

MYAP Watch List – January 16, 2018

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Opoids

- MOHLTC are preparing to launch the provincial Overdose Prevention Site (OPS) model in early January (release date to be confirmed with MOHLTC and PO).
 - To support the launch, MOHLTC has developed tools to support the OPS launch (e.g. OPS User Guide, application process and reporting tool). Tools reflect feedback from consultations with key stakeholders (e.g., municipalities, public health units).
 - MOHLTC targeting initiating application process the week of January 8, once direction with PO finalized (e.g. confirm PO comfortable with a MOHLTC considering any potential municipal concerns with OPS requests on a case by case basis).
 - The federal exemption granting Ontario the ability to open and operate sites is set to expire on March 31, 2018. In anticipation of this date, MOHLTC is planning to apply for a renewed exemption.
- MOHLTC will be hosting an Opioid Emergency Task Force meeting on January 11, 2018.
 - The focus of the discussion will be on Naloxone administration and training, consultation on resuscitation guidelines, included in Naloxone kits, and expanded access to Naloxone in emergency departments.
- MOHLTC will be exploring options to initiate the provision of hydromorphone, or prescription heroin to clients who use drugs. This could serve as a replacement for illicit drugs with prescribed opioid alternatives to transition individuals from illicit drugs, for those who choose, that would reduce risks associated with opioid overdose, withdrawal, and relapse.
 - In order to move forward with any options, an exemption would be required from the federal government under section 56 of the *Controlled Drugs and Substances Act*.

Mental Health & Addictions

Recent Developments

- Tracking to the MT:MW on January 24 and Cabinet February 7.
- Ministries working to better articulate the "human" outcomes rather than service outcomes in their proposal (i.e., articulating what will tangibly change for individuals and families' experience with mental health and addictions). PO also directed MOHLTC, in collaboration with MCYS, to identify the problem that the ministries are trying to address through the proposed governance approach.
 - The proposed governance approach has not been landed, including whether the ministries would recommend a new provincial agency established through legislation, or whether MOHLTC would leverage existing assets such as the Provincial System Support Program with CAMH. PO direction is needed on the governance approach, in advance of the ministries finalizing their proposal.
 - Through conversations with MCYS, MCYS has stated that they received direction from PO to increase their investment ask for children and youth mental health services (e.g., from \$360M to \$733M). CO is continuing to work with PO to confirm that MCYS' increased investments are consistent with PO direction.
 - CO is also working to confirm direction with PO on the extent to which EDU would be included in the submission, and whether there is direction to support EDU's proposal.
 - A multi-corners was held with EDU, MOHLTC and MCYS on December 21 to discuss EDU's proposal (approximately \$390 annually) to include mental health workers in schools and provide ongoing support for School Mental Health ASSIST.

Next Steps

- FPC – Week of January 15th
- The ministries are tracking to MT:MW on January 24, Cabinet on February 7.

Income Security Reform

Recent Developments

- An ISR Steering Committee was struck in late November with representatives from CO, PO, MCSS, MOF and TBS. 3 meetings were held in November and December, with the next meeting scheduled January 9.
 - Meetings have been focused on decisions related to the major components of the proposed implementation (e.g. transformation of the rate structure, treatment of income & assets).
 - MCSS has identified certain elements that will not be contemplated in early years (e.g. Ontario Market Basket Measure, Housing supports).
- The impact of the proposed elements of the implementation plan on both the system clients and frontline staff (e.g., simplified rate structure and rules) would tangibly impact individuals, and are a focal point of the steering committee meetings.

Next Steps

- CO continues to work with MCSS and partner ministries (MOF, MOHLTC, MCYS, MIRR) on landing the proposed 4 year implementation plan of the Roadmap.
- It will be critical for CO to continue to work with MCSS, TBS, MoF and PO to align policy and financial approvals.
- CO will be scheduling an additional working group meeting the week of January 8 to discuss components not yet addressed, including FN relationships and outcomes for children and youth living with non-parental caregivers.
- The ministry is tracking to MT:PRSI on January 23, Cabinet on February 7.

Cap and Trade / GreenON

GreenON

- Market transformation challenge program – submission tracking to January 23 TB/MBC. Program objectives include identifying market challenges and stimulating innovative and market solutions in the building, industrial processes, and good productions sectors (e.g. new construction or major renovation of mixed use, commercial or multi-unit residential building to near/net zero emissions, community non-fossil fuel-based efficient heating and cooling). Call for proposals would be released January/February (TBC). Funding agreements in place 2018/19.
- Solar incentives program – discussion underway with IESO on program design for solar installation rebates (residential and commercial). Multi Corners scheduled for January 18; Energy materials shared with CO confidentially indicate lack of support by Energy for a program at this time.

Cap and Trade

- Linking agreement in effect January 1, 2018 with first joint auction planned for February 21, 2018.
- Fourth Auction occurred November 29, 2017 – \$422,081,073 in proceeds.
- MOECC tracking to January 23 TB/MBC with release from holdback for 2017/18 funds associated with fourth auction and 2018/19 GHGIP.
 - Submission likely to include increases to existing GHGIP program / initiatives based on opportunities identified in recent weeks.
 - PO briefing on 2017/18 GGRA spending schedule for January 17.
- Continued heightened stakeholder interest, including from the Auditor General and the FAO, in how government invests cap and trade proceeds. ECO report release expected in February 2018.

Fair Hydro Plan

- Provincial guarantee in place.
- OPG began purchasing the asset from IESO on Dec 21 and plans to go to market in early February.
 - All regulatory changes needed to support going to market have been approved by Cabinet.
 - Rating agencies in final stages of assigning ratings to debts.
- Energy tracking to Jan 23 LRC with and OIC and regulatory amendments to transition OESP from the variance account to government funding. No materials received as of January 12.
- Ongoing work with agencies, LDCs and partners (including TBS/MOF/CO) on implementation requirements continues (biweekly meetings).
- Risks: AG report on Fair Hydro Plan may place additional scrutiny on the Fair Hydro Plan.

Corrections/SSO/Police Oversight

Corrections

- In 2017, the Independent Advisor on Corrections Reform (Howard Sapers) provided 125 recommendations on segregation and long-term corrections reform, including healthcare.
- On September 26, the OHRC filed an application with the Ontario Human Rights Tribunal, alleging that the Ontario government breached the *Jahn* settlement.
 - On November 28, MCSCS received TB/MBC and Cabinet approvals for *Jahn*. Funding and FTEs in out-years were approved in principle as part of MCSCS' 2018-19 PRRT submission.
 - MCSCS and OHRC finalized the minutes of settlement on December 21.
 - OHRC expected to issue a positive public statement regarding the settlement the week of January 15. MCSCS communications will be reactive.
- TB/MBC and LRC approvals for the new corrections legislation are tracking for February 6 2018. Final instructions for legislative drafting are due by January 23.
 - PO, CO, MCSCS, TBS (including Labour Relations), and Leg Counsel meet weekly.
 - On January 16 CO/MGCS/SoCO/PO/MCSCS will meet to discuss IPC feedback on the draft bill, including the request to prohibit sharing of de-identified data within the ministry.
- MCSCS has agreed to report back to the Ombudsman every six months on its progress in addressing the *Out of Side, Out of Mind* report recommendations. MCSCS submitted its first report on October 20.
- MCSCS and MOHLTC will report back on a healthcare transformation strategy in spring 2018. Exact timing is under discussion with PO.

Strategy for a Safer Ontario/Reform

- On October 18, MCSCS and MAG received Cabinet approval on a policing omnibus bill, which includes new legislation to address Strategy for a Safer Ontario (SSO), police oversight, missing persons, and

forensics oversight, as well as legislative amendments to the *Coroners Act*.

- Bill 175, *Safer Ontario Act, 2017*, was introduced on November 2 and referred to Standing Committee on December 5. Clause-by-clause will take place on February 6. Motions are being drafted for final submission on March 1. Discussions between MCSCS and stakeholders on potential government motions continue.
- MCSCS, working with MGCS, continues to engage the IPC Office regarding data collection provisions in the bill.

Cannabis

Recent Developments

- MAG is coordinating the regulatory development process to implement Bill 174. A Regulatory Registry posting is expected on January 15, 2018 (TBC), with LRC approvals to follow in February and March 2018. Reg registry posting topics include, but are not limited to:
 - Supply chain and importation exemptions;
 - Uniform pricing requirements;
 - Hours of sale;

- Clarifications and exemptions on places of use for recreational and medical cannabis; and
 - Drug-impaired driving (zero tolerance).
- On January 4, 2018, the United States' Attorney General terminated a policy that prohibited federal authorities from prosecuting individuals who possess, distribute or cultivate cannabis in states where it is legal.
- On January 2, 2018, the Minister of Finance sent letters to all Ontario heads of municipal council and to the President of AMO, noting that the province would launch an engagement process with municipalities on cannabis-related funding in January 2018. The Minister and the President of AMO are expected to discuss the specifics of this process, including its governance, at their meeting on January 18, 2018.
- Bill 174, Cannabis, Smoke-Free Ontario and Road Safety Statute Law Amendment Act, 2017, received Royal Assent on December 12, 2017.
- On December 12, 2017, the LCBO announced an additional 15 municipalities (in addition to the 14 announced on November 3, 2017) that have been identified to receive one or more cannabis retail stores. See Appendix for full list of municipalities.
 - On December 6, 2017, the Province confirmed that it would delay opening these stores if municipalities indicate that they are not ready for one to be opened there.
- The federal Minister of Finance will be meeting with provincial and territorial finance ministers on Sunday and Monday, December 10-11, 2017, in Ottawa. Following the meeting, the federal government announced that it had reached a two-year revenue sharing agreement with the provinces and territories:
 - In addition to general sales taxes, the combined rate of all federal, provincial and territorial cannabis-specific taxes will not exceed the higher of \$1 per gram, or 10% of a producer's selling price.
 - Tax room will be split 75% for the provinces/territories and 25% for the federal government. Provinces and territories would work with their respective municipalities on revenue sharing as appropriate.

- The federal portion of cannabis excise tax revenue will be capped at \$100 million annually. Any federal revenue in excess of \$100 million will be provided to provinces and territories.
- On November 21, 2017, the federal government released a consultation paper to seek input on its proposed cannabis regulations. The proposed regulations address matters such as:
 - Licences, permits and authorizations;
 - Establishing a system to track cannabis throughout the supply chain;
 - Rules and standards related to cannabis products (e.g., oil, seeds);
 - Requirements for packaging and labelling; and
 - Maintaining current legal provisions related to medical cannabis, with proposed adjustments (e.g., to improve patient access).

The deadline to provide written comments and responses is January 20, 2018. The Cannabis Secretariat (MAG) is working with partner ministries to analyze the regulatory proposals against Ontario's policy goals and consider Ontario's response.

Transit and Transportation

RER procurement

- On December 22, 2017, Metrolinx announced that it has selected five prequalified operators in response to the RFQ to RER operations that was issued in July 2017. These operators are eligible to participate in the upcoming Design Build Finance Operate Maintain (DBFOM) procurement process for the RER on-corridor works.
 - A market sounding exercise with interested parties for the DBFOM procurement will commence in early 2018 and a Request for Qualifications (RFQ) for the DBFOM procurement is expected to be released in Spring 2018.
- MTO obtained Treasury Board and Cabinet approval of this procurement approach in December 12/13, 2017. Metrolinx intends to issue an RFQ in spring 2018; an RFP in late 2018; and to achieve financial close in late 2019 or early 2020.
- Procurement for enabling works ongoing until early 2018 (13 AFP procurements and several traditional procurements).
- On June 14, 2017, Metrolinx issued the Notice of Commencement for the GO Electrification Environmental Assessment Transit Project Assessment Process.
- The second RER procurement package will include the design and construction of 12 new stations (6 RER and 6 SmartTrack), along with major renovations to several existing GO stations. The work will be procured using an AFP procurement approach.

Hydrogen

- MTO/Metrolinx's updated RER procurement strategy would require bidders for Package 3 (in-corridor works) to identify the technology that will be used for electrification, and they have the flexibility to nominate a preferred approach (e.g., traditional overhead wires, include hydrogen fuel cells).
- On September 15, 2017, Metrolinx released a Request for Proposals (RFP) for concept design work to show how a hydrogen

fuel cell system could be integrated into a Bi-level Electric Multiple Unit train.

- The Hydrail Feasibility Study was completed in December 2017. An update on the outcomes of the study was provided to the Secretary of Cabinet on December 19, 2017.
- MTO and Metrolinx held a Hydrogen Symposium on November 16, 2017, which gathered industry leaders together to discuss the potential application of hydrogen fuel cell technology to electrify the GO rail network.
- On December 8, 2017 the Hydrogen Business Council held a conference “Hydrogen ON the Move” in Toronto.

Rail Rationalization

- Negotiations between Metrolinx and CN for Master Agreement on rail rationalization started in November 2017. Metrolinx is working to complete negotiations on the Master Agreement by Spring 2018.
- EA for rail rationalization to begin in June 2018 (TBC).
- Discussions to be held between MOF and MTO on emerging tax issues related to CN

Regional Transportation Plan

- On September 14, 2017, the Metrolinx Board of Directors adopted and published a draft 2041 updated Regional Transportation Plan. MTO is coordinating inter-ministerial feedback in the draft RTP.
- At its Board meeting on December 7, 2017, Metrolinx provided an update on feedback received on the draft and proposed next steps. On November 30, Metrolinx posted its intention to present a “Making it Happen” Discussion Paper at its February 2018 Board meeting for approval to release for public consultation.

Other Transit/Transportation

- On December 21, 2017, Metrolinx announced that it has negotiated a new agreement with Bombardier related to the manufacture of Light Rail Vehicles (LRVs) for the Eglinton Crosstown LRT.

- Bombardier will now manufacture 76 LRVs, 106 vehicles less than the original contract for 182 vehicles.
- Bombardier has agreed to significantly higher financial penalties if it fails to meet the production schedule or if the quality of the vehicles is not acceptable.
- Metrolinx will extend, by 18 months, its contract with Bombardier for operating and maintaining GO Transit service. Bombardier's current contract was set to expire in 2023.
- The Toronto-York Spadina Subway Extension, which extends the TTC's Line 1 by 8.6km and six stations from Sheppard West (formerly Downsview) to Vaughan Metropolitan Centre, opened on December 17, 2017. The Province has provided \$870 million to the project through the Move Ontario Trust.
- On December 15, 2017, a Request for Bids (RFB) was released to develop the environmental assessment terms of reference for the Kitchener-Waterloo to London portion of the corridor.
- In response to the GTA West Advisory Panel's recommendations, MTO, partnering with MMA and MOECC, received Cabinet approval on November 15, 2017 for an interim approach to corridor protection, together with a commitment to develop and propose a longer-term approach. The Minister will publicly announce this approach in January 2018 (TBC).
 - A 9-12 month joint corridor study (led by MTO and the Independent Electricity System Operator) for protection of a multipurpose infrastructure corridor. The study would identify lands that should be protected to allow for future infrastructure planning and EAs.
 - Upon conclusion of this study, the ministries would bring forward a proposed corridor and longer term protection approach.

Changing Workplaces Review / Fair Workplaces, Better Jobs Act Implementation

- The Fair Workplaces, Better Jobs Act (FWBJA, Bill 148) was passed on November 22, 2017 and received Royal Assent on November 27, 2017. The LRA and most ESA changes came into force on January 1, 2018, except equal pay (April 1, 2018), scheduling (January 1, 2019) and certain exclusions (January 1, 2019).
- The general minimum wage increased to \$14 per hour on January 1, 2018 and will increase to \$15 per hour on January 1, 2019. Special minimum wage rates will increase by the same proportion.
- On December 11, 2017 LRC/Cabinet approved a package of transitional, consequential and substantive regulations that came into force January 1, 2018, including:
 - Amendments that create a special rule for construction and auto sector employees regarding the new entitlement to be paid for two days of Personal Emergency Leave (PEL) in certain circumstances as well as increase the percentage of earnings that must be paid to construction employees who have five years' employment took effect January 1, 2018.
 - Amendments that create an exemption for the film and television sector, firefighters and students under 18 years from the new equal pay for equal work provisions (employment status) will take effect on April 1, 2018.
 - Amendments that create an exemption for the auto and film and television sectors from certain new scheduling entitlements will take effect on January 1, 2019.
- MOL launched a review of existing exemptions on October 18, 2017. Phase 1 of the review includes eight occupations under the ESA and the exclusion for domestic workers under the LRA. The consultation deadline has been extended to January 31, 2018 for architects and pharmacists and the deadline for all other occupations was January 1, 2018.

- MOL plans to launch a second phase of the exemptions review following completion of Phase 1. Direction on scope for the review has not been confirmed.
- MOL plans to seek Cabinet approval on recommendations stemming from Phase 1 of the exemptions review and additional regulations related to Bill 148 implementation in 2018 (timing TBC):
 - Regulation to extend successor rights to the retendering of contracts in the home and community services industry.
 - Regulation in response to Phase 1 of the exemptions review.
 - Scheduling exemptions / special rules.

Impact Mitigation Efforts:

- TBS, CO and ministries continue to assess the impact of FWBJA implementation on the OPS and BPS.
- On December 19, 2017 MAG, MCSS, MCYS, MGCS, MOHLTC and MTCS received approval for \$19.8M in 2017-18 to provide transitional support for implementation to key sectors.
- On October 18, 2017 EDU received approval for \$12.7 million in funding to address 2017-18 minimum wage impacts in the child care sector.
- MAESD and colleges are jointly working through cost implications of FWBJA implementation to the sector. The results of this work are expected early in 2018.

NAFTA

Recent Developments

- “Intersessional” discussions took place in Washington Dec. 11-15.
- On Jan. 12, multiple media outlets reported that while President Trump continues to threaten withdrawal, he has signalled openness

to continuing negotiations until the Mexican presidential election on July 1.

Next Steps

- Round 6 of the NAFTA Negotiations is Jan. 23-28 in Montreal.
- Rounds 7 and 8 could take place in February and March, but specific dates have not been set.
- MIA is coordinating an “Economic Competitiveness” submission tracking direct to Cabinet on Jan. 24. The submission is intended to combine:
 - Work underway related to impact of recent or potential U.S. trade/tax measures and potential Ontario actions, both proactive and reactive
 - A “New Economy Skills and Jobs Plan” that MAESD and MEDG are developing with potential changes to business support programs and proposals related to human capital and highly skilled workforce.
- A multicorner with key ministries and PO is scheduled for Jan. 15 and the item is tracking to Fiscal Prep on Jan. 18 (TBC).
- The submission is expected to include a review of relevant existing initiatives and new proposals such as:
 - \$100M per year to help colleges / universities and employers partner together on training opportunities
 - \$60M per year to provide secondary students with opportunities to learn about careers in the skilled trades and pursue an apprenticeship pathway
 - “New Economy Jobs Fund” of \$2B over 10 years
 - GTHA Development Fund of \$20M per year
 - Refreshed trade diversification efforts and new subnational economic partnerships with U.S. States
 - Financial assistance to impacted firms/workers.
- Comprehensive granular analysis regarding potential sectoral impacts of U.S. withdrawal from NAFTA is unlikely to be available in time for the submission and specific outcomes are difficult to predict. Proposals may need to be refined as additional modeling is completed.
- Ministries would report in to TB/MBC and LRC as necessary.

Key Risks

- Canada continues to negotiate with eleven other countries in the Trans Pacific Partnership Agreement (TPP11). The agreement, now called the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP) came forward without the US during the 2017 Asia Pacific Economic Co-Operation (APEC) summit held in Vietnam.
 - An agreement in principle had been reached but Canada declined to sign in November.

As NAFTA discussions are ongoing, Ontario remains concerned about the intersection of these two agreements. For example, the potential cumulative impact of further supply management concessions, Rules of Origin provisions which do not reflect Ontario's auto supply chains, as well limiting flexibilities to provide cultural supports across all agreements could impact Ontario's businesses from fully benefiting from both agreements.