the Fiscal Year to which the payment applies.

(ii) The second payment, representing the balance of Funds for that Fiscal Year, shall be made within three months following receipt and acceptance by the Federal Minister of the Annual Expenditure Report in respect of the previous Fiscal Year, or if the requirement for the Annual Capital Plan has been waived, a letter from the applicable auditor of Newfoundland and Labrador that verifies that amounts received in respect of Fiscal Year 2007-08 have been expended by Newfoundland and Labrador in accordance with this Agreement.

4.2.4 The payments noted above in sections 4.2.2 and 4.2.3 shall be paid, provided all terms and conditions of this Agreement have been complied with in a timely fashion.

4.3 Appropriations

A payment due by Canada hereunder is conditional on a legislated appropriation by Parliament for the Provincial-Territorial Infrastructure Base Funding Program for the Fiscal Year in which the payment is due.

Canada agrees to commit funds by Fiscal Year in accordance with the allocation table in Section 4.1. If, in a Fiscal Year, an amount lesser than the allocation is paid or payable by Canada, Canada shall, subject to Section 4.1 and 4.3, use reasonable efforts to reallocate the difference to a subsequent Fiscal Year.

4.4 Limit on Canada’s Financial Commitments

The total funding from all federal sources of the total Eligible Costs of the Annual Capital Plan, in any Fiscal Year, shall not exceed fifty percent (50%).
4.5 Other Federal Funding

Newfoundland and Labrador agrees to ensure that Eligible Plan Components that receive funding from an Infrastructure Program or other federal sources respect the cost sharing and stacking provisions of the agreements pursuant to which those other federal funds are advanced.

4.6 Use of Funds by Newfoundland and Labrador as contribution

Newfoundland and Labrador agrees to inform Canada promptly of all financial assistance offered or received in respect of Eligible Plan Components. In addition, Newfoundland and Labrador may not use the payment of Funds to an Eligible Recipient as the Newfoundland and Labrador contribution under contribution agreements under other Infrastructure Programs or to address cost overruns on projects for which funding has already been approved under other Infrastructure Programs.

5. USE OF FUNDS AND ANNUAL NEWFOUNDLAND AND LABRADOR CAPITAL PLAN

5.1 Use of Funds

5.1.1 Newfoundland and Labrador agrees that Funds may only be used by Eligible Recipients solely for Eligible Costs in respect of the eligible categories outlined in Schedule A.

5.1.2 Newfoundland and Labrador agrees that Funds must be accounted for separately from Newfoundland and Labrador funds in a manner that facilitates reporting in accordance with Schedules D and E.

5.1.3 In recognition that Eligible Plan Components can be multi-year undertakings, Newfoundland and Labrador is not required to spend Funds it receives in any fiscal year in the same year. Newfoundland and Labrador shall calculate the interest accrued on all Funds and demonstrate this amount in its Annual Expenditure Report, and to what Eligible Plan Component it was allocated. If Newfoundland and Labrador does not place the Funds in a separate and distinct interest-bearing account, interest shall be imputed to have accrued at the Bank of Canada rate plus one (1) per cent, calculated semi-annually.

5.1.4 Notwithstanding subsection 5.1.3, Newfoundland and Labrador must expend, in accordance with the terms and conditions of this Agreement, all Funds received by March 31, 2016.

5.1.5 As a first Fiscal Year transition measure for the start-up of the agreement, operational and maintenance costs in respect of Eligible Plan Components which are not Eligible Costs under this Agreement, will be eligible only in Fiscal Year 2007-08.
5.2  Funding Provided to Eligible Recipient that is not Newfoundland and Labrador

If Newfoundland and Labrador pays all or part of the Funds to an Eligible Recipient that is not Newfoundland and Labrador, Newfoundland and Labrador agrees to pay the Funds pursuant to the terms of a written agreement that are consistent with and incorporate the relevant terms and provisions of this Agreement. Newfoundland and Labrador agrees to enforce the terms and conditions of such funding agreements but agrees that no default under any such funding agreement shall be a defense to any default of Newfoundland and Labrador hereunder.

5.3  Annual Newfoundland and Labrador Capital Plan

5.3.1 Newfoundland and Labrador agrees to prepare and provide to the federal co-chair of the Infrastructure Framework Committee, annually, during the term of this Agreement, an Annual Capital Plan for the next fiscal year that shall set out, at minimum:

- A short summary of the individual Public Infrastructure initiatives that form the Eligible Plan Components of the Annual Capital Plan and that shall be undertaken with the Funds to be provided in a given Fiscal Year, but which may be carried out over multiple years.
- Confirmation that each Eligible Plan Component outlined is within the eligible categories outlined in Schedule A.
- Confirmation that Funds shall only be applied to Eligible Costs.
- An aggregated cost-sharing breakdown of the Annual Capital Plan, outlining contributions to the Annual Capital Plan from all sources.

5.3.2 For Fiscal Year 2007-08, if Newfoundland and Labrador is required to submit an Annual Capital Plan, where the Eligible Plan Component refers to operating and maintenance expenditures, the Annual Capital Plan shall identify only the total amount to be expended and the category of investment.

5.4  Submission and Acceptance of Annual Capital Plan

5.4.1 For Fiscal Year 2007-08, Newfoundland and Labrador may submit their Annual Capital Plan to the federal co-chair of the Infrastructure Framework Committee at any time following the signing of this Agreement, unless otherwise notified that this requirement has been waived for Fiscal Year 2007-08. For Fiscal Year 2008-09, the Annual Capital Plan shall be submitted no later than three months from the date of execution of this Agreement. For each subsequent Fiscal Year Newfoundland and Labrador shall submit their Annual Capital Plan to the federal co-chair of the Infrastructure Framework Committee by the first business day of the calendar year following January 1st.
5.4.2 If it is determined after the Annual Capital Plan has been accepted by the Minister, that an Eligible Plan Component identified in an Annual Capital Plan will not proceed, or that a new Eligible Plan Component, previously unidentified should be added, Newfoundland and Labrador shall inform the federal co-chair of the Infrastructure Framework Committee as soon as this information becomes available. Newfoundland and Labrador shall then submit an amended Annual Capital Plan as soon as possible thereafter. The next scheduled payment outlined in section 3.2 of this Agreement shall not be disbursed until the amended Annual Capital Plan is submitted and accepted by the Federal Minister.

5.4.3 If the Federal Co-chair of the Infrastructure Framework Committee becomes aware that funding under the Newfoundland and Labrador Base Fund has been redirected and/or used for an ineligible purpose, flowed to an ineligible recipient or to fund ineligible costs, the Federal Minister shall be informed and Newfoundland and Labrador shall redirect an equivalent amount of Newfoundland and Labrador funding to an eligible Public Infrastructure work, acceptable to the Federal Minister, and the Annual Capital Plan for the appropriate Fiscal Year shall be amended to reflect that the federal payment was directed appropriately.

5.5 Contracting

Newfoundland and Labrador agrees that all contracts for the supply of services or materials to Eligible Plan Components shall be awarded and managed in accordance with Newfoundland and Labrador relevant policies and procedures, and in a way that is transparent, competitive, and consistent with value for money principles.

5.6 Disposal of Assets

a) Unless otherwise agreed to by the Parties, Eligible Recipients shall retain title to, and ownership of, the asset resulting from the use of Funds for at least ten (10) years after completion of the Eligible Plan Component;

b) If, at any time within ten (10) years from the date of completion of an Eligible Plan Component, an Eligible Recipient, where the Eligible Recipient is Newfoundland and Labrador, sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset acquired, constructed, rehabilitated or renovated, in whole or in part, with Funds provided by Canada, or a Local Government or a Crown corporation of the Newfoundland and Labrador, Newfoundland and Labrador shall account for a proportionate amount of the Funds, in accordance with the table below, in the next scheduled Annual Expenditure Report and ensure that such Funds are utilized to support infrastructure initiatives that fall within the eligible categories outlined in Schedule A.

c) If, at any time within ten (10) years from the date of completion of an Eligible Plan Component, an Eligible Recipient, where the Eligible Recipient is not Newfoundland and Labrador, sells, leases, encumbers or otherwise disposes of,
directly or indirectly, any asset acquired, constructed, rehabilitated or renovated, in whole or in part, with Funds provided by Canada, Newfoundland and Labrador or a Local Government or a Crown corporation of the Province), Newfoundland and Labrador hereby undertakes to ensure that the Eligible Recipient repays to Newfoundland and Labrador, on demand, a proportionate amount of the Funds, in accordance with the table below. Newfoundland and Labrador shall account for any Funds to be repaid in the next scheduled Annual Expenditure Report and ensure that such Funds are utilized to support infrastructure initiatives that fall within the eligible categories outlined in Schedule A.

<table>
<thead>
<tr>
<th>Where Eligible Plan Component asset is sold, leased, encumbered or disposed of:</th>
<th>Repayment of contribution (in current dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 2 Years after completion of the Eligible Plan Component</td>
<td>100%</td>
</tr>
<tr>
<td>Between 2 and 5 Years after completion of the Eligible Plan Component</td>
<td>55%</td>
</tr>
<tr>
<td>Between 5 and 10 Years after completion of the Eligible Plan Component</td>
<td>10%</td>
</tr>
</tbody>
</table>

6 COMPLIANCE WITH ENVIRONMENTAL LEGISLATION

6.1 Environmental Assessment

Newfoundland and Labrador shall ensure that an environmental assessment of each Eligible Plan Component under an Annual Capital Plan to be funded in whole or in part with Funds shall be carried out as early as is practicable in the planning stages of the component and before any irrevocable decisions are made by the applicable Eligible Recipient with respect to the component. The environmental assessment shall include a public process that requires consideration of various factors including (i) the effects of the Eligible Plan Component on the physical environment; (ii) the effects of any such changes in the physical environment, on the social and economic environment (iii) the effects of the environment on the Eligible Plan Component; (iv) the cumulative effects of the Eligible Plan Component; and (v) possible measures designed to mitigate any adverse environmental effects. Newfoundland and Labrador shall ensure that appropriate mitigation measures, as identified through the environmental assessment, are implemented.

The Eligible Recipient will provide a copy of the environmental assessment report to the Federal Minister, if requested.

6.2 Federal Assessment

The Federal Minister may require an environmental assessment in addition to 6.1, and prior to advance of Funds, be satisfied with the assessment and the results.
6.3 Compliance with Environmental Legislation

All of Canada's commitments under this Agreement are conditional on compliance with the provisions of all applicable environmental legislation and with the implementation and adherence to such mitigation, monitoring and follow up measures that may be required from time to time by the assessments noted above.

7. REPORTING, AUDITS AND EVALUATION

7.1 Reporting

7.1.1 Newfoundland and Labrador shall, at its cost:

a) Prepare and deliver to Canada no later than September 30 of each Fiscal Year, in respect of the prior Fiscal Year, an Annual Expenditure Report, in both paper and electronic formats, in accordance with Schedules C, D and E, and make its best efforts to provide an interim, unaudited version of the Annual Expenditure Report by June 30 of each Fiscal Year. Newfoundland and Labrador agrees to submit electronic data to Canada in a format that is acceptable to both Canada and Newfoundland and Labrador.

(b) In fulfilling this obligation, Newfoundland and Labrador can, to the extent possible rely on its existing public accounting and reporting mechanisms, including reporting mechanisms currently in place in respect of the Gas Tax Fund, as long as all information in respect of the Newfoundland and Labrador Base Fund is accounted for separately and all information necessary is available to Canada, in Canada's opinion.

7.1.2 Canada may incorporate all or any part or parts of the said reports into any report that Canada may prepare for its own purposes, including any reports that may be made public.

7.2 Audits

7.2.1 Annual Expenditure Reports shall be accompanied by an Audit Report in accordance with Schedule C.

7.2.2 Newfoundland and Labrador agrees to ensure that proper and accurate accounts and records, including invoices, statements, receipts and vouchers in respect of all Eligible Plan Components that receive Funds, are kept for at least six (6) years after termination of this Agreement and shall, upon reasonable notice, make them available or cause the Eligible Recipient to make them available to Canada for inspection or audit.

7.2.3 Canada may request and Newfoundland and Labrador agrees to complete, at its expense, and provide to Canada an audit of any one or more individual Eligible Plan Components. The objective of this audit would be to assess whether the
Eligible Plan Component complies with the Terms and Conditions of the Provincial-Territorial Infrastructure Base Funding Program.

7.2.4 Newfoundland and Labrador shall share with Canada the results of any compliance or performance audit that they may carry out beyond the Audit Report that examines the use of Funds to a specific extent.

7.2.5 The Auditor General of Canada may, at the Auditor General's cost, after consultation with Newfoundland and Labrador conduct an inquiry as appropriate under the authority of the Auditor General with respect to the use of Funds.

7.2.6 For the purposes of any such inquiry undertaken by the Auditor General, Newfoundland and Labrador shall provide, upon request and in a timely manner, to the Auditor General or anyone acting on behalf of the Auditor General,

(i) all records held by an Eligible Recipient, or by agents or contractors of the recipient, relating to this Agreement and the use of the Funds; and,

(ii) such further information and explanations as the Auditor General, or anyone acting on behalf of the Auditor General, may request relating to any this Agreement or the use of the Funds.

7.3 Evaluation

7.3.1 No later than March 31, 2011, Canada shall at its cost complete a national formative evaluation of the program set out in this Agreement, the results of which shall be made public.

7.3.2 At a minimum, the evaluation shall address the issues related to achievement of the objectives of this Agreement, the use of funding, the effectiveness of the funding approach described in sections 5 and 6 of this Agreement, and the effectiveness of the communications protocol described in Schedule C of the Framework Agreement.

7.3.3 The Parties agree to cooperate with respect to the above noted evaluation. Canada agrees to consult with Newfoundland and Labrador on the design of the evaluation framework and on the findings of the formative evaluation before the results are made public.

7.3.4 No later than September 30, 2011, Canada will share the results of this national formative evaluation with Newfoundland and Labrador. In order for Canada to undertake a national evaluation, the province agrees to provide any information that is necessary above that which is provided in the joint evaluation.

7.3.5 No later than March 31, 2014, Canada shall complete a national summative evaluation of the program set out in this agreement, the results of which shall be made public by no later than September 30, 2014.
7.3.6 The summative evaluation shall focus on the net impacts of the program, including program activities, outputs, outcomes, effectiveness, and the achievement of long term objectives.

7.3.7 The Parties agree to cooperate with respect to the summative evaluation, the costs of which shall be paid by Canada. Canada agrees to consult with Newfoundland and Labrador on the design of the evaluation framework and on the findings of the summative evaluation before the results are made public.

8. **DISPUTE RESOLUTION AND INDEMNITY**

8.1 Dispute Resolution
The Parties agree to keep each other informed of any disagreement or contentious issues. Disagreements or contentious issues that cannot be resolved by the Infrastructure Framework Committee shall be submitted to Ministers for resolution.

8.2 Indemnity
Newfoundland and Labrador agrees at all times to indemnify and save harmless Canada, from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever brought or prosecuted in any manner in respect of any matter arising from this Agreement, except those resulting from the negligence of any officers, servants, employees, or agents of Canada.

9 **TERM OF AGREEMENT**

9.1 Term
Subject to section 11.2 below, this Agreement shall expire on March 31, 2017.

10 **COMMUNICATIONS**

The Parties hereby agree to follow the terms of the communications protocol set out in Schedule C of the Framework Agreement.

11 **MISCELLANEOUS**

11.1 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.
11.2 Survival

The Parties' rights and obligations set out in Sections 6, 7, 8 and 11 and subsections 5.2, 5.4.3, 5.6 and any other section or schedule which is required to give effect to the termination or to its consequences shall survive the expiry or early termination of this Agreement.

11.3 Governing law

This Agreement is governed by the laws applicable in Newfoundland and Labrador.

11.4 Debts Due to Canada

Any amount owed to Canada under this Agreement shall constitute a debt due to Canada, which Newfoundland and Labrador shall reimburse forthwith, on demand, to Canada.

11.5 Interest on Debts Due to Canada

Debts due to Canada shall accrue interest in accordance with the Interest and Administrative Charges Regulations of the Financial Administration Act.

11.6 Set-Off by Canada

Any debt due to Canada may be offset against any amounts payable by Canada to Newfoundland and Labrador.

11.7 No Benefit

No member of the House of Commons or of the Senate of Canada shall be admitted to any share or part of any Contract made pursuant to this Agreement or to any benefit arising therefrom.

11.8 No Agency

It is understood, recognized and agreed that no provision of this Agreement and no action by the Parties shall establish or be deemed to establish a partnership, joint venture, principal-agent relationship, or employer-employee relationship in any way or for any purpose whatsoever between Canada and Newfoundland and Labrador or between Canada, Newfoundland and Labrador and a Third Party.

11.9 No Authority to Represent

Nothing in this Agreement is to be construed as authorizing one Party to contract for or to incur any obligation on behalf of the other or to act as agent for the other.
any Third Party to contract for or to incur any obligation on behalf of either Party or to act as agent for either Party.

11.10 Counterpart Signature

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

11.11 Values and Ethics Code

No person governed by the post-employment, ethics and conflict of interest guidelines of Canada shall derive a direct benefit from this Agreement unless that person complies with the applicable provisions.

11.12 Severability

If for any reason a provision of this Agreement that is not a fundamental term is found to be or becomes invalid or unenforceable, in whole or in part, it shall be deemed to be severable and shall be deleted from this Agreement, but all the other terms and conditions of this Agreement shall continue to be valid and enforceable.

11.13 Waiver

A Party may waive any right under this Agreement only in writing; and any tolerance or indulgence demonstrated by that Party shall not constitute waiver of such right. Unless a waiver is executed in writing, that Party shall be entitled to seek any remedy that it may have under this Agreement or under the law.

11.14 Lobbyists and Agent Fees

Newfoundland and Labrador:

(a) warrants that any person an Eligible Recipient has hired, for payment, to speak to or correspond with any employee or other person representing Canada on Newfoundland and Labrador’s behalf, concerning any matter relating to the contribution under this Agreement or any benefit hereunder and who is required to be registered pursuant to the Lobbyists Registration Act, as amended, is registered pursuant to that Act; and

(b) warrants it has not and shall not make a payment or other compensation to any legal entity that is contingent upon or is calculated upon the contribution hereunder or negotiating the whole or any part of the terms of this Agreement.

11.15 Notice

Any notice, information or document provided for under this Agreement will be effectively given if delivered or sent by letter, postage or other charges prepaid, or by
facsimile or email. Any notice that is delivered shall have been received on delivery; and any notice mailed shall be deemed to have been received eight (8) calendar days after being mailed.

All correspondence and notices to Canada shall be addressed to:
Federal Co-chair of the Infrastructure Framework Committee
Assistant Deputy Minister, Policy and Communications
Infrastructure Canada
606-90 Sparks Street
Ottawa, Ontario K1P 5B4

All correspondence and notices to Newfoundland and Labrador shall be addressed to:
Provincial Co-chair of the Infrastructure Framework Committee
Deputy Minister, Transportation and Works
Confederation Building (West Block)
6th Floor
100 Prince Philip Drive
St. John’s, Newfoundland and Labrador A1B 4J6

Each Party may change the address that it has stipulated by notifying in writing the other party of the new address.
SIGNATURES

This Agreement has been executed on behalf of Canada by the Minister of Transport, Infrastructure and Communities, and on behalf of Newfoundland and Labrador by the Minister of Transportation and Works.

<table>
<thead>
<tr>
<th>GOVERNMENT OF CANADA</th>
<th>GOVERNMENT OF NEWFOUNDLAND AND LABRADOR</th>
<th>GOVERNMENT OF NEWFOUNDLAND AND LABRADOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original signed by:</td>
<td>Original signed by:</td>
<td>Original signed by:</td>
</tr>
<tr>
<td>Minister of Transport,</td>
<td>Minister of Transportation and Works</td>
<td>Minister for Intergovernmental Affairs</td>
</tr>
<tr>
<td>Infrastructure and Communities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Date: April 17/08</td>
<td>Date: April 17, 2008</td>
</tr>
</tbody>
</table>
SIGNATURES

This Agreement has been executed on behalf of Canada by the Minister of Transport, Infrastructure and Communities, and on behalf of Newfoundland and Labrador by the Minister of Transportation and Works.

GOVERNMENT OF CANADA

Original signed by:

Minister of Transport, Infrastructure and Communities

Date:

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Original signed by:

Minister of Transportation and Works

Date:

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Original signed by:

Minister for Intergovernmental Affairs

Date:
SCHEDULE A
DESCRIPTION OF ELIGIBLE CATEGORIES

The following are the minimum eligible categories of investment under the Provincial-Territorial Infrastructure Base Fund. Canada reserves the right to add other categories of investment at its discretion, in consultation with Newfoundland and Labrador.

1. Water Infrastructure
   a. Drinking water treatment infrastructure.
   b. Drinking water distribution systems (may include metering as part of a larger project).

2. Wastewater Infrastructure
   a. Wastewater collection systems and/or wastewater treatment facilities or systems (which may include grey water reuse).
   b. Separation of combined sewers and/or combined sewer overflow control, including real-time control and system optimization.
   c. Separate storm water collection systems and/or storm water treatment facilities or systems.
   d. Wastewater sludge treatment and management systems.

3. Public Transit Infrastructure
   a. Transit infrastructure, including, but not limited to, rail and bus rapid transit systems, and related facilities.
   b. Buses, rail cars, ferries, para transit vehicles, and other rolling stock and associated infrastructure, for the expansion of services.
   c. Intelligent Transport Systems (ITS) including, but not limited to, fare collection, fleet management, transit priority signalling, and real-time traveller information systems at stations and stops.
   d. Related capital infrastructure including, but not limited to, transit queue-jump lanes, reserved bus lanes, turning lanes or other related enhancements in support of public transit, streetcar/trolley infrastructure, storage and maintenance facilities, security enhancements, and transit passenger terminals.

When undertaken as part of above subcategory improvements, active transportation infrastructure, such as bicycle lanes that connect to transit facilities and bicycle storage and lockers at stations, is eligible.
4. National Highway System Infrastructure
   a. Construction projects on highways (or ferry services) that form part of the National Highway System (NHS), including:
      - Additional capacity (e.g., turning lanes, truck lanes, grade separations, interchanges, roundabouts, rest areas, etc.) and new urban bypasses that connect to the NHS at both ends.
      - Rehabilitation of highway and bridge assets. Projects must meet the definition of 'rehabilitation' as agreed upon by the Council of Ministers in 2005.
      - Safety-related improvements.
      - Intelligent Transportation Systems (ITS) projects.

5. Green Energy Infrastructure
   a. Reinforcement, expansion of existing and construction of new transmission grids to transmit clean electricity.
   b. Hydrogen infrastructure (generation, distribution and storage).
   c. Electric Vehicle Infrastructure (centralized refueling stations).
   d. Biofuels distribution/storage infrastructure.
   e. Thermal heat/cooling delivery system (i.e., district energy systems) using renewable or combined heat/power (CHP) plants.
   f. Clean coal facilities.
   g. Renewable Electricity Generation facilities that generate less than 1MW for municipal consumption (e.g., wind energy, solar energy).
   h. Municipal building energy retrofits.

6. Disaster Mitigation Infrastructure
   a. Construction, modification or reinforcement of structures that protect from, prevent or mitigate potential physical damage resulting from extreme natural events, and impacts or events related to climate change.
   b. Modification, reinforcement or relocation of existing public infrastructure to mitigate the effects of and/or improve resiliency to extreme natural events and impacts or events related to climate change.\(^1\)

---
\(^1\) Excludes the relocation of whole communities
4. National Highway System Infrastructure
   a. Construction projects on highways (or ferry services) that form part of the National Highway System (NHS), including:
      - Additional capacity (e.g. turning lanes, truck lanes, grade separations, interchanges, roundabouts, rest areas, etc.) and new urban bypasses that connect to the NHS at both ends.
      - Rehabilitation of highway and bridge assets. Projects must meet the definition of 'rehabilitation' as agreed upon by the Council of Ministers in 2005.
      - Safety-related improvements.
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¹ Excludes the relocation of whole communities.
7. Solid Waste Management Infrastructure
   a. Solid waste diversion projects:
      • Recycling.
      • Composting.
      • Anaerobic digestion.
   b. Solid waste disposal projects:
      • Thermal processes, including gasification.
      • Landfill gas recovery.

8. Brownfield Redevelopment Infrastructure
   a. Remediation or decontamination and redevelopment of a brownfield site within municipal boundaries, where the redevelopment includes:
      • The construction of public infrastructure as identified in the context of any category under the Major Infrastructure Component and the Communities Component of the Building Canada Fund; and/or
      • The construction of municipal use public parks and publicly-owned social housing, alone or mixed with a private development component that includes any mix of residential, commercial, institutional or industrial uses.

9. Cultural Infrastructure
   a. Museums.
   b. The preservation of designated heritage sites that are duly recognized by UNESCO; Canadian government as per the national federal register of historic places; or Provincial or Local Government.
   c. Provincial, territorial and Local Government-owned libraries and archives.
   d. Facilities for the creation, production and presentation of the arts.

2 A museum is a non-profit making, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education and enjoyment, artifacts related to people and their environment.

3 Excludes private residences and religious sites.
e. Infrastructure in support of the creation of a cultural precinct within an urban core.

10. Sport Infrastructure
   a. Sport infrastructure for community public use (can include training facilities for high performance amateur athletes).
   b. Sport infrastructure in support of major amateur athletic events.

11. Connectivity and Broadband Infrastructure
   a. High-speed backbone.
   b. Point of presence.
   c. Local distribution within communities.
   d. Satellite capacity.

12. Local Road Infrastructure
   a. Additional capacity and rehabilitation of roads within a municipal boundary, and high-occupancy and/or transit vehicle lanes, grade separations, interchange structures, bridges, tunnels, intersections, and roundabouts. Where provinces/territories act as a local government, or where there is a governing entity that is established by a province, such projects are eligible.
   b. Infrastructure pursuant to compliance with accessibility, such as wheel chair let down.
   c. Intelligent Transportation Systems (ITS).
   d. Active transportation projects, including sidewalks, bicycle lanes, pedestrian/bike/multi-use pathways as a component of a larger project.
   e. Rehabilitation of provincially-owned non-National Highway System highways, for bridges and major elevated or depressed structures only.

13. Short-line Rail Infrastructure
   a. Construction of industrial branch lines to allow a railway to serve a group of companies (an industrial park), an intermodal yard, a port, or a marine terminal.
   b. Construction, rehabilitation and/or upgrading of tracks and structures, excluding regular maintenance, to ensure safe travel at speeds deemed acceptable for safe and efficient operations.

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4. Rehabilitation projects must meet the definition of rehabilitation as agreed upon by the Council of Ministers responsible for Transportation and Highway Safety in 2005.
c. Construction, development or improvement of facilities to improve the interchange of goods between modes.

d. Procurement of technology and equipment used to improve the interchange of goods between modes.

Note: Shortline operators must offer year round services.

14. Short-sea Shipping Infrastructure

a. New infrastructure or asset rehabilitation supporting increased short sea shipping capacity and/or new routes:
   - Specialized marine terminal intermodal facilities.
   - Specialized loading/unloading capitalized equipment.
   - Procurement of technology and equipment used to improve the interface between the marine mode and the rail/highways modes, including Intelligent Transportation Systems (ITS)
   - Infrastructure that supports passenger-only ferry services is not eligible for funding.

15. Regional and Local Airport Infrastructure

a. Construction projects that enhance airports that are accessible all year-round, through the development, enhancement or rehabilitation of aeronautical and/or non-aeronautical infrastructure:
   - Aeronautical infrastructure includes, but is not limited to, runways, taxiways, aprons, hangars, lighting, Navaids, maintenance sheds, airside mobile equipment and associated shelters, air terminal building, and groundside safety-related.
   - Non-aeronautical infrastructure such as groundside access, inland ports, parking facilities, and commercial and industrial activities.

16. Tourism

a. Convention centres.

b. Exhibition hall-type facilities.

*Fiscal Year 2007-08 only:*

17. Non-National Highway System Roads

a. Provincially and territorially owned highways; and,

b. Provincially and territorially owned roads.
SCHEDULE B
ELIGIBLE COSTS

Eligible Costs

Eligible costs shall be all direct costs which are in Canada's opinion properly and reasonably incurred and paid by an Eligible Recipient under a contract for goods and services necessary for the implementation of an Eligible Plan Component. Eligible costs may include only the following though Canada reserves the right to add other eligible costs, in consultation with Newfoundland and Labrador:

a) the capital costs of acquiring, constructing, rehabilitating or renovating a tangible capital asset;

b) the costs of surveying, engineering, architectural, supervision, testing, and management services, including fees paid to professionals, technical personnel, consultants and contractors;

c) the costs of environmental assessments, monitoring, and follow-up programs as required by federal or provincial legislation or this Agreement; and

d) communication and evaluation costs;

e) for costs incurred in Fiscal Year 2007-08 only, direct or indirect operating, maintenance and administrative costs;

f) in respect of category 17 of Schedule A, Non-National Highway System Roads, costs incurred in Fiscal Year 2007-08 only.

Ineligible Costs

Costs related to the following items are ineligible costs:

a) Eligible Plan Component costs incurred before the approval of the Annual Capital Plan, except for costs incurred on or after April 1, 2007 in the case of the accepted Annual Capital Plan for Fiscal Year 2007-08.

b) land acquisition, real estate fees and related costs, financing charges and loan interest payments (including those related to easements (e.g. surveying);

c) leasing land, buildings, equipment and other facilities;

d) any goods and services cost which are received through donations or in kind;

e) employee wages and benefits, overhead costs as well as other direct or indirect operating, maintenance and administrative costs incurred by the
recipient, and more specifically costs relating to services delivered directly by permanent employees of the recipient, or of a Crown corporation or corporation owned and controlled by the recipient except as incurred in Fiscal Year 2007-08;


g) provincial sales tax and Goods and Services Tax, for which the recipient is eligible for a rebate, and any other costs eligible for rebates; and

h) legal fees.
1. Reporting

1.1 Annual Expenditure Report

1.1.1 The Annual Expenditure Report shall indicate for the current Fiscal Year, and on a cumulative basis from the Fiscal Year 2007-08:

Newfoundland and Labrador:
- the opening balance of unallocated funds;
- the amounts received from Canada under this Agreement;
- the amount of interest earned on amounts received from Canada;
- the amounts transferred to Eligible Recipients for expenditure on components of the Annual Capital Plan; and
- the closing balance of unallocated funds.

Eligible Recipients (in aggregate)
- the opening balance of unspent funds;
- the amounts received from Newfoundland and Labrador;
- the amount of interest earned on funds received from the Province;
- total amounts expended on Eligible Plan Components, broken down by individual Plan components as per the Annual Capital Plan; and
- the closing balance of unspent funds.

1.1.2 The Annual Expenditure Report shall also include a listing of all Eligible Plan Components that have received funding from the date of signing of the agreement. For each Eligible Plan Component provide:
- Total Eligible Costs;
- Total Expenditures (within the fiscal year and cumulative);
- Eligible Category; and
- Brief description of the component (including location).

In addition, the Annual Expenditure Report shall include a list of the identity and contribution from all other funding partners, on a cumulative basis.

1.1.3 In the case of Eligible Recipients with a year end other than March 31, and with the prior approval of Newfoundland and Labrador, the Annual Report may include information in respect of Eligible Plan Components related to that Eligible Recipient to the year end of that Eligible Recipient.
2. **Audit Report**

The Audit Report, which includes the results of financial and compliance audits, shall provide an opinion as to whether all of the information contained in the Annual Expenditure Report is complete and accurate and whether Newfoundland and Labrador has complied with all material provisions as per Sections 1.5, 4.4, 4.5, 4.6, 5.1, 5.5, 6, and 7.2 of this Agreement.
**SCHEDULE D**
**ANNUAL EXPENDITURE REPORT**

**Reporting Format for Funding Flows**

<table>
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<td>31/03/20xy</td>
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**SCHEDULE E**

**REPORTING FORMAT FOR ELIGIBLE PLAN COMPONENTS**

<table>
<thead>
<tr>
<th>Plan Component</th>
<th>Total Eligible Cost</th>
<th>Total Expenditure Fiscal Year XX</th>
<th>Total Cumulative Expenditures to date</th>
<th>Investment Category</th>
<th>Brief Description of Component</th>
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<td>D</td>
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<tr>
<td>Total</td>
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<tr>
<td>Federal Share</td>
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<tr>
<td>Other(s) Share (identify)</td>
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</tbody>
</table>

5 Total Cumulative Expenditures should include all expenditures from the date of the signing of the Canada-Newfoundland and Labrador Base Funding Agreement, up to and including expenditures from the most recently completed Fiscal Year.
Annual Capital Plan

TW/048/2015
COR/2011/07230

The Honourable Denis Lebel
Minister of Transport, Infrastructure and Communities
Tower C – 330 Sparks Street
Ottawa, Ontario, Canada
K1A 0N5

Dear Minister Lebel:

Re: Submission of Newfoundland and Labrador 2011/12 Annual Capital Plan

On behalf of the Government of Newfoundland and Labrador, I am pleased to provide you with the Province’s 2011/12 Annual Capital Plan for review and acceptance.

Newfoundland and Labrador acknowledges and confirms that:

1. Each component of the Annual Capital Plan is within the eligible categories outlined in Schedule A of the Canada-Newfoundland and Labrador Provincial-Territorial Base Funding Agreement.

2. The costs associated with each Plan component are eligible costs as per Schedule B of the Canada-Newfoundland and Labrador Provincial-Territorial Base Funding Agreement.

3. That Canada’s funding for the Annual Capital Plan will only be applied towards eligible costs and shall represent no more than 50% of the total eligible cost of the Annual Capital Plan.

4. The Annual Capital Plan and its components conform with Section 6.1 of the Canada-Newfoundland and Labrador Provincial-Territorial Base Funding Agreement.
In the interest of time, the Province is submitting these three initiatives for your approval. There exists the possibility that the Province may wish to submit additional projects for inclusion on the 2011/12 Annual Capital Plan in the coming months.

Sincerely,

[Signature]

TOM HEDDERSON, MHA
Harbour Main District
Minister

cc:
<table>
<thead>
<tr>
<th>Tracking Number</th>
<th>Eligible Plan Components Title</th>
<th>PT Base Category of Investment</th>
<th>Brief description</th>
<th>Total Eligible Cost $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-11.2</td>
<td>Construction of a diversion at the Pinware River on Route 510, Trans Labrador Highway South</td>
<td>National Highway System (Northern and Remote)</td>
<td>Construction of a diversion at the Pinware River on Route 510, Trans Labrador Highway South. The existing route is at the toe of a steep embankment to the east and immediately above the river to the west. Frequent rock slides and ice quarrying result in safety concerns.</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>2009-10.2</td>
<td>Replacement of Sir Ambrose Shea Lift Bridge, Route 100 at Placentia (increase funding allocation)</td>
<td>Provincial Road Infrastructure</td>
<td>Replacement of a provincially owned lift bridge on Route 100 in the Town of Placentia. The lift bridge provides an essential link to the town end is over a highly utilized waterway which is the only access to the harbour. Current bridge structure is at the end of its service life. An Engineering Consultant Report is available upon request.</td>
<td>$16,000,000</td>
</tr>
<tr>
<td></td>
<td>New Initiatives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011-12.1</td>
<td>Paradise Brownfield Redevelopment</td>
<td>Brownfield Redevelopment infrastructure</td>
<td>The initiative includes a risk management plan and site development including the construction of a gazebo, outdoor stage, washroom/canteen building, splash pad, dog park, water and sewer services for washrooms, as well as a road and trail network.</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>2011-12.2</td>
<td>Colonial Building Redevelopment</td>
<td>Cultural infrastructure</td>
<td>Restoring the heritage Colonial Building including front façade, building lobby, two legislative chambers and other principle offices and key rooms, and modernizing other sections of the building.</td>
<td>$17,339,608</td>
</tr>
<tr>
<td>2011-12.3</td>
<td>St. John's Convention Centre</td>
<td>Tourism infrastructure</td>
<td>Expansion of the SICC from its current 18,200 square feet to 34,650 square feet of rentable space.</td>
<td>$43,200,000</td>
</tr>
</tbody>
</table>

| Total           | $63,539,608                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Federal Share of Plan | $24,069,804                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Provincial Share | $24,069,804                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Municipal Share  | $15,400,000                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Other(s) Share of Plan | $0                                                                                           |                                        |                                                                                                                                                                                                                 |                      |
| Cumulative Total to date | $272,149,608                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Federal Share    | $124,316,304                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Provincial Share | $124,796,304                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Municipal Share  | $18,920,000                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Other(s) Share of Plan | $4,117,000                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Federal Funding Flowed to Date | $87,500,000                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Federal Funding Left to Flow for 2010-11 | $12,300,000                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Federal Funding to Flow in 2011-2012 | $25,000,000                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
| Residual Funding to Flow in Future Years | $50,000,000                                                                                   |                                        |                                                                                                                                                                                                                 |                      |
Federal Acceptance of Annual Capital Plan
TW/048/2015
SEP 30 2011

The Honourable Tom Hederson
Minister of Transportation and Works
Government of Newfoundland and Labrador
Confederation Building
West Block
P.O. Box 8700
St. John’s, Newfoundland and Labrador A1B 4J6

Dear Minister:

I am pleased to confirm federal acceptance of Newfoundland and Labrador’s 2011-12 Capital Plan under the Provincial-Territorial Base Fund, which you had submitted on August 30, 2011.

In accordance with the Canada-Nova Scotia Provincial-Territorial Base Funding Agreement, Newfoundland and Labrador’s second payment of $12,500,000 for fiscal year 2010-2011 will be released pending submission of the Government of Newfoundland and Labrador’s outstanding audited report in respect of fiscal year 2009-2010. Upon our receipt and acceptance of that report, this payment, as well as the first payment of $12,500,000 for the 2011-12 Capital Plan can be released. The second payment for fiscal year 2011-12 will be released following receipt and acceptance of an audited expenditure report from Newfoundland and Labrador in respect of fiscal year 2010-11.

I look forward to the ongoing collaboration of our two governments as we continue to implement this program.

Yours sincerely,

Denis Lebel, P.C., M.P.