MYAP Watch List – February 6, 2018

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Opioids

- 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 – tentatively tracking to Feb 27 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 early March (TBC). Funding agreements in place 2018/19.
- Solar incentives program – GreenON board approved on Jan 17. Discussion with IESO on detailed program design underway, tracking to GreenON board on Jan 31 [update pending]
- Feb 7- Launch of GreenON Social Housing program
- Feb 9- Launch of GreenON Agriculture and GreenON Manufacturing programs (TBC)

Cap and Trade

- First joint auction planned for February 21, 2018.
- Fourth Auction occurred November 29, 2017 – $422,081,073 in proceeds.
- February 6 TB/MBC approvals sought:
    - Release from holdback for 17/18 funds associated with fourth auction
    - Update on 17/18 expenditures to date and proposed increases to existing programs / initiatives based on opportunities identified in recent weeks
    - Amendments to CCMLCA required to enable 17/18 expense of GIF funds (technical details still being brokered with OPCD and needs to be landed by Feb 5 to proceed in this package; also tracking to Feb 20 LRC).
- Proposed 2018/19 GHGIP tracking to February 27 TB/MBC.
- Environmental Commissioner's Report released January 30, 2018. The report notes that progress has been made but argues that government

needs a better plan for spending cap and trade funds and a number of proposed policies may not lower emissions.

- Continued heightened stakeholder interest, including from the AG and the FAO, in how government invests cap and trade proceeds.

Fair Hydro Plan

- Provincial guarantee in place.
- OPG began purchasing the asset from IESO on Dec 21
- OPG is undergoing the first issuance of long-term debt.
  - In late January 2018, OPG launched its marketing activities for the issuance, this included a cross-Canada marketing roadshow (i.e., investor meetings in Vancouver, Winnipeg, Toronto and Montreal). The marketing roadshow concluded the week of January 29th.
  - OPG advises that it anticipates that the transaction will be priced on February 6th and close on February 8th. Rating agencies plan to issue a press release once the transaction has closed. (Dates TBC closer to time)
  - Discussions are ongoing on the timing of an OPG technical briefing on debt issuance results. Date TBC and OPG developing support materials.
- Energy tracking to Feb 6 LRC with an OIC and regulatory amendments to transition OESP from the variance account to government funding.
- 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. The OHRC issued a public statement regarding the settlement January 18.
- TB/MBC and LRC approvals for the new corrections legislation and the remaining known costs for implementing the *Jahn* remedies are tracking for February 6.
  - PO, CO, MCSCS, TBS (including Labour Relations), and Leg Counsel meet weekly.
  - MCSCS/MGCS met with the IPC Office on January 29 to discuss data provisions in the draft bill.
- New corrections legislation is tracking for introduction in February 2018. MCSCS will be meeting with Indigenous communities and organizations leading up to introduction.
- 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, 2017, MCSCS and MAG received Cabinet approval on a policing omnibus bill, including 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. Discussions between MCSCS and stakeholders on potential government motions continue. Motions are due by March 5.
- MCSCS/MGCS continues to engage the IPC Office regarding data collection provisions in the bill.

Cannabis

Recent Developments

- On February 6, MOF will report back to TB/MBC on:
  - Regulations to prescribe criteria and definitions for the acquisition of real property and major capital expenditure, related to the OCRC;
  - A draft, revised MOU between the Minister of Finance and the LCBO; and
  - The unique visual identifier for the OCRC.
- On January 25 the LCBO's Board of Directors appointed the inaugural board of the OCRC, including a Chair and four members.
- A public announcement is forthcoming in February (date TBC) on additional funding to support enforcement, the OCRC branding and logo, and the OCRC board. Discussions on whether to do one single announcement or separate announcements are ongoing.
- At the ROMA conference on Monday, January 22, a representative from the MAG Cannabis Secretariat facilitated in a panel discussion with a licensed producer and a representative from the OPP. The discussion focused on enforcement and economic development.
- On January 18, 2018, the Minister of Finance met with the President of AMO to discuss the planned municipal engagement process on cannabis-related funding. A series of meetings are expected to take place on this process with AMO, the City of Toronto and other municipal representatives in February 2018.
- Bill 174, Cannabis, Smoke-Free Ontario and Road Safety Statute Law Amendment Act, 2017, received Royal Assent on December 12, 2017. MAG is coordinating the regulatory development process to implement Bill 174. Four Regulatory Registry postings were posted January 18, 2018, with LRC approvals to follow on February 20 and March 26, 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 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.

- The federal Minister of Finance met 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 was January 20, 2018. MAG has advised the federal government that Ontario would not be providing written feedback, but that they intend to schedule bilateral calls with Health Canada officials to provide input and receive clarification on the regulations.

Transit and Transportation

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.
- Metrolinx now plans to take the final draft of its RTP and the "Making it Happen" discussion paper to its Board on March 8, 2018. MTO expects to receive a copy of the final draft on or around February 8, 2018.

GTA West

- 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 February 2018 (date 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 passed in January 2018 and the ministry is reviewing internally.
- 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 LRC approval on February 20, 2018 for a proposed exemption from provisions with respect to maximum daily and weekly hours of work, rest periods and exceptional circumstances for temporary 'field' employees hired by Elections Ontario during provincial elections and by-elections.
- MOL also 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 provided an update on the work to identify and, where needed, address bill 148 impacts at Cabinet on January 24
- 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, colleges, and universities are jointly working through cost implications of FWBJA implementation to the sector. Discussions are ongoing regarding potential approach to address impacts of FWBJA changes in the post-secondary education sector.
- MOHLTC is considering an approach to mitigate the impacts of FWBJA changes in the health sector.

NAFTA

Recent Developments

- Round 6 of the NAFTA Negotiations took place Jan. 23-28 in Montreal.
- Canada tabled ideas regarding three of the U.S.' more controversial proposals: Autos Rules of Origin; Investor-State Dispute Settlement; and the Sunset clause.
    - On Autos Rules of Origin, Canada's approach includes an emphasis on modernizing rules, a focused tracking method, and providing credit for Research and Development, investment, and the use of North American steel and aluminum. Canada's approach would facilitate reaching a higher

    - percentage of regional content more easily without changes to existing supply chains or production.
    - On Investor-State Dispute Settlement, Canada proposed that the U.S. could opt out, and Canada would then proceed to develop more modernized rules in this area bilaterally with Mexico.
    - On the Sunset clause, Canada proposed regular review rather than termination.
- Cabinet approved the MIA-led "Economic Competitiveness" submission on Jan. 24. The submission proposed:
    - A New Economy Skills and Jobs Plan (MEDG and MAESD) that would build on recent economic competitiveness actions and include four priority areas:
        - Investment Attraction and Retention;
        - Build Ontario's Human Capital Advantage;
        - Strengthen Economic Immigration and Talent Attraction; and
        - Trade Diversification.
    - MOF is exploring options to respond to U.S. tax changes (monitoring impact, working with the federal government, and developing options through the Budget process to improve tax competitiveness); and
    - MIT and Ontario's Representative in Washington will continue to monitor Buy American measures and seek Ontario exemptions as necessary. Treasury Board Secretariat (TBS) will be prepared to introduce the previously approved "Fairness in Procurement" Bill to respond to new Buy American measures, if appropriate.
    - MIA, MIT, MOF and MEDG are proposing to continue to work with affected ministries to complete analysis of the sectoral impacts of a potential U.S. withdrawal from NAFTA.
    - MIA and MIT are proposing to pursue economic cooperation partnerships with U.S. states.

Next Steps

- Mexico City is confirmed as the location for Round 7. Dates are not confirmed, though March 5th may be possible for Ministers to meet. Round 8 is likely to cross over into April.

Key Risks

- As NAFTA discussions are ongoing, Ontario remains concerned about the intersection with the new Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). For example, the potential cumulative impact of further supply management concessions and Rules of Origin provisions which do not reflect Ontario's.
- On Jan. 23, Canada (and 10 remaining members of the Trans Pacific Partnership) concluded discussions in Tokyo, Japan on the CPTPP.
    - Culture
        - Canada secured bilateral letters with all other CPTPP members which preserves Canada's flexibility to adopt and maintain programs and policies that support the promotion, creation, distribution, and development of Canadian artistic expression or content, including in the digital environment.
        - Regarding intellectual property, all parties agreed to suspend certain TPP obligations relating to patents and pharmaceuticals, including on patent term adjustment, which required Parties to adjust the patent term to compensate for "unreasonable" patent office delays, as well as the TPP obligation on patent term restoration for marketing approval delays.
        - Parties also suspended certain TPP obligations on copyright and related rights, including on term of protection to ensure Canada the flexibility to continue to provide a copyright term of "life of the author plus 50 years", consistent with multilateral standards.
    - Auto
        - To provide market access for Canadian auto exports to Japan, Canada reached an agreement on auto standards with Japan that brings into effect important commitments on automotive standards and regulations that Japan made to the U.S. and Canada in the original TPP, but which Canada lost when the U.S. withdrew from the TPP.
        - Canada also secured a forward most favoured nation (MFN) clause on auto standards in a side agreement with

    - Japan to capture future liberalization that Japan would make in this area. The CPTPP would ensure that treatment of Canadian autos are not disadvantaged compared to autos of other countries.
    - Canada concluded autos' rules of origin side letters with Malaysia to allow the Canadian autos to benefit from preferential tariff treatment without requiring changes to existing production or sourcing patterns.
  - Dispute Resolution
    - Parties agreed to suspend provisions related to Investment Agreements and Investment Authorizations. This prevents foreign investors from bringing forward a case under investor-state dispute settlement when: 1) investment contract has been breached; or 2) when authorization to invest is amended or revoked by government under the Investment Canada Act. Parties also agreed to suspend application of investor-state dispute settlement to Minimum Standards of Treatment provisions in the Financial Services Chapter.
  - Other
    - Canada secured new preamble that includes important progressive elements. These include reaffirming our right to regulate in the public interest; promoting labour rights, environmental protection and conservation, preserving cultural identity and diversity, promoting corporate social responsibility, gender equality and Indigenous rights.

Federal-Provincial Infrastructure

Recent Updates

- MOI and MTO sought advice from Fiscal Prep Committee on December 19, 2017 on potential approaches to allocating the $8.3 billion in Phase 2 federal funding to transit projects. MOI and MTO are expected to report back to Major Projects committee the week of February 12 on transit as well as the other three streams of funding (described below).
- Infrastructure Canada has requested an illustrative list of transit projects from Ontario to support bilateral discussions on transit funding. Discussions on the list that would be shared are ongoing.
- Week of November 20: a joint letter from the lead ADMs at MTO and MOI was sent to the 98 Ontario municipalities with public transit systems, indicating that the Province would be seeking their input over the coming weeks on how to prioritize the forthcoming federal transit funding. This would support the province's negotiations with the federal government and ensure that the bilateral agreement between Ontario and Canada optimizes the benefits of the federal investment. These consultations concluded at the end of January, 2018.

Current Status

- On July 6, 2017, the Federal Minister of Infrastructure and Communities sent letters to all PT Infrastructure ministers, as well as to the Federation of Canadian Municipalities, to provide additional details about the federal government's long term infrastructure plan and to open negotiations to reach bilateral agreements with each province/territory. Funding for Ontario, contingent on cost-sharing from the province, includes:
    - $8.34 billion for public transit;
    - $2.85 billion for green infrastructure;
    - $0.4 billion for community, culture and recreation infrastructure; and
    - $0.25 billion for rural and northern communities infrastructure.
- To date, Ontario has committed $1.5 billion of this funding:
    - $1.1 billion to Stage 2 of the Ottawa LRT
    - $417 million for the Port Lands Flood Protection Project to help revitalize Toronto's waterfront.

- Ontario received a draft of its Phase Two integrated bilateral agreement on December 1, 2017. A final bilateral agreement between Ontario and Canada is targeted before March 31st, 2018. To finalize agreement negotiations and begin allocating federal funding, MOI needs to:
  - Negotiate acceptable terms and conditions.
  - Seek approvals (TB/MBC and potentially Cabinet) approval of a final agreement - including a discussion of any potential long-term fiscal implications associated with federal cost matching.
  - Secure approval from MOF under Section 28 of the Financial Accountability Act.