

Legislative Assembly of Alberta

The 31st Legislature
First Session

Standing Committee on Resource Stewardship

Ministry of Transportation and Economic Corridors
Consideration of Main Estimates

Monday, March 17, 2025
7 p.m.

Transcript No. 31-1-18

Legislative Assembly of Alberta
The 31st Legislature
First Session

Standing Committee on Resource Stewardship

Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC), Chair
Sweet, Heather, Edmonton-Manning (NDP), Deputy Chair
Ceci, Joe, Calgary-Buffalo (NDP),* Acting Deputy Chair

Al-Guneid, Nagwan, Calgary-Glenmore (NDP)
Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UC)
Boitchenko, Andrew, Drayton Valley-Devon (UC)
Boparai, Parmeet Singh, Calgary-Falconridge (NDP)**
Calahoo Stonehouse, Jodi, Edmonton-Rutherford (NDP)
Dach, Lorne, Edmonton-McClung (NDP)***
Dyck, Nolan B., Grande Prairie (UC)
Eggen, David, Edmonton-North West (NDP)
Hunter, Grant R., Taber-Warner (UC)
Yao, Tany, Fort McMurray-Wood Buffalo (UC)

* substitution for Heather Sweet
** substitution for Nagwan Al-Guneid
*** substitution for Jodi Calahoo Stonehouse

Also in Attendance

Ellingson, Court, Calgary-Foothills (NDP)
Ganley, Kathleen T., Calgary-Mountain View (NDP)

Support Staff

Shannon Dean, KC	Clerk
Trafton Koenig	Law Clerk
Philip Massolin	Clerk Assistant and Executive Director of Parliamentary Services
Nancy Robert	Clerk of *Journals* and Committees
Abdul Bhurgri	Research Officer
Rachel McGraw	Research Officer
Warren Huffman	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications
Christina Steenbergen	Supervisor of Communications Services
Amanda LeBlanc	Managing Editor of *Alberta Hansard*

Transcript produced by *Alberta Hansard*

Standing Committee on Resource Stewardship

Participant

Ministry of Transportation and Economic Corridors
Hon. Devin Dreeshen, Minister

7 p.m. **Monday, March 17, 2025**

[Mr. Rowswell in the chair]

Ministry of Transportation and Economic Corridors
Consideration of Main Estimates

The Chair: I'd like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Transportation and Economic Corridors for the fiscal year ending March 31, 2026.

I'd ask that we go around the table and have members introduce themselves for the record. Minister, please introduce the officials who are joining you at the table. My name is Garth Rowswell, MLA for Vermilion-Lloydminster-Wainwright and chair of this committee. We'll begin to my right.

Ms Armstrong-Homeniuk: Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville. Good evening, everyone.

Mr. Yao: Tany Yao, Fort McMurray-Wood Buffalo.

Mr. Boitchenko: Good evening, fine ladies and gentlemen. My name is Andrew Boitchenko, Drayton Valley-Devon.

Mr. Dyck: Nolan Dyck, MLA for Grande Prairie.

Mr. Hunter: Grant Hunter, MLA, Taber-Warner.

Mr. Dreeshen: Over here we have Tom Loo. He's my ADM of construction and maintenance division. Right beside me is Dale Fung, the ADM of financial services division. I'm Devin Dreeshen, the MLA for Innisfail-Sylvan Lake and Minister of Transportation and Economic Corridors. I have Bryce Stewart here to my right, who is the deputy minister of the department, and Paul Smith, the ADM of capital planning, grants, and engineering services division.

Mr. Ellingson: Good evening. Court Ellingson, MLA, Calgary-Foothills.

Mr. Dach: Good evening. Lorne Dach, MLA for Edmonton-McClung and shadow minister of Transportation and Economic Corridors.

Member Boparai: Good evening. Parmeet Singh Boparai, MLA for Calgary-Falconridge.

Member Ceci: Good evening. Joe Ceci, MLA for Calgary-Buffalo and vice-chair.

Ms Ganley: Kathleen Ganley, MLA for Calgary-Mountain View.

The Chair: I would like to note the following substitutions for the record. Mr. Dach for Member Calahoo Stonehouse, Member Boparai for Ms Al-Guneid, and Member Ceci for Ms Sweet as deputy chair.

A few housekeeping items to address before we turn to the business at hand. Please note the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of the meeting can be accessed by the Legislative Assembly website. Please set your cellphones and other devices to silent for the duration of the meeting.

Okay. Hon. members, the main estimates for the Ministry of Transportation and Economic Corridors shall be considered for three hours. Standing Order 59.01 sets out the process for consideration of the main estimates in the legislative policy committees. Suborder 59.01(6) sets out the speaking rotation for this meeting. The speaking rotation chart is available on the committee's internal website, and hard copies have been provided to the ministry staff at the table. For each segment of the meeting, blocks of speaking time will be combined only if both the minister and the member speaking agree. If debate is exhausted prior to three hours in the main estimates schedule, the committee will adjourn. Should members have any questions regarding speaking times or the rotation, please e-mail or message the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? Okay. Thank you.

Ministry officials who are present may, at the discretion of the minister, address the committee. Ministry officials seated in the gallery, if called upon, have access to the microphone in the gallery area and are asked to please introduce themselves for the record prior to commenting.

Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery are not to approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

Points of order will be dealt with as they arise, and individual speaking times will be paused; however, the block of speaking time and the overall three-hour meeting clock will continue to run.

Any written materials provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

Finally, the committee should have the opportunity to hear both questions and answers without interruption during estimates debate. Debate flows through the chair at all times, including instances when speaking time is shared between a member and the minister.

I would now invite the Minister of Transportation and Economic Corridors to begin with your opening remarks. You have 10 minutes.

Mr. Dreeshen: Well, thank you very much. Good evening, everyone. I'm pleased to present Alberta Transportation and Economic Corridors' 2025-26 estimates. I already introduced you to my officials, but I'd say my favourite ADM is behind me, Lynn Varty, the ADM for traffic safety services division.

Budget '25 is focused on meeting the challenges facing Alberta with targeted investments to support growth and prosperity. Transportation and Economic Corridors plays a key role in contributing to Alberta's economic, social, and environmental viability by providing a safe and efficient transportation system. Our department's three-year capital plan totals $8.5 billion. Of this, more than $4 billion over three years is invested in projects in rural Alberta while $2.1 billion over three years is invested in projects in Calgary and $2 billion over three years is allocated for projects in Edmonton. Our capital plan includes $2.6 billion over three years for capital investment for the planning, design, and construction of major provincial highway and bridge projects. Approximately three-quarters of this investment is for existing or planned economic corridors. Most highway improvements were identified by industry partners to improve the movement of goods and services.

Major projects in the province include nearly $125 million over three years to improve safety, provide better access and egress, and reduce congestion, including the highway 2 interchange at Cardiff Road just north of Edmonton, highway 58 base paving, highway 686, and there are two projects on this highway. One involves base

paving, and the other is for detailed design of the highway 686 extension, which, I just mentioned in QP today, is over 200 kilometres long.

We are continuing to invest in enhancing our economic corridors across the province, including $314 million over three years to complete projects such as the highway 3 twinning between Taber and Burdett, highway 11 twinning between Sylvan Lake and Rocky Mountain House, and we've also allocated $186 million over three years for more than 50 engineering projects to address future needs to enhance the province's economic corridors. Engineering and design will be completed on these projects, allowing the department to progress with construction immediately when the required funding is approved.

In Calgary we are investing in major improvements to Alberta's busiest road, the Deerfoot Trail. Budget '25 includes almost $485 million in funding for the project over the next three years. Deerfoot is expected to be completed in 2027, the south portion, and once completed, it is anticipated that drivers will save about 900,000 hours of drive time.

Our total capital investment also includes $240 million over three years for water management and flood mitigation. This includes funding to support the completion of the Springbank off-stream reservoir project this spring. As well, it includes funding over two years to start engineering and planning for regulatory approval on the next required flood mitigation, and that is the Bow River reservoir project.

In addition to capital investments in new infrastructure, we are continuing our work to preserve and extend the life of provincial roads and bridges. We are dedicating $45 million over three years to support the replacement of low-volume and aging bridges in rural areas all across the province. Replacing these bridges will improve travel for Albertans and industry, helping to support economic development and also to create jobs.

Budget '25 maintains $1.7 billion in capital maintenance and renewal, or CMR, funding over the next three years to rehabilitate key highways. Investing in pavement rehabilitation can extend the lifespan of a highway by about 20 years. For highway maintenance Budget '25 includes $454 million in '25-26, and that is a $24 million increase compared to the previous budget. The $454 million is the highest annual maintenance budget compared to the last five years and is $94 million higher than average over those years.

In addition to maintaining and improving our highway network, our department's mandate includes supporting municipalities by improving critical local infrastructure. The capital plan includes $3.9 billion over three years in capital grants to help municipalities build much-needed local roads, bridges, water and waste water, and also transit infrastructure.

We recognize that rural communities are vital to Alberta's success, and that's why Budget '25 includes targeted investments to support their growth and prosperity. Budget '25 also includes $650 million in capital grants to benefit rural communities across the province, including $126 million dedicated to the strategic transportation infrastructure program, or more lovingly known as STIP. We know funding through this program is critical to supporting municipalities. STIP funding allows for smaller and rural municipalities to maintain and improve local road bridges, local resource roads, and community airports.

7:10

We recognize the huge demand for water that comes with a growing population. Through Budget '25 $510 million in grants will support rural municipalities by funding new water and wastewater systems.

In other grant funding we are continuing to provide support for light rail transit projects in both Edmonton and Calgary. Our total provincial commitment is $3 billion over multiple years, of which $1.53 billion is for the Calgary green line LRT and $1.47 billion is for Edmonton LRT projects. Budget '25 also maintains our commitment to supporting Calgary's Blue Line LRT northeast extension project, with $13.9 million in funding being provided over three years. The Blue Line will extend by one station, from Saddletowne to 88th Avenue NE, which will allow the eventual connection to Calgary's international airport. As well, $5 million in new funding in '25-26 will allow the city of Calgary to assess procurement options and planning work for a new transit solution that will connect the Calgary International Airport terminal with the Blue Line extension station. This project will enable a future direct connection to downtown Calgary.

Progress is continuing on the development of the passenger rail master plan. Budget '25 includes $6 million in '25-26 to support this work. The plan will look forward decades, identify concrete actions that can be taken now and future actions to build the optimal passenger rail system for the province.

Our government is continuing to provide $173 million over three years to the city of Calgary for infrastructure to support the Calgary Rivers District and event centre to help revitalize Calgary's downtown.

We are continuing to provide $169 million in capital grant funding over three years in support of three critical local infrastructure capital projects in the Edmonton area: the Yellowhead Trail improvements, the Terwillegar Drive expansion, and the Ray Gibbon Drive project.

In other parts of Alberta we are continuing our commitment to support the Red Deer Regional Airport expansion with $11 million in grant funding over the next two years. This investment will help the airport attract new passenger and cargo services.

The commercial carrier industry is another important contributor to Alberta's economy, and that's why we are investing in new class 1 commercial driver training, which will help attract and retain drivers to reduce the labour shortages in this industry. Budget '25 includes $25.6 million in '25-26 to support the class 1 learning pathway for commercial drivers and to provide grant funding to support employers in the commercial driving industry. The class 1 learning pathway, which officially launches April 1 of this year, will allow drivers to develop skills as a trainee and build on their skills and experience, with the goal of seeking a red seal designation in the future.

We are dedicating $10 million in grant funding to employers to support the training and direct employment of class 1 drivers in the province. As well, we are allocating $13.1 million to support an industry advancement grant. This program will be aimed at supporting projects that contribute to increased employment attraction, retention, and industry diversification within the commercial transportation industry. These investments will not only attract and retain drivers but will also enhance safety within the commercial driving industry.

We are also investing in improving transportation safety through a $13 million commitment over three years to support municipalities in implementing calming safety measures to improve local traffic. Municipalities can apply for funding to upgrade and enhance local roads and intersections that pose safety hazards.

We're also investing in improvements to increase security at our border crossings. This budget has $15 million for new vehicle inspection stations and training for highway maintenance contractors to detect potential illegal activity. This investment demonstrates how Budget '25 is meeting the challenge of uncertainty in trade and security by focusing on diplomacy and supporting the economy.

Now, together, all of these investments in Budget ’25 allow us to meet the challenge of a rapidly growing population.

The Chair: Thank you very much, Minister.

We will now begin the question-and-answer portion of the meeting. For the first 60 minutes members of the Official Opposition and the minister may speak. Hon. members, you will be able to see the timer for the speaking block both in the committee room and on Microsoft Teams.

Member Dach, would you like to share time with the minister?

Mr. Dach: Yes, indeed. By agreement I believe the minister and I have agreed to go back and forth. Unless he’s changed his mind, that’s what we’ll do.

Mr. Dreeshen: I accept your terms.

The Chair: Okay. A block of shared time is 20 minutes, during which you may go back and forth with questions, comments, or responses. However, neither participant can talk for more than 10 minutes in one stretch.

With that, we’ll get going. You can carry on for 60 minutes.

Mr. Dach: Thank you very much, Mr. Chair. I do intend to have a back-and-forth in real time with the minister so we can have an adult conversation and try to get as much information to the Alberta public who may be watching today as possible. I want to just start off by saying that I appreciate the staff that are here and all the work they’ve done to prepare the minister, and we look forward to making the best use of their time as well.

Minister, let’s start off with some green line questions in this evening’s meeting. In the recent past Mayor Gondek has said and was quoted as saying that this is not about alignment; it’s about risk and who’s going to pay for it. That’s, I think, what Calgarians are really concerned about with the sort of on-again, off-again support for funding that your government has had with this green line project that keeps changing in its alignment. Now, of course, the whole thing may be up in the air because, as you indicated, it’s up to the federal government to make a final decision on whether they’re going to support this new alignment. Isn’t the real question that is being bandied about right now the effort on your part to try to dump the risk onto the city of Calgary for any shortfalls rather than assuming it yourself as a province?

Mr. Dreeshen: Thank you. Thank you for the line of question. I think maybe just to not correct you but just enlighten you or let you know kind of a more accurate set of facts when it comes to the green line: the $1.53 billion commitment that this government has is the same commitment that your NDP government had, which was the same commitment that the PC government had back in 2015 when Naheed Nenshi, when he was mayor of Calgary, had his vision, if you want to call it that, of building a 46-kilometre green line from Calgary’s north to Calgary’s south and then, through that, got $3 billion in federal and provincial funding and also committed $1.5 billion from the city of Calgary for a total of a $4.5 billion green line project for 46 kilometres.

Now, the issue with that is there was no proper engineering, study, planning, really anything to commit that type of funding for that type of project. That’s what has made the green line so difficult to deal with. It’s been multiple governments, it’s been multiple mayors that have now had to try to deal with that reality. The $1.53 billion commitment is still there, and the communications that we’ve had with this current council is: we want to make sure that funding is still there. The province has already put funding into the green line over the years, and I’m happy to say that in this budget it actually has pay on progress. Rather than a $208 million just routine payment from the provincial government for the green line, we actually have pay on progress. So now any construction . . .

Mr. Dach: Thank you, Minister. With respect, what I was hoping to get at was the potential shortfalls estimated to be about $1.5 billion. Mr. Chair, through you, I’m going to refer to the estimates document, page 231, line item 5.5, with respect to Calgary LRT projects. I mean, that’s what Calgarians are worried about. Will they indeed be saddled with the overruns, which could be multiple billions of dollars? That is, I hope, a question that you can directly answer for Calgarians. Who’s going to be responsible? It seems like the province, through the chair, Minister, is not willing to undertake responsibility for the cost overruns that appear to be adding up over the billion, 2 billion, or multibillion-dollar mark.

Mr. Dreeshen: As I was trying to say and maybe correctly answer that more definitively: when it comes to Edmonton and Calgary LRT projects, Edmonton and Calgary are, I think, to use your terms, on the hook for any cost overruns for those projects, so the $1.47 billion that the province has in funding for the Edmonton LRT projects. The $1.53 billion that is committed to the green line from the province: the city of Calgary is the same, is responsible for any cost overruns. It’s the same when it comes to the Blue Line. Those are Edmonton and Calgary projects. To make sure that we actually got more value for taxpayers’ money is why we got involved this last summer. We actually stopped the over a billion dollars of tunnelling that actually shrunk the green line. It actually went even smaller from where it originally was, and that’s . . .

7:20

Mr. Dach: Thanks for that, Minister. We’ll get back to the tunnelling shortly. I wanted to drill down a little bit more, through the chair, on the recent reports about the cost overruns that are projected, once again referring to estimates document page 231, line 5.5, Calgary LRT projects.

> In a December 18, 2024, Global News article the city of Calgary claims the proposed provincial alignment for the Green Line LRT will cost [at least] $1 billion more than the city’s previous plan for the line . . . $1.3 billion in ‘known costs and risks’ were not included in the work by AECOM, the third-party consultant . . . hired to find a new downtown alignment.

This is the type of cost that Calgarians are really upset about when they’re e-mailing me and saying: why in the world are we being saddled with them as a city? You’re saying that both Edmonton and Calgary are in the same boat. Why is the province not underwriting and being the one to backstop these projects when, indeed, that’s not an unusual thing to happen in major infrastructure projects in other jurisdictions?

Mr. Dreeshen: Again, all the LRT projects in the province are treated the same, so both Edmonton and Calgary. These are their projects.

When it comes to the AECOM study that you referenced, it actually found a billion dollars in savings. I’m not sure where you’re getting your numbers on a billion dollars more. I’ll give you just an easy-to-understand example. When it comes to passenger rail transit for LRT, it’s about $1 billion a kilometre to go underground to tunnel; it’s about $300 million to go elevated, to have some elevated platform; and it’s about $100 million a kilometre to go at grade.

Mr. Dach: Through the chair, may I stop you there because, indeed, we have a dispute with respect to the actual interpretation. My understanding is that the redacted AECOM report hides certain

information, and the full story is not released. We were hoping that you would release the full report. Some of it is redacted, as you say, to protect private business interests and so forth, competitive advantage. However, the AECOM redacted report speculated, says that the actual cost of the tunnelling portion in the original plan would be roughly equivalent to the elevated portion, and there's no real savings that are going to be garnered by using an elevated plan that you've promoted versus the original tunnelling one, which leaves the downtown free of the elevated or at-grade obstruction. That, I guess, remains to be seen.

Will you release the full report, not the redacted portions that are business-purpose hidden but the report that tells the full story about the cost differential between the underground portion, the tunnelling portion versus the elevated portion? From what I've heard, it contradicts what you've been saying about the cost of the tunnel portion, and it really shows that there's no difference between the two and there are no savings to be had. It therefore makes one wonder why indeed you would propose to go with an elevated plan.

Mr. Dreeshen: First off, Chair, I agreed to go back and forth. I didn't mean that would be just cutting me off when I answer. There has been lots of misleading questioning from the member, and I'm trying to correct them, but now I have a laundry list of corrections to actually put on the record of what actually happens versus the misleading statements that he's said.

The Chair: Okay. Well, for the purposes of this, we'll give you some extended time to make your point.

Mr. Dreeshen: I appreciate that.

On the AECOM report it actually found that the new proposed alignment, that actually wasn't going to be tunnelled but would be elevated, that obviously would stretch the green line farther down south to Shepard, which it had been designed to do but then was cut off last year when the city of Calgary in the summer approved their shortened or stub of a green line project, that longer alignment, which the city of Calgary actually approved, actually has 60 per cent more riders, 76 per cent more length, 71 per cent more stations, and will actually provide LRT service to the Beltline. It was also something the city of Calgary actually approved.

So I would like to correct some of the misinformation that the member stated, that this is something that the city of Calgary hasn't wanted, because the city of Calgary actually approved this alignment, and to somehow say that this AECOM alignment, which, again, is an elevated downtown portion versus a wildly expensive tunnelling downtown portion – it's, again, misleading. As I was trying to say before, it's typically $100 million for LRT at grade, $300 million above, and $1 billion to tunnel. If anybody ever says that to go above ground is cheaper than tunnelling, it's misleading to say the best.

Mr. Dach: Thank you. Through you, Chair, I will continue if I may. I wanted to ask the minister, Mr. Chair, about his July 2024 statement, a very clearly quoted statement confirming that the provincial money was there. The $1.53 billion in provincial funding for the green line was there. In this quote you said that you could take it to the bank and were very resolute about that. Everybody was pretty pleased to know that that money was there and the project was going to go forward.

Yet I think it was 34 days later there's a complete reversal, and the minister has cancelled the project. We're still as Albertans scratching our heads, wondering. What in the world, with the biggest infrastructure project in Alberta's history, happened in 34 days so that the minister would do a complete one-eighty and yank provincial money, a junior funding partner's money, I might add, from the project and cancel the project? What information would cause the minister to make that reversal on a dime like that? I'm curious to know what exactly caused the minister to make that reversal.

Mr. Dreeshen: It was the revised business plan by the city of Calgary. They put out a business plan to show that, instead of going down to Shepard, they were going to shrink the green line to Lynnwood/Millican, serving, again, 60 per cent fewer riders. The ridership of the green line went from 51,000 down to 32,000. Also, the length of the entire project went from 17 down to 9.8. Stations went from 12 down to 7, and that reduction of scope of the green line, actually, was at a higher cost. It was over $6.2 billion.

When you look at value for taxpayers' money, to have a much smaller green line project for more money was something that we knew we had to get engaged with after we saw the business plan that came from the city of Calgary this summer. That's why we wanted to make sure that we could find an alternative option to stretch the project down to Shepard, and the best way to save money was through the downtown alignment that was tunnelling, to instead go above ground instead of below.

Mr. Dach: Thank you. Mr. Chair, through you once again, I beg to differ in some of the interpretations given by the minister. Now, as far as the motivation behind the city's decision, in many cases it's been described as a forced transaction on the city, and the city is backed into a corner. Initially, of course, the green line years ago was to be two lines, north and south, and joining in downtown. It's morphed a few times into different project ideas, but the initial concept was to do the hard part first. When then Mayor Nenshi managed to get $1.53 billion from the federal government, the idea was then to do the difficult part first, the expensive part first, in downtown Calgary, do the tunnelling, and then the less expensive stuff that could be done by more local companies would follow that. Of course, that's gone by the boards now, and we may end up never seeing the downtown part done within our lifetime.

The Chair: Just for reference . . .

Mr. Dach: I was going to ask the minister . . .

The Chair: Excuse me. If we could just – you know, I'm all in favour of using past comments to build context towards a question relative to the budget. If we could focus on that, that would be great.

7:30

Mr. Dach: I'm just getting to my question, Chair.

The Chair: Okay. Good. Thank you.

Mr. Dach: Thank you for that.

I mean, all of this has led to what we've been talking about, cost overrun. I'm just wondering why the minister suggests that it's the city of Calgary's responsibility and why his government's desire is to saddle the Calgary taxpayers with potentially billions of dollars in liabilities that have been caused by this government's monkeying around with the alignment, that has been studied exhaustively. I just wanted to ask that one more time and see if I can get an answer that's more satisfactory.

Mr. Dreeshen: You may not be satisfied with this answer, but it is factual. The city of Calgary is responsible. Again, as I mentioned earlier, the mayor of the city of Calgary created the initial green line to be 46 kilometres to serve north and south Calgary. That was for $4.5 billion, and that was 10 years ago. I know it's been called the

Nenshi nightmare of nothing being able to be built in that 10-year span, but I am happy to say that the construction of the green line should happen this year. We saw that the city of Calgary through Mayor Nenshi, when he initially got funding approval from the federal and provincial government to build a 46-kilometre green line, that he had no wherewithal to actually do, is what created the entire mess with the green line.

I do actually feel sorry for the current Calgary city council that had to inherit this mess and contract issues of buying railcars that don't actually fit with their other alignments. There was a myriad of problems that happened to the city of Calgary when Mayor Nenshi was the mayor of Calgary. That's what's caused a decade of confusion and frustration when it comes to the green line, which we don't see in other LRT projects across the province because they were designed and planned out properly at the beginning. Unfortunately, the green line didn't have that under Nenshi in 2015.

Mr. Dach: Thank you, Minister, through you, Chair. My understanding is that the city of Calgary is the only municipal jurisdiction to undertake the liability – of course, now Edmonton, too – in all of Canada. The city is also on the hook for the cost overruns potentially at the arena. Be that as it may, I wanted to point that out and then ask my colleague, if she wouldn't mind, MLA Ganley to come forward with a few questions of her own and then pass on to perhaps Mr. Singh.

Ms Ganley: Thank you very much, MLA Dach. I really appreciate that.

I also have a few questions about this particular project. I think what I'd like to start by doing is just sort of establishing some pieces of this. This is a project that is funded by the city, by the province, and by the federal government. Just so everyone's on the same page, I'm looking at transportation grants, line 5.5, page 231, which specifically deals with the green and Blue lines in Calgary, and page 237, which is revenue from the federal government.

The new funding arrangement insisted upon by the province only builds the line from Shepard to the predicted new arena, as far as we're aware. The city's report makes it clear that the proposed section between the arena site and 7th Avenue will require a functional plan to report back in Q4 2026 then require an additional vote by council. In light of these changes to the arena it seems like federal funding could potentially be at risk because of the change to decrease ridership, which I understand the minister confirmed in the media on the 14th of March. I'm just curious what the province's plan is in the instance that the federal government withdraws its funding because of this change in alignment.

Mr. Dreeshen: Well, we were going to do an announcement on this, but I guess we might as well do it here. This is as public as it gets. We actually don't have to worry about that because just today the federal government gave us their approval of the business case that the city of Calgary and the province worked on together and submitted to them.

Ms Ganley: Well, that is good news.

We're expecting money to come through from the federal government, which is good, I think. I think my colleague's concerns continue to resonate for me because the province is putting in money, the city is putting money, the federal government is putting money for the line that's being built. What I'm concerned about is the fate of sort of the sunk costs.

Because previously decisions were made, decisions that apparently one could take to the bank and then could not, you know, a bunch of property was expropriated, for instance. A mall has been torn down in Eau Claire, and a number of other costs have already been spent. They can't be recovered. The estimate on that is between $1.3 billion and $1.5 billion depending on who you ask. I'm just a little curious. In light of the funding, like, who's paying for those sunk costs?

Mr. Dreeshen: The $6.2 billion plan that the city of Calgary approved for the budget of the green line back in the summer, which then got changed. The alignment went above ground instead of below ground, and it didn't stop at Lynnwood/Milican; it stretched further down to Shepard. Obviously, the cost savings you get from not tunnelling downtown allow you to stretch the green line farther south.

That budget is whole at $6.2 billion, so to build kind of an apples-to-apples comparison: a green line that would connect into the Red and Blue Lines, a green line that would go to the event centre, and a green line that would go to Shepard were the three conditions that we always put on the city to make sure that the green line should go ahead in the most appropriate manner. That apple-to-apple comparison is the best that we have.

When it comes to city lands, that are obviously their assets, that they can now use for other city priorities, that's where we're still working with the city of Calgary to figure out with those lands that they have, that can now be used for something else – and their assets are now being used for something else or could be used for something else – what that apples-to-oranges comparison would look like.

Ms Ganley: Okay. I guess we're going to have to disagree what the apples-to-apples comparison is because those properties were already expropriated, and they were expropriated at a considerable amount of money. It's, like, riverfront property in downtown Calgary. It's worth a significant amount of money.

I think that when we cost the overall project, the fact that we've already spent money on that is probably relevant. While I actually think it's your side that's generally more fond of saying that there is only one taxpayer, I'm concerned for those costs regardless of whether they land on me as a provincial citizen or as a citizen of Calgary. In my view, that is an increase in cost, but we can leave that there.

I think one of the other concerns that's come up, in addition to costs, that's significant is that on January 28 the Calgary Downtown Association, Calgary Construction Association, the commercial real estate association, and others wrote to the minister detailing concerns with the elevated line, including multiple impacts to downtown. I'm not going to read them all because it's a really long list, but essentially they're impacts on retail space, impacts on people's businesses in the area, and impacts on property values being one of the large ones.

I mean, this is a concern for people in the surrounding area, and I'm wondering if there's a plan to address these concerns and whether the minister is at all concerned about the fact that having previously indicated that the alignment was something you could take to the bank and having now changed, whether that's going to create a certain amount of uncertainty that can be harmful to business.

Mr. Dreeshen: On the downtown alignment and the localized concerns: it is a very legitimate process, something that was done on the south part of the alignment, the middle part of the alignment. Whenever you have an LRT project going forward, you obviously have to engage and talk to the locals that are going to be impacted by a project. The downtown portion, just because this is now elevated alignment, is new, is engineered – they say that it's kind

of like the 5 per cent, which is just kind of the initial design work of a project like this.

That's why your colleague mentioned that 2026 is when that detailed design functional planning that will be commissioned by the city will finally get up to about a 60 per cent engineered rate, which the event centre down in Shepard is already engineered at. Once you hit that 60 per cent engineering threshold, that's when you can be confident in putting out construction tenders to actually see things finally being built. That's why, as I previously said, from the event centre south, construction will happen this year because they've hit that mark, but because of this new alignment and the work that AECOM did is at that 5 per cent, it will take time to get up to that 60 per cent engineering.

7:40

Ms Ganley: Okay. Yeah, I mean, as a person who lives in Calgary, I will admit that I'm somewhat concerned that we don't know for certain that the train is going to hook up to the Red Line and Blue Line, right?

Mr. Dreeshen: It will at 7th and 2nd. That's where it will tie into the Red and Blue Lines.

Ms Ganley: No. I understand that, but my understanding is there's another vote of council required before the line can be fully extended, right? There's still work being done on those pieces. We don't have certainty around any of that.

Mr. Dreeshen: The work that will tie it into downtown is going to be that finalized – the issues that you raised were: what's it going to actually look like; where exactly is the elevated line going to go; how does a plus-15 network change? Those types of engineering and functional planning will get more clear as more engineering and functional planning is done. But the terminus, where it will actually go at the Red and Blue Lines: that alignment has been developed.

Ms Ganley: I guess my other question about that would be, then, that initially this project was proposed in 2015, and a number of things have occurred now. It was essentially, to my understanding, kind of ready to go out the door in the 2020-2021 sort of era, and it was stalled by not yourself but the then minister of transportation for basically two years. In that time, because we had been in a pandemic and we had come out of a pandemic, inflation was significant, right? I know you're saying, Minister, that the fact that the cost has gone up since 2015 was, well, whatever your explanation for it is, but I think the significant portion of that cost increase was incurred between 2021 and now as a result of the delay.

I guess my question is, like: if we don't anticipate building that portion that goes from the Beltline into downtown – so we don't know that the train is going to get downtown – and, you know, the city's estimates would suggest this is coming back Q4 2026, followed by validation, followed by a number of other things that suggest that there's a question, because then city council has to vote on it again, and we don't know – I mean, it definitely won't be exactly the same city council at that time. What are we doing about costs increasing in that time?

Mr. Dreeshen: Two things. One, the federal funding, the provincial funding, the business case that just got approved today has from downtown down to Shepard. I'd hate if I wasn't clear enough to say that the downtown portion is part of the green line business plan. It's at a different stage of engineering, but that entire downtown to Shepard is part of the business plan and is part of the green line plan going forward.

Going back to 2021 – I think that year is what you referenced – that had issues of, again, going underground, under the Bow River. It was then decided by city council to not tunnel underneath the Bow River and to back it up into downtown. The green line, unfortunately, whenever it's designed to go downtown, whether it's downtown or underneath the Bow River, they've always seen the cost uncertainties with that. That's where, again, the shrinking of the alignment through the Bow River was something that happened back then.

Ms Ganley: Thank you. I would just say, I guess, that my question then is: if you're saying that this is completely ready to go and that this amount of funding will take us all the way from 7th Avenue down to Shepard, can you reassure the people of Calgary that they can take that to the bank? Is that a correct estimate? Like, how certain are you that there aren't going to be cost overruns?

Mr. Dreeshen: Well, I'm certain that construction will finally start, and when it comes to any type of project, whether it's a road, a bridge, an LRT project, the best way to properly plan and to execute on a project like that is to do lots of engineering, lots of planning, and then once you're at that stage where you can actually start construction, start construction as quickly as possible. That's finally where we're at now with the green line, to be able to say that we have the engineering done.

We can start putting the construction tenders out, and the city of Calgary will this year, and we'll finally see construction on the green line happen. I think that's the best way to stop any inflationary pressure on any project, to just finally start and build, but don't just start and build like what happened in 2015, where you didn't actually have any planning done, which, again, had this 10 years of trying to plan, shrink, fit a budget into a project that was really unrealistic in the first place. That, back in 2015, is almost a textbook of what not to do, to come up with a budget and then try to force a project into it. You have to be able to design, engineer, cost it out, and then go out to construction as soon as possible. Thankfully, we're finally at that stage with the green line after 10 years.

Ms Ganley: Yeah. I appreciate what you're saying. I actually think you're correct that you don't really know, you can't say that it's committed, that you can't say that it's building until such time as, you know, you're able to start on it. I think my concern is that we aren't there on the portion of the train that would move from the Beltline to 7th Avenue, and I would say that's where the majority of people work, right? Most people in Calgary tend to take transit to go downtown for work. I think that if we don't know that the train is going to go there, I have some serious concerns about how utilized it will be in light of the costs, right? Like, the original alignment and, originally, you know, getting that into Eau Claire, I think, was important. The fate of that Eau Claire piece is a big concern.

I guess my concern would be that we're not there on that piece yet, and my further concern would be, you know, when are we planning to go up to Eau Claire? Constituents in my riding and a number of my colleagues are north of the downtown – right? – and until we make that jump to Eau Claire, there's very, very little chance of getting across the river. So I'm just wondering when are we expecting that piece?

Mr. Dreeshen: Well, again I would say that the 10 years of green line discussions, that hasn't had any major construction after 10 years; I would say, let's finally build the green line and, obviously, we'll go and meet those three conditions that I mentioned earlier of tying into the Red and Blue Lines, going to the new event centre,

new Saddledome, and then stretching as far south as possible. I think beyond that scope of, "okay, you're at Shepard, fantastic; what about going down to Seton near the hospital?" would be a discussion for a future council and perhaps a future government, provincially and federally, to be able to make those decisions. Then, obviously, what does it look like to finally go north of the river? That's, again, something that I mentioned earlier to your colleague.

Unfortunately, it seemed that in 2017 there was the decision of do you start north and go to downtown, or do you start south and go to downtown, and the decision at that time, back in 2017, was to cut off the north and not cut off the south. So there was that decision that was made back then, but that was a different government, different time, different mayor.

Ms Ganley: Yeah, and that's fair. I mean, at the time they were still doing expropriation work around Centre Street north, which is the busiest transit corridor in the city at this moment. I mean, that was 2017, so I would say that work could easily have been completed at this point. I guess I would hope to see from this government a commitment that that north leg is going to go at some point.

Mr. Dreeshen: All I will say is that the $1.53 billion to build the green line is there, and I know you've said that I've said they can bank on it. Well, hopefully, people will actually see the actual benefits of that and actually see construction start this year from that $1.53 billion. As I've said, we already have the Blue Line connector going in to the airport. There are engineering studies, money in this budget, that will finally take the Blue Line across, over to the Calgary airport. There's also that 800-metre expansion of the Blue Line to add that extra station up to 88th Avenue. So there are LRT projects that I think are a little more advanced in design work that we want to make sure we have construction dollars for, but, like I said, is the green line going to just end at the bookends of this current business plan right now? That's not how the Red or the Blue were always built. So I'd imagine that they'll always be able to have extensions on to any LRT project, but that, again, would be a different council and a different provincial government in the future.

7:50

Ms Ganley: Thank you.

I'd like to cede the remainder of my time to my colleague. MLA Singh Boparai, I believe, has some questions.

Member Boparai: Thank you, Member Ganley. Thank you, everyone here. Mr. Chair, through you to the minister, I ask, based on line item 11, provincial highway rehabilitation, specifically 11.1, highway rehab projects, which includes highway pavement restoration, intersection improvements, and other safety-related activities: how does the minister plan to address the critical issue of driver safety, particularly with regard to the lack of rest stops along the provincial highway network? As you all might be aware, we are losing lots of young lives every year due to this lack of safety measures. We know that Alberta's trucking industry is a lifeblood of our economy. These truck drivers and essential workers are the backbone of the provincial supply chain, ensuring goods are delivered from one end of the province to the other, and they were lauded during the pandemic for keeping our economy moving.

However, these same drivers face immense challenges when it comes to their own safety on the road. One of the most significant concerns which has not been adequately addressed is the severe lack of proper rest stops along our highways. Drivers spend long hours on the road, often away from their families for days at a time, and they face fatigue and health risks because there are not enough designated safe spaces to rest. Well, fatigue is, as we all know, one of the leading causes of accidents on the roads, and without proper rest facilities, these drivers are left vulnerable to dangerous conditions that put their lives and the lives of others at risk. It's essential that the budget prioritize the inclusion of more rest stops and infrastructure improvements.

Given the importance of trucking to the economic stability of Alberta and the role drivers play in keeping our province connected, how will the ministry ensure that these rest areas are included in highway rehab projects, and how will this be given a greater priority? This is not just an infrastructure issue; it's a safety issue that directly affects the well-being of the workers who are responsible for moving goods across Alberta, keeping our economy running smoothly.

Thank you.

Mr. Dreeshen: Great questions. I'd like to first start by saying, on the highway maintenance, that Budget '25 has a 5 per cent increase in highway maintenance to make our roads safer, smoother all across the province.

Just more on driver safety. We also launched the slow down, move over campaign of any highway maintenance worker, whether it's a tow truck driver working with a class 1 driver or towing them, or any roadside maintenance worker or officer, to have to go 60 kilometres by that individual or to vacate and move to a lane to the side. I would say that both those measures are, you know, obviously keeping the roads in good shape, and then to have that public safety awareness campaign has gone a long way in improving awareness.

But you're absolutely right. When it comes to class 1 drivers, they're the backbone of our economy. They move our goods and services all across the province, not just for exports but also just everyday essential items. Whenever I meet with the industry, I always thank them right off the bat because what they do is such an important part of what makes our great quality of life that we have here in the province in that we can go to a grocery store and it's always fully stocked with fresh items. I mean, it's incredible, the work that they do, and I would say that whether it's that, the training grants that we provide for new drivers to be able to enter into getting a class 1 driver's licence are something that's in this budget.

We've also worked on the red seal certification, and we're trying to get other provinces to recognize truckers as a red seal program, which is – I mean, whether you're a chef or a hairdresser, you can get that red seal, but as a truck driver you don't get that level of professional recognition, and I think that's something that I'm happy to work with other provinces on to try to get that Alberta-led initiative across the line just to give more proper recognition to our trucking industry.

When it comes to rest areas, Budget '25 does have $38 million over three years to expand the rest areas that we have. There was a previous request for proposal that went out for a rest area expansion across the entire province that, unfortunately, was unsuccessful a few years ago. We're currently looking at how, not just to expand the existing areas that we have now but actually look on the map where you could have proper economic corridor reaches of safety areas, you know, inclusion of services. So it's not just a roadside pullout but having other services for truck drivers as well. I one hundred per cent agree with the sentiment of your question, and it is something that Budget '25 does have: to improve the safety rest areas as well.

Member Boparai: Thank you again, Mr. Chair, through you to the minister. I ask, based on line item 3, traffic safety programs, specifically 3.1, traffic safety services, and 3.2, driver safety initiatives, which focuses on the development and delivery of transportation safety programs, how is the ministry using the budget

to support vital industries such as driving schools and vehicle inspection services? These sectors are essential to ensuring driver safety, yet they are facing significant financial and regulatory challenges.

As raised in question 1 as well, improving infrastructure such as rest stops is crucial for driver safety; however, equally important is ensuring that the workers who are responsible for educating and certifying drivers as well as those conducting vehicle inspections are supported. These industries are encountering increasing difficulties due to discrepancies between practical experience and regulatory requirements. For example, driving schools and mechanics are being penalized for differences between real-world vehicle conditions and the technical compliance standards enforced by government manuals, resulting in unnecessary fines and burdens. How is the ministry addressing these issues to ensure that these essential industries are supported? Though programs are supports for these industries, how will they ensure that we are not placing additional burdens on the workers responsible for ensuring driver safety on Alberta's roads?

Mr. Dreeshen: Again, great question. Budget '25, through the learning pathways, actually has two grant streams when it comes to driver safety. That's the employer grant at $10 million, that will have training for class 1 drivers, and that's everyone from private businesses to nonprofit organizations, First Nations and Métis settlements, as well as the industry advancement grant, that's at $13.1 million in this budget, that again will help, you know, not just class 1 but also class 3 drivers as well to get that extra training, to be able to get further additional training as well. These are the two different grant streams that come from Transportation and Economic Corridors directly for driver safety.

Member Boparai: Thank you, Minister. Again, we need to address those discrepancies as well. Based on line item 3, traffic safety programs, specifically 3.3, commercial driver grants, which provides funding support to Albertans entering the professional driving industry, how does the ministry plan to use the budget to address the rising financial barriers, particularly the increasing cost of insurance, that new drivers face when entering the industry?

As I mentioned in question 2, the support for industries like driving schools and inspection services is essential to maintaining safety, but so is ensuring that new drivers can afford to enter the trucking profession. The escalating cost of insurance is a significant barrier to entry for new drivers, especially given that insurers require prior experience before they will provide coverage. But if they can't get a job, how will they get experience? This creates a vicious cycle. How can new drivers gain experience, as I said again?

As Alberta's economy relies on the trucking industry to keep goods moving, it is crucial that the budget allocates its resources to make insurance more accessible to new drivers. How will this ministry work with the Treasury Board and the Ministry of Finance to address the financial barriers posed by skyrocketing insurance premiums? How will the budget help alleviate these challenges to ensure that new drivers can enter the workforce without being burdened by high costs?

Mr. Dreeshen: Again, you're absolutely right. When we were working on the learning pathways for class 1 licences and the red seal certification program, we had the insurance industry at the table as well to walk them through what we were planning, to have this red seal certification for truck drivers and the grant programs that we have for additional training as well as just that certification of being able to differentiate between a type of driver and a type of training that they have. The answer that we received from the insurance industry is that they're all data driven, so they want to see how successful this program is.

8:00

Unfortunately, you know, time will tell of when we roll out these new grants, when we have the red seal certification program up and running. If we can work with the trucking industry to demonstrate that truckers in Alberta are now that much safer due to these efforts, I think that's something that will definitely be there with them, talking to the insurance industry to make sure that the insurance rates for them are reflective of the data that they're seeing of having safer drivers.

Member Boparai: Thank you, Minister.

Now I would like to pass on my time to Member Dach.

Mr. Dach: Thank you very much to both my colleagues for those perceptive questions.

Once again, through the chair to the minister, I wanted to ask a couple of questions that are on different topics. I wanted to turn to the estimates 7.4, page 230, investing in Canada infrastructure, rural and northern communities. It provides funding to support projects that improve infrastructure in small, rural, and remote communities. It's a federal program with grant funding flowing through the department's budget, Mr. Chair. Now, this grant is no longer being offered by the federal government in the next two years, which is why we see the investment dollars are decreasing. To the minister: can the minister please list the projects that were covered under this grant that are no longer being covered, and what plan does the minister have to replace these grants once they are discontinued in an effort to support rural Alberta?

Mr. Dreeshen: For rural Alberta, as I mentioned before, the $8.5 billion in our capital plan: over $4 billion of that goes to rural, just over $2 billion goes to Calgary, $2 billion goes to Edmonton. I think there are more Calgary people on your side of the table, so happy to note that there's more for Calgary in the capital plan than Edmonton. Rural, obviously, because of the provincial highway network that we have, gets the vast majority, gets over $4 billion in infrastructure. Just with our provincial assets of roads and bridges that we have throughout the province and 64,000 lane kilometres, we actually have $75 billion worth of total assets for all of that. There's a tremendous amount of investments that need to go to maintain that.

When it comes to the federal program and the feds vacating that area, something that we looked at – northern Alberta investment at $1.25 billion is something that, if it has to cushion that blow from the federal government vacating that space, at least we're still investing in northern Alberta with numerous projects in the north. The $1.25 billion, I could say, if you'd like me to list them, is the highway 63 twinning north of Fort McMurray at over $101 million, highway 881 improvements at $141 million, La Crête bridge at $87 million, highway 40 between Hinton and Grande Cache at $69 million, as well as $127 million in highway 60. I know there are some Grande Prairie folks in the room that might want to hear this one.

Mr. Dach: Thank you. If I may, through the chair . . .

Mr. Dreeshen: Highway 40 . . .

Mr. Dach: You've answered my question . . .

Mr. Dreeshen: I apologize for being too thorough.

Mr. Dach: . . . which I take it is a no, that you're not going to be providing funding to replace the federal government funding that is no longer being provided under the program that has been discontinued.

I wanted to move on if I may, through the chair, once again to outcome 1, business plan page 171, and it says there, "Strategic economic corridor investments and innovation support Alberta's economic growth." Now, economic corridors, as you'll know, form a network of vital links to markets in and out of Alberta, ensuring efficient access for Albertans and businesses and supporting vital economic activity and capital investment in highway initiatives and grant programs, and build critical infrastructure to support job creation and economic growth. Under item 1.3, collaborating with industry stakeholders and other governments and Indigenous communities to identify advanced nation-building infrastructure projects to increase market access for Alberta, this includes advancing economic corridor agreements with western provinces and territories.

I am hearing, Mr. Chair, from rural communities about how they're struggling to get access to market. Forestry and agriculture producers are not able to access railcars, with many sitting in the rail yard. In the north many communities are wanting to access rail from Grande Prairie; however, a bridge is still required to be fixed, to the point where many northern communities have come together to create a rail lobbying group. To the minister. The minister's job is to get product to market on economic corridors. What is the minister doing in response to this lobbying effort to get bridges built to support rail access for these products?

Mr. Dreeshen: I was listing off the $125 billion in the north, and you had mentioned Grande Prairie, and I was so close to mentioning how there is engineering to expand highway 40 near Grande Prairie. Again, that is such an impressive part of the province when you look at the oil and gas plays there and economic activity as well as the people that live there, being able to interact with large truck traffic in a way that's safe for communities as well as for the industry.

For economic corridor agreements we actually signed a prairie memorandum of understanding with Saskatchewan, Manitoba to be able to look at economic corridors and be able to advocate for projects on a united front to the federal government. As well, Alberta and the Northwest Territories have signed a similar agreement. We're currently working on kind of a western bloc economic corridor announcement with British Columbia, the three territories, and the three prairie provinces. I call it the magnificent seven, but no one thinks that's a good name. I do.

There's lots of work on the economic corridor file of trying to – essentially, in Alberta we're in the business of making friends. We don't have access to tidewater. We're landlocked, just like Saskatchewan, so we have to be able to make these types of agreements, whether it's rail access, road, pipeline, utility lines. We have to make sure that an economic corridor doesn't prescribe what has to be in there but that it allows for multiple types of transportation mobility to be able to have that preapproved swath of land, essentially, to be able to get our products to market. That's something that we've been working with jurisdictions all around us to make sure that we can get Alberta's product to market. I've really appreciated your preamble to your question of you seeing the importance of that as well.

Mr. Dach: Thank you, Minister and through the chair once again.

I want the minister, Mr. Chair, to consider his answer very carefully. I want to ask the minister: can the minister confirm whether or not the ministry has any contracts with Rubicon, Marshall Smith's lobbying firm?

Mr. Dreeshen: No.

Mr. Dach: A definitive no. All right. That's one of the things I wanted to get on the record. Thank you for that. I appreciate that.

Let's move on to something that I've been commonly talking about in other previous estimates that we've discussed before. I keep coming back to it because it's so important. We talk about economic corridors, whether they be rail, air, whether it be pipelines or electrical transmission. Roads are always the poor cousin, and they just don't seem to really get moved out of the performance metrics that have been in place for a long time. Yes, I will say that even when we were in government, those performance metrics for roadway maintenance were in place, and we, unfortunately, weren't able to move the bar on that either. But it still remains something that needs to be addressed, I think, given the importance of the economic corridors that roadways are.

We have never gotten past – I'm referring, Mr. Chair, to the business plan on page 174 – these age-old acceptable level of performance metrics in terms of the condition of our roadways. They are typically, year after year, in not the greatest of shape, and that seems to be acceptable to successive Conservative governments as well. What we have typically is that in '25-26 the targets are still going to be in the neighbourhood of 15 per cent of the roadways in poor condition and 27 per cent of them in fair condition. That number hasn't changed for a long time. That's 42 per cent of our roadways we find to be in poor or fair condition, with only 58 per cent being in good condition.

The minister stated just a few moments ago that maintaining our roadways increases the longevity of those roads so we don't end up having to completely rebuild them and redo the roadbeds, yet it seems this number has been static. I'm hoping, given how important the minister knows our roadways are, that we can prioritize at a much higher level the maintenance and rehabilitation of our roadways so that the total life cycle cost of the highway is giving a better return on investment so that rural Alberta, in particular, which is where a lot of these roads are located, doesn't have to suffer from terrible roadways.

8:10

In the past, Mr. Chair, I've had groups come forward from the Athabasca area talking about highway 58. We're talking Lesser Slave Lake. The Member for Lesser Slave Lake was mentioning in his comments about highway 88 being in rough condition and how women who might be eight months pregnant would have difficulty getting to a hospital on those rough roads because the helipad is also not in working order. I wonder if the minister will comment as to whether it's his intention to improve the targets for roadway conditions to a level that would seem to be in this decade, the 2024-25 decade, because it just seems like something that's low-hanging fruit. We've got asphalt. We've got aggregate. We've got labour. Let's put it to work and improve the economic corridors, our basic roadways. Albertans wonder why you're not doing that.

Mr. Dreeshen: There's a lot in that question. First off, not to be partisan, but I would say our highway maintenance budget is actually 26 per cent higher than when your party was in power, so we had four years of not having even close to the highway maintenance funding that we do have now. As you mentioned, I had said that proper maintenance of road does maintain your roads with a 20-year longer lifespan, which is very important, so when you have four years of underfunding for highway maintenance from the previous government, that obviously sets the province back.

Also, we have some positive challenges as well that we had to deal with with 500,000 new people moving into the province of Alberta in three years. That's, like, five new cities of Red Deer that came in in three years. Obviously, that's more people on our roads, and the roads, obviously, deteriorate faster with more vehicles and more people on them. Also, expanding our 64,000 lane kilometres, we have more roads that we have to maintain as well. To get better performance metrics on it, it's kind of like kicking a longer field goal that happens year after year. It does become that much more challenging, but that's why you are seeing an improvement and an increase in the highway maintenance in this budget of, again, 5 per cent just from last year.

Also, you had mentioned highway 88. There is $33 million that will go towards highway 88 in this budget. It's broken up into three projects. There's one by the town of Slave Lake that needs some CN Rail crossing, there's the middle chunk, which will see some utility work happen this year on it to widen highway 88, and then the final northern chunk of that 30-plus kilometre project is all in the budget, and work will begin this year. Then you also mentioned highway 58. There's also $15 million in this budget in three years to expand that really important northern highway, just to put into context the two highways that you had mentioned.

Mr. Dach: Thank you for that answer, Minister. Through the chair, once again, the minister did mention in his remarks that there's a 25 per cent increase over six years, so roughly 4 per cent a year. It's not really a remarkable amount of money in terms of the increase.

Of course, not to be partisan myself, Mr. Chair, but this is not really addressing what we are getting at as far as MLAs who are hearing complaints from our constituents from all over Alberta. This is something they see every day. They drive on the roads. Whether it's the QE II going Edmonton to Calgary or highways 58 or 88 or 63, everybody recognizes that we are deficient in our highway maintenance. They can see that. You don't have to be an engineer to know that.

I don't know if the minister's answer is satisfying Albertans who say: look, we want to be able to boast about Alberta, but we don't go ahead and tell our neighbours in Saskatchewan or B.C. anymore, "Look, move to Alberta because 42 per cent of our roads are in terrible condition." That's not something we should be proud of, and I think it's something that should be rectified. I'd really like to see the minister take the opportunity to say: look, I have been talking to my cabinet colleagues about this, and we really want to address it and make it part of our priorities to have our roadways in nothing less than good condition if not excellent condition on an ongoing basis so that we can say that our highways are in great shape, and you won't have to complain about a school bus getting its headlights rattled out of its chassis because the roads are too rough. That I'd like to see him consider, Mr. Chair.

The Chair: Okay. Thank you very much.

That concludes the first portion of questions for the Official Opposition. We will now move to 20 minutes for the government caucus members and the minister. Member Armstrong-Homeniuk, would you like to share time?

Ms Armstrong-Homeniuk: Sure. Whatever the minister would like.

The Chair: Is that okay?

Mr. Dreeshen: If you're happy, I'm happy.

The Chair: Okay. We'll go with 20 minutes. Just so everyone knows, at the end of this 20 minutes we'll take our five-minute break.

Go ahead.

Ms Armstrong-Homeniuk: Thank you, Chair. Through you to the minister, first, Minister, I want to thank you and your ministry staff for all of your hard work that you do, especially on the green line. I know the green line is important to you, and more importantly the green line is at the top of the list of Calgarians and many Albertans.

I'll be asking you questions about the green line in a bit, but first I want to talk to you and ask you a few questions about my favourite topic, photoradar. On page 172 of the ministry business plan under key objective 2.4 I can see the ministry is working with law enforcement and municipalities to ensure automated traffic enforcement, also known as photoradar, is only focused on traffic safety, not on revenue generation. I applaud you, Minister, and your ministry for your work on this item as a frequent highway driver myself. To the minister through the chair: can you give us some idea what this work with law enforcement and municipalities looks like overall, and can you please explain why it is so important to prioritize driver safety over a punitive revenue generation going into the 2025-26 reporting period?

Mr. Dreeshen: Great, great question. A lot of work has been done by my department when it comes to photoradar and in engagement with the 25 municipalities across the province that use photoradar. Last summer they did an engagement tour with the different regions that use photoradar and the law enforcements, kind of regional: Edmonton, Calgary, central, north as well as south areas that use it. It was kind of an education process of how each municipality uses photoradar differently, who does it best, who does it worst.

We wanted to articulate that going forward, we wanted to instill confidence in the use of photoradar so that if an Albertan may get a photoradar ticket, they know that it was there for traffic safety and not for revenue generation. That's where we came up with the criteria for any photoradar location in Alberta to be in school, construction, or playground zones. We are allowing for an exemption to be filed by a municipality if there's an exceptional circumstance in an area that has a high frequency of collisions, something that they can apply to the province to get that exceptional basis and to add to an additional location.

I think Albertans know that if you're ripping through a playground zone and there's a photoradar camera there and you get a ticket, you should really know where that playground zone is and you're not speeding through it. The focus on traffic safety is something that I hope will instill confidence. I know lots have said that photoradar, whether it's in a transition zone or at the bottom of a hill, how visible they are – lots of folks felt that photoradar was a cash cow or a fishing hole. I wouldn't even say it's a partisan issue. It was the NDP transportation minister that even called it a cash cow and something that they were looking at changing, and the NDP's previous leader was quoted as saying that they wanted to reduce the use of photoradar.

I think we've come up with a very logical and practical solution for photoradar. The new rules will come into effect on April 1, and that's something that, working with law enforcement and municipalities and the department to roll out the new photoradar guidelines, I think will go a long way to instilling confidence in Albertans on the use of photoradar.

Ms Armstrong-Homeniuk: Well, thank you, Minister.

Chair, through you to the minister. On page 171 of the Transportation and Economic Corridors business plan under key objective 1.6 I can see that the ministry is implementing changes to class 1 driver training in the 2025-2026 reporting period. These changes will focus on developing driver competency throughout their career while ensuring overall road safety. To the minister through you, Chair: could you please explain to this committee why these changes were so necessary going into the 2025-2026 reporting period? Also, could you go into more detail as to what commercial drivers across Alberta can expect going into the 2025-26 reporting period?

8:20

Mr. Dreeshen: Great, great question. As I mentioned earlier, class 1 drivers, our trucking industry are so important for moving our everyday goods as well as important commodities across the province. When we have our red seal certification program – we actually need to have five provinces in total to sign off on that. Something at our federal-provincial-territorial meetings that I go to I try is to recruit other provinces to be able to follow Alberta's lead to be able to get that red seal certification done at a national level. I think that once we achieve that, you'll see a lot of improvements for the trucking industry of recognizing those credentials and specialized training that truckers have to be able to presumably charge more because they obviously are that much more of a professional driver and they have the credentials to show it. I think the red seal certification is something that the industry supports and will go a long way to recognizing the important work that our truckers do and also rewarding the good truckers that we have all across the province.

Ms Armstrong-Homeniuk: Thank you, Minister.

Chair, again through you to the minister, on page 171 of the ministry business plan key objective 1.7 speaks to the facilitation of research and development into transportation and the piloting of innovative approaches and new technologies such as hydrogen vehicles and e-mobility in order to attract investment and to build a safer, more efficient transportation network overall. Going into 2025-2026, it is so important for the ministry to focus on innovation as transportation technology is ever-evolving. Minister, through the chair, could you please share with us some transportation technologies that the ministry is interested in engaging with going into 2025-26 reporting period? Also, Minister, through the chair, could you please explain to this committee how investing in research and development of transportation technologies will go on to support Albertans all across the province going into 2025-2026?

Mr. Dreeshen: Again, great, great question. From my position it's really interesting to see different technologies and different companies come into Alberta to talk about their new novel concept that, obviously, maybe isn't approved yet because no one has made the business case for it. Being able to review those technologies, whether it's hydrogen or personalized mobility devices, it's incredible to see what's out there. There are other jurisdictions that have approved a lot of these technologies, and they're still kind of learning what comes of them, but it is something that we don't go out and seek. Lots of companies come to us, and I just credit the team that we have within the department to be able to review and make sure that if we are to accept any new technology, it's something that will keep Albertans safe and to make sure that it maintains our transportation network that we have, but always looking to the future to see if there is better and brighter technology out there.

Ms Armstrong-Homeniuk: Thank you, Minister.

Chair, through you again to the minister, on page 171 of the business plan under initiatives supporting key objectives I can see that $1.8 million on average will be allocated each year for development and maintenance of a high-load corridor across Alberta. The high-load corridor consists of designated highways which have had their utility lines raised to accommodate loads up to nine metres high. This corridor is incredibly important as it connects many of our resource-rich communities across the province. Minister, to you through the chair, can you please explain to this committee the importance of a high-load corridor and why it is so necessary to support this corridor going into 2025-26? Also, Minister, through the chair, I see the funding will also go towards development of the high-load corridor. Minister, can you please explain what developments we can expect from this corridor going forward?

Mr. Dreeshen: Again, great question. We do have big stuff here in Alberta, and to have the high-load corridor to be able to transport – whether it's large oil and gas equipment or other industries that have some pretty impressive machines, it's great to see the high-load corridor investments. It really does help the economic growth and jobs and allow for businesses to want to set up shop here and invest here because they know that there is a transportation network that accommodates the requirements that they need. The high-load corridor was created a long time ago, but it is something that is great to see, the constant improvements and investments in that network to be able to accommodate not just what we have but also future growth.

Ms Armstrong-Homeniuk: Thank you.

Chair, through you again to you, Minister. On page 227 of the government estimates, looking at the item labelled Capital Investment, I can see that overall the budget for capital investments will be increasing by $210 million when compared to the 2024-2025 budget. I know the ministry has made capital investments a priority for this budget as we invest in our infrastructure across the province. To you, Minister, through the chair: could you please explain to the committee how the $210 million increase was decided upon going into the 2025-2026 reporting period?

Mr. Dreeshen: It's always tricky going to Treasury Board. The capital investments and essentially every aspect of our budget: there's always a huge demand for increased funding. When you look at population growth and expansion, that obviously stresses our road infrastructure network as well, so the increase that we saw is needed. We're going to do the best we can to make sure that we prioritize the projects that need it the most to be able to ensure that we're prioritizing the right ones that need the investment this year and then, obviously, staging things out over the three-year capital plan. The $8.5 billion total capital plan that we have is going to go a long way to improve the infrastructure that we have in the province.

Ms Armstrong-Homeniuk: Thank you, Minister.

Chair, if you could please allow me to cede my time to my colleague MLA Boitchenko here.

The Chair: Go ahead.

Mr. Boitchenko: All right. Thank you. Thank you, Mr. Chair. Thank you, Minister, and thank you to all your team. You guys are doing a great job. It's actually impressive to hear all the projects that are coming in Alberta. In your opening remarks you have shared a lot of good information that Alberta is seeing and they will see in the future. It's amazing to see how much is happening in our

province, especially the big increase we've had since the previous government. I would like to say that without roads, without bridges, without airports and infrastructure Alberta would just simply come to a halt, so we truly appreciate the amount of work you do.

What actually impressed me the most was your knowledge on the green line, you know, how much you know about it. I know you don't live in Calgary, yet you invested so much into it. Although it's been in talks for about the last 10 years, nothing has been done. Since you took it over, a lot is getting done, so thank you. The green line is very important for Calgary, and you have shared that you have done a lot of investments in Calgary. It's exciting to hear, especially on the green line, that it's finally going to get done.

However, my questions today will be on Edmonton and the Edmonton region and the work you're planning to do and investments you're planning to invest into infrastructure, roads, and bridges around Edmonton. Most of my questions will be around the Edmonton region here since, you know, we live here and my constituents are next to it.

I want to take your attention to your ministry's business plan outcome 1.1 on page 171, where we can see significant investment in the central region included in your Budget 2025. My question will be to the minister through the chair. Can you tell us which transportation infrastructure projects in the Edmonton area are receiving capital grants, and how much are they receiving? I know we've talked a lot about Calgary, and we love Calgary, but we just want to know how much is getting inputted into the Edmonton region.

8:30

Mr. Dreeshen: I appreciate that. I was surprised, from the opposition, how few Edmonton questions there were.

Edmonton is getting a lot in Transportation and Economic Corridors' budget. There's actually $1.8 billion over three years in capital grants to Edmonton and the capital region, of which $728 million are just in this upcoming year, and that's going to be for the Edmonton LRT project. The provincial funding for that is $726 million and $866 million in federal funding. The Terwillegar expansion here in Edmonton is also receiving $31 million over three years, so $10 million in '25-26. We're also investing in the Yellowhead on the north part of Edmonton; it's getting $106 million over two years. There's the Ray Gibbon Drive upgrade that's getting almost $32 million over three years. Also, the capital region waste-water treatment centre is getting $10 million in '25-26, building off the previous I think it was $40 million that went last year to it. So there's a tremendous amount of investments in Edmonton and the Edmonton capital region that Transportation and Economic Corridors has.

When I made the capital announcement down in Calgary, I was standing by some Calgary councillors. It was tough to say that Calgary is getting a total of $2.1 billion. Edmonton is only getting $2 billion. Calgary is beating out Edmonton. I am an Oilers fan, and it's always hard to see the two regions compete, but Calgary scored better on this capital plan.

Mr. Boitchenko: All right. Well, thank you. It is nice to hear that, you know, not only the Calgary region but the Edmonton region has been thoroughly looked at by your ministry and your amazing team.

More questions again on the Edmonton region. In your ministry business plan, objective 1.1 on page 171 again, the ministry notes that improvements will be made in the greater Edmonton area. My question would be: when you're talking about greater Edmonton area, how far west and east for the area include the improvements that you'll be talking about? Then through the chair I would like to ask a question to you, Minister. Can the minister tell us how much is included in Budget 2025 for capital investment into major construction projects in the Edmonton area? The second question to follow up on that would be: what projects are included in Budget 2025 for the Edmonton area? If we can maybe address those two questions, please.

Mr. Dreeshen: Sure. I would say that just south of Edmonton at Leduc, at their 65 Avenue interchange, there's $40 million going into the completion of that project.

In the Edmonton capital region there's highway 60 that's getting $127 million over three years; there's highway 16a and range road 20 that is getting $20 million over two years, $11 million for this year '25-26; and highway 19 east-west and middle sections are receiving $17 million over three years, $9 million in '25-26. So there are lots, not just in the city of Edmonton but the surrounding region of Edmonton, of really important capital projects that have been prioritized by municipalities but also I'd say the Edmonton area MLAs that do raise a lot of these important construction projects to us.

Mr. Boitchenko: One thing that I love about our government is that when you raise the issues, you know, they get addressed, including the green line, obviously, in Calgary. It was a line item for 10 years, but under your ministry it got done, so a big thank you to you for that. It's nice to work with a minister who actually gets out there with the team and get the projects done.

More questions on the Edmonton area again, as probably expected. Line item 10, now on page 232, of the government estimates shows that the Minister of Transportation and Economic Corridors is investing $125 million into bridge construction projects over the next reporting period. I know that the member opposite has raised questions and concerns about the bridges generally in Alberta, but my particular question would be, through the chair to the minister, if you can please tell us how much this ministry is investing in total in the Edmonton region under this line item. Then a second question would be, to the minister again: what will these investments mean for those who live and work in the capital region like myself? I don't live in Edmonton, but I work in the capital region, and it's important to understand, you know, how much total is invested.

Mr. Dreeshen: Just to clarify, that was for the bridge funding just in the Edmonton region?

The Chair: Thank you very much. That concludes the government members' first block of questions.

We'll now move to our five-minute break. That means we'll come back here at 8:41. Five minutes.

[The committee adjourned from 8:36 p.m. to 8:41 p.m.]

The Chair: Okay. Five minutes goes by in a hurry.

Okay. Now we move to the second round of questions and responses. Speaking rotation going forward will be the same as in the first round, starting with Official Opposition followed by members of the government caucus. However, speaking times are now reduced to five minutes for the duration of the meeting. We will begin with a rotation with the members of the Official Opposition of up to five minutes for questions and comments followed by a response from the minister, who may speak up to five minutes. If both individuals have had an opportunity to speak once, we will then move to the next caucus.

What I'm going to do for the purpose of this: unless I hear differently, we continue to share time. So if at any time you'd rather go block, just tell me, and that way we don't have to ask that

question every time. Given that we're assuming shared time, if the member and the minister agree to share time, we will proceed with a 10-minute segment during which neither the member nor the minister may speak for more than five minutes at a time. Members are reminded that they may not cede any unused portion of their time to another member. Please remember that discussion flows through the chair at all times regardless of whether or not the speaking time is combined.

Who is speaking? Member Dach, go ahead.

Mr. Dach: Thank you very much, Mr. Chair, and no worries about ceding time. I've got a gazillion questions. Hopefully, we can get through a number of them because I think Albertans would be interested in hearing the answers.

I wanted to do a final follow-up, Mr. Chair, on the issue of 42 per cent of Alberta's highways being in poor condition or very poor condition historically. I don't think I heard a definitive answer from the minister as to whether it was his goal or desire to actually get to a point where all of Alberta's highways are targeted to be in good condition. I wanted specifically to ask the minister if, indeed, his department has been directed to take a look at how much it would cost over, say, a five-year period if those targets were aimed at getting all of Alberta's highways into good condition within five years. What would be the cost estimate of that?

Mr. Dreeshen: If they were to all be at the highest standard – I'm not sure if there's a jurisdiction in the world that has that into 100 per cent good. It is something that I've never seen the numbers crunched, if they have done that. But, as I said before, we have a 5 per cent increase in the funding, and when you look at the additional population growth, the additional highway length, the additional projects, the new bridges that we're building, obviously to keep pace with the growth of our population is something that we have to constantly see, that increase. Like I said before, it's kind of like kicking a field goal but it gets longer every year. To stay ahead of that would, obviously, be something that, again, I've never seen a jurisdiction able to forecast out that far.

Mr. Dach: Well, we do pride ourselves in being leaders and note that type of goal in being leaders in infrastructure standards, so let's hope that the ministry at least attempts to project what that cost may be to gain priority and superiority in our highway maintenance over the years, Mr. Chair, to make sure all of our highways are in good condition and keep them that way.

In that vein, Mr. Chair, I wanted to ask a little bit about highway input costs and maintenance costs. Of course, the main components have asphalt or aggregate and the crude. There are roadbed components and concrete and steel as well involved in bridges in construction. Not all of that is affected by the tariff situation that we're involved in, but given that some of those, particularly steel, have been tariffed by the U.S. and there's a reciprocating tariff by Canada on steel, I'm wondering if the ministry can provide us with any estimates as to the increased cost to the provincial construction program projects that are slated to be under way in this upcoming construction year as a result of inputs that are now subject to tariffs such as steel and perhaps others that I may not be aware of or thinking about that are imported.

Mr. Dreeshen: Great, great question. When it comes to U.S. tariffs, current ones or future ones, we have been reaching out to the construction industry and talking with them, obviously, to get a good understanding of what any tariffs could mean to the industry. As you mentioned in your question, asphalt and a lot of local products with local construction companies are something that, when it comes to roads, is less of an issue when it comes to cost increases.

But when you look at whether it's equipment coming in from the U.S. or other items that would obviously be affected by tariffs, that does have an inflationary effect on them, so it is something that we're working with the construction industry of our projects, how there's a possibility of a risk sharing of that increased construction cost going forward. That's again something that we'll see what happens on April 2, but just that constant engagement with the construction industry is something that we think is prudent to make sure that we can again put Alberta first and make sure that we have the best projects going forward that can actually be done on time and on budget.

Mr. Dach: Okay. Thank you for that, Minister.

Through the chair once again, a follow-up to that. Of course, there are escalating costs anticipated with many, many infrastructure projects. Roadways and bridges are included in that. The minister has just indicated, Mr. Chair, that they're trying to tabulate what the tariff premium might be to those escalating costs, but if indeed it's something that's normally anticipated, what type of arrangement is there historically with the industry participants to deal with escalating costs? Is there a standard procedure built into most contracts, or is it just done on an ad hoc basis? I can't imagine it's ad hoc.

Mr. Dreeshen: Again, as I said, bridges, steel, obviously, with the tariffs are something that we anticipate would be the most affected, but again we'll see what plays out when it comes to April 2 and whatever new additional tariffs we'll have. Again, making sure that we're engaged with the industry is something that's important when it comes to any possibility of risk, of premium risk sharing going forward on these projects because as a province we own these projects and these assets, and we want to make sure that they can be built and maintained on budget. So that's something that we're cognizant of.

Inflation is built into our highway maintenance contracts already, so whatever the cause of the inflation, whether it be tariffs or just regular inflation, say the carbon tax, for example, those types of costs, even though they'd be hidden, are actually – if inflation does obviously happen, the highway maintenance contracts do allow for that increase to go towards the company.

Mr. Dach: Thank you, Minister. Through the chair once again, I don't know if one could actually call the tariffs inflation. They are inflationary but, in fact, are the actions of a government, the U.S. government in this case, led by President Trump, imposing unfair, unjustified tariffs on Canadian steel and other inputs, aluminum, on our Canadian products, which are really a very significant threat to our Canadian and Albertan economy.

I'm wondering: in light of the serious economic threat that these tariffs are imposing upon all Canadians, including us in Alberta – and the Alberta government is of course buying things that are subject to tariff as well – is the minister still as happy to wear his red MAGA hat at public events as he was in the past?

8:50

Mr. Dreeshen: As an Alberta cabinet minister – my family has been in Alberta since before Alberta was a province – and part of a government that puts Alberta first, I'll always continue to put Alberta first.

On your question on inflation, COVID was another example of increased cost that wasn't straight-up inflation but was inflationary. Again, highway maintenance contracts have that provision where government would share that upside increase to those contracts. It's

something that is, yes, for example, built into contracts. That does happen currently.

Mr. Dach: All right. Thank you, Minister, through the chair once again.

Let's move on to another topic, Minister, through the chair, that I've talked about before in the past. I wanted to really identify whether or not the ministry has changed its tune on this topic or not and is willing to consider looking at investing in our economic corridor safety. You know, as we say in Alberta, we're a rat-free province. Why can we not look towards aiming at making our roads ice free? I asked the minister before about anti-icing agents, and I'm wondering if indeed the minister has commissioned any studies of late to determine the effectiveness of anti-icing agents given their use on Alberta highways already now and also in the northern United States to prevent icing from happening.

We've all experienced winter storms, and recently they have happened. The QE II was in really rough shape very, very recently. I mean, other members seem to be taking this somewhat lightly, but it is in fact a technology that exists very much in Alberta right now, in use on our roadways, Leduc county for one. The city of Edmonton used to use it. It's on Deerfoot as well as on the ring road in Edmonton already. As I mentioned, many U.S. states also have it. To the minister through the chair: given that . . .

The Chair: Okay. Thank you very much.

We'll go to the government side and Member Dyck. Go ahead.

Mr. Dyck: Excellent. Well, thank you so very much, Chair. Thank you, Minister, for keeping us entertained this evening, on this fine, fine Monday night. I've got a couple of questions just on airports. We're going to stick to airports and airplanes and stuff like that.

In Budget 2024, a little bit of history, our government announced $1.1 million in grant funding really to bolster the development of 10 different regional airports across Alberta, including in my constituency of Grande Prairie and then also in my compadre's constituency of Fort McMurray as well. I've seen that the ministry has been hard at work at this, so thank you for connecting those. My question is: can you give us an update on these regional airports going into 2025? I didn't see any budget item for that in the budget, but I do see it prior, so I'm just kind of curious where we're at. Can you give an update on Budget 2025-26, where we're going with this?

Mr. Dreeshen: Great, great question. Our regional and municipal airports in the province – obviously, you come from northern Alberta and you know the importance of our airports. Again, as I mentioned earlier, we don't have water ports, but we do have airports, and to be able to grow and expand, not just for passenger use of airports and airlines but also for cargo, is something that's very important for our economy and also just for high quality of life for Albertans.

You are right that there was $1.13 million for 10 regional airports in the last budget, and we're currently analyzing the studies that those 10 airports did to try to grow and expand in their own unique way, because obviously all those 10 regional airports are vastly different. Peace is obviously different than Fort Mac and Grande Prairie. It is something where we want to be able to see what makes each airport unique and then: how can we fund them or help support them? I know up in Fort McMurray their airport didn't require any funding; they required just opportunity. There's some provincial land beside the airport that they were hoping to be able to develop and be able to bring in more businesses and revenue for the airport to increase its viability. That's something that we're currently looking at as well, and it was identified in that study.

I'll just say that we continue to work with these airports and our wonderful rural colleagues to make sure that we can advocate for them to try to grow and expand our airports because they're important to not just our quality of life but also to the economy.

Mr. Dyck: Excellent. Thanks for that answer.

Just to expand upon that, there has been a decline in interprovincial air access across provinces. Air access, as you mentioned, is vital for my community. It's vital for any northern community, many rural communities as well. Pick a mid-sized city and it's important, many communities. How does Budget 2025 address this issue of that interconnectedness and the need for that? Can you just expand on that a little bit, too, as well?

Mr. Dreeshen: Sure. Some of this in my mandate letter as well from the Premier, to look at increasing the passengers by air and to look at certain jurisdictions across the province of how we can accomplish that. We're actually working with Myron Keehn from the Edmonton International Airport and others in our strategic aviation council to find ways that we could try to incentivize certain airlines to be able to serve certain markets.

When we look at other jurisdictions, whether it's Saskatchewan, Norway, that really use their regional airlines and how government can get involved, those are the options that we're looking at. Saskatchewan has an example where the province funds a base amount of a certain number of seats for a route. If there are more people that use it, then the subsidy doesn't kick in, and if not enough people use it, then the subsidy does kick in. They found that after that was up and running, the subsidy was never ever triggered. Those are some things that we're looking at. There's a Norway example as well.

We're looking at different ways to see what exactly would uniquely work here in Alberta to be able to increase passenger routes and, again, finding the right airline willing to do that because, you know, a large 737 with 200-plus people is probably not going to be serving our smaller rural regions. Finding the right airline with the right aircraft to be able to serve these communities is something that we're currently developing.

Mr. Dyck: Excellent. Well, thanks, Minister.

I do want to ask about the highway 40x bypass. It'd be amiss on my part if I didn't ask.

Mr. Dreeshen: I wouldn't be surprised.

Mr. Dyck: Absolutely. I noticed just on the overall budget on page 232 under line item 9 you can see that there's overall $826 million allocated to highway construction projects across the province. A sizable budget, which is excellent, with an increase from the previous reporting period. But what I did notice is that the highway 40x connector bypass, which is planned to connect highway 40 with highway 43, was not a line item on here. Can you just explain what funding, if any, is going towards this bypass going into the 2025-2026 reporting period?

Mr. Dreeshen: Highway 40x within the '25-26 estimate has about $2 million going into that. I know the recently constructed highway 43 bypass obviously would connect the 40x to 40. I know that region is expanding and growing, and you've seen and you understand that better than anyone. To be able to have this expansion of this project is I think going to go a long way to not just helping out the oil and gas industry and the forestry industry in that area but also to make sure people can get home safely as well. It is a priority for this government, and we want to make sure that we can get it developed and built out as soon as possible.

Mr. Dyck: Excellent. Well, I love hearing that it's a priority for our government. Thank you, Minister. Do you have any update on highway 40x that you can give us in the committee here tonight?

Mr. Dreeshen: Well, I know with 40, with 40x, with 43 that they all connect into each other. You know, we're currently on a lot of the engineering side to be able to put out a construction tender as soon as possible. Obviously, we have to buy land to be able to have that expansion. We're getting close with landowners in the area to make sure that we can acquire that land to be able to grow and expand it. That always takes time, and it should take time to make sure that we get it right and landowners' property rights are respected. That, again, is something that I credit our northern regional office to be able to work with landowners in that area to make sure that they can, obviously, respect their property rights but also really advance this important project that will benefit that entire region, for sure.

9:00

Mr. Dyck: Excellent. Well, thank you, Minister.

I want to ask about water for life. I think it's important. "Large regional water systems to municipalities to assist larger communities in the construction of high priority municipal water supply and treatment." Clean water is important. Can you just explain the importance of the water for life program in ensuring that Albertans continue to enjoy safe, clean, drinkable water for the foreseeable future? This is on page 232, line item 6.2.

Mr. Dreeshen: Yeah. Water for life, obviously, is an important water-granting program. In '25-26 it's going to have $257.5 million that will assist the construction of municipal water supply and treatment and waste water and disposal. It's so important, especially in smaller rural communities that obviously don't have the economy of scale that Edmonton and Calgary and some of the larger communities would have, to be able to make sure that water for life is there to help our rural communities grow and expand and maintain their existing water infrastructure.

It may just be a convenience that a lot of us overlook, but to be able to turn on a tap and get fresh water is really a blessing. We want to make sure that the water for life program is fully funded and also work with municipalities to be able to make sure that those projects are developed in a timely manner.

I'm looking down at MLA Armstrong-Homeniuk. We were in Bruderheim not too long ago announcing a water for life project that started and completed on time, within a year or so. It was incredible to see the people in that community know that their fire hydrants were actually pressurized up so that they could actually use them and that their insurance would drop now that there is a fire system that actually has proper pressurized hydrants and also access to fresh water. It's so important in these communities, and I'm really proud of the work that this project does, for sure.

Mr. Dyck: Excellent. Well, thank you, Minister, and thank you to the staff, too, here tonight.

The Chair: Thank you very much.

We'll move over to the opposition side. Member Dach, go ahead. Ten minutes.

Mr. Dach: Thank you very much, Chair. I appreciate the opportunity. Once again, Minister, I have lots of questions left and not a lot of time, so I'm going to try to move along. I'll group some questions together, with the chair's permission; they're related. I'm hoping that the minister with his staff can provide answers tonight if possible.

In the 2025 provincial construction program – we're talking about, on pages 228 to 231, line 2.1 of the government estimates, Mr. Chair – how many of the contracts for those projects were sole-source contracts, and how many were put out to tender? What criteria does the ministry use to decide whether to issue a sole-source contract or to put the project out to tender, and what criteria must be met for a sole-source contract?

Now, given the current situation, is the ministry considering giving preference to Canadian and Albertan companies in awarding these contracts? Of course, the CUSMA accord between Canada and United States has been significantly breached by the President of the United States, so I'm wondering if indeed we are now free to give absolute preference to Canadian and Alberta companies in awarding contracts for highway construction program projects.

I'll stop there.

Mr. Dreeshen: In the provincial construction program what we typically do when it comes to procurement is, obviously, we put something out for tender, so proponents are invited to submit bids or pricing. Compliance is confirmed by our procurement team, who awards it to the lowest and best bidder. That's used in the design/bid/build process or the delivery model. We like that process just because it's most clear with industry. Industry appreciates it as well.

When you look at the difference between that and then the request for proposal – that includes the mandatory and desirable provisions, which are scored by an evaluation committee, and then that committee evaluates qualifications and experience. Again, that's for both the design/bid/build consultant services and design/build project delivery methods. So there are a multitude of ways in which we can put out these projects, but putting them out for tender, and these requests for proposals, working with industry to make sure that we get the best value for taxpayers' money, is something that we do.

The vast majority of our projects are open and competitive, and we always want to make sure that we're getting the best value for money, as I said. But, just in the way that road construction works, a lot if not all of our projects are with Canadian or Albertan companies or countries that we have trade agreements with, for example Europe. Just the nature of our construction industry and our bids going out for our projects. That's the makeup of who primarily bids on our projects.

Mr. Dach: Thank you, Minister, and through the chair: could you say to this committee what percentage? You said a lot of them are Canadian companies, but what's the percentage? What's the breakdown of how many of these contracts are given to Canadian/Albertan companies versus foreign companies?

Mr. Dreeshen: It depends on projects. You look at Avinci, for example, which is European. They obviously contract out a lot of subcontracts to smaller Canadian and Alberta companies: the EllisDons, PCLs, all Canadian. The vast majority of the major contracts are given to Canadian or European companies. Then, obviously, the subs are much more localized and regionalized from there. If you're working out in Grande Prairie, you'd have a lot of Grande Prairie-based subcontractors working in projects out there, whether that's dirt moving, gravel, et cetera. Like I said, a lot of our projects, whether it's road building or maintenance, are done by locals or Canadian or European companies.

Mr. Dach: Thank you for that, and a follow-up as well, Mr. Chair. Given the possibility that alternatives exist, would you consider having your ministry prohibit American companies from competing for highway road construction projects now that we are faced with

tariffs that are totally unjustified against our country and a serious economic and existential threat to our country from the Americans, the American president, and the administration? Would you consider prohibiting American companies from competing for those projects?

Mr. Dreeshen: The 25 highway maintenance contracts that we have right now, obviously, come up for renewal at different times, so they're all in varying stages. But it is something that, again, trying to put the province first, we're looking at how we can make sure that we prioritize Canadian companies going forward for these projects.

I think everybody in this room is hoping to have some normalized relationship, that the USMCA is obviously something that is adhered to by all the countries involved. Hopefully, there's more certainty coming to Canada-U.S. relations, but we'll see what happens on April 2. Obviously, the federal government, rightfully so, should retaliate with retaliatory tariffs on any tariffs that are put on Canada. I think it's on all of us to make sure that we look in our own different unique departments for how we can help be able to put Alberta companies, whether job creators, jobs, first, to make sure that we can try to weather the storm and ultimately try to bring peace to these turbulent tariff times.

Mr. Dach: Thank you for that, and through the chair: can I interpret your answer, Minister, as a yes, you would potentially consider banning American companies from competing for not only construction projects but any type of procurement that your ministry may do, to ban Americans from being permitted to compete for those contracts and exclude them from the process?

Mr. Dreeshen: Well, something – and I said it before. After April 2 we're planning on meeting with the construction industry to have, essentially, this conversation with them on how deep we want to dig when it comes to straight-up procurements, to subcontractors, to equipment, to, you know, the possibility of specialized equipment that's really hard to get somewhere else. How deep do we want to go into excluding U.S. firms, whether it's through the procurement of actually doing the work to actually getting equipment or parts?

9:10

Mr. Dach: That's the question that I'm asking.

Mr. Dreeshen: I'm telling you the answer, which is that we're working with industry to be able to find out what's the most appropriate response after April 2.

Mr. Dach: All right. Thank you for that.

Let's continue on. The previous question on the government side had asked about airports, and there are a number of questions I have with respect to airports, but I wanted particularly to talk about YEG, Edmonton International Airport.

Of course, we all know that they have had difficulty over the last number of years in maintaining direct international flights at YEG. There has been some good news, and new flights have been added, but traditionally now YEG is being seen as the poor cousin to Calgary in terms of being an international hub. I think we do a disservice to our Alberta economy and to economic corridors that we want to maintain in the province by having the number, the volume of international direct flights diminish at YEG in relation to Calgary. I realize they're not going to be completely equivalent, but is this a concern that the minister has, that YEG seems to have difficulty maintaining international direct flights, whether it be passenger or cargo? What discussions has the minister been having with YEG and the airport authority to determine ways to stop that leakage and support the maintenance and improvement of international nonstop flights in to and out of YEG?

Mr. Dreeshen: Well, I think the competition is good between Edmonton and Calgary. I think Edmonton does a lot of good work when it comes to cargo and attracting cargo flights coming in. When you drive by the airport, you see lots of trucking companies and logistics companies set up. Amazon is not too far away from there as well. It's incredible to see the amount of investment in and around the Edmonton International Airport as kind of that logistics cargo hub. Even one of the main reasons we prioritize the Leduc overpass is being able to give direct access to the Edmonton International Airport to help with the trucking logistics. There is a tremendous amount of expansion of the Edmonton International Airport. I wouldn't say that Calgary is beating them, but . . .

The Chair: Thank you very much, Minister.

We'll now move to the government side. Member Yao, go ahead. You have 10 minutes.

Mr. Yao: Thank you so much, Chair.

Minister Dreeshen, thank you so much, and to your team, for all the hard work that you guys are doing, and great work at that. I can honestly say that prior to being an elected representative, I understood ministries like Health, Education, and Advanced Education. I didn't understand the importance of a ministry like transportation. Now that I'm an MLA, that's the number one issue that all my constituents yell at me about; obviously, the permafrost that we get affected by up north there and the state of the roads. But they are getting repaired, and I want to thank you and your team for ensuring that happens in the north.

Key objective 1.3 on page 171 of the ministry business plan speaks to the ministry's plan to "collaborate with industry stakeholders, other governments, and Indigenous communities to identify and advance nation-building infrastructure projects to increase market access for Alberta businesses."

I can certainly see why Premier Smith put you on this file. Besides being charming and charismatic, you're ridiculously smart. I think you have the ability to really have those good conversations with our counterparts in the other provinces and even the Americans as well as our international partners around the world as we try to sell our products. I don't think you're so good that you can prevent ice from forming on our roads, though. I would like to question how you would change the planet's rotation around the sun or the tilt of the Earth, but, you know, someone's giving you credit for that. So I'm going to put faith in that you can do all that.

That said, again, our government has been doing a lot of things to try to build up those relationships internationally, whether it's Asia – I understand one of our ministers might be going to Europe this year to see if they can demonstrate a business case for things like our natural gas. But the key thing throughout all of this is the economic corridors, a great concept for ensuring that all the regulations and rules and the permitting are all done in a smooth and efficient manner for these corridors. I know you tried to work with, again, our surrounding provinces. I'm wondering if you can explain a little bit more about, first off, the global demand for our resources and if you can highlight the investments that are being made to improve the transportation infrastructure that facilitates this trade and this market access.

Through the chair to the minister. Also, if the minister could explain to the committee the process of stakeholder relations and what that looks like for the ministry and how we are working with these stakeholders to ensure that business can continue to thrive

going forward. I'm hoping that you can maybe explain how the movement of goods is essential for Alberta's economic growth.

If you can highlight any investments in Budget 2025 that will strengthen our supply chain connectivity. That's obviously more important than ever with our biggest trading partner perhaps taking a bit of a different perspective than they usually do and different actions, but I'm wondering if you can just explain the great work that you're doing in regard to these economic corridors and our international partners as well as our interprovincial partners, please.

Mr. Dreeshen: Great, great question. I'm going to have my guys clip that very kind compliment. I appreciate that. Yeah. The ice-free comment from the NDP did strike me odd. We did write it down, so if we can figure out how to make Alberta ice free and not have winter, we'll get back to you right away on that.

When it comes to the economic corridor funding, there is $2.6 billion in our three-year capital plan that is going towards economic corridors and the planning and the development of it. It is something that we are prioritizing. You know, 75 per cent of that $2.6 billion in the capital plan, I should say, is dedicated for economic corridors. That is significant.

How we engage with stakeholders is something – I'll actually throw you a compliment back. It's really helpful, our MLAs up north, yourself or Minister Jean, talking to First Nations and talking to people about the importance of economic corridors, yes, for the economic side of being able to get those forestry, oil, and gas products to market in a safer, faster way, but also to keep communities safe in northern Alberta.

I credit your work of being able to be a champion on highway 686, the importance of working with the First Nations, and kind of the collective idea that we had instead of us as the government saying: "Here. We went to engineering company X. We put a line on the map that goes through your area. What do you think about it? Go take this map to your people and consult on it." We flipped that script by being able to talk about the concept of highway 686 and this new 200-kilometre-plus road going from Fort McMurray west and to be able to connect these communities. That was something that I think the First Nations appreciated, that they were engaged right at the beginning, not at the end, and now we're close to being able to put that line on the map and have, essentially, that buy-in by the First Nations who are actually pushing us to say: okay, let's start this project; let's get building as soon as we can. To me it's something that just the engagement and talking to people in these areas is how to prioritize it because you get a better understanding of what's there.

Your question of, you know: what does Alberta have, and why is it important to have economic corridors? We have the fourth largest natural gas reserves and oil reserves in the world. It's incredible. To be able to get those products to market, and not just north-south but being able to go east, west, north, is something that – it's interesting to see the federal Liberal government, propped up by the NDP, passing things like the federal Impact Assessment Act, that was essentially dubbed the no-more-pipelines act, that was a tanker ban of Alberta energy going off the west coast, and to see those pieces of legislation now looked at in a different lens by that same Liberal-NDP government in Ottawa. Maybe it's disingenuous, maybe it's not lasting, but at least it's nice that they're at least seeing the reality of the damage that they've done over the last 10 years of being able to stop big major energy projects across this province.

You know, in the last 10 years there was $176 billion worth of energy projects in Canada that have been cancelled, and that hurts Albertans because of the royalties that we're not receiving. That hurts our potential of not being able to have jobs, great, mortgage-paying jobs here in the province. Obviously, as you're an MLA from the north, you realize that the 15-plus-billion dollars of royalties that we the Alberta government bring in come from rural Alberta and the vast majority comes from northern Alberta.

9:20

That's important, to be able to develop these economic corridors and to be able to make friends with Saskatchewan, Manitoba, the Northwest Territories, ideally that magnificent seven with B.C. and the three territories and the prairie provinces. That goes a long way.

And, obviously, we can't forget about the United States. We obviously have hundreds of years of infrastructure built going north-south. There is over $100 billion worth of oil and gas shipped down to the States. Of the 4.4 million barrels that are shipped out of this province every day, the vast majority goes down into the United States, so we have to make sure that relationship is strong and, obviously, not just helps Alberta but also helps American jobs and American refineries and America's economy, too, to be able to have Alberta oil down there as well.

So every direction we have to prioritize, and in Transportation and Economic Corridors it does give a really good perspective of how to prioritize these projects, and we'll continue to do so. I appreciate that question.

Mr. Yao: Fantastic. Thank you so much for that, Minister. That said, I guess, I mean, are you able to share with us at all just – and I know that as a government you have to take that shotgun approach, if you will, and look at every single option, whether it's British Columbia or provinces to the east of us or down south. Are you able to share with us any progress in these discussions? Even, you know, I hear there are still inklings of another group that possibly wants to do the route to Alaska. A colleague of mine is actually working in the Surrey, Port Alberni areas, and they're looking at trying to see if they can expand their ports to offset the main Vancouver terminals in order to export goods. I know a lot of that might be really preliminary, but are you able to share with us any discussions or positive news on those fronts? Any progress?

Mr. Dreeshen: Well, with the port of Prince Rupert we're working with the Industrial Heartland and CN Rail and the port. It kind of started with B.C., and Prince Rupert did an economic corridor study – they didn't call it that, but that's essentially what it was – through the province of B.C. to Prince Rupert. We just tacked it on from the Alberta side to say, well, from the Industrial Heartland to the B.C. border and obviously out to Prince Rupert: what does that mean for Alberta's economy, and what could it mean if we could expand and get more pipeline access or rail access to Prince Rupert?

The Chair: Thank you very much, Minister.

We'll go back to the opposition side. Member Dach, go ahead.

Mr. Dach: Thank you very much, Chair. To the minister, a serious question. I know that the government has commissioned a railway master plan study, and that's under way, and there has been a survey put out by the province with the preliminary results asking Albertans about how they feel about rail projects, whether it be Edmonton-Calgary, the LRT to downtown in both Edmonton and Calgary, Banff-Kananaskis to Calgary, so forth.

In relation to that and keeping that as a backdrop, I'm wondering if the minister sees a need for a third lane on the QE II given the traffic volumes on the QE II highway, or does he feel that an eventual passenger railway, Edmonton to Calgary, will negate the need for this investment? What rationale or studies is the minister using to not invest into expanding the QE II roadway? Has that been knocked off the rails, or where is the balance in the consideration of QE II? The condition of the highway is not great. There are

places that are being improved, but it also is high volume and, in places, in times of the day and the week, it's very congested. I'm sure that the minister has a decision point at which they'll have to come to terms with this. Railway projects, high-speed rail, Edmonton to Calgary: that's a multiyear contemplation. It's a number of years away, and I'm not sure if the capacity of the QE II will hold up that long. What say you?

Mr. Dreeshen: First off, I think you mixed up your metaphors there.

Highway 2, the third lane being added to it: in some places it's already there. In some places there are more than three lanes going in one direction. So with traffic volumes we'll always assess, and we will add as time goes on, eventually to have three lanes in one direction, or a total of six or more. That planning and design is already under way to see how and when that would be timed and sequenced out.

The passenger rail master plan will be released this summer, and it again will look at the sequencing of the possibility of passenger rail in the province. If I was a betting man, I would probably say that the commuter portion of Airdrie down to Calgary would probably be the first sequence passenger rail project to happen. You had mentioned high-speed rail between Edmonton and Calgary or the possibility of a Calgary to Banff project. I would think that those would be sequenced somewhat later just due to the complexity of acquiring that much land to do the proper negotiations, to be able to design it as well.

That would be my guess of how the passenger rail master plan is going to roll out, again, just the sequencing of how passenger rail can be used to alleviate vehicle traffic on our roads, because you're obviously having Albertans using rails instead of our roads. It's not an either/or. It's not that we're all committed to rail and there are no roads or vice versa. We think we can develop and do both.

I would encourage you and all Albertans to read the master passenger rail plan when it comes up. I think it will be really interesting how we can sequence these really important passenger rail projects across the province.

Mr. Dach: Thank you, Minister. In that vein, through the chair, Minister, you have made comments publicly about the low-hanging fruit of these rail projects that are being considered on the rail master plan. I believe what you mentioned was that it was the downtown to airport routes in both cities. You've already mentioned Calgary being a priority with the Blue Line extension but have been less vocal about Edmonton's potential for a route from downtown to the airport. There are a couple of options that have been talked about, whether it be using heavier rail and a CP Rail right-of-way, whether that's even a possibility, or an extension of the LRT south to the airport in Edmonton. What contemplation has your ministry got under way? That is, I think, one of the pieces that should be dealt with sooner rather than later and could potentially be something that is not that far off. What studies have been undertaken? What discussions have happened so far to talk about what alignment that you might prefer? You seem to prefer certain alignments for rail projects. What alignments are you potentially preferring to get some type of a rail from downtown Edmonton to the airport?

Mr. Dreeshen: Well, I just said that the passenger rail master plan will come out this summer. I encouraged you and everybody to read it when it comes out this fall, so I hate to jump the gun before that plan is finalized. But the biggest benefit from that master plan will be the sequencing. To your point of: what about Edmonton being able to go downtown? Is that part of a high-speed rail plan? Is it a commuter rail link? Those are great questions. The passenger rail master plan will go into that detail of when and how any private-sector proponent could build a project that could fill each and any one of those going forward. That will be revealed in due time this summer, when the plan is finally finished and publicly available.

Mr. Dach: Okay. Thank you, Minister.

Through the chair, two quick questions on specific projects. Number one, of course, the southwest Henday third lane was completed, and it created a benefit to those motorists using that southwest Henday. The southeast Henday is also a choke point, and it's increasingly become a complaint by people who are using the southeast Henday that it also needs to have the third lane added. Now, where are we with respect to project timelines for an additional third lane on the southeast leg to match what took place on the southwest Henday?

Mr. Dreeshen: You said that the southwest Henday created a benefit; I was wondering if you were actually going to say thank you for an Edmonton area MLA having that significant investment. I didn't quite get a thank you. That's okay.

9:30

It's obviously very, very important. We saw the southwest part of Edmonton grow faster than anyone had preplanned. Obviously the ring road has space to add a third lane in one direction, so six in total, all the way around. We constantly do our impact assessments to be able to see traffic counts in that area.

I would say that whether it's the southeast or any other direction on the Henday, once you get the traffic volumes up to where they're at on the southwest, that's when you'll see, you know, big, major expansions, whether it's a bridge crossing the river or just adding extra lanes on the Henday.

The Henday in Edmonton and the Stoney in Calgary: those ring roads are obviously very important to us. They're part of the provincial highway network, and we'll continue to invest in Edmonton and Calgary's ring roads because they're important to the province as well as Edmonton and Calgary.

Mr. Dach: Thank you, Minister.

Through the chair once again, another very important topic which may take more than two minutes to get to and is something I visited before in estimates with the minister is the topic of a rural bus transportation network in Alberta. The minister smiles because he knows this is a pet project of mine, and it is, I think, a very serious one.

I spoke this afternoon with the owner of the Cold Shot parcel and bus, Sunny Balwaria, who operates bus lines in northern Alberta. He had 11 routes and is down to six, hanging on by the skin of his teeth. It is difficult to operate a small bus line to serve those northern communities, but it is a vital part of the economic corridor that is now threatened because of the difficulties of providing such a service.

There still seems to be no real provincial overarching desire to determine what type of a business model or hybrid business model would work to provide rural bus transportation networks, a serious network of regularly scheduled rural bus transportation throughout the province and across western Canada in conjunction with other provinces.

I know that Minister Alghabra, the transportation minister who preceded a few others, wrote a letter to every one of the provincial counterparts asking them if they were interested in having federal participation in supporting rural bus transportation, and he reported to me that the Alberta government never responded. That's disappointing to me, but I'm very interested in making sure that this

government is doing something to provide support to find out how rural Alberta can get a bus transportation network back that is going to help rural economic development and is going to be for public safety.

You can get to the answer in the next block when we return to the question.

The Chair: Okay.

We'll go over to the government side. Member Boitchenko, you have 10 minutes. Go ahead.

Mr. Boitchenko: All right. Thank you, Chair. I would like to talk a little bit about provincial highway maintenance. As an MLA for a rural constituency as well as in my role of parliamentary secretary to Indigenous Relations I travel across Alberta quite a bit. The member opposite is a good friend of mine that I've had the privilege of working together with for many years and mentioned that, you know, it's important to have a good maintenance program for our highways to keep them safe and keep them up to date and repaired.

The next couple of questions here will be specifically to that highway maintenance, if I may. On page 173 of the ministry business plan, outcome 3 under initiatives supporting key objectives, we can see that the ministry is allocating $454.4 million in Budget '25-26 for "provincial highway maintenance to ensure highway pavement and key highway infrastructure is maintained using cost-effective approaches." Highway maintenance is incredibly important for Albertans, and I want to applaud the ministry for their work on this front specifically when it comes to cost-effective approaches. My question would be to the minister through the chair, if I can. I have noticed that the objective specifically mentions "cost-effective approaches" to highway maintenance. Could the minister explain these cost-effective measures and explain how these measures will be cost-effective and still remain reliable for people and keeping our highways safe?

One example that I personally experienced and I shared with the minister was, you know, just a simple item. Maybe it's not what it means here – if you can expand on that – but it was when initially the snow was pushed against the median of the highway and then would freeze and thaw and run on the side. It kept our highways unsafe. I mentioned to the minister, and they looked into it, and they assured me that they're going to fix that, which I think is very cost-effective. But if you can maybe shine a bit of light on what kind of measures you guys are using.

The second question to that, again to the minister through the chair. I want to speak a little bit more to the allocation of the specifically $454 million towards highway infrastructure maintenance. Could the minister please explain how they decided on this figure and expand on which highway projects will be priority, again into '25-26 budget years? If we can share a little bit on the cost-effectiveness and then on specifically the $454 million allocation.

Mr. Dreeshen: Sure. Thank you. When we look at cost-effectiveness, we obviously have our 25 highway contracts, maintenance regions, and obviously highway maintenance contractors doing the work in those regions.

When we look at things like salt versus sand: obviously, when you're salting the roads, once it's below minus 12 it really loses its effectiveness as an agent to be able to make the roads less icy. That's where you have sand and the grip of sand that will last that much longer in extreme cold or anything colder than minus 12. So there's an example of cost-effectiveness to make sure that we're not having the more costly use, whether it's salt versus sand on a road, that really isn't going to have any effectiveness, you know, if the weather forecast stipulates. It's on a case-by-case basis. That's something in our highway maintenance contracts that we always want to make sure is there so we are getting the best value for our highway maintenance across the province.

I'd say that overall the highway maintenance has gone up in this budget. It's something that – as I said before, we have more and more Albertans driving on our roads, so to be able to keep our highway maintenance as well as our road network built up is obviously important. We obviously have a difference in summer maintenance versus winter maintenance. Both are equally important. If you had to prioritize one, winter maintenance and plowing is obviously extremely important. But even summertime maintenance, whether it's pothole filling, or mowing of ditches as well is a safety issue, whether it's for deer, moose being able to jump out of the ditch and you can't see them because the grass is too tall: that type of maintenance in the summer is very important as well.

We want to make sure that – a lot of it is complaint based. Something that we hear as a department is certain areas not being in a perfect state because, again, to monitor all 64,000 lane kilometres is extremely difficult. So we do rely on Albertans to be able to reach out to the department to say that there's an issue. I know some MLAs have done that as well, which is great because we just pick up the phone and talk to the highway maintenance contractor in that region and tell them that they need to go do better and get out there. I'm looking at one down at the end with Jackie. It's important.

That's how we look at the cost-effectiveness as well as trying to make sure that our roads are as safe as possible on the highway maintenance side. Again, there's more funding for it in this budget.

Mr. Boitchenko: Good. Thank you, Minister. Good to know that it's being looked at and, you know, getting back into good condition so that it's safe to drive for all of us.

If I may maybe shift a little bit into my role as a parliamentary secretary when it comes to First Nations in Alberta and the water tie-in programs that you guys have. On page 232 of the government estimates line item 6.3 I can see that the First Nations water tie-in program will be receiving about $5.46 million in additional funding over the next reporting period when compared to the '24-25 period. This increasable program provides First Nations communities with reliable access to safe drinking water in order to reduce or eliminate boil water advisories and to provide a reliable waste-water management system.

9:40

This is a very important question for me as a parliamentary secretary, and it's also nice to see that with your ministry we always see increases in everything we do. Road maintenance, green line, you know, First Nations: it's nice when the government kind of steps it up a little bit. To the minister through the chair, this funding will go on to improve the conditions of the First Nations peoples across our province, who need a reliable waste-water system. Can the minister please explain to this committee how this $5.46 million allocation was determined going on to the '25-26 reporting period, and what will that increase do for the First Nations?

Mr. Dreeshen: Great question. The First Nations regional drinking water tie-in program is another wonderful water program that we have in the department. There's 48 First Nations in Alberta, and seven of them are currently connected to regional systems, and 14 of those First Nations have been approved for funding. Just to kind of highlight some of them, the Paul First Nation waterline to Wabamun was a $9 million project; the Alexis Nakota Sioux First

Nation, $9.3 million; Cold Lake First Nation, $3.2 million. Whitefish (Goodfish) First Nation waterline connecting to the Highway 28/63 Regional Water Services Commission: that's a $25 million project. The Dene Tha' First Nation, $2.2 million; the Maskwacis, $38.9 million; and the Alexander First Nation got additional funding as well on their commission side.

There are lots of successful stories of the First Nation water tie-in program. Essentially, why that's important, even though we wish we got more funding from the federal government to help in this regard, is we want to make sure that we can bring in these water lines to the First Nations and then, obviously, work with them to advocate for federal funding as well to kind of get that final mile in. It's obviously very important. That's something we'll continue to advocate for because whether you're an Alberta First Nation or an Albertan, we want to make sure that you know that it's important to be able to get this type of funding and these projects approved. We'll continue to do that.

Mr. Boitchenko: Thank you very much. It means a lot.

The Chair: Thank you very much, Minister.

We'll now go back over to the opposition side. Member Dach, go ahead.

Mr. Dach: Thank you very much, Mr. Chair. I'm pleased to continue on. The minister just mentioned, Mr. Chair, that he would like to see more money from the federal government so that we could do more with the water tie-in program. That's a different tune from what the minister and his government have been saying to a lot of federal government money that's been offered. So many billions of dollars have been left on the table that it makes a person's head spin. It may be nice to hear a little bit of a different tune being sung by the minister when it comes to federal government money that could be put to good use in Alberta projects, particularly the Indigenous water tie-in program.

I wanted to ask, through the chair to the minister, about the $17 billion rural municipal infrastructure deficit that the RMA says exists. They indicate in their commentary about the budget that Budget 2025 is a missed opportunity to grow rural Alberta and increases the pressure that rural municipalities face to meet an ever-expanding list of responsibilities. Why, indeed, through the chair, Minister, do we have a $17 billion rural municipal infrastructure deficit, and how are you addressing it? What is your plan?

Mr. Dreeshen: Well, first off, you talked about federal funding. The national trade corridor funding is a federal program that we as the province of Alberta have put nine projects in, that we haven't heard back from the federal government on or we have got zero dollars from. I know the member made a quip about us not getting enough federal funding. I would like to remind the member that it is his NDP party in Ottawa that is propping up the current Liberal party that's been in power for 10 years, so the lack of federal funding: he really doesn't have to look very far to see who would be responsible for that. We will continue to obviously advocate for Alberta's fair share of funding, whether it's through national trade corridor funding or other federal programs going forward.

I do find it interesting, though, that on the Indigenous water tie-in program he would try to score political points, which is kind of surprising to me. It is a very important project for First Nations and for this government. It's something that we'll obviously continue to do. I don't know if he wants to walk back those comments or not, but I wouldn't play politics on that front.

Mr. Dach: Thank you.

Through the chair to the minister, the minister mentioned earlier that the slow down, move over regulations that were in place were something that he thought was successful, and that's not what I'm hearing. The members of the Alberta tow truck drivers' association and the Alberta provincial Fire Chiefs Association also continue to be opposed to this slow down, move over as it is currently regulated in the province whereby only one lane adjacent to the pulled-over emergency or highway maintenance vehicle is required to slow down and move over.

Mr. Yao: Point of order.

The Chair: Go ahead.

Mr. Yao: I'm wondering if perhaps Member Dach can tie this to the budget that we're discussing at hand. This is under 23(b), "speaks to matters other than the question under discussion." If you could just talk about the budget and refer to the budget, that would be great.

Mr. Dach: Sure. I would refer to government estimates page 231, item 3.2, driver safety initiatives. That would be covering this particular topic, Mr. Chair.

The Chair: Okay. Go ahead.

Mr. Dach: I think also because the minister has also brought it up that it is in scope today.

I think most tow truck drivers and emergency responders still disagree with the minister that only one lane should slow down and move over, so I'm asking the minister to please provide statistics which show an improvement in safety to those workers, those first responders who are working on the highways. Provide data to show that slow down, move over in only the first lane adjacent to those pulled-over emergency workers with their flashers going has resulted in an improvement in safety to them as workers on the highway.

Mr. Dreeshen: Just to the point of order, the regulation that he's referencing was passed last year and obviously isn't part of Budget '25.

When it comes to the safety of roadside workers, if I could, Chair, maybe go off estimates here for a second. The slow down, move over campaign is obviously very important to make sure that all roadside workers, whether they be police, ambulance, roadside and maintenance workers, tow truck drivers, be treated the same and have the exact same rules and regulations. That was something from all of those associations they all felt, that all of their lives were equally important and have the same set of rules when it comes to roadside workers. They should be the same.

We brought in the adoption of the blue light campaign as well. I'm sure everybody has seen blue and amber lights, not just blue and red lights. We've heard from the industry that they've seen a lot of improvements of people slowing down with just even the different colour of lights as well.

The slow down, move over of having 60 kilometres beside any roadside worker versus a much higher unsafe speed has gone a long way to improving roadside not just accidents but also near misses as well, that we've heard especially from the tow truck industry as well.

I think the combination of the slow down, move over campaign and the blue light campaign that was made last year has moved the needle when it comes to roadside safety for the workers that really put their lives on the line to make sure that we all are that much safer on Alberta highways.

Mr. Dach: Thank you, Minister.

Through the chair once again, let's move over to class 1 driver training, commercial driver training. Drivers taking class 1 road tests now have the option to do so in an automatic transmission truck. Drivers are saying to me that this has actually created a two-tier class 1 licence. Will drivers who opt to take the road test in an automatic transmission truck and obtain their class 1 be legally able to operate a manual transmission truck? If so, what study gives the minister reassurance that this will be a safe practice? That's one question.

9:50

Secondly, what percentage of the driver trainees who receive funding under the driving back to work program were actually working as class 1 commercial drivers one, two, three, four, and five years after receiving their class 1 licence under the program? That's a follow-up from 2024, and the reference is business plan page 172, Mr. Chair, 1(b), performance measures, percentage of commercial truck driver job vacancies. Many of these truck driving jobs are vacant. Lots of people have gone through the program, but they're not working as truck drivers.

Mr. Dreeshen: On the last question on job vacancies, how we're tweaking the grants going forward in Budget '25 is to try to address that we're not just training up someone to get a licence and then, obviously, not using that licence in the workforce, where they're about 4,500 class 1 truck drivers short. We want to make sure that if we are going out and training more class 1 drivers, they're actually out in the trucking world and actually getting employed through the industry. The tweaks that we made to the grants going forward, we hope, will not just train up a class 1 driver but also connect them into the industry to actually use that class 1 licence for a job.

When it comes to the manual versus automatic, we have seen, obviously, just a shift in technology of having more automatic trucks being used.

Mr. Dach: No pun intended.

Mr. Dreeshen: Sorry?

Mr. Dach: I said: no pun intended. A shift.

Mr. Dreeshen: I make a lot of bad puns, but even I missed that one. I apologize.

Yeah. We have just seen that if you're going to be in a vehicle that is going to be automatic for your entire trucking career and that is your truck, to be able to know how to operate that truck is obviously important and then vice versa. That's something that we've just seen try to – I got an R and D question earlier tonight about how to make sure that we can stay up with the times. To be able to have that provision there, I think, goes a long way to training individuals on a truck that they're actually going to be driving so they know how to drive it on our roads and keep everybody safe. And two, if you have an automatic licence, then obviously you cannot drive a manual. That's there.

Mr. Dach: So you're prohibited from driving manually if you have only licensed on automatic?

Mr. Dreeshen: Correct. If you're licensed to drive that kind of truck, then you can drive it. If you're not, then no.

Mr. Dach: All right. Sounds good.

Final follow-up, if you can quickly answer this. Why were the commercial driver grants cut in this budget? That's government estimates 3.3, page 231, commercial driver grants cut in this budget.

Mr. Dreeshen: Just the provision rolling in from previous years. When we looked at how we could tweak the program, we want to make sure that there are two new granting streams, like I mentioned before, the $10 million and the $13 million, so being able to prioritize those two different grant streams . . .

The Chair: Thank you very much, Minister.

We go to the government side. You have six and a half minutes. Go ahead.

Ms Armstrong-Homeniuk: All right. Thank you, Chair. Through you to the minister. Minister, key objective 1.1 on page 171 of the business plan states that the ministry wants to advance economic corridor investments and expand and improve major highways and roadways across Alberta. I wanted to note that the ministry has promised $8.5 billion over three years to build and maintain provincial and municipal infrastructure across the province to the benefit of all Albertans. Minister, to you through the chair, can you please explain how this program is implemented through a fair and transparent procurement process going into 2025-2026?

Mr. Dreeshen: Well, I appreciate the work that our procurement shop does when it comes to the fairness of these projects coming out. The priority is set by us, by government, I guess on this side, to make sure that we know that these important projects, whether capital or capital maintenance, are being prioritized when they need to be.

We have simple, easy metrics of a road roughness test. We will actually have individuals drive out and monitor the roughness of the roads to be able to know where there are bad patches, where there are good patches. Obviously, that moves the needle on where we need to prioritize capital maintenance and renewal, but then when it comes to projects, we have other metrics. A highway would need to be twinned if it hits 10,000 cars per day. Then down highway 3 maybe you're not going to hit that 10,000 car mark, but the twinning of it makes sense due to the agriculture industry down there and the truck traffic that interacts with regular traffic on a two-lane highway.

It's interesting to see how we do have standards and metrics but obviously there are bigger, broader decisions that need to be made or criteria that needs to be made so we're not just beholden to certain standards. We have to make sure that it's looked at through a broader lens. That all kind of goes into the art of making the priorities in a way that benefits not just Alberta's economy and jobs but also to keep communities safe. It's a bit of an art form versus a science.

Ms Armstrong-Homeniuk: Thank you, Minister.

Chair, through you to the minister. In the estimates document under line 5.5, page 231, I can see Calgary will be getting about $100 million for LRT projects. Given that expanding the LRT network is a vital aspect of downtown revitalization and given that Budget 2025 maintains this government's funding commitment to Calgary's LRT project, Minister, can you outline what LRT improvements to Calgary that Calgary residents can expect to see, and can you please explain what these improvements mean for Calgarians' daily commute?

Mr. Dreeshen: Great, great question. Again, this budget has a pay-as-you-go provision when it comes to LRTs in Edmonton and Calgary. Obviously, it incentivizes both cities to get as much construction done as possible because they'll get the funding for that versus just a regulated rate of funding going out whether they do the construction or not. The pay-as-you-go provision I do think will help incentivize these projects to be done sooner and then have less risk of cost overruns because there is that financial incentive that's set.

When it comes to Calgary, the green line finally getting built is after a decade of delay, you know, caused by Nenshi when he was the mayor of Calgary and started this project. Then two years after that start by Nenshi, when he was still mayor, the NDP cut it in half. They cut the whole north section of the green line off, 23 kilometres of it. Again, Nenshi was still mayor. And now this weird alliance of Nenshi and the NDP joining forces again is kind of just poetically strange.

The green line: we're finally getting it built. This government is finally getting it built with this current city council in Calgary, which is great to finally see. Calgarians will finally see major construction on the green line going forward after that decade of delay; the Blue Line as well. The construction is being built on that to get it up to 88th Ave on the northeast side of Calgary. Engineering work to tie into the Calgary International Airport is going to be huge for Calgary. That engineering and construction will obviously take more time than the 88th Ave work on the Blue Line. Those are two big LRT projects that are going to see very significant construction this year and in the following years in Calgary.

Ms Armstrong-Homeniuk: Thank you, Minister.

Chair, through you to the minister. Under the ministry business plan's outcome 1.1 on page 171 it is evident that investments in transportation infrastructure are critically important to maintain the significant growth we are seeing in the city of Calgary and the surrounding area. Chair, through you to the minister: could you please outline what capital funding is being made over the next three years to bolster the transportation network for Calgary and the surrounding area? With regard to the city of Calgary and the revitalization of the downtown core, what is included in Budget 2025 to specifically support downtown Calgary?

Mr. Dreeshen: Well, when it comes to the Calgary Ring Road, obviously the completion of that was last year, a $4 billion project, which was significant. We see last year that the Deerfoot, the north section near the airport was completed. The middle chunk, as I like to call it, of the Deerfoot will be done this year – this is AECOM's work – as well as the south portion of it with a new bridge. About a $600 million project of widening out the Deerfoot as well on the south side has been significant.

You mentioned the downtown revitalization project of the new Calgary rivers event centre. Construction is well under way of that from transportation, to be able to do the infrastructure around the new Saddledome.

The Chair: I apologize for the interruption, but I must advise the committee that the time allotted for consideration of the ministry's estimates has concluded.

I'd like to remind committee members that we are scheduled to meet tomorrow, March 18, 2025, at 9 a.m. to consider the estimates of the Ministry of Forestry and Parks.

Thank you, everyone. Well done, everybody.

The meeting is adjourned.

[The committee adjourned at 10 p.m.]

Published under the Authority of the Speaker
of the Legislative Assembly of Alberta