

Government of
British Columbia:
Consolidated
Response to 2016-17
BC Chamber of
Commerce

Compiled by the Ministry of Small
Business and Red Tape Reduction

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Office of the Premier

STOP THE TIME CHANGE IN BRITISH COLUMBIA (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government works with their partners in the Pacific Northwest Economic Region (PNWER) and Pacific Coast Collaborative to have the Pacific Time Zone in Canada and USA to remain on Daylight Savings Time throughout the year.

Response:

It is critical to our economic interests to remain in sync with our biggest trading partner, the United States. Businesses, particularly in the tourism, travel and financial sectors, recognize that it would be advantageous for their operations if most of the continent observes the same time changes.

The Attorney General of British Columbia is responsible for the *Interpretation Act*, which authorizes daylight saving time (DST) in the province. Provincial regulation to change the dates BC observes daylight saving time took effect on January 1, 2007.

As of spring 2007, daylight saving time in BC commences three weeks earlier (the second Sunday in March) and lasts one week longer (ending the first Sunday in November) each year, to align BC's DST dates with the United States and other Canadian provinces. The change was the result of public consultations that showed many people welcomed having an extra hour of daylight in the evening. During the month-long public consultation, government received written and electronic submissions from the public, business and other organizations. Over 90 percent of respondents were in favour of the change.

Exceptions remain for areas that have historically chosen to observe different time zones. The Peace River region does not observe daylight saving time, so its' clocks did not change. The East Kootenay region observes Mountain Standard Time and continues to synchronize its' clocks with Alberta.

At this point, there is no consideration being given to pursuing discussions to have the Pacific Time Zone in Canada and the USA remain on DST throughout the year.

HARMONIZING BRITISH COLUMBIA'S REGULATION OF WORKER HOURS (2015)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Work with the Alberta Government to harmonize British Columbia's Employment Standards Act with those in Alberta's Employment Standards code; and
2. Then seek harmonization with other provinces.

Response:

Employment standards are the minimum standards established by law that define and guarantee rights and responsibilities in the workplace. Government periodically reviews BC's employment standards legislation, including a review in 2001/02 that resulted in a number of amendments to the *Employment Standards Act*. As a regular practice, all employment standards legislation and policies are monitored to ensure that they continue to provide employers with the flexibility they need to succeed in the modern workplace while, at the same time, ensuring protections for workers.

Each province and territory in Canada, as well as the federal government, has its own employment standards legislation covering such areas as hours of work and overtime pay, minimum wage, and vacation time and vacation pay. Employment standards legislation can vary significantly across jurisdictions, often reflecting unique economic interests, as well as cultural and social influences.

As a general principle, BC is not opposed to harmonization where it makes sense and serves the interests of this province's employers and employees. For example, as a party to the Trade, Investment and Labour Mobility Agreement (TILMA) and, later, the New West Partnership Trade Agreement (NWPTA), BC has arranged with other Western provinces for mutual recognition of measures in a number of areas. However, the significant differences in each province's development of employment standards, as well as the need to maintain flexibility to address economic and social priorities, were recognized during negotiations for both TILMA and NWPTA. The result was that both Agreements include exceptions for measures adopted or maintained relating to social policy (which specifically includes labour standards, as well as minimum wage).

In July 2016, Canada's Premiers reached agreement in principle on a new Canadian Free Trade Agreement (CFTA) intended to facilitate trade, investment and labour mobility across provincial and territorial boundaries. Federal, provincial and territorial Ministers are working to finalize remaining details, and hope to present a final agreement soon. As with the existing Agreement on Internal Trade (AIT) and international agreements, the CFTA is also expected to address regulatory barriers.

The *Employment Standards Act* contains provisions that may allow a business that operates inter-provincially with flexibility to establish work arrangements and schedules that vary from the *Employment Standards Act*'s general standards, thereby permitting greater consistency between operations located in different jurisdictions. The Director of Employment Standards has the exclusive authority to grant a variance from specific sections of the *Employment Standards Act*, including those setting out the requirements for overtime wages, hours free from work, and maximum hours of work. An employer and a majority of affected employees may wish to consider applying to the Director for a variance for those employees who work in more than one jurisdiction. The Director will consider a number of conditions when deciding whether to approve the application, including whether, on balance, the employees benefit from the variance. In addition, the Act provides hours of work flexibility by allowing employers and employees to enter into "averaging agreements" that permit hours of work to be averaged over a period of one, two, three, or four weeks. Employees may agree to work up to 12 hours in a day, averaging 40 hours in a week, without being paid overtime.

The Province appreciates the recommendations offered by the BC Chamber of Commerce concerning the *Employment Standards Act*. While government has no immediate plans to amend its employment standards provisions to harmonize with Alberta or any other jurisdiction, when potential amendments are considered, a review of standards in other jurisdictions is undertaken in order to ensure that a competitive perspective is included in government's decision making process. In addition, the British Columbia Law Institute (BCLI) is currently conducting a review of employment standards with the goal of making recommendations for reform of the *Employment Standards Act*. The review, which will identify the contemporary needs and circumstances of BC's workplace, includes an examination of employment standards and evolving trends in other jurisdictions. Prior to drafting the final report, BCLI intends to publish a consultation paper that will give the public the opportunity to comment on the project committee's tentative recommendations. The Chamber may wish to consider participating in that consultation process.

Government welcomes for consideration any further insights or submissions the Chamber may wish to bring forward on the impact that specific employment standards requirements have had on its membership. Such information will greatly assist government going forward.

INTER-PROVINCIAL TRADE BARRIER REFORM: BEER AND WINE INDUSTRIES (2015)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Continue to be at the forefront leading the charge to abolish barriers inter-provincial trade in wine, beer and spirits; and
2. Continue to persuade and assist other provinces to remove barriers to inter-provincial trade in wine, beer and spirits.

Response:

The Province supports this recommendation.

In 2012, the federal government passed an amendment to the *Importation of Intoxicating Liquors Act (IILA)*, which removed the restriction on the personal transportation or shipping of wine between provinces – subject to similar approvals by each province. In response to this federal move, both BC and Manitoba enabled direct to consumer shipping (DTCS) of wine. In addition, the governments of BC and Saskatchewan reached an agreement in 2014 that provides, among other things, for direct shipment of BC wine and craft spirits to consumers in Saskatchewan.

BC, led by the Ministry of Agriculture, assisted Nova Scotia in implementing DTCS regulations for wine. The Ministry of Agriculture is also engaged with other provinces. Ontario and Quebec have launched online ordering and direct delivery for beer, wine and spirits through their respective liquor boards. This initiative supports the agreement reached by the Premiers of BC, Ontario and Quebec at the Council of the Federation meeting July 22, 2016, to make it easier for consumers in these three provinces to order the wines of the other two provinces. Premier Clark has recognized these e-commerce initiatives as a step in the direction of achieving DTCS of Wine (“We have not freed the grapes completely but they are freer.”) The Ministry of Agriculture will continue to promote this direct sales channel as a new market opportunity for small producers and one that will provide greater choice for consumers.

PROTECTING THE NATIONAL ECONOMY BY MANAGING THE LOWER FRASER RIVER (2015)

THE CHAMBER RECOMMENDS:

To ensure the continuous flow of commerce to and from the Asia-Pacific market, and to ensure the sustainability of the Lower Fraser River, the Provincial and Federal Governments work with the, municipalities, aboriginal groups, and business stakeholders to:

1. Bring together a task group of relevant stakeholders, to develop a holistic strategy to address the long term funding and management requirements necessary to maintain, protect and further improve the Lower Fraser River; and
2. Charge this task group with responsibility for developing a comprehensive plan, addressing but not limited to, flood protection, navigation management, sea level rise, and agriculture and industrial land enhancement, within the lower Fraser River and ensure the plan includes consideration for the role that the Fraser River can play in further development of the Asia Pacific Gateway strategy.

Response:

The Province recognizes the importance of these issues. Furthermore, the Province appreciates the BC Chamber highlighting their concerns, and willingness to participate in finding a solution. As many of these matters are primarily federal jurisdiction, we advise that the BC Chamber highlight their concerns with the Government of Canada. In conjunction with, and with the leadership of, our federal counterparts, the BC Government will work alongside all stakeholders in addressing these issues.

Children and Family Development**ADDRESSING CHILDCARE ACCESS FOR EMPLOYEES (2016)****THE CHAMBER RECOMMENDS**

That the Provincial Government:

1. Utilize the current capital and operational grant funding tools and, in alignment with its Families First agenda recommendations, target child care investment for facilities and spaces in those areas experiencing greater space deficits; and
2. Further, where there is capacity to expand funding with budget surplus or prosperity funding, increase the grants available to non-profit and private operations to support and increase child care capacity.

Response:

Child care and the creation of new child care spaces remain key priorities for the Ministry of Children and Family Development. Implementing the BC Early Years Strategy, government committed to create 13,000 spaces by 2020, with a focus on expanding the number of child care spaces on school grounds and in areas of the province underserved by child care.

Since November 2014, a total of \$26.5 million has been used to support the creation of more than 4,300 new licensed child care spaces across B.C. through the Child Care Major Capital Funding Program.

Additionally, Government has allocated \$20 million in new funding for Budget 2017; this will help create more than 5,000 licensed child care and before and after school recreation program spaces in 2017/18 and expand our target for new child care spaces from 13,000 to 15,000 by 2020. These spaces build on the more than 111,000 licensed child care spaces that are currently funded throughout the Province.

To meet the need for more Early Childhood Educators to staff these new licensed child care spaces, the Province has extended its partnership with the Early Childhood Educators of BC to provide an additional \$1.1 million of funding to expand the Early Childhood Education Bursary.

In addition, \$1 million in funding will be provided to create an Indigenous Early Years Bursary program, in partnership with the New Relationship Trust Foundation.

As part of the Major Capital program, the evaluation process considers community need for child care as a priority when making decisions regarding the distribution of funding. The Province uses the following factors to determine which areas of the province are underserved by licensed child care:

- A review of the current supply of licensed child care spaces for children aged 0-12 compared to child population. Communities experiencing a low supply of child care spaces given their population are considered areas underserved by child care.
- A review of child care space utilization rates. The child care space utilization rate measures the intensity of the use of a child care space and provides an indication of whether providers within a geographic area are fully enrolled (or whether they have vacancies). Communities experiencing high child care utilization rates are considered areas underserved by child care.
- Whether the child care facility and programs offered will serve Aboriginal, First Nations, or Metis communities.
- Whether the child care facility will serve teenage parents.
- A review of vulnerability rates in the community, as established by the Early Development instrument (EDI).

In addition, the Ministry reviews enrolment reports for existing child care operators within a 10 kilometre radius of potential applicants to determine whether proposals are located in areas considered over-served by child care. Combined with a review of the number of vacant licensed child care spaces in a community, this provides an additional indication of the level of local competition and market saturation.

Community need is just one of the measures considered when reviewing applications. The Ministry endeavours to fund a mix of spaces across the province to meet current and future community need, and thus considers supplementary information such as applicant's financial viability and stability, their organizational experience in operating a child care centre, and the project's cost per space when making decisions about allocation of capital funding.

Government is continuing to invest in child care, within a budget that has many demands. To that end, the Province is working to ensure that parents have access to the supports and services they need to help them build a better future for their families.

In 2016-17, the Province has spent nearly \$327.8 million to provide families and providers with a range of child care programs and services that are meaningful, evidence-based, sustainable, and that offer choice and flexibility for families across BC. We will continue to work across all levels of government to encourage our partners to invest in child-care spaces and help make it less costly for child-care providers to build their businesses.

To support parents, the Province has developed voluntary and demand driven programs and services to meet the needs of families, while supporting a broad range of child care choices, including:

- The BC Early Childhood Tax Benefit (BCECTB), a tax-free monthly payment made to eligible families to help with the cost of raising young children under age six. Benefits from this program are combined with the federal Canada Child Benefit and the BC Family Bonus Program into a single monthly payment. The BCECTB provides a benefit of up to \$55 per month per child under age six.
- The Province continues to target funding to families who can least afford child care. The Child Care Subsidy Program, with an annual budget of approximately \$119 million, supports nearly 20,000 children and their families each month throughout British Columbia.
- The Province assists a mix of both licensed non-profit and private child care providers with their operating costs through the Child Care Operating Funding Program (CCOF). All licensed group and family child care providers are eligible for funding with the exception of Occasional Child Care, Child Minding and Residential Care. While child care providers may use the funds for any costs incurred to operate the child care program, operating funding is intended to assist child care providers to develop best practices that contribute to quality child care, such as establishing wage and benefit levels that attract and retain qualified staff, maintaining parent fees, and supporting ongoing training and education for staff. The Child Care Operating Funding budget continues to increase – from \$62.3 million in 2007/2008 to \$89 million in 2016/2017.

Community, Sport, and Cultural Development

COMMUNITY BENEFIT POLICY (2016)

THE CHAMBER RECOMMENDS

That the Provincial Government works with communities and stakeholders to adopt a Community Benefit Legacy Policy that meets the needs of business and communities.

Response:

The Ministry appreciates the BC Chamber's interest in addressing challenges associated with industrial and commercial development like environmental protection, planned growth, and community needs.

The Province recognizes that this growth will have local effects and opportunities, and is committed to assisting communities to prepare. The Ministry's ongoing local government programs on land use planning, infrastructure asset management, local government finance, and local government structure are engaged in assisting communities across BC.

The Province also has regionally-tailored approaches that reflect the unique characteristics and aspirations of communities and the specific characteristics of proposed projects; this means that responses differ from the Northeast to the South Coast to the Northwest.

The Province recognizes a fundamental role of partnerships in finding effective ways to manage change; it requires service and infrastructure providers, including proponents, to work together.

While this response is particularly focused on the efforts of the Ministry of Community, Sport and Cultural Development, the Ministry works with other provincial ministries and agencies that also contribute to local government capacity building and partnership approaches.

There is also a well-established process for reviewing the long-term environmental impact of major projects under the *Environmental Assessment Act*. This process involves the technical and empirical assessment of projects plus consultation and input from affected stakeholders. The Province is open to discussing specific aspects of this process, including finding efficiencies that do not compromise environmental protection or stakeholder input.

Northwest Community Readiness

In Northwest BC the scope and scale of the workforce and services required by Liquid Natural Gas (LNG) and other industrial development could challenge communities in providing housing, local infrastructure, public safety, and other community services. Through the Northwest Community Readiness project, communities are being assisted to prepare for escalating service demands. Project staff meet regularly with provincial and local service providers in order to confirm community-level priorities.

In May 2014, the Ministry contributed \$1.2 million to initiatives in the region, including: Community Land Use Planning Program (CLUPP) grants; Asset Management Capacity Building (AMCB); planning interns; and industry liaison supports. These resources are aimed at addressing impacts that LNG developments have on community water and sewer systems, roads, land development, health, safety, and social systems.

The Ministry is working with proponents and communities to ensure that proponents have certainty and communities have a plan to accommodate new growth. Ministry staff have facilitated an agreement in principle between Pacific Northwest LNG (PNW LNG) and the community of Port Edward to address taxation, infrastructure and service provision during the construction and operations phase of its project. Amendments to the *Municipalities Enabling and Validating Act* have been made to enable Port Edward to enter into a final agreement with PNW LNG once there is a final investment decision. Staff are also facilitating a service agreement between PNW LNG and the City of Prince Rupert.

Finally, staff anticipate facilitating discussions between the City of Prince Rupert and Port Edward over current service issues and the longstanding industrial tax base sharing agreement between the two municipalities to share Ridley Island industrial taxes.

As well, the Ministry is supporting socio-economic effects management planning – a process to ensure that LNG proponents work with affected communities to mitigate the direct construction phase impacts on infrastructure and services. A Socio-Economic Effects Management Plan (SEEMP) is required if it is a condition included in an Environmental Assessment Certificate. To develop a SEEMP, proponents need to engage with provincial and community-level infrastructure and service providers and Aboriginal groups to share key project information and ensure potential adverse effects are identified and managed. SEEMPs have been required for five LNG projects to date.

The Northeast

In the Northeast, the Province provides long-term grant funding to support future operational and capital needs associated with industrial development.

The Peace River Agreement (Agreement) is a 20-year, \$1.1 billion funding arrangement between the Province and local governments in the Peace River region, which started on May 31, 2015, replacing a previous funding agreement signed in 2005. Under the Agreement, the Province provides a stable source of funding to local governments in the province's major oil and gas producing region where most of the industry assets are not subject to local taxation. These assessments produce a limited contribution to local governments through property taxation because of their dispersed location throughout rural areas. From 2005 to 2015, provincial funding under the previous agreement was approximately \$387 million, bringing significant benefits to the region and addressing historical deficits in local infrastructure. The first \$50 million payment was made in April 2016.

In April 2013, the Province entered into a 20-year contribution agreement (up to \$200 million) with the Northern Rockies Regional Municipality (NRRM) to help manage its growth as a regional service centre for the natural gas industry. The agreement runs to March 31, 2036, with the potential for extension. The second \$10 million payment was made in July 2016.

Regional Trusts

In the years 2005 and 2006, the Province created three regional trusts (one for each of the Island/Coast, the North, and the Southern Interior) to produce sustainable regional economic growth opportunities, and provided seed financing to these trusts with nearly \$300 million. In addition, the Province also created the Columbia Basin Trust (established in 1995) and seed financed it with approximately \$350 million in order to support social, economic, and environmental well-being in the Columbia River Basin.

Clean Water Wastewater Fund – Infrastructure Funding

The Province provides significant levels of funding for infrastructure within BC communities that supports lasting infrastructure investment in communities. This includes significant investments to support rural communities' economic development and creating opportunities for a number of jobs in the construction and consultation industry which makes them more attractive to both businesses and residents. One of the latest examples of this was on September 30, 2016 when the federal and provincial governments announced more than \$373 million in combined funding available under the Clean Water and Wastewater Fund (CWWF). The federal government is providing up to 50 percent of this funding; amounting to approximately \$225 million for projects while the provincial government will invest up to \$148.5 million, allowing local governments to contribute only 17% instead of the typical 33 percent. Combined, all three levels of government will invest more than \$450 million within the next two years in critical core-public infrastructure. This funding represents the largest local government infrastructure program in over 15 years in BC and will provide for significant improvements to local government infrastructure while providing important economic development including jobs in those communities that are successful in their applications.

Rural Dividend

Beyond the regional approaches above, there is also a province-wide approach to reinvigorate and diversify the local economies of rural BC communities.

To help address the unique challenges rural communities face, at the 2015 UBCM convention, Premier Christy Clark announced a pilot \$25 million per-year Rural Dividend Program beginning in 2016/17, and which will only be available to rural communities with a population of 25,000 or under. Budget 2017 announced another \$25 million to continue the Rural Dividend into 2019/20.

The Ministry of Forests, Lands and Natural Resource Operations (FLNRO) finalized the Rural Dividend Program in April 2016. The Rural Advisory Council's recommendations on the Rural Dividend formed the foundation upon which the program was developed.

The program details have been communicated to prospective applicants and the first grants have been awarded and the second intake grants will be awarded in 2017. The Ministry is committed to supporting FLNRO in the development and delivery of this program for communities impacted by resource development.

In summary, recognizing that economic growth and economic challenges are affecting communities across BC in different ways, provincial ministries and agencies are working collectively to deliver a range of regionally-tailored and province-wide initiatives aimed at ensuring local governments have the capacity and tools to manage change.

EQUITABLE HOSPITAL CAPITAL TAXATION FOR BRITISH COLUMBIA (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government reviews the BC hospital capital tax and transit property tax to ensure an equitable and fair taxation across the province.

Response:

Government appreciates the Chamber's interest in an equitable provincial taxation system, and its relationship to funding for transit services across the province.

Within Metro Vancouver, TransLink is responsible for managing and operating a complex, integrated regional transportation system that moves goods and people by bus, rail, SeaBus, custom transit services, roads and cycling paths. It also supports the region's growth strategy, provincial and regional environmental objectives, and regional economic development.

Outside of Metro Vancouver, BC Transit, a provincial Crown agency coordinates the delivery of local and regional bus and custom transit services in over 130 communities.

Funding for transit services both in and outside of Metro Vancouver is derived from a range of sources. Outside of Metro Vancouver, provincial tax revenues contribute to a portion of both transit operations and hospital capital projects. This is in contrast to Metro Vancouver, where operating funding for transit is wholly derived from a variety of regional sources including motor fuel taxes, property taxes and fare revenues. In 1999, the Province assumed responsibility for Greater Vancouver's share of regional hospital costs, to provide additional property tax room for TransLink on residential properties.

The province remains committed to supporting a sustainable and integrated transportation system that will enrich the quality of life of residents, contribute to equitable taxation and support a productive and growing BC. While a review of the hospital capital and transit property taxes is not being considered at this time, government appreciates the interest of the BC Chamber in this matter, and is always pleased to receive feedback and specific recommendations on the achievement of its transit objectives.

REVIEWING REGIONAL DISTRICT ACCOUNTABILITY (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government, due to the consistently changing scope of regional districts and varying levels of accountability to the electorate across the province:

1. Establish a task force responsible for:
 - a. Reviewing the scope, governance and accountability of regional districts with the purpose of increasing clarity of role, effectiveness and efficiency while reducing red tape;
 - b. Establishing concrete guidelines regarding scope, governance and accountability; and
 - c. Ensuring adequate authority to enforce the above guidelines; and
2. Include a broad group of stakeholders, such as UBCM, the business community, and citizen groups amongst others, during the review process.

Response:

We appreciate the interest of the BC Chamber of Commerce in issues related to regional district (RD) governance and accountability within the broader local governance framework.

RDs have been designed as a federation of rural areas and municipalities with various mechanisms that aim to ensure RD accountability both to members of the RD and to constituents. The flexible framework of the RD model, and the federated RD governance structure, provide the tools and flexible delivery needed to adapt the provision of local services within a large and diverse province.

Municipal elected officials serve as both members of their respective municipalities and as members of the RD board of directors. This dual role harmonizes accountabilities and requires elected officials to balance regional and local interests when they are making decisions. The integration of the regional and municipal governments through the RD board also provides a forum for elected officials to solve complicated regional challenges while preserving the role of independent local governments in urban and rural areas.

The RD governance structure aims to ensure that the board is a forum for inter-municipal cooperation and reinforces that the regional district is not a separate government in and of itself. Under this unique and flexible structure, the public receives the benefit of local and regional thinking for issues that cross municipal boundaries. The structure is flexible enough to accommodate differing circumstances among regional districts (i.e. mixed rural and urban areas or predominantly urban federations such as Metro Vancouver).

In addition to representation by elected officials, accountability to citizens is achieved through on-going opportunities for the public to be involved in RD decision-making activities, such as:

- public consultation plans for regional growth strategies;
- liquid and solid waste management planning exercises;
- public hearings;
- board meetings open to the public;
- newsletters;
- televised board proceedings; and
- advisory committees and commissions.

Members of the public use many of these opportunities to make their views known to elected officials in their local municipality and RDs. In addition, legislative requirements further enhance RD accountability to the public and provide for provincial oversight in certain circumstances. Examples of these requirements include the need for approval of the Inspector of Municipalities and participating area approval for establishing bylaws and the need for approval of the electors for most loan authorization bylaws.

BC's RD system has been reviewed over the years on a number of occasions, with the most recent review taking place in 2008/09 through the work of the UBCM RD Task Force. These reviews have resulted in a number of legislative changes, including timelines for service reviews, streamlining land use bylaw approvals, enabling RD borrowing from their own reserve funds, and enabling broad referenda in RDs. Additionally, other legislation has been adopted that applies to the whole local government system and its accountability, including changes in rules regarding campaign financing and enforcement in local government elections as well as the creation of the Office of Auditor General for Local Government.

Given the broad suite of responsibilities and the expansive role of regional districts within BC's local governance framework, any review of changes to the regional district system would represent a complex undertaking with significant implications for all British Columbians. While the Ministry is not planning to undertake a review with the scope of the BC Chamber's request at this time, government continues to look for opportunities to strengthen regional governance and is always receptive to consideration of specific suggestions to enhance the system of local governance in BC.

PROTECTION OF INDUSTRIAL LANDS FOR FUTURE PROSPERITY (2016)

Transferred from FLNRO

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Take immediate action to review the current inventory of industrial lands in the province;
2. Engage in a review of solutions with key stakeholders;
3. Continue to develop a comprehensive provincial land use strategy, perhaps as part of an overall economic strategy for the province; and
4. Enact a policy to establish clear provincial oversight and establish a forum for all relevant land use authorities to monitor implementation of newly created provincial policies and regulations.

Response:

The Ministry of Community, Sport and Cultural Development (CSCD) appreciates hearing the Chamber's views on industrial lands. We are aware of stakeholder and public interest in industrial lands and the role they play in supporting current and future economic development opportunities. The availability of industrial lands helps to support economic development opportunities, attract new investment across BC, and further deepen our position as Canada's Pacific Gateway.

We recognize that the issue of land supply and demand is most acute within the Lower Mainland, where the industrial land supply is finite and there is strong competition with other uses. As you can imagine, there are a variety of perspectives on land use and development in the region. It is helpful to have the Chamber's perspective, as this provides us with a more complete understanding of the views of British Columbians.

Other regions in Canada and around the world are facing similar issues accommodating rapid growth while maintaining quality of life and ensuring that development is socially, economically and environmentally healthy and makes efficient use of public facilities, land and other resources. It is often challenging to anticipate and ensure the right mix of land uses is available and serviced appropriately.

The Province's focus is optimizing land use across the region to ensure liveability along with strong growth in a number of sectors including residential development, transportation and industry. The Province continues to work collaboratively with all levels of government, private sector partners and other stakeholders in making the Asia Pacific Gateway more competitive, including with projects aimed at improving goods movement.

It is important to build on the good work of local governments and to consider the potential impacts on local communities. Ensuring local governments and First Nations are engaged can help to align actions, minimize local impacts, improve community acceptance and realize opportunities and benefits.

As the Chamber notes, protecting industrial lands is one of the aims of Metro Vancouver's Regional Growth Strategy (RGS). The RGS was created under a land-use planning framework in BC that gives local governments the authority and responsibility to deal with regional growth strategies, and local community planning and zoning, including for industrial land. It is designed to give local governments a high degree of independence and autonomy on these matters. Decision-making by local governments typically involves weighing and balancing a variety of factors and taking a wide range of views and interests into account.

Given this, if you have not already done so, I encourage you to continue to make your views known to local government staff and elected officials, and to participate in any public engagement opportunities for local and regional land use decisions and planning processes.

Looking at BC more broadly, as you may be aware, the Ministry of Forests, Lands and Natural Resource Operations can establish reserves and designations under the *Land Act* that offer protection to lands for industrial purposes. These can be established to provide temporary or long-term protection depending on the business need. The ministry additionally maintains an inventory of existing reserves and designations for industrial uses.

Energy and Mines

CUSTOMER PRODUCED POWER – IMPROVING BC HYDRO POLICY (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government and BC Hydro, in the process of preparing the next Integrated Resource Plan, develop a solar PV strategy and scenario for the future supply of economic, reliable and firm solar energy for BC, encouraging local innovation.

Response:

As the Chamber has noted in its report, BC Hydro's programs and the Province's tax policy and regulations already provide opportunities for the solar sector, including:

- BC Hydro and FortisBC have net metering programs that allow residential and commercial customers to offset their electricity consumption with generation from their own solar panels.
- As a clean or renewable resource, solar is eligible for BC Hydro's procurement processes, including the Micro-Standing Offer Program.
- Solar panels are exempt from the provincial sales tax, as are other materials such as wiring and devices that convert direct current into alternating current when purchased with solar panels to be used in their installation.

- Government passed the Solar Hot Water Ready Opt-In Regulation for new homes, which allows municipalities to require that new homes be constructed with their roofs and walls reinforced so that they can later accommodate solar hot water systems.

As BC Hydro begins to plan for its next Integrated Resource Plan (IRP), it is developing scenarios and will review the full range of resource options, including solar. BC Hydro will consult stakeholders while developing the IRP, and the Chamber is encouraged to participate in these consultations when they take place.

SUPPORTING BRITISH COLUMBIA'S STEELMAKING COAL INDUSTRY (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Promote the productive and environmental benefits of high quality Canadian steelmaking coal to international markets;
2. Work with industry to develop sound public and economic policies that fosters BC's steelmaking coal mining industry; and
3. Support educational opportunities to inform people of the province's steelmaking coal resources, its contribution to meeting global demand for steel production and the corresponding economic prosperity through high paying jobs for tens of thousands of families, to BC's small businesses through local procurement, through tax generation and the related economic spinoff.

Response:

Significant progress has been made towards achieving the target of eight new mines and nine mine expansions set out in the BC Jobs Plan. We continue to see new mines being built; in fact, BC has five new mines today that we did not have in 2011—creating over 1500 new jobs—with two new mines being constructed right now. In addition, the Province has approved nine expansions of existing major mines since the release of the BC Jobs Plan.

The recent surge in coal prices this year has strengthened the economic potential of the province's high-quality coal deposits. BC produces high-quality metallurgical coal used for making steel. In addition, BC is positioned to benefit from demand for coal in Asian markets with approximately three quarters of BC's coal exports already going to Asian countries. Premier Clark has led trade missions to China, Korea, Japan and India to deepen relationships with key Asian markets.

Environment

PROPOSED NATIONAL MARINE CONSERVATION AREA RESERVE – STRAIT OF GEORGIA (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government works with the Federal Government to:

1. Conduct a thorough analysis of current and forecasted commercial and recreational activity as well as how such activity may be affected by the establishment of an NMCA Reserve before the reserve is created; and
2. Enact a separate piece of legislation for the Strait of Georgia NMCA Reserve to allow businesses, residents and visitors a stable and transparent decision-making platform.

Response:

The Province appreciates the high value of and interest in this very important ecological and economic region. Certainly, the need to work towards achieving greater clarity and balance to support both conservation and sustainable economic activity in the southern Strait of Georgia is a common goal shared by the Province.

Both the provincial and federal governments understand that this area is one of the most populated and heavily used marine environments on the BC coast, and that its sustained health and continued use for fishing, marine transportation and other activities are critical to the provincial economy and to the well-being of coastal communities and residents. The potential establishment of a National Marine Conservation Area (NMCA) Reserve in this region will require a strong governance model allowing government agencies to work together with First Nations, local governments and other stakeholders in support of our common interests.

The Province, with Parks Canada, is currently focused on engaging and developing cooperative relationships with the 19 First Nations who assert a historical, current and future relationship with the land and waters in the proposed area. The Province will also be continuing to engage in regular and ongoing project discussions with local governments, industry and other stakeholders to welcome input and clarify the broad spectrum of interests, operational considerations and management concerns. At present, it is too early to know whether enacting a separate piece of legislation to support an NMCA Reserve would be the most appropriate or necessary tool to support an informed, predictable and collaborative decision-making platform for this project.

In addition, the Ministry of Environment understands that at the recent Canadian Chamber of Commerce's Annual General Meeting, in September 2016, an updated resolution was submitted by the Victoria Chamber of Commerce that effectively revised their policy position concerning decision-making and expressed support for this project. The ministry understand that this resolution was approved by the Canadian Chamber of Commerce and endorsed by the BC Chamber of Shipping. There will likely be further discussions with the Chamber of Commerce and the federal government in the coming months.

REMEDIAATION STANDARD FOR LEGAL AND ILLEGAL SUBSTANCE AFFECTED PROPERTIES (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government and Federal Government develop a comprehensive remediation standard to secure the conventionally available housing stock affected by the legal and illegal manufacture or cultivation of substances, which will satisfy the needs of the industries affected including the real estate, financial, insurance and construction related industries and the clients they serve.

Response:

The *Environmental Management Act* and the Contaminated Sites Regulation collectively provide a comprehensive regulatory framework for the remediation of contaminated sites of all types. This framework includes regulatory checks and balances through the review and approval of remediation plans, and on-going monitoring of remediation activities to ensure the environmentally sound management of on-site contamination. The Province sets legally enforceable standards that a contaminated site must meet for the intended use of the site. The real estate, financial, insurance and construction sectors are encouraged to adopt these standards under the common goal of protecting human health and the environment.

RENEWED INTEREST IN BROWNFIELD REMEDIATION (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Update the BC Brownfield Renewal Strategy, and continue to provide municipalities and developers with clear rules, incentives, and information;
2. Develop an inventory of all brownfield sites in BC that are available for redevelopment so that municipalities and developers have clear awareness of redevelopment opportunities that are eligible for incentives through provincial programs, the FCM Green Municipal Fund, or other programs;
3. Follow Ontario's lead in its Brownfield Tax Incentive Program which involves a cancellation or deferral in the provincial portion of property taxes to match a reduction in the municipal portion (i.e. provincial matching of the existing Revitalization Tax Exemption available to communities through the Community Charter); and
4. Consider re-investment in the Brownfield Renewal Strategy Funding Program for the next 3-year budget cycle.

Response:

1. Since the conclusion of the Province's first Brownfield Renewal Strategy in 2014, the Ministry of Environment has been reviewing what was accomplished with a view to developing options and recommendations for ongoing provincial effort to promote and facilitate the remediation and redevelopment of underutilized former industrial or commercial properties in communities across BC. The Strategy that ran from 2008 to 2014 consisted of three major strategic initiatives—education and capacity building, regulatory and process streamlining, and a modest brownfield funding program. It is anticipated that any future brownfield strategy/program will build upon these three initiatives and increase the emphasis on communities as leaders and champions because it is communities that benefit most—economically, socially and environmentally—when they can remain compact and fully-utilized.
2. An inventory of all brownfield sites in BC does not presently exist. The Chamber's recommendation to develop such an inventory is an excellent one that would support both communities themselves from the perspective of increasing market readiness as well as the Province as it develops a business case for a second brownfield redevelopment program. During the present period of brownfield strategy review, the Ministry of Environment intends to approach several municipalities of different scales to enquire about their potential interest in working with the ministry to develop municipality-specific brownfield (or "opportunity sites") inventories.
3. Terrace Municipality brought forward a Resolution at UBCM that relates to brownfield taxation. The Resolution was passed and the Ministry of Community, Sport and Cultural Development is expected to consider the recommendations made. The Ministry of Environment will share the Chamber's recommendation regarding brownfield taxation so that it can also be considered.
4. Re-investment in the Brownfield Renewal Strategy Funding Program is not presently possible due to the program's conclusion in 2014. However, funding incentives are recognized as an important part of any brownfield renewal strategy and will be an important aspect of the ongoing work to develop options and recommendations for possible future provincial effort to promote and facilitate the remediation and redevelopment of brownfields in BC.

Finance

CHANGING BC'S SALES TAX MODEL - MOVING BEYOND THE PST (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Provide a fully refundable investment tax credit claimed on businesses' income tax returns equal to the PST paid on all acquisitions of machinery and equipment (including computers and software) but excluding buildings and structures with a capital cost allowance rate of 5 per cent or less;
2. Continue to work with the chamber of commerce and others to find ways to reduce the administrative burden of the PST; and
3. Commit to a dialogue with British Columbians on the development of a made-in-BC Value Added Sales Tax system to enhance BC's competitiveness and productivity.

Response:

The government recognizes the impact of the return to the PST on British Columbia's competitiveness, productivity and investment attractiveness (as demonstrated by the province's Marginal Effective Tax Rate (METR)). However, as noted by the Chamber, the cost of providing a fully refundable income tax credit equal to the PST paid on machinery and equipment would be significant.

Despite the province's METR, when all types of taxes are considered, British Columbians generally have one of the lowest tax burdens in the country.

Since 2001, the government has taken significant steps to improve the British Columbia tax system. Personal and corporate income taxes have been significantly reduced to lower the tax burden on families and improve the competitiveness of British Columbia businesses.

BC's corporate income tax rates are among the lowest in the country, and combined with federal tax reductions, the general corporate income tax rate in British Columbia is among the lowest of the G7 nations.

BC also has one of the lowest small business corporate income tax rates in Canada. Subject to the approval of the Legislative Assembly, *Budget 2017* reduces the small business corporate income tax rate reduced to 2 per cent from 2.5 per cent effective April 1, 2017.

As recommended by the Commission on Tax Competitiveness, again subject to the approval of the Legislative Assembly, *Budget 2017* phases out the provincial sales tax on electricity. The tax rate will be reduced to 3.5 percent effective October 1, 2017 and effective April 1, 2019 electricity will be fully exempt from provincial sales tax.

When fully implemented, the exemption will provide businesses, large and small, with savings of more than \$150 million annually. These savings will allow businesses to re-invest in new equipment and technologies, improving their ability to compete globally.

The government acknowledges that further improvements to the PST are a priority of the business community. Future steps to mitigate the negative effects of the PST and other business taxes will be considered in the context of the province's fiscal situation and competing funding priorities.

The Province also endorses the Commission's recommendation for broad public consultation and engagement with British Columbians prior to considering any substantive changes to the PST.

ENHANCING AGRICULTURE COMPETITIVENESS THROUGH EQUITABLE TAXATION (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Provide PST exemptions on all agricultural goods and services that are zero-rated under the GST system;
2. Ensure that the mandate of the Tax Competitiveness Commission give full consideration to the needs of the agricultural sector; and
3. Continue its discussions with the British Columbia Agriculture Council and industry stakeholders to enhance the sectors competitiveness both domestically and internationally.

Response:

There are over 400 items exempt from provincial sales tax (PST) when purchased by a qualifying farmer, fisher or aquaculturalist.

Most goods that are zero-rated under the federal goods and services tax (GST) are also PST exempt when purchased by a qualifying farmer, fisher or aquaculturalist. In most cases, sales of agricultural products that are zero-rated under the GST are also exempt from PST. All food for human consumption (including foods subject to GST) is exempt from PST.

The government supports the agricultural sector in a number of ways, including:

- Income, fuel and property tax concessions and exemptions.
- Production Insurance.
- AgriStability, AgriInvest, AgriFlex and Wildlife Compensation Programs.
- School Fruit and Vegetable Program.

- Funding to support environmental farm plan and best management practices and innovation, marketing and competitiveness under Growing Forward and Growing Forward 2.
- Tree-fruit replant program with work beginning on a permanent sustainable tree-fruit replant program to be implemented following the current program.
- Continuing to work with other provincial governments to break down barriers that prevent the movement of British Columbia wine across provincial borders.
- Working with the organic farming industry to develop a BC Organic brand to promote the provincial organic food sector.

With respect to the Commission on Tax Competitiveness, the mandate of the Commission was to make recommendations for improvement of tax competitiveness with respect to the British Columbia economy as a whole rather than for sector specific recommendations. However, the Commission met with every group which requested a meeting and it is noted that the BC Chamber of Commerce submission to the Commission included an emphasis on the agricultural sector.

The government remains committed working with all stakeholders to enhance the competitiveness of BC including for the agricultural sector.

The government acknowledges that further improvements to the PST are a priority of the business community. The Chamber's recommendations with respect to agriculture will be considered in the context of the Province's fiscal situation and competing priorities. The government also endorses the Commission's recommendation for broad public consultation and engagement with British Columbians prior to considering any substantive changes to the PST.

LEVELING THE PLAYING FIELD BETWEEN BC AND OUT-OF-PROVINCE CONTRACTORS WHEN BIDDING ON BC-BASED PROJECTS – EDUCATION AND ENFORCEMENT (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Protect BC companies' ability to compete on bids by creating a level playing field when bidding on contracts. Conduct a full and comprehensive analysis of Saskatchewan's tax laws in relation to non-resident contractors / businesses in comparison to BC's tax laws to tighten loop holes and ensure BC businesses are submitting their base costs at the same level as non-resident contractors;
2. Fully staff a field audit branch in communities close to bordering provinces;
3. Monitor, track and publicly report the taxes collected from non-resident contractors, putting the majority of these funds back into education and enforcement programs;

4. Require all non-resident contractors coming to work in BC, including those who operate in the petroleum industry, to register with the Ministry of Finance for the purpose of reporting tax payable on materials, supplies, equipment, vehicles and tools used in BC. Non-resident contractors to be required to obtain a Clearance Letter upon completion of their BC contracts and provide it to the General Contractor or Principal prior to a hold back payment on contract being made. Provide proof of WorkSafeBC coverage, if necessary;
5. Require General Contractors or Principal to ensure non-resident contractors comply with BC tax and labour laws, or possibly be held liable for non-compliance;
6. Require Ministry of Finance to be responsible for providing Clearance Letters to sub-contractors, for the purpose of providing to General Contractor or Principal as proof of non-resident contractor's compliance;
7. Require General Contractor or Principal to identify / report to the Ministry of Finance their sub-contractors for the purpose of compliance and audit checks; and
8. Develop educational opportunities to raise awareness to non-resident contractors to educate as to what our BC tax and labour laws are. Encourage a better understanding through an information campaign through industry associations and government offices.

Response:

Just as businesses in BC are free to conduct business and make sales in other provinces, so too are out-of-province businesses free to conduct business and make sales in BC.

Out-of- province businesses, including oil and gas contractors, are required to pay provincial sales tax (PST), in the same way as British Columbia based businesses, on all goods, software and taxable services they purchase in the province, unless a specific exemption applies. In addition, out-of-province businesses doing business in the province are required to pay PST on all goods they bring into BC for use in the province, subject to the same exemptions available to BC based businesses.

The BC tax system operates on the principle of voluntary compliance. Each taxpayer is responsible for correctly paying taxes on their taxable purchases, and for levying, collecting and remitting tax on their taxable sales. If some taxpayers do not meet their obligations, all British Columbians are adversely affected. The government conducts regular audits to identify and collect unpaid provincial tax. These audits help ensure that all taxpayers pay their taxes and promote a level playing field for all BC businesses.

Just as the government has a program of regularly auditing British Columbia based businesses to ensure they are in compliance with tax laws, the government also operates an audit program focused on out-of-province businesses doing business in British Columbia, including oil and gas contractors. Various monitoring and tracking programs are used to identify risk of non-compliance and respond accordingly. Where there is non-compliance, these businesses are subject to the same assessments, penalties and interest as British Columbia based businesses.

All businesses must provide records to determine if tax obligations are being or have been complied with. Records identifying transactions with sub-contractors are routinely obtained for the purpose of compliance and audit checks. Legislation protects the information and records of taxpayers from disclosure to other persons, including the amount of taxes collected from out-of-province businesses doing business in BC, including oil and gas contractors.

In addition to the audit staff located in Victoria and the lower mainland who routinely conduct audits of out-of province businesses, the government maintains a full complement of staff in the border communities of Dawson Creek, Fort St. John and Cranbrook.

Comprehensive taxpayer education is available through webinars and seminars, outreach services, enquiry phone line and email and publications available online as well as at government offices. In September 2016, *Bulletin PST 321 Businesses from Outside BC* which provides additional information targeted to out-of-province businesses doing business in British Columbia, including oil and gas contractors, was released.

The Ministry of Finance continues to work with the NEBC Resource Municipalities Coalition and others to improve taxpayer education and promote compliance of out of province businesses carrying on business in BC, including reporting on the referral leads provided by the Coalition.

PST COLLECTION FOR CONTRACTS TO IMPROVE REAL PROPERTY (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Review the current method for real property contractors to collect and remit PST with all stakeholders; and
2. Amend regulations and / or legislation to provide real property contractors flexibility in collecting and remitting PST in a manner that best works for the contractor and their customer.

Response:

The government has undertaken an extensive outreach and public information program for real property contractors to enable all real property contractors to understand their options and their obligations with respect to the provincial sales (PST) tax on goods installed as improvements to real property, including:

- All real property contractor bulletins have been updated.
- A dedicated webpage for real property contractors was created to improve the visibility and accessibility of information.

- Real property contractor specific information was distributed with all PST tax returns for a three month period and Real property specific information was displayed at all 62 Service BC locations in the province in May and June 2016.
- PST information and website links were included in the Union of British Columbia Municipalities newsletter and industry newsletters.
- A real property contractor specific pamphlet was created and mailed to businesses registered as real property contractors. The pamphlet includes information about the new dedicated webpage, contact information for the Ministry, and a high level overview of general PST rules that apply to real property contractors.
- Businesses registered as real property contractors were also contacted by telephone to inform them about the real contractor specific pamphlet, the dedicated real property telephone number and to prompt real property contractors to contact government with their questions and inquiries. Real property contractors who responded to the invitation to contact government were offered the opportunity of an onsite visit by a tax specialist.
- Government partnered with several industry associations to deliver multiple real property webinars and in-person education sessions throughout BC. A new real property contractor specific video was released in October 2016.
- Government attended industry trade shows including Buildex Conference and BC BuildIN to distribute bulletins and the real property contractor pamphlet, demonstrate accessing the dedicated real property contract webpage and answer questions.
- The government has partnered with the provinces of Alberta, Manitoba, and Saskatchewan to ensure their websites include links to British Columbia's dedicated real property contractor webpage and other British Columbia tax information including tax on goods brought in from out of province, carbon tax and motor fuel tax.
- All municipalities in British Columbia were informed about the real property contractor outreach project, and requested to distribute the real property contractor pamphlet at their permitting and licensing desks.
- Further outreach was conducted in early 2017.

The 2008 amendments to the *Provincial Sales Tax Act* which were reinstated in 2013 with the re-implementation of the PST give real property contractors, and their customers, flexibility and certainty with respect to goods which are installed under contract as improvements to real property.

The tax application allows real property contractors to determine how best to write contracts for their particular business and provides certainty about how the PST applies to the contract chosen by the real property contractor.

Real property contractors and their customers can choose to enter into agreements in which the customer agrees to pay the PST on the goods installed under the contract as improvements to real property.

Where real property contractors and their customers enter into such an agreement, the real property contractor is exempt from tax on the purchase of the goods and is required to collect and remit the tax from their customer.

If a real property contractor and their customers do not choose to enter into such an agreement, the real property contractor pays the tax on the goods at the time of purchase.

REAL ESTATE, CITIZENSHIP & RESIDENCY DATA COLLECTION, ANALYSIS AND REPORTING (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Ensure that citizenship and residency data collected through Ministry of Finance Property Transfer Tax Forms are recorded, analyzed and publicly available on a regular basis; and
2. Requisition a full provincial study to collect and analyze citizenship and residency data on all real estate property in British Columbia and publish the results.

Response:

The Province is releasing detailed statistical information about property transactions on a monthly basis through DataBC. This data has been prepared in consultation with the Office of the Information and Privacy Commissioner and BC Stats to ensure it complies with privacy requirements.

View the data at: <https://catalogue.data.gov.bc.ca/dataset/9c9b8d35-d59b-436a-a350-f581ea71a798>.

The Ministry of Finance and BC Statistics are working together to analyse the data being collected through the tax system. BC also shares information with the federal government through our sharing agreements.

SMALL BUSINESS BENEFITS FROM SIMPLIFYING THE MEDICAL SERVICES PLAN TAX SYSTEM (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government mandates an overhaul of the current Medical Services Plan (MSP) system through the new Provincial Tax Competitiveness Commission (PTCC) giving consideration of the following options:

1. Replace the MSP with a progressive and equitable approach to health care funding;
2. Abolish the current MSP premium system and implement a line item to the provincial income tax; and
3. Provide in advance at least one year's notice to indicate that the MSP tax would be replaced with a combination of a payroll tax and an income tax surcharge, as is done in Ontario.

Response:

The BC Government intends to eliminate MSP premiums. The first step is to reduce premiums by 50 percent for households with annual net income up to \$120,000, effective January 1, 2018. This change will mean annual savings of \$900 for families paying full premiums, and \$450 for individuals paying full premiums. In addition, the Province is raising the income threshold below which households are fully exempt from MSP premiums by \$2,000, effective January 1, 2018. This means individuals with net income up to \$26,000 will pay no premiums and couples with two children with net income up to \$35,000 will pay no premiums.

As a result, up to two million British Columbians will see their premiums reduced by 50% next year. Individuals and families will need to register to allow government to verify income information to determine eligibility. Those already receiving premium assistance will be automatically registered. Over the coming weeks and months, more information will be available to help guide British Columbians through this process.

The next step will depend on the government's fiscal capacity in the future. As BC moves toward elimination of MSP premiums, the Province will continue to listen to and consult with British Columbians.

TAXATION OF SHORT TERM RESIDENTIAL RENTAL UNITS (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Ensure that appropriate PST and applicable MRDT be collected and remitted at the point of purchase of room nights on short term residential rentals; and
2. Ensure that all operators, managers and / or booking agents of four or more rooms be subject to collection and remission of PST and applicable MRDT taxes.

Response:

The government is very aware of the concerns being raised about the peer-to-peer, or sharing, economy generally, and the specific concerns being raised about accommodation.

Most of the concerns related “level playing fields” between traditional providers of goods and services, including accommodation, and those providing goods and services through peer-to-peer networks relate primarily to the lack of regulatory requirements for the sharing economy rather than actual differences in tax treatment.

Where an accommodation provider provides, or offers to provide, four or more units of short term accommodation, that accommodation is taxable under the provincial sales tax and the municipal and regional district tax, where applicable, unless another specific exemption applies regardless of whether it is provided in a hotel, in a B&B or in a residence.

Accommodation which is subject to tax under the *Provincial Sales Tax Act* remains taxable regardless of how it is advertised or how providers and customers connect – whether through traditional means or through online platforms such as online home rental services.

The government and governments at all levels are continually working to ensure compliance with tax laws.

Forests, Lands and Natural Resource Operations

CREATION OF A STABLE AND PROSPEROUS FOREST INDUSTRY (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Take steps to halt the erosion of the timber harvesting land base by making impacts on the timber harvesting land base a mandatory consideration in the approval process for any further creation of parks and protected areas or other similar initiatives within timber harvesting land base areas.
2. Ensure there is sufficient funding and consultation with industry stakeholders in place to complete the cumulative effects work that is currently underway in the province, so a forest harvesting land base can be ensured which will allow the industry and communities to prosper into the future.
3. Provide incentives such as training funding programs, which would support small businesses such as contractors and new entrants into the industry.
4. Develop a transition plan for communities that have been devastated by the mountain pine beetle epidemic so they can maintain an economy while the forest surrounding their location re-establishes itself to a marketable age class.
5. Most importantly the Province must continue to work with First Nations on Land Claims and Rights and Title cases to try and increase certainty on the land base which is now viewed differently as a result of the Tsilhqot'in decision.

Response:

In August 2016, the Honourable Steve Thomson, Minister of Forests, Lands and Natural Resource Operations, released *Strong Past, Bright Future: A Competitiveness Agenda for BC's Forest Sector* (<http://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry>). The Agenda describes what government is doing and can do to counter challenges that threaten competitiveness – from strengthening forest inventory data and reducing the risk of wildfire to developing new markets and reducing process costs.

The Agenda has three inter-related goals: (1) healthy, resilient forests, (2) diverse, globally competitive industry, and (3) stable communities and First Nation partners. The Agenda further contains 49 strategic actions that address many of the concerns that the Chamber has identified, including:

- Developing and implementing the Forest Fibre Action Plan (<https://www.for.gov.bc.ca/hth/timber-tenures/forest-fibre-action-plan.htm>), to support forestry-related jobs and increase the efficiency of fibre utilization in the short-term while durable longer-term solutions are developed;

- Establishing the Commission on Tax Competitiveness (<https://news.gov.bc.ca/releases/2016FIN0029-001283>), formed specifically to make recommendations about improvements to enhance competitiveness and stimulate economic growth through increased productivity, investment and job creation across all sectors;
- Investing \$85 million in the Forest Enhancement Society of BC (<https://news.gov.bc.ca/releases/2016FLNR0018-000284>) to reduce risk of wildfires, improve community safety, and restore ecosystem health and wildlife habitat;
- Developing a Land-Based Investment Strategy (http://www2.gov.bc.ca/assets/gov/environment/natural-resource-stewardship/land-based-investment/2015-16_lbis_strategy.pdf) to support investments for a broad range of on-the-ground activities that manage, conserve or enhance BC's natural resources;

Implementing the \$75 million Rural Dividend Program (<http://gov.bc.ca/ruraldividend>) to support rural communities and First Nations to diversify through new emerging economic opportunities; and,

- Supporting increasing demand for skilled labour through actions that include facilitating partnerships and coordination within the sector for development of human resource plans and training development opportunities, and investing in skill-training programs under the Agenda, the [Skills for Jobs Blueprint](#), and the [BC Jobs Plan](#).

With regard to the mountain pine beetle, since 2001, the Province has invested over \$1 billion to mitigate the environmental and economic impacts of the infestation. This includes working closely with communities that may be impacted by mill closures to help them diversify their economies.

In October 2016, the Honourable Donna Barnett was appointed as the Minister of State for Rural Economic Development to focus on and support the transitions that have happened or may still occur in rural communities. In recognition of the need to prepare for and minimize the impact of timber supply reductions caused by the mountain pine beetle, government will continue to engage these communities through outreach activities. For example, on September 20, 2016, a community outreach session was held with key community leaders in Quesnel. The goal of the session was to help the community explore economic development and diversification opportunities and challenges, to improve understanding of the existing government programs and services available to assist the community and workers, and to provide an opportunity for key community leaders to build on existing diversification plans for their areas and to play a lead role in developing local solutions. Additional outreach activities are planned for other communities in 2017.

First Nations involvement in the forest sector is a key factor in achieving forest sector competitiveness. The Province has a legal obligation to engage First Nations on activities that may impact their interests, and to consider accommodation measures before proceeding with development on their traditional territories. The Province encourages business-to-business relationships between First Nations tenure holders and forestry firms, building capacity and sharing information as part of the consultation process.

FUTURE OF THE FOREST INDUSTRY AND ITS IMPORTANCE TO BRITISH COLUMBIA'S ECONOMY (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Secure access to an economically viable fibre supply and identify the timber supply that will be available given First Nations and stewardship allocations:
 - a. Commit to providing all remaining primary manufacturing facilities with the saw log volume required to maintain these facilities in the face of:
 - i. a declining annual allowable cut;
 - ii. Decreasing provincial land base (mountain pine beetle, environmental and Aboriginal rights and title reserves); and
 - iii. Expiring non-replaceable forest licenses. Primary manufacturing facilities rely on a significant volume of timber auctioned by BC Timber Sales (BCTS), and purchases from other sources such as community forests and First Nations tenures. Harvests from all of these sources must be maintained at their respective Annual Allowable Cut (AAC) apportionments. A vibrant secondary manufacturing sector in value-added wood products, the pulp and paper industry and the emerging bio-products industry depends upon a productive primary manufacturing industry to provide raw materials and residual fibre.
 - b. Early and aggressive action is required to control and contain the current and growing spruce beetle infestation to keep this infestation from turning into a similar situation as the mountain pine beetle outbreak.
 - c. New fibre opportunities should be provided without undermining the rights of existing tenure holders. Policies should promote new opportunities, uses and investments without creating new rights and avoiding overlapping tenure rights on the same land base. It is important to integrate “use-it-or-lose-it” contract provisions on these new tenures to ensure the additional tenure opportunities meet their purpose in providing a secure supply of fibre and fibre pricing to primary and secondary manufacturers.
 - d. Land use: Commit to ensuring access to timber to the full level of land use plans. Communicate to industry what level of AAC will be available for harvest so that business can plan its operations, then support access to that timber supply. Timber supply projections are based on a land base that has not been curtailed by subsequent local decisions to place constraints on practicing forestry. Reviewing and revising local government staff decisions respecting access to fibre to fit with government targets for timber supply and revenues will significantly contribute towards ensuring an adequate timber supply. Ensuring there is a commercial forest land base for forestry purposes must become a priority at both the provincial and local government levels.
 - e. Sell BCTS apportionment volumes consistently: BCTS is an important supplier of timber to BC's log markets and must continue to sell its apportionment over the business cycle to get the full forest profile into log markets.

2. Improve the integrity of the market-based timber pricing system (stumpage):
 - a. BCTS must continue progress towards becoming a more reliable source of competitively priced fibre. BCTS auction wood is responsible for approximately 20 percent of the Crown timber in BC, a significant supply for manufacturing facilities. The mandate of BCTS as a mechanism to get wood into the marketplace should not be entangled in government's regulatory and policy roles.
 - b. Resist and refuse demands that the forest industry pay to manage other forest resource users and values unless there is a direct cost recognition in the timber pricing system. This could include residual fibre deliveries, First Nations consultation, and range management costs, among others.
 - c. Provide direct cost recognition in the timber pricing system for consultation with First Nations communities. The scope, level and cost of consultation has increased as First Nations communities increase their assertion of indigenous rights and title interests. Until agreement exists over indigenous strength of claim, and unless and until the Government of BC effectively manages their obligation for consultation and accommodation, these costs will accrue to industry. Direct cost recognition will provide an important opportunity to improve industry competitiveness until the issue reaches an equilibrium and an appropriate cost variable can be determined.

3. Improve investment certainty:
 - a. Use a competitive tax environment to encourage investment in, and transformation of, the BC forest industry: support policies and incentives for capital manufacturing investments that increase the use of innovation and process technology to modernize facilities. This also includes incentives for new market entrants, such as investment tax credits, employment incentives, support for new technologies and creating small business opportunities for facilities aimed at products made from non-saw log fibre and logging residue.
 - b. Increase the scope of the current Provincial Sales Tax (PST) to include investments in non-harvesting heavy machinery within the definition of Logging Activities, when these assets are used primarily in logging operations. This would streamline the PST Act in regards to logging operations and increase investment in road building and earth moving machinery.
 - c. Encourage innovative secondary forest products industries through commercially based arrangements with primary producers. Where direct tenure opportunities are necessary, and they overlap existing tenures, ensure that forest management obligations and timber pricing arrangements are reasonably and equitably apportioned between the new and existing tenure holders. Overlapping tenures only make sense when they access fibre for different products.
 - d. Support policies and incentives to support safety and environmental upgrades required under the BC Sawmill Code of Practice and other legislation; and support clarity and efficient administrative processes regarding permit applications and reporting requirements.
 - e. Eliminate market barriers that will prevent an efficient re-alignment and/or consolidation of forest industry assets (match supply to demand and logistics from

tree to market). Industry rationalization is inevitable as the forest industry adjusts to decreased timber supply resulting from the mountain pine beetle infestation. Allowable annual cuts will decline in the short to medium term. Industry requires flexibility to organize effectively.

- f. Continue investment in important infrastructure programs: improve road, rail, bridge and port structures.
 - g. Promote and fund labour force and skill training applicable to the forest industry to an equal level with other resource based sectors.
4. Market Access:
- a. Continue investments in off-shore and U.S. market development activities by organizations such as Forest Innovation Investment, as well as policies such as the wood first program. These initiatives provide necessary market diversification and will only strengthen our global competitive position.
 - b. Continue working co-operatively with industry and the Government of Canada to address tariff and non-tariff barriers to the global export of BC forest products.
5. Continue to develop emerging forest sector markets internationally:
- a. Continue investments in off-shore and U.S. market development activities by organizations such as BC “WoodWorks!” programs and BC Forest Innovation Investment, as well as policies such as the wood first program. These developing markets are important bailiwicks in providing market diversification and opportunities when the U.S. market is challenged. Unfettered access to other markets for forest products will only strengthen our global competitive position.
 - b. Ensure other emerging markets for BC forest sector products are developed such as Malaysia and Vietnam.

Response:

In August 2016, the Honourable Steve Thomson, Minister of Forests, Lands and Natural Resource Operations, released *Strong Past, Bright Future: A Competitiveness Agenda for BC’s Forest Sector* (<http://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry>). The Agenda describes what government is doing and can do to counter challenges that threaten competitiveness – from strengthening forest inventory data and reducing the risk of wildfire to developing new markets and reducing process costs.

The Agenda has three inter-related goals: (1) healthy, resilient forests, (2) diverse, globally competitive industry, and (3) stable communities and First Nation partners. The Agenda further contains 49 strategic actions that address many of the concerns that the Chamber has identified. The Agenda recognizes that in light of the mountain pine beetle infestation that is causing a decline in timber supply, some mills will likely need to close.

As a result of the 2013 role and effectiveness review of BC Timber Sales (BCTS), the mandate and supporting goals of BCTS have been strengthened. BCTS’ priority is to provide credible representative price and cost benchmark data for the market pricing system. The program’s additional priorities are to:

- Sell the full BCTS Allowable Annual Cut over the business cycle, consistent with sustainable forest management;
- Generate net direct revenue and indirect provincial government revenue over the business cycle; and,
- Pursue continuous improvement within BCTS, across government and with third party partners and customers.

Factors that will ensure that BC continues to be an attractive location for forest sector investments include stable access to raw materials, a skilled labour force, and competitive costs associated with taxation, energy, and transportation. There are more opportunities to attract investment, for example the Commission on Tax Competitiveness has released its report and recommends modernizing the PST.

The Province committed \$1 million in 2016/17 toward the spruce beetle outbreak, and is working closely with the forest industry and other stakeholders to monitor and control the current outbreak and to implement preventive and remediation measures. A spruce beetle project manager was appointed and is supported by the newly formed Omineca Spruce Beetle Public Advisory Committee. As well, over 100 academics, researchers, stakeholders and government staff came together in October 2016 for a two-day spruce beetle summit in Prince George to discuss best practices and the latest research on spruce beetle management.

The Province recognizes the complexities of integrated resource management in the natural resource sector and supports balanced stewardship and investment on the land base for economic, environmental and social factors. This includes continuously improving permitting, reporting, and regulatory requirements and processes. By adopting a cumulative effects framework and supporting transformation in the natural resource sector, the Province is streamlining authorizations, addressing First Nations rights and interests, improving outcomes for values, and supporting durable decisions.

First Nations have aboriginal and treaty interests that need to be considered in government decisions. The Province will act to streamline consultation processes to achieve efficiencies for First Nations, the forest sector and government.

The Province continues to pursue and develop market and innovation opportunities in the forestry sector. As highlighted by the Chamber, Forest Innovation Investment (FII), FPInnovations, Wood WORKS! BC, the Wood First Initiative, and others, third party organizations and initiatives play a significant role in economic diversification and marketing. The Ministry of Forests, Lands and Natural Resource Operations is also doing its part by actively building new strategic partnerships across Asia, including India, where BC is promoting the use of wood.

PROTECTING OLD GROWTH RAINFOREST TO THE ECONOMIC BENEFIT OF TOURISM-BASED COMMUNITIES (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Support the increased protection of old growth forests in areas of the province where they have or can likely have a greater net economic value for communities if they are left standing for the next generation and beyond; and
2. Protect endangered old-growth forests by enacting new regulations such as an Old-Growth Management Area, Wildlife Habitat Area, or Land Use Order, with the intent to eventually legislate permanent protection for areas through provincial park or conservancies.

Response:

The Province has taken substantial steps to ensure the protection of old-growth forests into the future. Of BC's approximately 55 million hectares (ha) of forested land, approximately 20 million ha is considered "old forest" (over 140 years). Over 4 million hectares of old forest is protected in Parks and Protected Areas and areas where logging is largely prohibited, including Old Growth Management Areas, Ungulate Winter Ranges and Wildlife Habitat Areas and other designations.

The Province sets aside old growth forest areas in recognition of their biodiversity values, such as providing habitat for wildlife. The Province targets protection of old growth forests in each landscape unit. Some Vancouver Island communities value old growth forests for their tourism values, and, in 2012, the Province specifically established an Old Growth Management Area for Avatar Grove near Port Renfrew.

The Great Bear Rainforest covers 6.4 million hectares of BC's central and north coast (<https://greatbearrainforest.gov.bc.ca/>). The Great Bear Rainforest Land Use Order, which took effect January 28, 2016, will increase the protection of old growth forests over time from 50 percent to 70 percent. The Great Bear Rainforest has received international recognition and has been included in the Queen's Commonwealth Canopy.

As recognized by the Chamber, eco-tourism provides economic opportunities for rural communities. Through BC Parks, Destination BC, and Recreation Sites and Trails BC, the Province facilitates and promotes world-class outdoor recreation and activities.

On November 28, 2016, the Province released the new *BC Parks Future Strategy* "Protecting our Legacy Together" (<http://www.env.gov.bc.ca/bcparks/future/>). As part of the BC Parks Future Strategy, the Province will invest up to \$22.9 million over five years for campsite expansion in provincial parks and recreation sites, and will allocate funding in 2017 for other recreation and conservation initiatives. The Province continues to invest over \$15 million to maintain and refurbish existing campsites and backcountry recreation sites throughout BC.

STRONG FOREST INDUSTRY EQUALS STRONG COMMUNITIES (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Consult with First Nations and provide municipalities with input into forest tenures in their regions;
 - a. Use the 20 percent tenure take back to promote and expand Community Forests and First Nation Wood Land licences;
2. Review forest tenures in areas where mills have been closed and rescind those tenures where appropriate;
3. Encourage value added forestry investment in communities; and
4. Review the consequences of the removal of appurtenancy requirements.

Response:

The Province uses a variety of tenures to support communities, First Nations and other smaller operators to increase their participation in the forest sector, generate more benefits from smaller parcels of forest land, and further diversify the industry. At the same time, it is important to respect the rights of existing tenure holders and to ensure the investment community remains confident in BC's stability.

The BC and federal governments are exploring initiatives to support successful forest sector business development by First Nations. With a mandate to identify and share information about successful business ventures between First Nations and non-First Nations, the Aboriginal Business Investment Council will create a pathway and information to support a greater number of successful ventures. The governments are supporting First Nations and their organizations in advancing the success of tenure management and other forest sector business.

Like community forest agreements, First Nations woodland licences are designed to support local economies and allow communities to manage forest lands consistent with indigenous cultures and values.

In recognition of the need for strong rural communities, on October 21, 2016, the Honourable Donna Barnett was sworn in as the Minister of State for Rural Economic Development. The Province continues to focus on and make strategic investments in its small communities, including the Rural Dividend, which provides \$75 million over three years to help small, rural communities and First Nations develop new opportunities for diversification and growth.

In 2015, as part of a process government and senior forest industry representatives undertook to identify ways to maintain BC's overall forest sector competitiveness, a collaborative review was completed to explore opportunities to rebuild and improve the value-added sub-sector and position it for the future.

The *Value Added Sector Action Plan* (<http://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry>), released in August 2016, identifies actions being taken by the BC Government and industry to support a diversified and competitive value-added sub-sector, one that maximizes the value of BC's sustainably harvested forests to yield well-paying jobs and deliver other benefits for communities across the province.

The *Value Added Sector Action Plan* identifies key next steps:

- Improving access to the North American market for new value-added exporters;
- Developing skilled labour needed for the value-added sector;
- Improving access to research information;
- Supporting open market access to competitive sale of timber in BC;
- Exploring exemption for value-added products under a new Canada-U.S. Softwood Lumber Trade Agreement; and,
- Exploring the development of a Wood Secretariat.

Like all industry sectors, value-added manufacturing relies on underlying hosting conditions to remain an attractive location for investment – including access to raw materials, competitive taxation and energy rates, efficient transportation (roads, rails and ports), and skilled labour.

The Province continues to have a requirement that fibre is advertised to domestic facilities before it can be exempt from the requirement that timber manufacturing occurs within BC. While appurtenancy has been removed from tenure documents, BC mills continue to use over 90 percent of the volume harvested in BC Provincial milling capacity remains strong as mills expand capacity, sustaining the competitiveness of milling in BC.

THE NEED FOR A RENEWED SOFTWOOD LUMBER AGREEMENT (2016)

THE CHAMBER RECOMMENDS:

That the Federal Government negotiates and ratify a new Softwood Lumber Agreement with the United States using the recently expired agreement as the guideline to the final agreement.

Response:

The Province supports the Chamber's resolution and has been working closely with the federal government to ensure BC's interests are recognized in a fair new softwood lumber trade agreement with the US. In the absence of such agreement BC will continue to fight unfounded allegations of unfair trade practices launched by US softwood lumber producers.

Health

ECONOMIC BENEFITS OF UNIVERSAL PHARMACARE FOR BUSINESSES (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government and the Federal Government:

1. Work to develop a universal pharmaceutical program that will engender cost savings through bulk purchasing agreements and other cost-sharing strategies; and
2. Avoid off-loading costs of providing pharmaceutical coverage onto businesses through private insurance schemes per the Quebec model.

Response:

BC supports the discussions on improving pharmaceutical coverage harmonization in Canada by Federal, Provincial and Territorial (FPT) Health Ministers. Notwithstanding the foregoing, BC has realized significant savings in prescription drugs in various ways.

The Pan-Canadian Pharmaceutical Alliance (PCPA) has achieved multi-million dollars in savings, for the participating Provinces and Territories (PTs). The success of the PCPA is largely due to participating PTs' commitment to approach the collaboration as a united front, rather than individually. Any savings achieved through this approach is not intended to be at the expense of private insurers or out-of-pocket payers. The PCPA Office, on behalf of the jurisdictions, has already been in discussions with the Canadian Life and health Insurance Association to share our thoughts and principles on prescription drug coverage. Discussions are ongoing.

The Province, along with other provinces and territories, through the Pan-Canadian Competitive Value Price Initiative for Generic Drugs (the Initiative) has been taking a coordinated approach to reduce prices for commonly-used generic drugs to 18 percent of the brand name price. By 2016/17, a total of 18 drugs will be reduced to 18 percent of the brand name drug price. Effective April 1, 2017, a PCPA arrangement (bridging agreement) will result in further additional savings as 4 of the 18 drugs at 18 percent of the brand name drug price will be further reduced to 15 percent of the brand name drug price.

PharmaCare is the Ministry of Health program that provides assistance to residents in BC with the cost of eligible prescription drugs and designated medical supplies.

In keeping with the health needs of British Columbians and available resources, PharmaCare continues to expand the number of benefits. PharmaCare administers coverage through ten different benefit plans with the majority of BC residents being covered under the universal Fair PharmaCare Plan.

Coverage under Fair PharmaCare is determined by a percentage of an individual or family's net income and in this manner, Fair PharmaCare makes drug costs affordable for all British Columbians. Registration for the Fair PharmaCare plan is not mandatory unless an eligible resident wishes to receive Fair PharmaCare coverage. However, every BC resident who has valid, active Medical Services Plan coverage is automatically covered by the PharmaCare Plan at a default deductible of \$10,000. Fair PharmaCare has been in effect in BC since 2003 and there are no plans to offset the costs of providing pharmaceutical coverage through private insurance plans. In fact, many private health insurers adopt PharmaCare policies or guidelines to manage the administration of their health care plans.

IMPROVING PRIMARY CARE AND SAVING HEALTHCARE DOLLARS WITH PHYSICIAN EXTENDERS (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Integrate the role of “physician extenders” as an additional solution to the primary care shortage in BC;
2. Provide BC’s family physicians with the ability and incentives to financially integrate physician extenders into their practices; and,
3. Support necessary training and regulation of physician extenders to ensure that British Columbians received the best quality, most cost-efficient care.

Response:

The Ministry of Health (the Ministry) actively considered the possibility of introducing physicians’ assistants during 2013 and 2014. At that time, the Ministry concluded that the introduction of an additional regulated health profession (in addition to the 26 existing ones) is not warranted at this time. The services proposed for physician assistants are already authorized for a number of existing health professions such as Nurse Practitioners. Near-term efforts are focused on better integrating those existing professions within the primary care environment.

The Ministry recognizes the need for an integrated primary and community care system that will ensure British Columbians have access to primary care services that respect their preferences and meet their health care needs – at a reasonable and sustainable per capita cost. Building on the progress of A GP for Me, NP4BC, and other initiatives, the Ministry will continue to work with strategic partners and other stakeholders over the next three years across all geographic service areas to improve primary care access, patient experience and health outcomes through the establishment of primary care homes. Primary care homes are networks of full-service family practices linked with health authority and community primary care services.

Supporting improved access to primary care for British Columbians will require a team-based approach. The General Practice Services Committee’s implementation of the BC Patient Medical Home model uses a physician-led, interprofessional-team-based, and person-centred approach to meet the majority of patients’ primary health care needs.

Nurse practitioners, nurses, dieticians, community pharmacists and other allied health professionals play an important role in providing primary care alongside family physicians. In particular, the integration of nurse practitioners and nurses into family practices will fulfill the role of “physician extender” in BC. The Ministry will continue to review health sector funding and payment models to support the integration of nurses in primary care settings.

The integration of nurses in family practices aims to expand a general practitioner’s capacity while maintaining income and improving job satisfaction through a team-based care approach. As part of a team deployment, a nurse can function in a complementary role in the family practice by completing activities within the nurse’s scope, competencies, and experience that the doctor does not need to do and would be doing otherwise.

In this model, the expectation is that the team members will work to a fully optimized scope of practice for that clinical setting to maximize their contribution to the practice. As the nurse takes on patient visits that would previously have been handled by the physician, appointment times will be made available in the physician’s schedule thereby adding the capacity required to increase the attachment of new patients to the practice.

Giving providers the opportunity to practice as part of a primary care team will encourage existing providers to stay and attract new ones to the community, which is particularly important in communities where patients are currently having difficulty finding a regular primary care provider. The Ministry will continue to support community decision-making regarding how primary care services are delivered to best meet the needs of the local population. Resources will be allocated and services will be designed at the local level and focused on providing timely, responsive and patient-centred access to appropriate primary care services close to home.

Jobs, Tourism and Skills Training

SUPPORTING BRITISH COLUMBIA’S LAND-BASED WINERIES, CIDERIES AND DISTILLERIES (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Identify the best way(s) to support expansion and development of BC’s land-based wineries engaged in agri-tourism by providing recognizable and measurable tax relief that offsets the difference between Class 6: Business (production or storage of food and non-alcoholic beverages) and Class 5: Light Industry assessment applied to buildings on agricultural properties only when the activity is related to alcohol production. The provincial tax credit (relief) should offset the higher property taxes for LB wineries/cideries/distilleries offering unique, authentic experiences to visitors in BC.; and
2. Undertake a planning process to encourage expansion and development of the wine, cideries and distilleries agri-tourism sector in BC An ensuing plan or strategy needs to work in concert with BC’s Agri-tourism policies and regulations.

Response:

Tourism is an important economic driver in BC and the province invests nearly \$100 million a year in the tourism sector. The Ministry of Jobs, Tourism and Skills Training and Minister Responsible for Labour (JTSTL) understands the interest of the tourism industry in the expansion and development of the agri-tourism sector in BC. JTSTL co-ordinates activities between Destination BC and all levels of government to ensure that actions in support of tourism are coordinated, and that tourism is recognized as a key driver of economic growth in BC.

One of the ways that JTSTL is supporting the development of agri-tourism is by working together with Destination BC to deliver the Destination Development Program. This Program brings together local government, provincial government agencies, First Nations, destination marketing organizations, tourism operators and other community interests to derive greater tourism benefits. Destination BC and regional stakeholders are working collaboratively with destination marketing organizations to identify actions that will be incorporated into strategic plans for the tourism sector. While each planning area's strategic priorities will be shaped by what local tourism stakeholders and partners identify as the area's key opportunities, discussions with many of the initial planning areas have identified agri-tourism as a tourism development opportunity in the next 10 years.

In addition to delivering the Destination Development Program, Destination BC's Cooperative Marketing Partnerships Program provided \$399,000 in 2016/17, to support winery, cidery and distillery agri-tourism stakeholders in BC. Recipients of this cooperative funding include the BC Ale Trail, BC Wine Institute, Fraser Valley, Circle Farm Tour and Lower Mainland Tourism Alliance. Destination BC also provided support in 2016 to agri-tourism operators through familiarization tours focused around culinary experiences as part of the ExploreBC campaign.

Several recommendations were also implemented in 2015-2016 as part of the Liquor Policy Review. Liquor Distribution Branch (LDB) shelf space has increased for BC liquor products, beer markup has been reduced, and when markups occur, the annual changes have been made more gradual in order to reduce the impact on the consumer.

Other liquor related actions that support the expansion and development of the wine, cideries and distilleries agri-tourism sector in BC include the issuing of up to 18 special wine store licenses for the sale of BC wine on grocery store shelves, and the 21 VQA wine stores have been permitted to relocate to grocery stores. Liquor manufacturers are also permitted to attend farmer and artisanal markets to sell their products to the public, and private liquor stores can apply to set up a "pop up" store at food and beverage festivals where attendees may sample and purchase wines to take home.

In addition, the Ministry of Agriculture updated the *Agricultural Land Use, Subdivision and Procedure Regulation* under the *Agricultural Land Commission Act (ALCA)* in July 2016 to provide clarity to permitted agri-tourism activities in the Agricultural Land Reserve (ALR). The BC Government has established new opportunities around events, such as weddings in the ALR to help farmers grow their incomes while preserving land within the ALR to produce local foods for British Columbians.

Justice

THE COSTS OF RETAIL CRIME (2016)

THE CHAMBER RECOMMENDS:

That the Provincial and Federal Governments:

1. Investigate administrative penalties for lower level retail crimes, such as ticketing and fines, that reduce the impact of retail crime on our justice system and the administrative burden on our retail industry; and
2. Assist in the education of business and business organizations, in collaboration with law enforcement agencies, regarding provincial and federal privacy legislation and how to effectively share information to reduce retail crime.

Response:

Administrative penalties have proven to be an effective tool to support the regulation of matters such as bylaw enforcement, including parking violations. They could be used for lower level retail related offences, but not for criminal behaviour with penal consequences.

The Ministry of Justice is currently exploring administrative penalty options and, as we move forward, will reach out to stakeholders and others, including the BC Chamber of Commerce, to identify innovative ways to implement administrative penalties.

Natural Gas Development

VALUE ADDED NATURAL GAS DEVELOPMENT FOR BRITISH COLUMBIA (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Support Value Added Development for BC's Natural Gas; and
2. Provide reasonable cost effective benefits & incentives to help secure the economics of a Gas to Liquids industry in BC

Response:

The Ministry of Natural Gas Development (MNGD) has been reviewing value added opportunities for Northeast BC as well as the rest of the province. MNGD has met with municipalities, petroleum and natural gas producers, pipeline companies and chemical industry representatives to discuss opportunities and barriers associated with developing a value-added industry for BC.

These discussions are in preliminary stages and MNGD continues to work to understand the opportunities and barriers for these projects. As identified in the manual, there are opportunities to utilize existing programs and mechanisms to create cost effective benefits and incentives to secure a value-added industry.

Gas to Liquids (GTL) is only one of the many opportunities that exist in the value-added field. Petrochemicals like propylene, ethylene and polypropylene just to name a few, provide opportunities that can utilize the plentiful feedstock that we have in BC.

The opportunities for a value-added industry in BC will continue to be reviewed and worked on with local governments and industry.

SUPPORTING CANADA'S RESPONSIBLE RESOURCE DEVELOPMENT (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government works with the Federal Government to promote western access for natural resource products. The Province should:

1. Work with the federal government to identify opportunities, training, education, joint ventures, etc., that would ensure First Nations communities can fully participate and benefit from all natural resource development opportunities;
2. Take a more proactive role in communicating facts about the provincially and federally regulated pipeline industry as well as BC and Canada's safety record for shipping heavy oil;
3. Continue to support establishment of a world-class marine tanker safety regime with enhanced marine spill response capability, and a world-class terrestrial safety system;
4. Engage Chambers and other organizations in project pipeline construction communities to maximize opportunities for local businesses during construction and operation of all major projects, including increased opportunities for First Nations participation;
5. Provide greater clarity and specificity on BC's provincial interest, commonly known as the "five conditions," in order to provide certainty, predictability, and stability that encourage capital investment; and
6. Confirm that a proposed heavy oil pipeline meeting BC's five conditions has the full support and confidence of the provincial government, and should proceed.

Responses: (Note: Some responses to above six policy issues are aggregated, so numbering is not sequential)

1. The Province continues to work with the Federal government, the First Nations Summit and the BC Treaty Commission to advance treaty negotiations as the ultimate form of reconciliation with First Nations throughout the Province.

The Provincial Government is negotiating various forms of benefit agreements with First Nations associated with resource development including Forestry and Range Agreements, Economic and Community Development Agreements (ECDAs) for Mining Projects, and Pipeline Benefit Agreements (PBAs) for major new natural gas pipeline projects.

BC is partnering with the Federal Government to ensure aboriginal communities have access to skills and development programs to enable participation in the economy, and to close the socio-economic gap between aboriginal and non-aboriginal citizens.

First Nations play a vital role in our province's economy. By delivering on the specific jobs and skills training outcomes identified within the BC Jobs Plan and the Jobs Blueprint, and through partnered approaches to natural resource development including BC's substantial LNG opportunities, we will work with First Nations throughout the province to strengthen their communities, and to ensure that all British Columbians share in the benefits from natural resources.

BC has made an investment of \$30 million in BC has recently completed its first year of the Aboriginal Skills Development program, with over 1000 aboriginal participants in the first year of the program. The program has an additional two years of funding available to improve education and skills training outcomes for aboriginal people.

BC is also encouraged by the recent Federal announcement of an Oceans Protection Plan, which includes specific opportunities for aboriginal communities such as investments in training to support First Nations in their role as emergency situation first responders.

2. The BC Oil and Gas Commission (Commission) is the Province's regulator for oil and gas activities – including exploration, production, transportation and refining/liquefaction – under the Oil and Gas Activities Act. The Commission works closely with other provincial and federal regulators, policy agencies and emergency responders in the ongoing maintenance and improvement of the existing regulatory framework in BC.

The National Energy Board (NEB) is the federal regulator for pipeline that crosses provincial borders. For the federally regulated pipeline industry, the Commission has a Memorandum of Understanding with the NEB for assistance and technical cooperation. The Commission also has other government coordination including the following:

- An agreement with Emergency Management BC for reporting services and cooperation.
- Membership with the Western Regulators Forum, focused on cooperation and synergies with Alberta, Saskatchewan, and NEB.
- Project team member on the BC Ministry of Environment's working group around spill intentions.
- A direct relationship with the Ministry of Natural Gas Development which is responsible for policy direction for BC's oil and gas sector.
- A close working relationship with those involved in emergency response, including First Nations, local governments, fire halls and education institutions.

The Ministry of Environment (MOE) is the lead provincial agency under the Emergency Program Act, providing central emergency planning and technical support for hazardous material spills in BC. The Environmental Emergency Program, overseen by MOE, provides regulatory oversight, technical assistance, direct response activities if required and leadership for a successful response in the event of an environmental emergency. The program fulfils its legislated responsibilities by administering the *Environmental Management Act*, Spill Reporting Regulation and Spill Cost Recovery Regulation.

3. (5 and 6) The Provincial Government released a policy paper titled, “Requirements for BC to Consider Support for Heavy Oil Pipelines”, setting out five requirements that must be met for BC to consider support of any heavy oil pipeline projects. Two of those requirements relate to world-leading marine and on land spill response, prevention and recovery systems and are very important for BC and Canada:
 - World-leading marine oil spill response, prevention and recovery systems for BC’s coastline and ocean to manage and mitigate the risks and costs of heavy oil pipelines; and
 - World-leading practices for land oil spill prevention, response and recovery systems to manage and mitigate the risks and costs of heavy oil pipelines.

Five requirements hold pipeline companies to world-leading safety standards and the Province has always maintained its desire for economic growth in BC while balancing environmental protection and the requirement for a world-leading provincial spill regime exemplifies this commitment.

While the Federal Government sets the requirements for planning and preparedness for ship source spills, ensuring world class protection measures and procedures is a BC priority. Guided by an analysis of marine spill response planning and preparedness standards and best practices around the world, the Provincial Government moved forward with ten recommendations to the Federal Government aimed at improving Canada’s marine spill management.

Work has progressed and continues to meet the five requirements. The November 7, 2016 Federal Government announcement of its Oceans Protection Plan (Plan) directed at moving BC closer to achieving world-leading marine safety standards. The Plan includes, for example, tougher requirements for industry response to incidents, proactive monitoring and response capacity on water, improved information sharing of marine traffic with coastal communities, safer navigation in Canada’s waters through better information sharing, new whale protection, etc.

In addition, land-based spill response is an area where the Province has significant management responsibilities. The Province introduced amendments to the Environmental Management Act which received Royal Assent on May 19, 2016. The amendments provide the legal foundation for MOE to establish a new Spill Response Regime to address environmental emergencies. MOE is currently developing the regulations for the Spill Response Regime.

4. In partnership with the BC Business Council and the Aboriginal Business Investment Council, the Province launched is developing the First Nations Economic Development Database (FNEDD) in 2015. FNEDD will be a key resource for companies and local First Nation businesses to connect. FNEDD is intended to serve some specific purposes, including:

- Connecting BC businesses with existing business capacity in BC First Nations.
- Providing First Nations with a planning tool for their economic development objectives.
- Creating accessible data for governments in addressing objectives like skills training.

The Ministry of Aboriginal Relations and Reconciliation (MARR) also supports Aboriginal businesses through the First Citizens Fund Aboriginal Business Loan Program. This Loan Program is administered by All Nations Trust Company (ANTCO) and delivered in partnership with three Aboriginal Capital Corporations. It supports business loans by providing 40 percent of the principal of qualifying loans on behalf of the borrower. The Loan Program also provides a limited loan guarantee to lenders to encourage them to support developmental loans. Each year over 100 Aboriginal businesses are supported by this Program.

BC is also working closely with industry proponents to encourage them to consider their own impact benefit agreements with First Nations and to engage aboriginal communities in procurement and employment opportunities. Staff from MARR meet regularly with major project proponents to inform and assist them in their engagement and outreach with First Nation communities.

BC is also working closely with the BC Assembly of First Nations (BCAFN) through provision of \$2.5 million in funding over three years to enable development of an aboriginal economic development strategy for the Province. BC AFN will be working closely with the BC Business Council and various regional business organizations and First Nation leaders to develop this strategy.

Natural Gas Development – Housing

ADDRESSING THE HOUSING CRUNCH THROUGH INCREASING SUPPLY (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government work with municipalities to:

1. Identify and remove administrative barriers at all levels of government that slow increased density;
2. Identify and implement incentives for the private sector to increase the housing supply through density, alternative and more efficient housing solutions on land that is currently zoned for residential; and
3. Identify and implement incentives that will stimulate the diversification of housing stock.

Response:

Development approvals, land use planning and zoning decisions are local government responsibilities. The Province encourages local governments to increase the supply of affordable housing and create new rental supply by using these broad tools to allow for densification, laneway housing and secondary suites and continues to closely monitor local conditions.

Timely processes and approvals of housing development projects are key in helping to address growing population demands in the province as well as housing affordability. In the coming year, the government intends to implement a number of measures to help expedite housing development application, approval and permitting processes in partnership with local governments. Key elements include:

- supporting improvements to local government capacity, where needed, to process applications in a more timely way;
- using incentives to reward jurisdictions for achieving efficiencies and target outcomes in the application, approval and permitting processes; and
- adopting a performance-based approach in providing provincial assistance.

The Province, through its provincial housing strategy, Housing Matters BC, promotes higher density development and infill as a means to increase the supply of affordable housing in communities. In 2014, the strategy was updated to include three key shifts:

1. Greater emphasis on partnerships;
2. More efficient services for renters, landlords and strata owners; and,
3. More flexible and balanced construction regulation.

For example, the Province has taken the following specific actions to increase housing supply, diversify housing stock and remove red tape and administrative barriers:

- *Streamlined Building Act*: In 2015, the Province introduced a new *Building Act* to establish more consistent building requirements throughout BC. With a more streamlined and modern building regulatory system, the *Act* reduces costs, improves efficiency and productivity, and promotes innovative building proposals (such as Brock Commons, the new tall wood building at UBC).
- *Older strata corporations can redevelop*: As of July 28, 2016, aging strata corporations can now vote to terminate with an 80% vote of all owners instead of the previous unanimous voting threshold. This legislative change has allowed strata owners all over the province the option of selling their units for redevelopment and densification where it is in their best interests.
- *Expand available rentals in strata developments*: Developers can now designate new strata units as available for rental, regardless of strata rental restriction bylaws, by filing Rental Disclosure Statements (Form J).
- *Facilitate freehold row-housing*: In 2012, the Province amended the *Land Title Act* to remove legal barriers that were discouraging the construction of freehold (non-strata) row-housing in BC.

AFFORDABLE RENTAL HOUSING AND A FLUID LABOUR MARKET (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Work with the Federal Government to develop tax and other incentives for purpose built market rental housing units for low- to mid-range income levels, using innovative designs and locating near transit hubs; and
2. Work to combine other social program supports to help support those in the lower income ranges to access market rentals, such as expanding the SAFER program to other vulnerable populations.

Response:

In June 2016, the Federal Government announced a renewed commitment to safe and affordable housing for all Canadians. As part of the process, the federal government committed to developing a National Housing Strategy beginning by consulting with Provinces and Territories. In July 2016, the Province consulted with a range of stakeholders including non-profit housing providers and municipal leaders for a comprehensive approach to inform BC's submission to the National Housing Strategy.

BC's submission included identifying priority issues and opportunities related to affordability, social housing, indigenous housing, innovative financing such as tax incentives, as well as strengthened partnerships. The Federal Government is expected to release the National Housing Strategy in 2017. The Province is looking forward to working with the federal government to achieve its joint objectives for safe and affordable housing for British Columbians.

Housing for vulnerable citizens is a priority for government. In 2016, government committed \$855 million over the next five years to support the construction of 4,900 units of affordable rental housing throughout BC with its partners. Leading up to Budget 2017 government announced a further \$65 million to fund 380 more units largely in support of individuals with mental health and substance use issues, bringing total housing investments to \$920 million and helping create over 5,200 new units of affordable and supportive housing. Creating new housing supply is critical to improving housing affordability and the provincial government is committed to helping British Columbian families find permanent, stable housing.

Ministries and the providers of housing and programs are working together to support low income residents in accessing housing suited to their needs. Tenants are supported through rent supplement programs for seniors and families. The Shelter Aid for Elderly Renters programs provides financial assistance to seniors renting in the private market. The Rental Assistance Program helps eligible low income working families with their monthly rent payments. To qualify, families must have a gross household income of less than \$35,000, have at least one dependent child and have been employed at some point over the last year.

British Columbians facing homelessness can also access rent supplements through the Homeless Prevention Program. This initiative is aimed at providing individuals facing homelessness with portable rent supplements and support services to help them access rental housing in the private housing market. The Homeless Prevention Program operates, in many instances, as an enhancement to the existing BC Housing Homeless Outreach Program and Aboriginal Homeless Outreach Program.

Public Safety and Solicitor General

THE COST OF PROLIFIC OFFENDERS ON THE LOCAL ECONOMY (2016)

THE CHAMBER RECOMMENDS:

That the Provincial and Federal Governments:

1. Provide adequate budgetary support for support services treating offenders while incarcerated and for post-release housing and programming of prolific offenders to ensure successful societal reintegration and safer communities; and
2. Combine resources to develop a National Strategy to deal with prolific offenders and ensure the efficacy of programs such as the Integrated Court Services Plan and the successful implementation of measures such as the Blue Ribbon Panel recommendations.

Response:

The BC Government is committed to keeping British Columbians safe by managing adults who are in custody or under community supervision. Offenders in custody and in the community receive treatment in accordance with their court orders and the release of inmates is done in a manner that best protects the public and supports the inmate.

More specifically, Ministry of Public Safety and Solicitor General (PSSG) staff prepare inmates for release by ensuring they have a transition plan in place for reintegrating into the community, which includes directing them to resources to help support this process and social assistance, if needed. In addition, the Integrated Offender Management/Homelessness Integration Program identifies high-risk offenders to improve their reintegration, increase housing stability and employability and ultimately reduce reoffending.

The Province meets regularly with the federal government to discuss national strategies for the management of offenders across the country. Also, PSSG works closely with other ministries, the police and other justice partners to keep our communities safe.

For example, BC Corrections is also leading the Partners in Justice Client Case Management Committee, with members from Crown, police, health, housing and other agencies, to create an over-arching approach to integrated, risk-based case management of common clients. This project will also enhance collaboration between partners by providing an environment where information sharing can occur in the context of an integrated team model, in accordance with privacy legislation.

PSSG also continues to advance recommendations from the Blue Ribbon Panel on Crime Reduction to ensure the safety and security of communities across BC. This includes work to strengthen inter-agency collaboration through a coordinated approach to integrated partnerships and crime reduction initiatives as well as efforts to manage prolific and priority offenders more effectively through initiatives such as electronic supervision.

Small Business and Red Tape Reduction

ADDRESSING BARRIERS TO SUCCESSION PLANNING FOR SMALL AND MEDIUM ENTERPRISES (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government and, where applicable, the Federal Government:

1. Create a task force in partnership with business and government to develop and implement improved access to simplified practical information regarding proper business succession practices for SME business owners;
2. Increase awareness, particularly among young entrepreneurs, about the opportunities and advantages of purchasing an existing business;
3. Expand the scope of current tax based incentives (such as the Succession Employee Share Ownership Plan) to include unincorporated businesses and instances where successors buy corporate assets rather than shares;
4. Review the current “qualifying activities” in the existing Eligible Business Corporation (EBC) program and

- a. Include a clause which allows the program to be more inclusive towards small to medium sized businesses in a succession transaction; and
 - b. Include a vendor financed arrangement as a qualifying activity, whereby the vendor will receive the same 30 percent tax credit for financing the business succession transaction, thereby reducing the vendor's risk;
5. Expand the scope of existing small business financing programs (such as Canadian Small Business Financing Program) to incorporate succession planning as a legitimate reason for business financing;
 6. Expand the scope of existing government backed vendor financing programs (such as the Small Business Loan Guarantee Program) so that existing or potential owners of SMEs may access funds to facilitate the various aspects of succession planning including capital funds for purchase of an SME business;
 7. Allow small corporations to defer the tax on the capital gains from the transfer of a business to the owners' children; and
 8. Continue to index the Lifetime Capital Gains Exemption to inflation and expand it to include some assets

Response:

The Province recognizes the challenges faced by small and medium sized businesses (SMEs) in succession planning. Through its work with the Small Business Roundtable (Roundtable), the Province supports the growing efforts of small and mid-size communities to engage in succession planning and transition.

The Roundtable provides small businesses in BC with a permanent voice in government through its mandate of:

- Engaging in a dialogue with small businesses to identify key issues and opportunities; Developing recommendations to government and to small business owners on strategies to enhance BC's small business climate;
- Identify and undertake selected initiatives to enhance the competitiveness of the small business sector;
- And, Advocating for small business interests in the province.

The BC Chamber is represented on the Roundtable, providing an effective forum to discuss issues and recommendations to facilitate succession planning for small business. The Roundtable previously contributed funds to Venture Connect Inc., a pilot project aimed at assisting small business with succession planning. Additional funding was provided by BC's Ministry of Jobs, Tourism and Skills Training, Island Coastal Economic Trust, and province-wide working in partnership with Community Futures partners. This pilot proved successful and was expanded into a self-funded organization available across BC.

The Province also provides funding to Small Business BC to deliver advisory services and resources to assist in succession planning along with one on one consultation with a business broker for expert advice on buying or selling businesses.

The Province recognizes the need to foster awareness, particularly among young entrepreneurs about the opportunities and advantages of purchasing an existing business. By leveraging its work with the Roundtable, the Province promotes new programs and resources for businesses by developing new information products, such as the small Business Resource Guide and BC.ca and harnessing online and regional engagement opportunities such as Regional Roundtable Consultations.

The Province provides funding to Small Business BC for advisory services and resources to assist in the sale and purchase of businesses in BC.

The Province is also investing in emerging business leaders with new funding to expand a successful Futurpreneur program that offers business skills and coaching for young entrepreneurs launching new small businesses. Specifically, \$50,000 was provided to Futurpreneur in 2016 to expand its reach by offering Rock My Business Plan workshops in Prince George, Nanaimo and Kelowna. The sessions are tailored to the participants with personal coaching for business planning and marketing.

The Province does not currently provide financing, or support government backed vendor financing programs to small businesses directly. The Province has focused on supporting small business through the funding of organizations such as Small Business BC, to ensure that small businesses have access to the information and resources they need to start, grow or exit a business, including business planning to improve access to financing opportunities for business succession.

Although the Province is not currently planning to implement an equivalent provincial or provincial/federal combined government backed vendor financing program to facilitate capital funds for the purchase of a SME business, the province is open to engaging with the federal government to explore potential options to further support financing for succession planning within existing federal programs, including targeted engagement with First Nation communities looking to broaden and diversify their economic development priorities.

Transportation and Infrastructure

PROTECTING OUR INFRASTRUCTURE - ASSET MANAGEMENT (2016)

THE CHAMBER RECOMMENDS

That the Provincial and Federal Governments:

1. Execute as quickly as possible upon notice of Federal funding, the necessary Provincial-Federal agreements to ensure funding continues in a sustainable consistent manner that accrues to our communities for infrastructure improvements and upgrades, especially smaller communities for existing infrastructure, and required upgrades resulting from new regulations and standards;

That the Provincial Government:

2. Develop a long term Infrastructure Strategy and Plan for British Columbia that:
 - a. Provides increased support for communities to report on the condition and replacement needs of infrastructure;
 - b. Amends the mandatory municipal budgeting process to require identification of future infrastructure needs;
 - c. Establishes project selection criteria that prioritizes infrastructure funding requests based on criteria such as national/provincial economic interest, return-on investment, and job creation; and
 - d. Aligns provincial funding priorities with the available federal infrastructure funding opportunities.

Response:

The provincial government continues to work with the federal government to secure stable long term federal infrastructure programs that support strategic provincial priorities and respond to community infrastructure need. The Province worked expeditiously to conclude the agreements necessary to secure and use funding available under federal infrastructure programs.

With respect to the Ministry of Transportation and Infrastructure specifically, you may be aware the New Building Canada Fund – Small Communities Fund Agreement was signed in March 2015. Likewise, the Small Communities Fund program was announced at the 2014 Union of British Columbia Municipalities (UBCM) Convention and launched on October 15, 2014, with the first intake having closed on February 18, 2015. Fifty-five successful projects with federal/provincial awards totalling over \$128.7 million were announced later that year. The second intake for the Building Canada Fund – Small Communities Fund (BCF-SCF) closed this past spring, on April 28, 2016. As the response we received resulted in requests for funding that far exceed the value of the remaining SCF funds, reviews are currently underway and announcements for the remaining \$90 million of BCF-SCF are expected this winter.

In 2016, BC was the first province or territory to sign the Public Transit Infrastructure Fund (PTIF) agreement with the Federal government. The PTIF commits \$460 million in federal funding and \$308 million in provincial funding to transit projects to be implemented over the next three years.

In September 2016, the Province also signed the Clean Water and Wastewater Fund (CWWF) with the Federal government committing 148.5 million on rehabilitation work to improve reliability drinking water, wastewater and storm water systems and planning for future upgrades required to meet regulations.

The province supports local governments' asset management activities by making funding available through the Infrastructure Planning Grant Program and the Asset Management Planning Grants (administered by the Union of British Columbia Municipalities), as well as an effective collaboration with Asset Management BC.

Under infrastructure capital grant programs (e.g. Clean Water and Wastewater Fund), applicants are assessed on their current and planned asset management practices, and successful applicants will be required through contract conditions to make advancements in their asset management practices.

The province encourages local governments to adopt best practices for identifying future infrastructure capital projects through long term financial planning.

PUBLIC INVESTMENT IN BC FERRIES' INFRASTRUCTURE (2016)

THE CHAMBER RECOMMENDS:

That the Federal and Provincial Governments ensure ferry infrastructure, including terminals and fleets, an eligible category for federal funding.

Response:

The Province supports the use of the Building Canada Fund to assist in the renewal of BC Ferries infrastructure, and is pleased that the federal government has confirmed that ferry infrastructure, both terminals and vessels, are eligible to receive funding from the Building Canada Fund. The applications to access this funding will be submitted directly by BC Ferries.

RIDESHARING – SUPPORTING INDUSTRY INNOVATION (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Bring forward ridesharing regulations that establish province-wide rules for safety and consumer protection;
2. Evaluate and remove unnecessary red tape on existing transportation providers to provide a level playing field; and
3. Coordinate the introduction of a ridesharing framework with a broader modernization of the Provincial Passenger Transportation Act and harmonization of municipal regulations.

Response:

On March 7, 2017, government announced proposed improvements which are the result of extensive feedback and consultation with stakeholders throughout the province, including the taxi and limousine industry, local governments, business associations, accessibility groups, and transportation network companies. Government announced plans to introduce a series of improvements to help the taxi industry modernize and remain competitive in anticipation of ride-sharing services coming to British Columbia by the holiday season at the end of 2017. Proposed changes to allow ridesharing will include a focus on customer safety, convenience and choice; a level playing field for both ride-sharing organizations and the taxi industry; reduced red tape and streamlined processes that will lower costs for all service providers; and the modernization of the Passenger Transportation Act.

Beginning this summer, government will seek additional input from the industry, local governments, police, airports, ICBC and RoadSafety BC as the Province finalizes its plan.

News Release: <https://news.gov.bc.ca/releases/2017TRAN0053-000498>

SETTING THE STANDARD FOR TRUCK DRIVER TRAINING (2016)

THE CHAMBER RECOMMENDS:

That Provincial Government and Federal Government, in coordination with the provincial and national trucking associations:

1. Create a minimum standard for accreditation of commercial driving programs based on the national occupational standard;
2. Require mandatory graduation from an accredited commercial driving program in order to qualify to take the exam for the professional driver license;
3. Amend the graduated license program to allow graduates of the accredited commercial driving program to obtain their Class Licence 1 or 3 upon graduation (as early as age 18); and
4. Amend the national occupational stand to move professional driving from a Class C to Class B.

Response:

You may already be aware that the regulation of commercial trucking is shared across multiple provincial agencies. The Ministry of Transportation and Infrastructure is responsible for commercial vehicle safety and standards and road safety on provincial roads and highways, while the Ministry of Public Safety and Solicitor General the is lead provincial ministry for overall road safety and holds responsibility for provisions in the Motor Vehicle Act respecting driver licensing.

The Insurance Corporation of British Columbia (ICBC) is the provincial agency responsible for carrying out driver licensing services on behalf of the provincial government. As part of this responsibility, ICBC oversees the driver training industry in BC, including commercial vehicle driver training.

Minimum Age Requirements for Class 1 and Class 3

In BC an applicant for a Class 1 driver's licence (semi-trailer trucks and all other classes of vehicles, except motorcycles) must be at least 19 years of age, while an applicant for a Class 3 driver's licence (trucks with more than two axles) must be at least 18 years of age. There are a number of considerations regarding any proposal to lower the minimum age for applicants of commercial driver licences in BC.

First, it is important to recognize that commercial drivers are professionals that require driving experience, special knowledge, skills and training when operating vehicles that carry heavy loads, have unique handling characteristics, and are often operated in challenging situations, such as mountainous or densely populated regions of the province.

When commercial vehicles are involved in a crash, the damage—to vehicles and human lives—can be catastrophic. The BC commercial driver licensing scheme is premised on commercial drivers first being fully proficient at driving less risky passenger vehicles before they move on to heavier vehicles with a higher road safety risk.

An applicant for a commercial driver's licence must first obtain a Class 5 driver's licence and not be enrolled in the Province's Graduated Licensing Program (GLP). BC's GLP requires drivers to accumulate one year of learner experience and two years of acceptable non-learner experience. The Novice (non-learner) phase may be shortened by six months if a person completes an ICBC-approved driver training course, which means that under the current GLP, the earliest a driver could apply for a full class 5 licence is 18.5 years of age. Commercial driver applicants must also have fewer than four Motor Vehicle Act Regulation (MVAR) convictions resulting in penalty points (or the equivalent if from outside BC) in the two years prior to the applications, along with no convictions for Criminal Code (Canada) offences found in Division 28 of the Motor Vehicle Act Regulation (or convictions for similar offences in other jurisdictions), in the three years prior to the application.

Accordingly, any lowering in the minimum age required to obtain a commercial driver's licence must consider the impact to the GLP and the current driver licensing requirements for commercial drivers. This is particularly important in respect of any initiative intended to promote commercial driving and to provide driver training to persons who are under 18 years of age, or who have yet to complete the GLP.

Addressing Workforce Challenges

The BC Trucking Association (BCTA) has identified potential future labour shortages in the commercial trucking industry and recommends the minimum age requirements for a commercial driver's licence be lowered from 19 to 18 to address these workforce challenges.

RoadSafetyBC continues to work with ICBC, the Ministry of Transportation and Infrastructure, and other provincial ministries to consider the BCTA's recommendation, as well as options for promoting careers in commercial trucking industry. This work includes consideration of a commercial driver training program developed by the BCTA and accompanying pilot project aimed at supporting younger drivers getting earlier access to commercial driver licences.

RoadSafetyBC supports the development of training initiatives for commercial drivers and, to this end, will continue to work with staff at the Ministry of Transportation and Infrastructure, ICBC and other provincial partners to ensure that any proposed changes to the current commercial driver licensing age requirements support road safety in British Columbia.

Amend the National Occupational Standards

With respect to your suggestion to amend the National Occupational Standards to move professional driving from a Class C to Class B, it is important to consider that although ICBC regulates the driver training industry through provisions in the Motor Vehicle Act Regulations, the structure and content of training is determined by individual driver training facilities. BC's testing standards are one of the best in the country, requiring backing and an adequate load for road testing purposes; for example, the maximum loaded weight for a typical class 1 configuration is 39,500kg. ICBC requires a loaded weight of 28,000kg, which is approximately 70 percent.

ICBC is supportive of industry efforts to attract and retain skilled commercial drivers and continues to work nationally on commercial driver initiatives with its partners at the Canadian Council of Motor Transport Administrators, with outcomes focusing on safe, qualified drivers, and reduced crashes on our roads. ICBC is aware of the development and implementation of Ontario's mandatory commercial driver training program and is monitoring the outcome of the initiative.

ICBC considered the issue of amending the minimum age requirements for commercial driver's licence applicants, but views this approach as counter-intuitive to road safety in light of the outcomes of the Quebec "Enriched Access to Driving Heavy Vehicles" pilot program. The Quebec pilot program found that 32.5 per cent of its pilot program students received a safety infraction while operating a heavy vehicle, a quarter of the students enrolled in the program were expelled or quit and 12.5 per cent were involved in a crash while behind the wheel of a heavy vehicle. The BC Coroners Service released a 2015 report confirming that, after conducting a review of youth driver deaths between 2004 and 2013, it found the majority of young drivers who died were primarily male youth aged 17 to 18 years old.

Introducing significant changes to the existing commercial driver licensing standard could lead to reciprocity issues with other jurisdictions which, in turn, could have a negative impact on predicted labour shortages in commercial truck driving industry. Instead, ICBC works through the Canadian Council of Motor Transport Administrators (CCMTA) to help raise standards across the country.

At this time, ICBC is not involved in active development of mandatory commercial driver training, but would be supportive of engaging in discussions with the ministry and industry stakeholders in order to assist industry in developing a voluntary commercial driver training curriculum program that could be recognized by other Canadian jurisdictions. Any changes to the current system must consider the impact on applicants and the ability for driver training institutes to meet the demand of enrolment. A successful program will be designed not only in consideration of the commercial transportation industry's need for skilled drivers, but also for the usefulness and affordability of training programs for new commercial drivers, so as not to unintentionally contribute to driver shortages.

THE NEED FOR AN INNOVATIVE APPROACH TO TRANSPORTATION FOR AN INCREASINGLY URBAN PROVINCE (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Commit to funding transportation infrastructure investment and implementing policies that are equitable, efficient, and contains basic traffic demand management principles;
2. Make as a prerequisite of these visions, the need for investment in public transit to provide viable alternatives to single passenger vehicle travel;
3. Commit to working with regional stakeholders and agencies to implement an urban mobility pricing model as a foundation for sustainable transportation funding, including revising BC's provincial tolling policy to positively affect the fiscal sustainability of existing and future transportation projects; and
4. Review the financial impacts of implementing an urban mobility pricing model with the objective of eventually replacing the gas taxes in concentrated urban areas as a means to generating necessary public support.

Response:

In *BC on the Move: A 10-Year Transportation Plan*, the province recognizes the importance of transportation not just for the economic health of our province, but also the importance to the well-being of BC citizens. In support of provincial transit services, BC maintains the highest level of operating support for transit in Canada, and in the plan, government committed to working with its partners to provide access to public transit, to increase transit ridership, and to increase the adoption of cleaner-energy transit vehicles.

Towards fulfilment of this commitment, government will provide \$333 million in operating support to BC Transit in 2017/18 through 2019/20, the highest operating contribution per capita in Canada. The Province, the Government of Canada and local communities, in a partnership under the Public Transit Infrastructure Fund, will invest over \$80 million in replacing, modernizing, and expanding BC Transit's bus fleet over the next three years. Another \$115 million will be invested in infrastructure to provide more efficient operations and to improve services, including bus lanes, transit depots, operations and maintenance facilities, and CNG fuelling facilities.

In Metro Vancouver, under the Public Transit Infrastructure Fund, the Province, Canada and TransLink plan to invest \$157 million in planning, design, and early works for rapid transit expansion south of the Fraser River and along the Broadway corridor over the next three years. An additional \$583 million is allocated to purchase SkyTrain cars and West Coast Express rolling stock, to upgrade the SkyTrain system, bus facilities and transit exchanges/loops, and for information technology.

These improvements in BC Transit communities and Metro Vancouver will help increase transit use as a viable alternative to single vehicle travel, reducing congestion and greenhouse gas emissions.

Mobility pricing is a complex issue that needs to consider many variables that would come with implementing a regional tolling system. The decision to undertake something like mobility pricing, including tolling the bridges in the Lower Mainland, is not something that can be done without significant consultation with the people most affected living in the Lower Mainland, including TransLink, Metro Vancouver's regional transportation authority, which is also responsible for the Pattullo Bridge. I look forward to the Chamber's ongoing participation in providing ideas and thoughts in these discussions.

At this time, the proposed bridge to replace the George Massey Tunnel is projected to be completed by 2022. As part of the proposed work, transit improvement such as dedicated transit/HOV lanes, transit-only ramps at Bridgeport Road to improve access to Canada Line, and integrated transit stops at the Steveston Highway and Highway 17A interchanges will result in key benefits.

TRUCKING ALONG WITH ELECTRONIC LOGBOOKS (2016)

THE CHAMBER RECOMMENDS:

That the Provincial Government:

1. Follow the commitment made by the federal government (Feb 16, 2016) to mandate the installation and use of Electronic Logging Devices (ELD) in all commercial vehicles excepting those vehicles and/or drivers that may be deemed exempt from the use of such devices;
2. Adopt the same technical standard for what constitutes a compliant Electronic Logging Device (EDL) as will be established and enforced by the Federal Government; and
3. Support a position of mandating ELD's on the same timetable as the Federal Government, in all provinces across the country.

Response:

British Columbia supports a national standard that ensures all Canadian jurisdictions operate equally to support cross border transport of commercial carriers and goods, recognizing the potential safety benefits and administrative savings for industry and government.

To that end, we are actively participating with Transport Canada on the development of the ELD technical standard, and are awaiting the final ELD standard to be publically released so that fulsome consultation can take place with industry and other government partners. At that time, we anticipate having a decision regarding whether or not we will make the use of ELD's mandatory for provincial carriers in BC.

In the meantime, it is worthwhile noting that although it may be possible for transport drivers to manipulate a paper log, Commercial Vehicle Safety and Enforcement Branch staff are trained in identifying false logs and applying necessary compliance measures when interventions are necessary.

TRANSPORTATION AND ITS ROLE IN BC'S EXPORT ECONOMY (2016) (NOTE: REDIRECTED BY JTST)

THE CHAMBER RECOMMENDS:

That the Provincial and Federal Governments:

1. Work with the appropriate transportation authorities to assist and expedite BC port expansion approval to meet with surging demand for increased export capacity for coal (both thermal and metallurgical) and other commodities to accommodate global market requirements; and
2. Work with industry to develop and promote public and economic policies that: create and encourage a better understanding of the importance of our export economy to the provincial and national interests, and address environmental concerns by committing to education and mitigation of environmental impacts.

Response:

Canada is one of the world's great exporting nations, with a vast transportation trade network stretching across thousands of kilometres of road and rail infrastructure and several internationally significant ports all serving Western Canada.

In order to increase the efficiency, reliability and competitiveness of Western Canada's trade transportation system, BC is a member of the Pacific Gateway Alliance. This group is a senior executive level partnership of public and private sector interests, comprised of the transportation ministers of BC, Alberta and Saskatchewan, as well as the senior vice presidents of CN and CP and the CEO's of the Port of Vancouver and Prince Rupert Port Authority.

As part of the Pacific Gateway Alliance, BC is working to achieve the three high level goals as set out in the province's Pacific Gateway Transportation Strategy: 2012-2020:

- Building on our world class transportation network to ensure reliability, efficiency and cost effectiveness to keep goods and people moving smoothly;
- Ensuring an attractive investment climate by supporting workforce development, fostering an attractive tax and regulatory environment, and collectively marketing BC's transportation advantages to the world, and;
- Enhancing collaboration with partners and stakeholders including businesses, industries, communities, First Nations, and other levels of government on a variety of new initiatives.

Since 2005, when the Pacific Gateway Alliance began, \$22 billion has been invested by the Pacific Gateway Alliance partners to support international trade. This strategy identified additional investments worth \$25 billion to improve and expand port, rail, road and airport facilities.

In November 2014, the three Western Premiers tasked the Pacific Gateway Alliance with realizing ten action items. These action items are addressing transportation network capacity, coordination and performance, and labour, environmental and safety conditions to ensure Western Canada meets its trade goals. All ten of the action items have been completed or forums to address ongoing issues have been initiated.

One of BC's key initiatives in supporting trade expansion throughout the Lower Mainland is now completed: the \$307 million Roberts Bank Rail Corridor program. The construction of nine road-rail improvement projects has helped eliminate traffic delays caused by passing trains accessing the Roberts Bank terminals, and has reduced traffic idling and greenhouse gas emissions.

Demand for coal and other commodities are projected to increase over the next ten to twenty years. Industry and business are identifying new markets to expand into as a result of new Free Trade Agreements, and governments are working to ensure maximum economic benefits resulting from trade expansion while at the same time ensuring environmental impacts are appropriately addressed.

In response to these opportunities and challenges, several bodies of work are being carried out. In 2015 the ministry released BC on the Move: A 10-Year Transportation Plan which identifies several key priorities, including improving highway safety, capacity and reliability, enabling efficient ports and rail, and a provincial trucking strategy. This plan includes a commitment to invest \$2.5 billion in transportation infrastructure over the first three years of the plan.

The Transportation Trade Network Analysis and Development Initiative is underway and is using the Needs Assessment Study and other relevant studies in a process to investigate specific infrastructure and operational gaps within the province in order to accommodate traffic generated by route and mode of transport resulting from current and anticipated future commodity volumes.

The Province's vision includes continuing to position the Transportation Trade Network as the preferred network for Asia Pacific trade, and to have the most competitive supply chain on the west coast of the Americas, linking Asia to North America via BC.

In the Lower Mainland, the Gateway Transportation Collaboration Forum (GTCF) was established to collaboratively identify, develop, and seek federal funding for priority gateway-related projects of national significance. The GTCF Steering Committee includes representatives from Transport Canada; BC Ministry of Transportation and Infrastructure; Port of Vancouver; TransLink; and the Greater Vancouver Gateway Council. Under the GTCF, the ministry has led or participated in several transportation trade network studies to address trade bottlenecks in key Vancouver Gateway trade areas, such as the Fraser River and Roberts Bank Trade Areas.

In Northern BC, the Province supports the continued development of the Port of Prince Rupert and surrounding Prince Rupert-Port Edward region as a key gateway facilitating Asia-Pacific trade. The Ministry is working closely with provincial agencies, local government, the federal government, First Nation communities and other external stakeholders, including the Prince Rupert Port Authority and industry representatives, to gain a better understanding of transportation infrastructure requirements in the region.

These initiatives will facilitate developing partnerships and implementing solutions to grow the transportation trade network and ensure Canada's Pacific Gateway is the preferred network for both Canadian and North American trade with Asia and the world.