

APPENDIX B



ASSISTANCE PROGRAM FOR MODAL INTEGRATION

Direction du transport maritime,
aérien et ferroviaire
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1. INTRODUCTION

The Assistance Program for Modal Integration aims to ensure a better integration of transport modes within Québec's transportation system, in the interests of ensuring greater competitiveness and reducing social costs associated with transportation and environmental protection activities. This program's objectives are based on the objectives of previous rail and maritime programs.

This program facilitates the implementation of intermodal projects aiming to ensure that rail and maritime infrastructures are maintained and become complementary to road transport, especially for the transport of goods. The program's objectives include promoting a greater use of rail and maritime transport modes, in addition to supporting initiatives that promote maritime transportation and the Saint Lawrence River.¹ The program has five components:

- 1st component: Intermodal, rail and maritime infrastructures
- 2nd component: Pilot projects
- 3rd component: Studies
- 4th component : Promotion of the maritime and rail modes
- 5th component: Promotion of maritime transport and the Saint Lawrence River

2. GENERAL OBJECTIVES

The objectives of the program are to foster:

- A better integration of transport modes and a better use of Québec's transportation system, specifically for the transport of goods, while increasing competitiveness and safety, and reducing costs associated with the road network and sustainable development;
- An adequate and competitive transportation infrastructure network for shippers;
- The short-term development of maritime and rail transport activities within Québec;
- The promotion of the rail and maritime modes, including the promotion of maritime transport and the Saint Lawrence River.

3. PROGRAM DURATION

This program will span a five-year period starting in the 2006/2007 fiscal year and ending in the 2010/2011 fiscal year.

4. GENERAL TERMS

Financial assistance is provided in the form of a subsidy. The Ministère issues calls for proposals with regard to the 1st component (Intermodal, rail and maritime infrastructures) at least once a year, depending on available funds. These calls for proposals may contain specific terms in order to target particular types of projects. With regard to other program components, projects can be submitted at any time.

Applicants that wish to submit a project under the program must file an application based on the parameters set out in the *Financial Assistance Application Guide*. This guide and calls for proposals will be available on the Website of the Ministère des Transports du Québec, and from the Direction du transport maritime, aérien et ferroviaire (DTMAF) and all regional offices of the Ministère. The application must be sent to the DTMAF.

¹ In this document, "Saint Lawrence River" includes the navigable portion of the Saguenay River.

At least 80% of the program's five-year budget will be allocated to the 1st and 2nd components (Intermodal, rail and maritime infrastructures, and Pilot projects).

Program eligibility

- Eligible organizations include companies, municipal organizations and other legally constituted bodies that have an establishment in Québec;
- Consulting firms and other similar organizations are not eligible.

Project evaluation criteria

Projects must meet the program's general objectives and the specific objectives of the relevant program component. They must also meet the *project evaluation criteria* specified below for the relevant program component. The project's general credibility and the support received from the community are also taken into consideration.

Applicants must demonstrate that they have the expertise and financial capacity to complete the project, for instance, by demonstrating the success of their past initiatives.

Financial contribution

The program's financial contribution is established based on a percentage of eligible expenses. This percentage varies depending on the program component and the project. The contribution required from the applicant also varies depending on the program component.

Eligible expenses for each of the program components are described below.

1st COMPONENT: INTERMODAL, RAIL AND MARITIME INFRASTRUCTURES

Objectives:

- Ensure the development of interfaces between the maritime, rail and road transportation networks, thereby ensuring a better integration of modes of transport for goods, especially on domestic and continental itineraries;
- Foster the integration of a maritime segment (short-sea shipping) or a rail segment within the domestic and continental transport chains for goods;
- Foster the growth of maritime and rail activity.

Eligible projects:

- Construction of a branch line to serve a shipper, an industrial park, a distribution centre, an intermodal yard or a maritime terminal;
- Construction, development or improvement of a distribution centre, an intermodal yard or a terminal used for the consolidation, storage and distribution of goods;
- Construction, development or improvement of maritime infrastructures.

Eligible expenses:

- Site development;
- Rail line construction and infrastructure preparation;
- Construction, development or improvement of buildings, areas or reservoirs dedicated to the distribution or storage of goods;
- Acquisition and set-up of distribution equipment;
- Construction, development or improvement of docks;
- Environmental and engineering studies;
- Production of plans and specifications;
- Etc.

Ineligible expenses: land acquisitions, decontamination work, intelligent transportation systems, relocation of railway switching yards.

Project evaluation criteria:

- Benefits and interest of the project for involved shipper(s) on an economic, financial and logistic level;
- Short-term increase of maritime and rail transport activities;
- Project's contribution to the integration of a maritime or rail segment within the domestic and continental transport chains;
- Project's contribution to the reduction of social costs associated with transport activities, including costs associated with road safety, the maintenance and improvement of the road network, and the environmental impacts of transport activities, especially with regard to greenhouse gas emissions;
- Project's contribution to efforts aimed at maintaining or improving the competitiveness of infrastructures that are considered critical to a region's transportation system and economy;
- The project should not have the effect of moving an activity between different ports, terminals or distribution centres within Québec;
- Etc.

Financial contribution:

- The program's financial contribution will cover up to 50% of eligible project expenses;
- The applicant's own financial contribution must cover at least 33% of eligible project expenses;
- When a project benefits from financial contributions made toward eligible project expenses by other organizations of the Government of Québec, these amounts will be deducted from the program's contribution.
- When a project benefits from a financial contribution made toward eligible expenses by the Government of Canada, the Ministère reserves the right to adjust the program's contribution.

2nd COMPONENT: PILOT PROJECTS

Objectives:

- Support projects that put to the test new logistic, commercial or technical solutions for the maritime, rail and intermodal transport of goods;
- Ensure a greater availability of transport services to better meet the needs of shippers.

Eligible projects:

- Pilot projects on shortsea maritime transport;
- Pilot projects on rail or intermodal transport;
- Pilot projects on new technological applications for the transport, handling and storage of goods;
- Temporary modification work on a ship, as part of a modal integration project for the transport of goods that results in the short-term reduction of road maintenance costs and road safety risks.

Eligible expenses:

- Rental of distribution infrastructures and equipment;
- Rental or chartering of ships, barges or rail equipment;
- Rates charged by transportation or handling companies;

- Professional fees associated with the design, planning, implementation or assessment of a project;
- Etc.

Project evaluation criteria:

- In addition to meeting the criteria of the 1st component (Intermodal, rail and maritime infrastructures), applicants must demonstrate that the project has the potential to provide shippers with new logistic, commercial or technical solutions in the area of maritime, rail and intermodal transport, on a sustainable and competitive basis;
- Etc.

Financial contribution:

- The program's financial contribution will cover up to 50% of eligible project expenses, up to a maximum annual contribution of \$250,000 per project;
- The applicant's own financial contribution must cover at least 33% of eligible project expenses;
- When a project benefits from financial contributions made toward eligible project expenses by other organizations of the Government of Québec, these amounts will be deducted from the program's contribution.
- When a project benefits from a financial contribution made toward eligible expenses by the Government of Canada, the Ministère reserves the right to adjust the program's contribution.

3rd COMPONENT: STUDIES

Objectives:

- Support studies in the field of maritime, rail or intermodal transport aiming to:
 - Implement projects to increase or improve the short-term availability of transport services;
 - Improve the environmental track record of transport activities;
 - Develop or improve techniques and technologies to increase the competitiveness of transport services.

Eligible projects:

- Feasibility studies;
- Market studies;
- Business plans;
- Overall development plans;
- Strategic development plans.

Eligible expenses:

- Professional fees;
- Acquisition of data required to carry out the study;
- Acquisition or rental of specialized equipment for the project.

Project evaluation criteria:

- The study must respond to the short-term needs of current or potential users;
- The study must introduce new elements to current knowledge within the specific research area;
- Etc.

Financial contribution:

- The program's financial contribution cannot exceed \$50,000 per project;
- When the distribution of the research report remains under the applicant's control, the program's financial contribution can cover up to 20% of eligible project expenses; in this case, the applicant's own contribution must cover at least 50% of eligible expenses;
- When the research report is made public after the project ends, the program's financial contribution can cover up to 50% of eligible project expenses; in this case, the applicant's own contribution must cover at least 25% of eligible expenses;
- When a project benefits from financial contributions made toward eligible project expenses by other organizations of the Government of Québec, these amounts will be deducted from the program's contribution.
- When a project benefits from a financial contribution made toward eligible expenses by the Government of Canada, the Ministère reserves the right to adjust the program's contribution.

4th COMPONENT: PROMOTION OF THE MARITIME AND RAIL MODES**Objectives:**

- Support initiatives that promote an increased use of the maritime and rail modes for the transport of goods;
- Support initiatives that promote, outside of Québec, an increased use of the Saint Lawrence seaway as a choice destination for international cruises, excursion cruises and recreational boating;
- Support initiatives that promote a management approach based on the protection of ecosystems and sustainable development for rail, maritime and port activities.

Eligible projects:

- Out-of-Québec missions;
- Representation at international exhibitions;
- Events planning;
- Production of promotional materials.

Eligible expenses:

- Expenses incurred in the production and promotion of information materials, tools and events.

Project evaluation criteria:

- The project should not have the effect of moving an activity between different ports on the Saint Lawrence River;
- Positive impacts on the promotion of an increased use of rail transport and management approaches based on the protection of ecosystems and sustainable development;
- Positive impacts on key actors within the rail transportation network and others who can benefit from it;
- Etc.

Financial contribution:

The program's financial contribution is established based on the principle that the contribution of the Government of Québec (ministries and organizations) can cover up to 50% of eligible expenses (after deducting contributions made by federal departments and organizations).

5th COMPONENT: PROMOTION OF MARITIME TRANSPORT AND THE SAINT LAWRENCE RIVER

Objectives:

- Support initiatives that make the people of Québec more aware of the importance of the Saint Lawrence River and maritime transport for their day-to-day lives;
- Support initiatives that raise awareness of the benefits of maritime transport for sustainable development.

Eligible projects:

- Production and distribution of informative materials and tools;
- Events planning.

Eligible expenses:

- Expenses incurred in the production and promotion of information materials, tools and events.

Project evaluation criteria:

- Expected results of awareness building activities among the population of Québec, based on the project's objective;
- Compliance and consistency of the project with the Maritime Transportation Policy;
- Projects that meet the objectives of the communication plan adopted by the joint forum on maritime transportation (Forum de concertation sur le transport maritime) will be given priority;
- Etc.

Financial contribution:

The program's financial contribution is established based on the principle that the contribution of the Government of Québec (ministries and organizations) can cover up to of 50% of eligible expenses (after deducting contributions made by federal departments and organizations).