



Legislative Assembly of Alberta

The 27th Legislature
Third Session

Standing Committee
on the
Economy

Department of Transportation
Consideration of Main Estimates

Monday, February 22, 2010
6:30 p.m.

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The 27th Legislature
Third Session**

Standing Committee on the Economy

Bhardwaj, Naresh, Edmonton-Ellerslie (PC), Chair
Taylor, Dave, Calgary-Currie (AL), Deputy Chair

Allred, Ken, St. Albert (PC)
Amery, Moe, Calgary-East (PC)
Boutilier, Guy C., Fort McMurray-Wood Buffalo (Ind)
Fawcett, Kyle, Calgary-North Hill (PC)
Hinman, Paul, Calgary-Glenmore (WA)
Lund, Ty, Rocky Mountain House (PC)
Marz, Richard, Olds-Didsbury-Three Hills (PC)
Taft, Dr. Kevin, Edmonton-Riverview (AL)
Weadick, Greg, Lethbridge-West (PC)
Woo-Paw, Teresa, Calgary-Mackay (PC)
Xiao, David H., Edmonton-McClung (PC)*

* substitution for Ken Allred

Also in Attendance

Kang, Darshan S., Calgary-McCall (AL)
Mason, Brian, Edmonton-Highlands-Norwood (ND)

Department of Transportation Participant

Hon. Luke Ouellette Minister

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Monday, February 22, 2010

[Mr. Bhardwaj in the chair]

**Department of Transportation
Consideration of Main Estimates**

The Chair: Good evening, ladies and gentlemen. I'd like to call the meeting to order. Welcome, everyone, once again. Just a quick reminder that you don't need to touch the microphones. *Hansard* staff will operate the mikes.

I've got a few opening remarks I need to read into the record. The committee has under consideration estimates for the Department of Transportation for the fiscal year ending March 31, 2011.

With that, I'm going to ask the minister to introduce himself and his staff. We'll go around the table. Then we can introduce ourselves as well. Go ahead, sir.

Mr. Ouellette: Thank you very much, hon. members, Mr. Chair, and good evening, everybody. Who all do I have here today? We have Gary Boddez, my deputy minister; we have Winnie Yiu-Young, our senior financial officer; and we have Bruno Zutautas, a brand new assistant deputy minister to our department, by the way. Maybe you should all give him a hand, welcome him here. We also have Angela Paterson here with us – she's director of financial planning – Shaun Hammond, assistant deputy minister of safety services with Alberta Transportation. We also have Alan Humphries at the back there, assistant deputy minister of policy and corporate services. Of course, everyone knows Tammy, who keeps me out of trouble with the media once in a while, Tammy Forbes, our communications director. Everybody knows Warren, my EA, and we also have Courtney from my office here with us tonight.

The Chair: Thank you very much.
We'll go over there. Mr. Kang, please.

Mr. Kang: Darshan Kang, MLA, Calgary-McCall. Good evening, everyone. Transportation and Infrastructure critic and Service Alberta as well.

Mr. Weadick: Good evening. Greg Weadick, Lethbridge-West.

Mr. Amery: Moe Amery, Calgary-East.

Mr. Marz: Richard Marz, Olds-Didsbury-Three Hills.

Mr. Taylor: Dave Taylor, Calgary-Currie, deputy chair of this committee.

The Chair: Naresh Bhardwaj, MLA, Edmonton-Ellerslie.

Mr. Lund: Ty Lund, Rocky Mountain House.

Ms Woo-Paw: Good evening. Teresa Woo-Paw, Calgary-Mackay.

The Chair: And for the record, pursuant to Standing Order 56(2.1) through 56(2.3), Mr. Xiao is attending the meeting as an official substitute for Mr. Allred. With that, I'm going to ask him to introduce himself.

Mr. Xiao: Yeah. David Xiao, Edmonton-McClung, substituting officially for Ken Allred.

The Chair: Thank you very much. A few more opening remarks regarding the process, speaking order, and time. Standing Order 59.01(4) prescribes the sequence as follows:

- (a) The Minister, or the member of the Executive Council acting on the Minister's behalf, may make opening comments not to exceed 10 minutes,
- (b) for the hour that follows, members of the Official Opposition and the Minister . . . may speak,
- (c) for the next 20 minutes, the members of the third party [Wildrose Alliance] if any, and the Minister . . . may speak, and
- (d) any Member may speak thereafter.

With the concurrence of the committee the chair will recognize the member of the fourth party, NDP, if any, following the member of the third party, and for the next 20 minutes the member of the fourth party and the minister may speak.

If it's okay with everybody, after the Official Opposition we would like to take a 10-minute sort of recess. Would everybody be okay with that? Sort of walk around and take a health break.

Committee members, ministers, and other members who are not committee members may participate. Department officials and members' staff may be present but may not address the committee.

Members may speak more than once; however, speaking time is limited to 10 minutes at a time. The minister and the member may combine their time for a total of 20 minutes. Members are asked to advise the chair at the beginning of their speech if they plan to combine their time with the minister's time.

Three hours have been scheduled to consider the estimates of the Department of Transportation. If the debate is exhausted prior to three hours, the department's estimates are deemed to have been considered for the time allotted in the schedule and will be adjourned. Otherwise, we will be adjourning at 9:30 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Vote on the estimates is deferred until Committee of Supply on March 18, 2010.

An amendment to the estimates cannot seek to increase the amount of estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is also deferred until Committee of Supply, March 18, 2010.

Written amendments must be reviewed by Parliamentary Counsel no later than 6 p.m. on the day they are to be moved. Seventeen copies of the amendments must be provided at the meeting for committee members and staff.

For follow-up information a written response by the office of the Minister of Transportation to questions deferred during the course of this meeting can be tabled in the Legislative Assembly by the minister or through the Clerk of the Legislative Assembly for the benefit of all members. A copy from the committee clerk would also be prepared.

At this time I'm going to invite the minister to make his opening comments, please. You have 10 minutes, Minister.

Mr. Ouellette: Well, thank you very much, Mr. Chair, and good evening for the ones that came in late that didn't hear me offer that earlier tonight. The Premier has given our ministry the mandate to invest in the priority projects that contribute to a safe and world-class transportation system that supports regional and provincial economic development. As the Alberta economy emerges from the global recession, we will continue to build the things we know we will need when our growth returns.

Roads are the backbone of our economy. They link producers, industries, and businesses to global markets. A growing province needs and deserves a road network that will move people and goods safely and efficiently. This includes both the provincial highway network and providing support for municipal transportation networks. That's why we're making significant investments in both. However, a transportation system is more than just roads. That's why we're also committed to working with our partners to invest in and develop an integrated, multimodal transportation system that includes roads, rail, air, and ports.

I'd like to share some of the highlights with you as I present the ministry's estimates for this 2010-11 year. Transportation's expense and equipment/inventory purchases vote is \$2 billion. This part of the estimate includes more than \$370 million for highway preservation and maintenance. Regular preservation and maintenance is essential to keep our roads safe and to minimize expensive rebuilds of the networks in the future. We'll continue to use available resources in the most efficient and effective way possible.

Under the expense and equipment/inventory purchases vote about \$45 million will go into transportation safety services. This funding supports vehicle and driver safety programs, monitoring of the commercial carrier industry, and traffic safety initiatives that include implementation of the traffic safety plan. The traffic safety plan is a comprehensive strategy designed to reduce deaths and injuries on our roads. The plan uses best practices, province-wide public awareness campaigns, co-ordinated enforcement, and community mobilization to make our roads safer.

A very key part of this vote is supporting communities by providing significant funding for municipal infrastructure projects. Transportation provides municipalities with funding that allows them to set local priorities and meet local needs. More than \$1 billion in grants will be provided to Alberta municipalities in 2010-11 through programs such as the Alberta cities transportation partnership, the Alberta municipal water/waste-water program and water for life, a green transit incentive program known as Green TRIP, and the federal gas tax fund. These grants enable municipalities to direct funding to local roads, to bridges, to public transit, and to water and waste-water systems. Projects like these do much to help enhance the quality of life in our communities.

Finally, the ministry's program expense is \$385 million for noncash items such as amortization of capital assets and consumption of inventories.

6:40

In 2010-11 the ministry's capital investment vote will be nearly \$1.5 billion. As I said earlier, we know that investing in our infrastructure is essential to support our economic recovery, keep Albertans working, and support our local communities. We will continue to invest in our provincial highway systems and strategic economic corridors to meet the transportation needs of Albertans and of visitors to our province.

I'll briefly mention a few of our major highway projects that we're going to do this year. Of course, in Edmonton, we're continuing to make good progress on the \$1.42 billion northwest leg of the Anthony Henday. This 21-kilometre leg of the ring road will open to traffic in the fall of 2011 and will be free flow with no traffic lights.

Another priority on that Edmonton ring road is the Stony Plain Road interchange. Construction began on that, as you know, last spring, and it's also scheduled to open in the fall of 2011. This is a \$169 million interchange, and it's going to save a lot of traffic headaches for motorists when it's completed.

Last fall construction began on two new interchanges at Calling-

wood Road and Lessard Road, which represent an investment of \$45 million. The two interchanges will open at the same time as the Stony Plain Road interchange and the new 21-kilometre northwest leg of the Anthony Henday, so that will give free flow pretty well all the way around the city.

We'll have one more little one to do, right, David?

Mr. Xiao: In Cameron Heights.

Mr. Ouellette: Government will use a P3 model to extend Stoney Trail from 17th Avenue S.E. to the east side of the existing Macleod Trail interchange in Calgary. The P3 agreement is expected to be announced by the end of March. This major project will involve 25 kilometres of six-lane roadway, nine interchanges, one road flyover, two rail flyovers, and 29 bridge structures. The successful contractor will start construction this spring and will finish by fall of 2013.

Construction will begin this spring on the Harvest Hills Boulevard interchange and is scheduled to finish this fall. The new \$18 million interchange will improve access to the ring road and replace the current signalized intersection. We will continue work on the \$42 million Crowchild Trail interchange and expect to open this to traffic by the fall of 2011. Finally, we'll invest \$5 million to complete the ramps at Shaganappi Trail to provide an all-directional interchange there also by this fall.

This year the ministry will invest more than \$147 million for ongoing construction on highway 63 and the related highways of the northeast Alberta transportation corridor. We recognize the importance this region has on our economy and, in fact, Canada's economy. The province is moving forward on the next section of highway 63 twinning north of Wandering River. The work includes 46 kilometres of tree clearing and within this area 17 kilometres of grading work at a cost of about \$20 million.

Construction continues on the Thickwood Boulevard and Confederation Way interchanges at a cost of \$77.4 million, and we expect them to be open to traffic in 2012. Construction also continues on the \$127 million five-lane bridge across the Athabasca River in Fort McMurray, which will open to traffic in 2011.

Another of our priorities is to look after the roads that we already have and get a considerable amount of highway rehab work done. As the Minister of Transportation I have a responsibility and a mandate to invest in priority projects that contribute to a safe and world-class transportation system that supports regional and provincial economic development.

This is a crucial time to build the public infrastructure that we'll need for a strong economic recovery and that we'll need for Albertans and Alberta's future. I believe that this year's estimates support these goals. I want to make sure that the travelling public is kept safe in this province and that we have good, solid, reliable roads to move our goods and services. For all the companies that manufacture here, we want to get their products wherever they have to go in a timely fashion.

With that, I'm happy to take questions. Thank you very much, Mr. Chair.

The Chair: Thank you very much, Minister.

Before I invite Mr. Kang, we've got three members joining us. Beginning with Mr. Mason, please introduce yourselves, and we'll move on.

Mr. Mason: I'm Mr. Mason.

Mr. Fawcett: Kyle Fawcett, Calgary-North Hill.

Mr. Hinman: Paul Hinman, Calgary-Glenmore.

The Chair: Thank you very much.

Mr. Kang, you have one hour, starting now. Would you like to go back and forth with the minister?

Mr. Ouellette: Is back and forth easier for you? What's easier?

Mr. Kang: Everything is easy for me.

Mr. Ouellette: Let's go back and forth. I don't think you're that easy.

Mr. Kang: Have I been hard on you before?

Mr. Ouellette: No. You're a great guy.

Mr. Kang: I will be hard on you tonight. I want to get the funding for the airport done tonight before we walk out of this room. You walk out, or I walk out.

Mr. Ouellette: I'm sorry; that's not my responsibility.

Mr. Kang: It falls within the scope of your responsibility.

Thank you, Mr. Chair. First of all, I'd like to thank the minister for the rosy, rosy picture he painted – he did the same thing last year; he painted a rosy picture last year as well – for the very detailed information he has provided, but you know, we are going through tough times, as everybody understands. The world economy is going through tough times, and so are we. But things looking rosy? I think, you know, our economy is expected to grow by 2.6 per cent this year, and all the things the minister talked about we should be preparing for when the good times come. We need the best transportation/roadway network in order to compete world-wide because the world is a global village now. If, say, India sneezes now, we get maybe not pneumonia, but we get sick. If China sneezes, we get sick, so we have to be competing world-wide. In order to compete world-wide, we need, you know, the best roadway network system, as the minister said.

You know, all the expense and equipment funding is decreasing, and capital expenditures are slightly up from the budgeted amount, but both are down from the forecast. There's a huge increase in federal funding, that we will talk about a little later on, and there's a big decrease in funding for municipal support. If the funding is decreasing, I don't know how we are going to be ready for the boom times because, you know, the pressure hasn't come off our highway network even though our economy has been slow.

In the last three years Alberta's birth rate – I think we are number one in the country, with 51,000 babies born last year. All those things are going to put pressure on our infrastructure, on everything, so we should be proactive. We should be looking farther ahead than just thinking about tomorrow. All these decisions that we make today are going to have an impact on us not for the near future but for a long time to come.

When we do the budget comparisons of the estimates on page 409, the Transportation budget for expenses and equipment has decreased by 11.3 per cent, or \$260 million, from last year's budget amount, and capital investment increased only by .05 per cent from the 2009-10 budget. Then we go further, to forecast comparisons. If you compare 2010-11 budget amounts to the forecasted '09-10 amounts, both expenses and capital funding are down. Expenses are down by 16.5 per cent, almost \$402 million; capital is down 6.1 per cent, \$96 million.

Notably – I congratulate the minister for this – the Green TRIP is back. We only had \$10 million last year in the budget. This time, you know, we're getting \$70 million, which is still a lot less than was originally promised. You know, we should have done more on the Green TRIP. We have significant opportunities now because the construction costs are so low, and our buck can go much farther than it did before, so we should be getting the benefit of that. The federal stimulus funding and green transportation: those are significant opportunities we have. We should be putting more money into infrastructure now because it's much cheaper to build, and we will not be competing with the private sector. All that funding shouldn't have decreased. My question is: why didn't we at least keep the same funding from last year to build all the bridges, roads, and highways?

6:50

Mr. Ouellette: Actually, in our business plan it does show that we're going to do as much highway as we did last year. I mean, every year for the past number of years we've been carrying on with large increases. I should say that the last few years we've had small increases, but we went a real large increase a year or so before that. Our goal is still to get up to 1,500 kilometres a year.

With that said, the \$484 million or whatever it was, right in that neighbourhood, around \$500 million, that we decreased the budget: the reason that decrease is there is that it's simply one plan alone. That's the Alberta municipal infrastructure program, known as AMIP. That's funding that we gave municipalities. It was a granting funding, and that was a five-year program of \$600 million a year, or a total sum of \$3 billion: five years at \$600 million a year for a total of \$3 billion. That program came to an end last year, and that's why you see just about \$500 million less in that budget. The AMIP program came to an end. If you look at MSI this year, it doubled. It picked that back up, so municipalities are getting pretty close to what they were getting between MSI and AMIP. Now they're getting it in MSI.

The \$96 million that you were talking about in our capital investment vote is primarily due to revised schedules in our construction. We redid the scheduling, and we actually saved some of the money. Some of the money was spent earlier. Thirty-three million dollars of that was due to our emergent funds projects that were reprofiled from '09-10 to '10-11 because of project delays that we had at the time.

Hopefully, that explains the three questions that you'd asked me there.

Mr. Kang: You talked about MSI funding, but Calgary is getting \$153 million less this year. They were supposed to get \$407 million.

Mr. Ouellette: No. That's not just on MSI. That's him adding both of them together.

Mr. Kang: But they're still getting less money this year.

Mr. Ouellette: They're getting a little bit less than they were getting but with both of them put together.

Mr. Kang: They were supposed to get \$407 million. They are getting \$254 million, so that's not a little bit less.

Mr. Ouellette: Well, you're talking hearsay here from one guy to another guy in the newspaper.

Mr. Kang: That's not hearsay, sir.

If you compare the 2009-12 and 2010-13 provincial highway network spending, there is a decrease of \$113 million on page 95 of the capital plan. On the physical condition of the provincial highways, performance measure 1(a) in the business plan, page 283, the minister said before that highways are aging and that their condition is deteriorating. The performance measure confirmed that highways are deteriorating, with targets for the percentage of roads in good condition decreasing in 2010-11 and in 2012, with a decrease of \$130 million in the 2009-10 and 2010-11 business plans for the provincial highway system. It is no wonder that our highways will crumble. Here you talk about: we want to have the best highway network; that's what we are trying to do. Which parts of the provincial highway system are in the worst shape, and which areas need most of the work? Have you identified those highways per se?

Mr. Ouellette: Well, I can't tell you by number which actual highways. We run that every year against the criteria that our four regions put in on what highway needs to be rebuilt the highest, and they run against the criteria. Then they come to Edmonton, and the four of them run against that criteria. You do as much as you can within the budgeted dollars you have. Money just doesn't grow on trees. You can't just say: it doesn't matter how many roads I have to do. I have to get the money from somewhere. We have to make sure we have a good balance within this government, that all of your constituency needs are fulfilled, and we all try to balance that money between all the ministries. We put a good sum into the Transportation ministry to make sure that we can keep up and get ourselves into a position where when things turn around, we're in better shape.

We've been trying to ramp up for years, and as I said earlier in my opening comments, today we're doing way more highway than we were doing three, four, and five years ago by almost three times. We say that we need to do 1,500 kilometres a year to stop the bleeding, and when we get to that 1,500 kilometres a year, our roads would not be deteriorating anymore. You won't see the change in these percentages. From going that way, they would hold even and, hopefully, start moving up. This year we think we're going to do somewhere close to 1,300 kilometres. We're not even at the point where we're going to stop the bleeding yet, but we're trying.

Mr. Kang: I think the money has been growing on trees here, sir. Money has been growing on trees, but there was mismanagement on the part of the government. We have billions and billions of dollars coming in.

Mr. Ouellette: I tend to disagree with you on that, but everybody is allowed an opinion. We are in a democracy.

Mr. Kang: You were using the same line last year, that we are going to do 1,500 kilometres of highway, and the same line this year. I don't know when we're going to get to that 1,500 kilometres. Maybe 10 years down the road. Last year's numbers were almost \$4 billion, that accidents were costing \$4 billion a year, and it's gone up to probably \$5 billion to the economy from accidents. Maybe the number is \$5 billion now. I brought that number up last year, too. If our highways are going to be in poor quality and, you know, if it's going to cost more money to the economy, are there any safety issues with the poor quality of highways? What liabilities does the government face with such a large portion of highways being in poor condition? That's 16 per cent and rising.

Mr. Ouellette: I have to correct you a little bit there. As I said, we have criteria. We look at all of our highways, and anything that's

unsafe and stuff would rate very, very high, and we would fix that almost immediately. That would rate the highest.

I have to tell you that there are other things involved here. Remember that we really have done a lot of roads. Most of our highways today are at an age where they've all kind of reached that reconstruction time at the same time, and that is a problem for us. We have so many roads that have reached their life expectancy that we're rebuilding, which is very, very costly.

To your other questions. You're saying that we might move to 16 per cent or what per cent of fair. I want to add one thing. If we were to say that we've got to go from 15 per cent to 14 per cent on the poor scale, that's about \$110 million worth of work to change that 1 per cent.

7:00

Mr. Kang: With the decrease in funding how are we going to catch up?

Mr. Ouellette: I'm explaining to you: we didn't have a decrease in funding; it was our grant money that we dropped \$500 million on, our AMIP program. We weren't rehabilitating our provincial highways. Municipalities were using AMIP money to work on theirs, but we weren't doing provincial highways. That's all we're talking here. The responsibility of this Department of Transportation is provincial highways. The \$500 million that you're talking about going down was never used for building highways. That was grant money.

Mr. Kang: I'm talking about this \$113 million here, the provincial highway network spending decrease.

Mr. Ouellette: One hundred and thirteen million? What page are you on there?

Mr. Kang: Capital plan 2010-13, page 95, provincial highway network.

Mr. Ouellette: That's from '09-12 to '10-13. So you're not doing a yearly comparison there. You're actually going '09-12 and then '10-13. You're comparing those two three-year sets. That's a six-year difference.

Mr. Kang: From '09 to '13 is a four-year difference.

Mr. Ouellette: Yeah. A four-year difference. Sorry.

How we've been budgeting our out years now – as I was saying earlier, our value for dollar has gone way up, our prices have come down on our tenders that are closing today, so we will get probably – probably, I'm saying – more kilometres of highway done with \$113 million less in that time than we can get done today with \$113 million more.

Mr. Kang: My question is: had you had that \$113 million in there, we could have probably gone much further. That brings in that safety issue with the poor quality of highways.

Mr. Ouellette: We're not in any position to jeopardize safety on poor quality of highways. If you travel this country, you see that our highways are in pretty darn good condition in this province.

Mr. Kang: Well, I think Alberta highways were the envy of truckers, you know, because they were driving right across the country.

Mr. Ouellette: We are still the envy of most other provinces.

Mr. Kang: The way we are going downhill it may not be the case. Okay. What percentage of collisions are found to have been the result of roads being in poor condition? Are there any stats for that?

Mr. Ouellette: I have not seen a stat that's come out that said the road caused the accident. I have not seen that. Ninety per cent of our collisions in this province are from driver error. We have those stats.

Mr. Kang: On page 93 of the capital plan the total funding for the provincial highway network is \$1.866 billion.

Mr. Ouellette: Okay. What were you saying now? Sorry; I just found my page here.

Mr. Kang: Page 93 of the capital plan. Total funding for the provincial highway network is \$1.866 billion. Last year's investment was \$1.84 billion. So we are actually seeing an increase of only 1.3 per cent. While construction costs may still be depressed, this increase doesn't even keep up with inflation. We should have been keeping inflation in mind.

Mr. Ouellette: Construction costs are down by about 30 per cent. The way you're talking, then, we should be 29 per cent ahead.

Mr. Kang: We are not 29 per cent ahead. We should have kept up with inflation so that we could get more work done with this money. That's what I'm saying.

Mr. Ouellette: Well, we don't have inflation in the prices of building highways today. It's actually working the other way. We can get highways built a lot cheaper than we were getting them built two years ago.

Mr. Kang: Okay. Section 2, page 414 of the estimates.

Mr. Ouellette: Okay.

Mr. Kang: It lists the voted capital expense for provincial highway systems and safety: \$1.381 billion.

Mr. Ouellette: Yeah.

Mr. Kang: This is about \$128 million, or 8.5 per cent, lower than last year's forecast. In particular, the provincial highway preservation expense, 2.0.2 on page 412 – I'm going to take you back and forth.

Mr. Ouellette: Preservation. Yeah.

Mr. Kang: It has been reduced by approximately \$10 million, almost by half from 2008-09 levels.

Mr. Ouellette: Okay.

Mr. Kang: Okay. Why is the amount for the preservation of our highways decreasing at a time when the amount should be increasing?

Mr. Ouellette: From \$60 million to \$51 million: is that the one you're talking about?

Mr. Kang: Yeah.

Mr. Ouellette: We had a \$9.6 million decrease there. That reflects the reductions in spending that we were doing given the current economic situation. Provincial highway preservation, we believe, is maintaining an acceptable condition level without extending the functionality or life of the road. Our preservation includes bridge preventative and corrective maintenance, chip seal coat program – that's all involved in that – geotechnical erosion and landslide remediation program, pavement preventative and corrective program, thin overlays, drainage system maintenance program, our traffic signals. That was all in there. We made a substantive cost savings in the long term on those that saved us that \$9 million.

7:10

Mr. Kang: So you decided to cut spending.

Mr. Ouellette: No. We're getting better value for the dollar we're spending.

Mr. Kang: See, we are coming back to the same question again and again. Had you left the money in there, for \$10 million we could have probably got more work done on the highways. Is it budget cutbacks? Were you compromising safety by saving money? What is the deal?

Mr. Ouellette: We're really reflecting the economic reality of the sharp decrease in our revenues here in Alberta, but we're still maintaining, getting the work done.

Mr. Kang: Okay. You know, when things really deteriorate, things get bad, which is the way we're going with the cutbacks, how much additional funding would the minister need to actually stop the deterioration of the provincial highways?

Mr. Ouellette: For every one percentage point about \$110 million.

Mr. Kang: So how high would the oil and gas prices or the lottery funds have to be in order for you to collect the necessary revenues to commit to the amount of that funding? What are the chances in the coming years that the minister would be able to stop the deterioration of these provincial highways? What kind of funding are we looking at?

Mr. Ouellette: Well, as you know, we have to look after the province in everything. Yes, I want to do the best I can for transportation. That's the same as the health minister wanting to do the best for health, the children's services minister wanting to do the best for children, the infrastructure minister wanting to do the best for infrastructure. But we have to have a balance that we all do the best job we possibly can with the dollars that we have available.

As you know, if your household revenue drops, you have to make arrangements. You still want to provide for your family the very best you can provide for them, but you have to do it within the dollar revenue that you have coming in. You may have to make some changes, but you do your damndest to look after that family. That's what we're doing here.

Mr. Kang: My question is: how much funding would we need to stop the deterioration?

Mr. Ouellette: I answered that question. We need \$110 million for every one percentage point that we want to decrease the deteriora-

tion of our roads. Right now what we're saying is that 15 per cent of our roads are in poor condition. What are the percentages? I just had them in front of me, actually. I think it's 80 per cent that are good? No. It's 58, 26, and 16. We really want a better target than that. That's where they are right now, though. That's the percentage of our roads: 58 per cent are in good condition, 26 per cent are in fair condition, and 16 per cent are in poor condition. If we want to move that up, for every percentage to get out of that poor condition to the good condition is \$110 million. So if you say that we only want 10 per cent of our roads in poor condition, we need \$660 million to get there over and above what we have in our budget today.

Mr. Kang: So billions and billions of dollars, we can say.

Mr. Ouellette: You can say that; I'm not going to say that.

Mr. Kang: No. That's what you're saying.

Mr. Ouellette: No. I'm just laying out the facts on how much money it takes for every percentage that you want to change our system.

Mr. Kang: So if you let them continue to deteriorate, it's just going to cost us much, much, much, much more.

Mr. Ouellette: But we're not doing that. We're saying that we have been ramping up every year. Yes, right now our revenues have dropped. We went into a world-wide recession here, not just Alberta, and we're managing to still do our ramped-up version of where we had gotten to when this downturn came. I believe that we are doing a very good job. We're not going back to where we were at one time, only paving 350 to 400 kilometres of road a year. We're still going to pave 1,300 kilometres this year. Last year we did around 1,200 and some.

Mr. Kang: Okay. Going back to page 93 of the capital plan.

Mr. Ouellette: You're making me work today here.

Mr. Kang: It's about time you earned your keep.

Mr. Ouellette: I'm always out there earning my keep just to make sure I can keep you and all of your constituents happy.

Mr. Kang: Well, my constituents will be happy if you give me the airport terminal money. I told you we can wrap it up right now. We can even name the terminal after you, Luke.

Okay. There is a \$485 million difference between the amount in the capital plan for provincial highway network, \$1.866 billion, on page 93, and the amount voted on in the estimates for provincial highway systems and safety, \$1.381 billion, on page 414 of the estimates.

Mr. Ouellette: Yeah. I'm on 414. And you're trying to match it up with what number in front of it on page 414?

Mr. Kang: Provincial highway systems and safety.

Mr. Ouellette: Item 2.0.1. Yeah.

Mr. Kang: Okay. There is a \$485 million difference between the amount in the capital plan and the amount voted in the estimates for provincial highway systems and safety. It's not the same amount.

Mr. Ouellette: Which number are you on on page 414? I have the same numbers here. Are you on 2.0.1?

Mr. Kang: Provincial highway systems and safety.

Mr. Ouellette: Oh, right here. Okay.

Mr. Kang: The \$1.38 billion. To 2.0.7 the subtotal is \$1.38 billion, and in the capital plan it is \$1.866 billion, so there's a difference of \$485 million.

The clock is ticking.

Mr. Ouellette: I know.

Mr. Kang: There's a difference of about \$485 million between the two. Why is that difference there, you know, the difference in amounts between the capital plan and the estimates? Is it due to P3s, or is it direct borrowing? Would you break down this difference into P3 financing versus direct borrowing, if you have found it?

7:20

Mr. Ouellette: I'm going to let Winnie work on that one for a bit. Let's carry on, and we'll come back to it because I haven't got that answer right in front of me. He'll let us know when your time is up, and I'll see if she has that answer by then.

Mr. Kang: Okay. We can continue?

Mr. Ouellette: Yeah, we can continue.

Mr. Kang: I've got two or three other questions related to this one here.

Mr. Ouellette: Okay. Well, maybe if you give me one of them, we'll know the part you're talking about.

Mr. Kang: We can go to line 4.0.1 on page 413 of the estimates.

Mr. Ouellette: Okay. Page 413, line 4.0.1, you're saying?

Mr. Kang: Yeah. Why isn't there any money in the budget for capital for emergent projects?

Mr. Ouellette: On our capital for emergent projects, we reprofiled some of that money. You know what this one is? This was when we were looking in general: where can we find some money that's not going to affect how we do our maintenance on our highways, how I keep our maintenance up? We said that we'd reprofile out, that we would take the money out of it this year, and we would try to put it back in next year or a couple of years down the road. So, really, we're not going to have CEP this year. There's no money in CEP for this year on the expense side. On the capital side we do, but not on the expense side.

This is a complicated budget in some ways because we have two different votes within our budget, and they are both damn big. We have the expense side vote of \$2 billion and the capital side of \$1.5 billion.

Mr. Kang: Are you just trying to gather some numbers here or what?

Mr. Ouellette: No, no. That's the way that our fabulous accounting system works. We have to report some of it as capital, and we have

to report some of it as an expense vote. Really, anything that we're building, anything that we're going to have as an asset after we build it is still an asset for the province. We have to report that as a capital vote. If it's money that we're just spending, it's an expense vote. Even though you're just spending it on rebuilding our highways or whatever, that's still an expense vote. But when we're building anything new – boy, I have a hard time explaining this one, but it's the way the accountants make us report it. A thin overlay, for example, on a highway would be an expense, but as soon as it gets over 50 millimetres thick, it's capital. You have to record it and report it that way.

Mr. Kang: Well, if you cannot explain it, Luke.

Mr. Ouellette: Well, I explained it, but sometimes my explanations don't work in the same mind frame as you and I get in every now and then.

Mr. Kang: I think we are on the same page most of the time.

Mr. Ouellette: Usually we're on the same page, though. I usually understand you and you understand me.

Mr. Kang: But, you know, you don't want to be on the same page with me today.

Mr. Ouellette: I do want to be there. It's hard to get there.

Mr. Kang: Have you found that \$485 million now? I only need \$98.6 million for my airport tunnel, so that's lots of money there, Luke.

Mr. Ouellette: You know what? The airport tunnel is not mine. I'd love to help you if I possibly could.

Mr. Kang: Okay. Go to page 419. We will come back to that.

Mr. Ouellette: I know there's not a nicer guy in Calgary working as hard for their constituents as you for that tunnel, but you might have to just write a cheque to the city to help them out, and they'll pay you back later.

Mr. Kang: You should be supporting me on that, Moe.

There will be a political price to be paid if you don't build the tunnel. Keep that in mind.

The Chair: Forty minutes are used up. You have 20 more minutes.

Mr. Ouellette: Well, we haven't got it yet. I'll come back to you, though. You'll get another shot. I'll get one of my colleagues to suffer and give you his time.

The Chair: You still have 20 minutes.

Mr. Ouellette: We still have 20 minutes? Oh, perfect.

The Chair: That's just your 40-minute warning.

Mr. Kang: Okay. Luke, let's go. Page 419, please, of the budget estimates. It states that Alberta is receiving \$682.5 million from the government of Canada in transfers, right?

Mr. Ouellette: Yeah.

Mr. Kang: Which is more than double the amount that was received in 2009-10. How many more years are you expecting federal transfers to remain at this level?

Mr. Ouellette: That's really up to the feds. But they have committed on the federal gas tax – some of this is federal gas tax money – \$477 million of it over a five-year period. Now they've just added to that. In '08 an extension to the agreement was signed. Under the new agreement \$798 million will be provided over four years, so \$199.5 million each year from 2010-11 to 2013-14. Also, they added that other \$477 million in there. The agreement is still to 2013-14 with the feds on the federal gas tax fund.

Mr. Kang: So will it be \$682 million, or more? Will it be the same every year?

Mr. Ouellette: Pardon me?

Mr. Kang: It will vary? It will go up or down?

Mr. Ouellette: It's going to vary. I'm going to give you some actuals here right back from '05, okay? In '05 they were only giving us \$57.3 million; in '06-07 they gave us \$56.6 million; in '07-08 the actual was \$82.7 million; '08-09, \$89.5 million; '09-10, \$190.8 million; '10-11, \$199.5 million; and we've estimated \$199.5 million now right through to '13-14.

Now, there are other programs. I don't have them right here.

Mr. Kang: So the forecast was \$325 million in '09-10, and it almost doubled.

Mr. Ouellette: Yeah. But then there was also the building Canada fund. This year they came out with the building Canada communities base component. For '10-11 it was \$91.4 million.

Mr. Kang: That shouldn't double it, from \$325 million to \$682 million. There must be some other monies in there.

Mr. Ouellette: Well, I'll keep looking. I'll find more.

Mr. Kang: I'm sticking to page 419.

Mr. Ouellette: You've got to remember that the stimulus money is coming to an end. Other than what I just told you about, the gas tax one, which goes to '13-14, there was some CAMRIF money that goes to '13-14. The base component goes to '12-13. So there are different expenditures there. I'm just trying to explain to you that some of it was a base component; some of it was the building Canada communities component. We have the infrastructure stimulus fund, \$258 million there. That's a one-time fee. A major infrastructure component of \$133 million. That's why that money is shown in the budget this year, because we're going to put that out to the communities that applied for it and were successful in what they presented as a project. Most of this money, remember, is money that is grants to municipalities.

7:30

Mr. Kang: So one time only.

Mr. Ouellette: One time only.

Mr. Kang: Next year it may not be there.

Mr. Ouellette: Well, the gas tax fund is there next year.

What you're trying to do is find some money somewhere that we're saying we don't need. There is no such thing.

Mr. Kang: Okay. What specific projects will be completed with this federal cash infusion?

Mr. Ouellette: Specific projects?

Mr. Kang: Yeah.

Mr. Ouellette: Oh, God. There are pages of them. I think that's beyond budget estimates, asking that question.

Mr. Kang: So what processes are in place to ensure that the funding is released in a timely fashion to municipalities? Are there any targets?

Mr. Ouellette: Well, we never get a complaint about us releasing money. We can't give money, though, that the feds haven't given to us. Some of these are strictly flow-through monies from the feds into my budget and out because I administrate it for them. But I can't send money out that I don't have from the feds yet.

Mr. Kang: So that means that municipalities cannot really plan for long-term projects.

Mr. Ouellette: I'm going to tell you a story. When I went out to the federal-territorial-provincial meeting of all the transportation ministers in Vancouver, with Minister Baird from Ottawa, we asked the question. They said: "The stimulus fund will completely end on March 30, 2011. If the project isn't done, you're not going to get the money." I asked the question, "How do you expect these municipalities, if they're not done, to pay for the project if you're pulling the funding out?" They said, "Well, that's the way it is, so you'd better tell your municipalities that if they can't get the project done, don't start the project." That really, really worries me because everybody always seems to think that we extend these programs. Actually, it raised a lot of problems in that meeting because all of the other ministers then said: "Yeah. We all think we're getting an extension." He said: "By no means. There will be no extension."

Immediately when I got home, I wrote a letter to every municipality because I wasn't going to wear this as the provincial government if these people didn't finish, didn't get their projects done. I wrote every one of them a letter and said that if you absolutely can't get this project done, can't guarantee yourself you're going to have the project done by March 30, 2011, don't start the project, because the feds are guaranteeing that they're pulling the funding if you don't have the project done. So that's the way it is.

Mr. Kang: We've got 10 minutes?

The Chair: You've got 12 minutes.

Mr. Kang: Okay.

Mr. Ouellette: You're going to be long-winded this time?

Mr. Amery: He's going to talk about the tunnel.

Mr. Kang: No. I'm going to come back to the tunnel. Don't worry, Moe. You should be supporting me on this. I told you that.

You know, we talked about Port Alberta last year, Luke. Where are we at with Port Alberta?

Mr. Ouellette: Port Alberta is an initiative by the Edmonton airport authority, the Edmonton Chamber of Commerce, the city of Edmonton. We're supporting them by way of having a department person on their steering committee. They're looking into whether or not it's going to be feasible. They're really hoping to have a Port Alberta out at the Edmonton airport. Of course, things have changed a lot from when they first started that initiative. At this point in time we're still waiting on even knowing for a fact if CP is going ahead with their intermodal terminal on 41st Avenue, which is getting near the airport. At this point in time I haven't seen a rail line or a shipping line go into partnership with Port Alberta. It's not Alberta Transportation's initiative. We said we would support them, and that's where it still stands.

Mr. Kang: Okay.

Mr. Ouellette: And from the government of Alberta Finance and Enterprise is involved in that also.

Mr. Kang: Okay. CN is going to have their big yard, Conrich. Now it becomes very, very important that we have that airport tunnel. You're talking about CP having their intermodal yard close to the airport here. The same thing is happening in Calgary, too. We need your support on the airport tunnel. It's going to be a mess around the airport with all those companies coming into the northeast. That will be the road connecting onto Stoney Trail, that Airport Trail. So I will be coming back to you again for funding for the airport tunnel. You know, you raised the CP intermodal yard. It's very important. It's not just a Calgary northeast issue. It's not a Calgary issue. It's a provincial issue. It's a national issue. Everybody is going to benefit from the airport.

Mr. Ouellette: It's a provincial issue; it's a national issue; it's a huge issue: I'm not disputing that. What I am disputing is that we all have responsibilities within a department, and we can't overstep those boundaries. I have the responsibility to look after the provincial highway network, and municipalities have the responsibility to look after the local roads within their jurisdictions. We try to help them as much as we can, but we can't decide their priorities for them.

Mr. Kang: This road is different than a city road because it's on the airport property. That's why I'm pushing.

Mr. Ouellette: In this budget the city of Calgary is going to receive \$164 million in infrastructure funding from the province. They're going to get MSI and stuff over and above that. This is just from Transportation that they're going to get \$164 million in the 2010 budget. Go work as hard on the city as you're working on me to get that \$164 million, and you've got it made.

Mr. Kang: The city has already committed \$50 million. The province hasn't committed anything.

Mr. Ouellette: Well, tell them to take the \$164 million that we're giving to the city, then.

Mr. Kang: No. They are getting \$153 million less. Are you giving them that \$153 million?

Mr. Ouellette: Doesn't matter if it's less or more. They're still getting more than that.

Mr. Kang: Okay. The next one is the town of Beaumont, 50th Street. There was an agreement signed in 2004 to twin 50th Street to the town of Beaumont. There have been so many meetings, you know, with the Minister of Transportation. What is being done about 50th Street?

Mr. Ouellette: There was an agreement signed. I'm going off of memory here. There was an estimate done of what the portion to the city was going to cost. It was \$3 million. We committed that \$3 million to Beaumont. Beaumont is now looking at just doing a little piece, and they've come back to us and said: "Oh, that \$3 million wasn't enough. We need another \$14 million just for this little piece." So we now have our guys working with Beaumont, relooking at these estimates and saying: "Is this way more than we ever contracted? Are you trying to overbuild for what you need?" We're also talking with the city of Edmonton, saying that there's no sense having a four-lane highway and just changing where the bottleneck is. The city has to come to the table and say when they are going to build their four-lane, tied in with Beaumont's piece of four-lane. You're just going to change where the bottleneck is if you put a little piece in the middle of nowhere that's four-laned, and you still go into the tube.

Mr. Kang: My understanding is that it's going to be done in four phases. Is that what's happening? Initially the province was supposed to give 75 per cent, and the city was 25 per cent.

Mr. Ouellette: No, no. At an estimate of \$3 million. We committed \$3 million. It was actually going to be \$4 million because we were going to do 75 per cent. Today they're talking a huge amount more than that. We're sitting down and working with them, and hopefully we'll be able to get an agreement done and get some highway built.

7:40

Mr. Kang: Okay. The southwest ring road, Calgary: where are we with that?

Mr. Ouellette: Working our little butts off on that one. As you know, the department and the city of Calgary have signed a memorandum of understanding on that. They're going to look at every possibility to try to put that ring road together on city property, doing the least amount of invasiveness into a community as possible and still being able to meet guidelines of a provincial highway, meeting specs of a provincial highway. At this point in time what I'm being told is that our department officials and the city of Calgary's transportation officials are working very well together. They're making some progress, but there's still work that needs to be done. By the time we get all of the studying done and everything that needs to be done to be able to go ahead with something, they probably need a couple of years.

Mr. Kang: So a couple more years before we know anything?

Mr. Ouellette: But remember something: we're just going to do another huge project in the city of Calgary, that I explained up front, that's starting this spring, a whole other section of the ring road. You can't do too many sections of ring road at one time because we don't have the contractors to take on that big a project with the proper competitiveness of the RFP on our good P3 projects, that save the taxpayer the kind of dollars we've been saving them. We've always, always done one leg in Edmonton, one leg in Calgary, one leg in Edmonton, one leg in Calgary. That's what we're doing. We're going to be doing the southeast starting this spring.

Mr. Kang: So we only have one contractor in the province, one contractor only? That's what you're trying to tell us?

Mr. Ouellette: No, no, no. We've got lots of contractors. I'm telling you that to be competitive on that size of job, if we were trying to do all these legs at one time, those size of contractors, the conglomerates that are put together to do these P3s – we're talking billion-dollar jobs here. It's not hiring Joe's backhoe service.

Mr. Kang: Yeah. But you said there are more than one.

Mr. Ouellette: That's right. But if they've all got work, they're not going to compete, and our prices are back up where they were at the highest time.

Mr. Kang: Look, you just finished saying that, you know, the contracts are coming at 30 and 40 per cent cheaper now.

Mr. Ouellette: Yeah. But the way you want me to do it, they're going to be 30 or 40 per cent higher.

Mr. Kang: Now in a matter of one hour, you know, the prices have gone way up, sky high.

Mr. Ouellette: No. If I did business the way you want me to do it, they would.

Mr. Kang: No, I don't think so.

The Chair: You've got two minutes.

Mr. Kang: Two minutes. Oh, okay. We'll come back.

Okay. High-speed rail. I don't think you can sum it up in two minutes, but just start on it.

Mr. Ouellette: Well, we have made absolutely no decisions on high-speed rail. As you know, we released a study that had been done on how much ridership would be there if one was built. I think it was a great report. When I looked at the report, from what I saw, it's a pretty positive report. Although it makes no recommendations on the real feasibility, it does make some recommendations that it would cover the operational costs, but no decision has been made on the implementation of that report at this point in time.

I do think that it's time we probably should get looking into where that corridor should be. We haven't done that corridor study yet at this point in time. I haven't taken it through the process because I wanted that report to circulate for a little while.

We wanted to get it out there because the feds were looking at where we should have high-speed rail corridors in Canada, so we wanted to get our report out that showed that we have one of the best corridors in North America for high-speed rail. It's probably one of the only ones that would be faster than an airplane to get from two major connecting cities. We wanted it out there. I wanted it before I came forward to look for the money to put it through the process with my colleagues to just do the corridor study. That has to be done.

With that said, I've had inquiries from other people. I believe that this report will have private interests that either want to partner it or maybe even . . .

The Chair: Thank you very much, Minister.

Mr. Ouellette: Can I just finish this?

The Chair: Sure.

Mr. Ouellette: . . . actually pay for it all. But we have to look after getting the right-of-way and where the corridor is because, as you know, the government of Alberta is the only one that has expropriation rights, and there will probably have to be some of that in order to acquire that right-of-way.

The Chair: Thank you very much, gentlemen.

We'll take a 10-minute break. When we come back, we'll start with Mr. Hinman.

[The committee adjourned from 7:46 p.m. to 7:56 p.m.]

The Chair: Okay. Thank you very much, ladies and gentlemen. Welcome back.

Mr. Hinman, you have 20 minutes, please.

Mr. Hinman: I'd appreciate it if you'd tell me when there are five minutes left. Thank you, Mr. Chair.

The Chair: You've got 10 minutes, or you can go 20 minutes back and forth with the minister.

Mr. Hinman: Back and forth, please.

The Chair: Thank you.

Mr. Hinman: Well, Mr. Minister, it's a privilege being here this evening. I guess I'd like to start off with, instead of talking tunnels, maybe tunnel vision. I'm concerned. On page 94 of the fiscal plan you show there about 12 years of the province's support for capital infrastructure. Going back to '01, we're looking at \$2 billion and \$3 billion, and then in '03 it drops to \$1 billion. Then it's escalated at an incredible rate up until this year, where we're looking at \$7.5 billion.

Mr. Ouellette: There is no page 94 in the fiscal plan.

Mr. Hinman: The fiscal plan, Budget 2010.

Mr. Ouellette: The capital plan, you mean. Okay. What page?

Mr. Hinman: Page 94.

You've got an 11-year chart there of the capital infrastructure. What I'm concerned about – and you've kind of relayed back and forth to this several times this evening, about getting good value for our tax dollars, ensuring that there's competitiveness. You've talked about whether or not the capacity is there in the industry. You've talked about the southwest ring road and said that if that came on stream, the capacity isn't there. All the other ones would have to be set aside in order to get a good bid on that. Then I guess, just referring to the southwest ring road, at the rate this government is burning money, I would ask that you would put some in a special spot for the southwest ring road so that when you finally get something figured out, you can't say: oh, we have no money. I'm concerned.

I'm also concerned, I guess, with your earlier reference when you referred to I believe it was: where in hell is your fiscal plan? I hope that it wasn't here in the province because I consider it much better than that, but maybe you'll drive us to that end. This long-term fiscal plan goes out three years. Then my question is: is it going to drop off as dramatically as it was ramped up from '03 to '08?

The reason why I'm asking that is that if we want to continue getting good value for our taxpayers' money, those companies need to know that this is going forward. Too often this government seems to make announcements and then bring them back, such things as the police academy down in Fort Macleod or the MSI funding, guaranteeing a 10-year fiscal plan and then changing with, "Well, we can't continue that," and you make reductions. What is the long-term plan? Do you plan on sustaining this? I don't believe this \$7 billion, \$8 billion a year is sustainable. You're going to build up an industry only to see it get collapsed as you did in '02-03. I'd like to hear your comments on that if I could, please.

Mr. Ouellette: Well, first of all, you're talking about the entire capital plan. You're not talking about my budget or my fiscal plan. My fiscal plan is nowhere near the \$7 billion you're talking about in three years. We've been ramping up ever since '03, as you've seen there, and we plan on trying to get as close as we possibly can to stop the bleeding at our 1,500 kilometres a year in highway paving and rehabilitation. I think that I have faith in our economy. I've got to also not be any braver than the economists, that's for sure. The economists are saying that they believe we're turning around out of this recession, so I honestly believe that our income will come back and we won't have any trouble holding our budget where it's at or maybe even increasing it to where we believe it needs to be.

Mr. Hinman: Okay. Another question that concerns me and many of the people that I hear from is that we really need to have a priority list and to actually make that public so that both the industry and the citizens of the province know what's actually happening and what that priority is, whether it's highway 63 or highway 3 in the south, whether it's the southwest ring road, for industry to actually see that this is our long, 10-year plan, this is how much money we're spending, and these programs will be coming forward. One of the major problems in the industry and the inflation that you often talk about, where we're saving 30 per cent now, is we had so much money going into infrastructure after we devastated it in '02-03 because of the cutbacks that there was no capacity in the industry.

I'd like to hear you continue to say that we're going to do 1,500 kilometres a year and reach that, but the yo-yo effect is just devastating to the industry and the efficiency. Would you commit to putting out a 10-year fiscal plan with a prioritized project list so that industry and people could see that and we'd know where you're actually going to go?

Mr. Ouellette: The reason that this government put out our long-range capital plan and showed our capital plan to begin with was for exactly what you're saying. We as Alberta Transportation put a solid three-year plan in place. Everybody knows that once they're on that three-year plan, they're getting the road that they need. Just the amount of money our three-year plan has: we don't dare go out further than that because we want to be able to follow through on any of the commitments we made.

You're the first guy jumping up in the House saying: oh, this government does nothing but just burn money up; it's just burning money up. What are you asking for now? Spend more money. Spend more money. Well, we're a little more responsible than that. We have a three-year plan that we're going to live within, and we will always do that three-year plan. I sit down, and I meet with the road builders. They're confident that we're going to keep enough in our capital plan to keep them working. That's what we believe is going to happen in Alberta, that we're going to keep the jobs moving, and we're going to keep building roads, and we're going to keep our good stability in the Department of Transportation.

Mr. Hinman: Well, that's a very entertaining and dramatic answer, but I think if you go and search *Hansard*, you'll find it's not very accurate, which doesn't surprise me.

You said another key thing there: three-year plan. That's all you're willing to commit to, and that's exactly what I'm talking about as the problem. The industry says: well, it might only last this long, and then it could be over because they won't make a long-term commitment and keep it. Your record as a government has not been well in keeping those commitments. That's why I say to write it down, put it out for industry, and show that we're going to spend, you know, this \$2 billion, \$7 billion, whatever it is a year, over the long term so that industry knows that it's coming and the projects that are coming up so that they can plan and it'll be competitive.

To switch gears here a little bit into an area that I'm quite concerned with – the ministry actually brought it out on page 104 of the capital plan – and that is water management. I just wanted to read a little bit into *Hansard* here.

Water is a precious commodity, and the effective management of it is vital in order to provide reliable, good quality supplies for communities, ecosystems and the economy . . . secure water supply [has] remained consistent from year to year.

It's a growing problem. I think that the science on what is causing climate change is definitely not settled, but one thing that we do know with climate change is that we have more and more water coming over a shorter and shorter period of time.

8:05

If you flip through various pages in your plans here, going back to page 278 with your water strategy on goal 3:

The high quality of Alberta's environment will be sustained . . . The ministry also manages the design, construction, and maintenance of the province's environmentally safe water management infrastructure, and supports municipalities in developing and preserving their water management systems.

Then if you flip over to page 280, we talk about how we'll address the uncertainty of future water supplies . . . best practices are being used in the design, construction and maintenance of the province's water management infrastructure on behalf of the Department of Environment to prolong the safe supply of water for domestic, agricultural, industrial and recreational uses.

The problem that this government fails to look at is that it's not only about safe; it's adequate. Are there no plans for increasing our water storage capacity in the province anywhere other than some minor \$29 million in grants for rehabilitating irrigation systems, the Carseland-Bow River headwaters? It says that it will "continue to provide irrigation rehabilitation grants to support the agriculture industry," but I don't see any major water storage facilities on-stream or off-stream. Is that in your vision, to realize that we have a major water shortage in southern Alberta? How are you planning on addressing that?

Mr. Ouellette: Well, because we have the engineers, lots of engineers in our department, and we have some water specialists in our department because we've been doing all the granting to municipalities, we do go ahead and do some of that. We don't go out and plan the reservoirs and that sort of thing. Environment actually does that. We do the work for them.

Let me tell you that over the next three years an investment of \$709 million for water infrastructure will be made in these following areas: the regional water and waste-water treatment projects throughout the province, supporting our water for life strategy through Environment; grants to municipalities under the Alberta water and waste-water program; complete most of the rehabilitation of the Carseland-Bow River headworks systems, the Lethbridge northern headworks canal, and the St. Paul pumphouse control

system. We're going to complete construction on the Calgary-Bow River project. We're going to develop the deep off-site water and waste-water infrastructure required to service Parsons Creek and Saline Creek in Fort McMurray. We're going to continue to provide irrigation rehabilitation grants to support the agricultural industry, and other departments also help in that. We're going to do \$143 million there this year and \$637 million over the next three years.

Mr. Hinman: Most of that, though, is going to waste-water management. What I'm talking about is how much is going to new storage facilities, on- or off-line?

Mr. Ouellette: Well, I have to tell you that that project at Little Bow – Travers dam, actually, I think is the one that it's on. We just purchased a whole bunch of our leased land back there from LJ, Murray ranches and are putting a lot more water into that reservoir as soon as we build up that whole area. That's close to your old stomping grounds, so you should know the area I'm talking about a little bit.

Mr. Hinman: I do. Do you know the increased water capacity we're looking at for that area?

Mr. Ouellette: I don't have that information in front of me.

Mr. Hinman: Could you get the acre-feet for me?

Mr. Ouellette: Yeah. We'll get that sent over to you.

Mr. Hinman: I would appreciate it. What I'm referring to, though, Luke, and what I'm concerned about is a shortage of water in the future, and that's critical. I feel that this government has not looked at that in an adequate way, and we need to be talking to the different municipalities, the irrigation projects and looking at where we can put in a new one.

The last major dam put in was the Oldman River dam – and it's been critical for southern Alberta – but here along the Bow and other areas we've reached the maximum water use. People can't use it, yet we're losing just thousands and thousands of acre-feet of water during the flood periods, having incredible damage, whether it's in High River, Okotoks, or other areas. I think it would do the citizens of Alberta a great deal of good if, in fact, we increased the water storage. So I would like to see you make a commitment to putting some infrastructure money towards that for the benefit of all Albertans.

Mr. Ouellette: I will get that information for you on the acre-feet and stuff. Environment is actually who makes the calls on how much more of an area they're going to flood and how much more and what's – we build the structure, but they tell us what they want. We'll get that information from Environment or if we have it ourselves, and we'll get that to you.

I will have to say, hon. member, that no matter what we're doing, you would never admit that we're doing it right. We believe we're doing it right, and whether you say that you don't think this government is looking into down the road to make sure we do everything we can, I will say guaranteed we are looking into that. We always care about what our future is in this province, and we will keep doing that.

Mr. Hinman: Well, I will say that you're doing a good job at looking at waste-water treatment, and you've been key on that and looking at upgrading water quality. But you have not been looking

at storage and the fact that we have more and more water coming in a shorter and shorter period of time and then we say that we don't have any. There's no question that the foothills and the mountains and those areas where that snowpack traditionally has been our water supply, it's melting quicker and the rains are coming and its running down. Obviously, you haven't been in southern Alberta too often to realize the flooding that goes on. That potential is there, and it's lost every year.

Just to go back on the argument, when they built the Oldman River dam, the debate was whether it would ever be filled. When you put a dam across a river or you put the off-stream storage, the question after the first year and when the flooding came the first time was: are the spill gates built big enough, or are we going to lose this dam? We're losing a lot of water. We're not aware of it. I would challenge the minister that, no, you read through your water for life, and all of the pages talk about safe supply, secure supply, but never adequate supply. So I'll challenge you to go and read your own reports. It's not in there.

The Chair: Mr. Hinman, you've got 3 minutes and 56 seconds.

Mr. Hinman: Oh, man. That goes very fast.

I guess I'd like to jump over to Green TRIP. Again, on page 281 of your business plan it says that the Green TRIP incentive is "to improve and expand local, regional and inter-city transit systems." I've been disappointed in Calgary in that we've got parking meters, not parkades. It is now easy to get a parking spot, but people aren't using the transit. I would ask the minister if he would look into that, increasing the parking stalls and reducing the parking fees so that more people would, well, go back to transit and use that.

I'll just ask a few other questions here, seeing as how we're running out of time. The debt servicing cost on page 410 of the department's plan has gone up 16 per cent, and I'm just not quite sure why that is going up there.

The noncash items on page 411 are up significantly, and I'm wondering what those items are. It's a concern.

I guess I want to go back to the southwest ring road and encourage the minister to make sure that there's money put aside so that when you finally get a plan figured out, the money will be there and not: well, we've spent it everywhere else. That is critical infrastructure that needs to be planned for, saved for, and be built much sooner rather than later, and there's been 30 years of failure there. I'm counting on you to get it done right.

Mr. Ouellette: Well, I'll guarantee you one thing. I work ten times as hard as you trying to keep money in envelopes to build the roads that are needed in this province, and I will always do that as long as I'm the minister of this department. Our ring roads: I work very, very hard on putting money into that whole ring road envelope of Edmonton and Calgary, and we've managed to be able to keep moving pretty strong on them. Most people are fairly happy with what we've done with ring roads.

The southwest has been a long, long time coming. But now we're also in that position where we're going to do the southeast right away because we have all the permits we need and all the land we need and everything we need. So it's going to be done. Edmonton gets its turn right after that.

Okay. Real quick, on page 281 what were you asking me about Green TRIP, about a parking lot somewhere?

8:15

Mr. Hinman: Well, before the city of Calgary put in parking meters, there were never any parking stalls. I think that if you want

to help increase the use, we should look at parkades, not parking meters. Perhaps a little bit of direction in that area from the minister would be helpful. It's a real problem.

Mr. Ouellette: I really think, though, that if we're thinking futuristic at all and thinking about greenhouse gas problems, we should be thinking of other things so that people aren't bringing their cars where you need parking lots or to downtown.

Mr. Hinman: You've never tried to catch the buses, then. They're not adequate to get there.

Mr. Ouellette: I'm not saying that that isn't true. I'm saying that we should be spending the money in other places, on maybe more buses or more LRT or more something, rather than bringing more cars downtown and creating that much more congestion and wanting that much more money for roads to get rid of the congestion and that much more money for greenhouse gas problems.

Mr. Hinman: I was talking about parkades at the C-Train. People try to get there, and there are no places to park, so they put in more parking meters.

Mr. Ouellette: You know what? We are working on that. Park-and-ride, that sort of thing, will all be part of Green TRIP.

The Chair: Thank you very much, gentlemen. The time allotted for this portion is up.

Mr. Mason, you've got 20 minutes, please.

Mr. Mason: Thanks very much. I prefer to go back and forth if that's okay with the minister.

Let's pick up where Mr. Hinman left off, on Green TRIP, with just a little bit of history for context. In July of 2008 the government pledged \$2 billion for Green TRIP to reduce vehicle emissions, expand public transit, and reduce congestion on roads. In the February '09 third-quarter fiscal statement the amount of money pledged was lowered to \$195 million. The funding of projects allegedly started in '09-10. The budget shows that there was only \$10 million budgeted for Green TRIP in '09-10, and the forecast shows that no money was actually spent on Green TRIP in '09-10. The ministry has now budgeted \$70 million for Green TRIP in the next budget year. The question, Mr. Minister, is why the ministry failed to commit any funding for Green TRIP projects in '09-10. What are your plans for the \$70 million that you do have budgeted in this budget for Green TRIP?

Mr. Ouellette: Oh, there are a million answers to this one, Brian.

Mr. Mason: Just give the relevant one.

Mr. Ouellette: The real relevant one is that, yes, we made a commitment in 2008, as you said, of \$2 billion. At that time I also made the statement that that \$2 billion would be used for the most innovative things that would reduce greenhouse gases and to figure out a way to basically get the cars off the road and the congestion and that sort of thing. Needless to say, from all of the initial consultations we did and went around and talked to people, there really was no high innovation. It basically was, "Give us money to build our own transit system" or "We just bought five diesel buses; give us the money, and we'll buy five more" or "Maybe we'll buy a hybrid bus." It really wasn't anything very innovative.

Some of it's our fault that we couldn't come with the criteria. We

had said that this wasn't going to be per capita funding, that this isn't going to be so much for Edmonton, so much for Calgary, so much for other places. Without getting that innovation and stuff, we had to change things a bit. We still haven't gotten solid criteria. We're getting real close, but we're going to have to do pockets of money now because there's nothing innovative enough to say that Edmonton can have \$2 billion or that Calgary can have \$2 billion. You've got to remember that this has been the biggest commitment to public transit of any type of capital investment that Alberta has ever made.

Mr. Mason: It's never come through, not a dime. Not a dime, Minister.

Are you telling me, Mr. Minister, that Edmonton and Calgary can't spend and can't use substantial amounts of that money to expand their LRT systems?

Mr. Ouellette: No, I'm not telling you that.

Mr. Mason: Both of those cities would like to expand their rapid transit systems, and I know from my own experience in the city of Edmonton that they would dearly love, are already planning to take it to West Edmonton Mall. They could take it down into Mill Woods. I know that in Calgary their transportation master plan focused very heavily on accommodating increased growth by transit. Now, \$2 billion might not even be enough, but you haven't spent anything.

Maybe we can come to the \$70 million. What are you going to spend that on?

Mr. Ouellette: We're going to have our criteria, we believe, completed here this spring sometime. You have to remember something: we never ever, ever announced that we would front this money up front. We did say, though, that when we approve a project – and none of these types of projects need the money up front – there'll be a multiyear project to get done that you pay through the years.

Mr. Mason: So you're saying that it was a badly designed program?

Mr. Ouellette: No, I'm not saying that at all. I'm saying that we're still in the process of designing the program. I'm saying that we did go through a huge economic downturn here that made a difference from 2008 till today in how we put that money out. Yes, we're going to work very strongly with the Capital Region Board, with the Calgary/southern region board, and everybody in between to make sure that they get some value and that we get some value for the taxpayer dollar that we put into this program.

Mr. Mason: You know, you went ahead with two projects that were announced at the same time, \$2 billion for Green TRIP and \$2 billion for carbon capture and storage. The Green TRIP got cut completely, and as far as I can see, the carbon capture and storage money is actually going to be spent. My question is: did the government do a cost-benefit analysis on which expenditure would have reduced the CO₂ emissions of the province more? Did you actually examine whether or not rapid transit and the Green TRIP program would reduce CO₂ more than carbon capture and storage or vice versa?

Mr. Ouellette: I haven't in this department.

Mr. Mason: How did you decide that you were going to cancel or shelve one and go ahead with the other?

Mr. Ouellette: We haven't cancelled it or shelved it. We're still putting it together. We will be approving some projects within the '10-11 year. Stay tuned. Hopefully, you'll like them.

Mr. Mason: Well, I've been surprised before.

My next set of questions has to do with cost overruns in your budget. The MLAs were recently asked to approve an extra \$73.8 million in supplementary supply. This went to just eight budget lines, and three of those budget lines were cut in '09-10. The Alberta municipal infrastructure program was cut by 16 per cent, but then the ministry requested an additional 3 per cent in supplementary supply, and the program is being eliminated in 2010-11. The resource road program was cut by 30 per cent and then ended up requesting an additional 75 per cent in supplementary supply. Although funding was increased accordingly in the 2010 budget, there was no reason, as far as I can see, to make these cuts in the first place. The street improvement program was cut by 9 per cent. Then the ministry sought a 26 per cent increase in supplementary supply. The 2010 budget has again cut this line item by 6 per cent from the '09-10 forecast.

Mr. Ouellette: You've got to tell me where you're looking there, Brian.

Mr. Mason: Well, this is all in your documents. I'm working from my notes here.

Finally, water for life was cut by 35 per cent last year. The ministry had to seek a 40 per cent increase in supplementary supply. This year water for life was cut by 57 per cent from the '09-10 forecast. You know, these programs in your budget go up and down like a yo-yo. It seems that the more cuts that are made, the more the line item will be over budget, so it looks like the ministry is making cuts but without any real control over actual spending. Cutting isn't controlling the spending because you're coming back in supplementary estimates and getting it all back again. I'd like it if you could explain those discrepancies.

8:25

Mr. Ouellette: What you will find, though, most of the time: the money is never gone. On the \$75 million in AMIP – AMIP, remember, is straight granting to the municipalities. When we got the money available from Treasury Board, we didn't have all of the programs. We got the money too late to be able to spend it. In other words, the programs that the municipalities had weren't spending, so we said: "Okay. We'll just do the money next year." We got the money back from Treasury Board before the year was out, so then we had to go do a supplementary estimate for it, but really the same money was there.

Some of the money we always get from – if it is tied in with federal grants, it's the same thing. Sometimes the people don't get their program engineered to start the program soon enough, so you reprofile the money out or lapse it into the next year. You find that that same amount of money in our three-year plan ends up getting spent on the same things we said that it would be spent for. So to you it looks like it's going up and down, but if we can't spend it, we reprofile it to another year, and that has to be recorded that way.

Mr. Mason: What does reprofiling it mean?

Mr. Ouellette: Well, the way we report an account, they don't allow us, if we don't use that money, just to tie it over in our accounts. If it's in the budget and we haven't used it, it has to go back to Treasury. That's reprofiling.

Mr. Mason: The question, then, is why expenditures aren't made in the year that they're budgeted for so that we have to go through all that. I understand what you're saying: the money is being bounced back and forth between you and Treasury Board because you aren't able to spend it in the program it's intended for in the year that it's budgeted.

Mr. Ouellette: That's right.

Mr. Mason: So isn't that a problem?

Mr. Ouellette: That's the nature of construction projects. That's the nature of what type of weather we have in the construction industry. That's the nature of whether a municipality that has been approved for the grant gets their project engineered and designed and ready to submit a tender or whether they get the tender back soon enough. All of those things fall within that scope.

A big, big, big thing in my department on what really holds us back on certain things is approvals from the federal government: approvals from the Department of Fisheries and Oceans, approvals from the department of Indian affairs, approvals from navigable waters, and, one more, the Environmental Assessment Agency. I can tell you that we've been waiting on some of those permits on the Drayton Valley bridge for two and a half years now already, and we're still waiting on some permits. We're hoping to start that project this year, and we don't have all our permits from the feds yet.

Mr. Mason: You know, I've a little bit of experience as a municipal councillor for 11 years and asked a lot of questions to a lot of engineers. It just seems to me that you have to get better control over some of these factors that are interfering with your ability to deliver your programs.

Mr. Ouellette: Every chance I get that I'm with Minister Baird I bring it up that we need to get a fast track somehow on our permitting from our federal agencies because we have no control over them at all.

Mr. Mason: Well, that may account for some of these things. Maybe you can provide me in writing which particular permits have been held up and how they've affected these particular budget lines.

In terms of water for life the Transportation department's goal is to ensure that we have safe and effective provincial and municipal water management. They develop and maintain water management for Alberta Environment and assist municipalities throughout the province.

Last year the ministry cut the budget line by 35 per cent, and then, as I mentioned earlier, they were 40 per cent over budget and had to get \$75.8 million in supplementary supply. This year the budget for Water for Life is cut by \$151 million from the 2009-10 forecast. I'd really like to know why you're making these cuts this time, what programs and services will be affected, and what measures you're taking to ensure that you don't just end up going back to the Treasury Board and asking for more money in supplementary estimates again.

Mr. Ouellette: The \$151.2 million decrease is primarily due to federal funding being received too late again to use in the 2009-10 fiscal year. As a result, that funding was reallocated to the municipal water/waste water program and water for life to accelerate the grant payments to municipalities for their water projects. So the funding was returned to the federal programs this year.

Mr. Mason: But the municipal water/waste water program has been cut, Mr. Minister, from \$264 million to \$113 million.

Mr. Ouellette: That budget appears to indicate that it's reduced from the 2009-10, but it's merely a result of the overlap between the municipal fiscal year and the province's fiscal year. The province advanced grant funding again in '09-10, and that occurred in the municipalities' 2010 fiscal year. So it resulted, again, in a shift in the accounting of the funds from 2010-11 to '09-10. We run on a different fiscal year than them. When we got the money, they were in the other fiscal year. We fronted them the money then. So we spent the money in their fiscal year before ours. It's really the way . . .

Mr. Mason: The city of Edmonton has an annualized fiscal year, right – January to the end of December – and we have the regular fiscal year.

Mr. Ouellette: Yes.

Mr. Mason: But that's always been the case. So why should it be a surprise?

Mr. Ouellette: But it isn't a surprise. We get the money when the feds give it to us.

Mr. Mason: What do these budget numbers actually mean?

Mr. Ouellette: We can't tell when the feds are going to give us the money. We know what we've got coming. We can't tell when we're going to get it. The way we have to report it is that it has to match up the fiscal years.

Mr. Mason: Okay. I'm going to go on to my last question, Mr. Minister. I'm running out of time. It has to do with P3s. In January of this year Alberta's Privacy Commissioner ruled that Alberta Transportation must disclose the contract value and price associated with the third party's successful response to an RFP. The commissioner held that the contract value or price was not supplied to the government in confidence, that disclosure would not prejudice the third party's nor would it prejudice the government's position or interfere with their contractual or other negotiations.

My questions are about how the ministry anticipates responding to that ruling, whether or not the ministry has dedicated funding to ensure compliance with the ruling, and I'd like to know if there's ongoing funding dedicated to ensuring that P3s are the most cost-effective option. Is the ministry dedicating funding to ensure that there are cost comparators and that these are easily available to the public?

Mr. Ouellette: Okay. First of all, I'm not a hundred per cent sure if I understood what you said at the beginning of that.

Mr. Mason: Okay. In January the Privacy Commissioner ruled that your department must disclose the contract value/price associated with a third party's successful response.

Mr. Ouellette: We always do.

Mr. Mason: Well, why did he rule it, then?

Mr. Ouellette: I don't know of any P3 that we didn't disclose what the bids were on the three – when we do a P3, we pick the first five,

and then we qualify three of them. Then we show those three bids to the three bidders, and the low-bid guy gets the job, gets the P3. We always have a market comparator, that we give to Justice 30 days before the closing of the tenders, and we open the market comparators at the same time as we open the three bids.

8:35

Mr. Mason: Maybe you can respond to this in writing. My time is just about up.

I have this order from the office of the Information and Privacy Commissioner to Alberta Transportation dated January 21 of this year. It says:

The Public Body . . .

That's you.

. . . refused access under sections 16 (disclosure harmful to business interests of a third party) and 25 (disclosure harmful to economic interests of a public body).

The Adjudicator found that the contract value/price could not be withheld under section 16 . . . as it was not supplied in confidence and disclosure of that general total, which was in the context of . . .

Well, I won't read all of that.

Mr. Ouellette: I understand what you're saying.

Mr. Mason: I just want to read a little bit more into the record.

The Adjudicator found that the contract value/price was not properly withheld under section 25 of the Act, as the Public Body failed to show how disclosure would prejudice its or the Government of Alberta's competitive position, or interfere with their contractual or other negotiations.

So there's an order. The question is: what are you doing to comply with it?

Mr. Ouellette: We either comply by doing exactly what the order says, or we appeal the order if the order isn't right. That's just automatic.

Mr. Mason: Have you appealed it?

Mr. Ouellette: Not that I know of. I'll respond to you in writing on this one.

Mr. Mason: I would appreciate that.

That concludes my questions, Mr. Chairman.

The Chair: Thank you very much, Mr. Mason.

Colleagues, we've got a fairly lengthy speakers list, so if you could keep your comments brief, that would be greatly appreciated, although you do have 20 minutes.

With that, we're going to move on to Mr. Weadick.

Mr. Weadick: Thank you, Mr. Chairman. It's a pleasure to get a chance to ask you a couple of questions, Luke, and I want to pass on a couple of positive things as well with respect to the budget. I had the privilege this morning at about 7 of driving Stoney Trail for the first time, and I was very pleased with the ability to get around Calgary. I came in on highway 1 from the east. It's an incredible piece of infrastructure and, I believe, money very well expended in this province. From my perspective that serves the community and people like myself trying to get around the community very well. So I was very pleased with Stoney Trail. I haven't driven on the west part, but on the east half of the city a very nice facility.

I also want to pass on – I went to Chinese New Year last night, and I met with the mayor of the city of Lethbridge. As you know, he's quite outspoken. He sat down for a few minutes and talked to me. He said: you know, I just want you to pass on to the Transporta-

tion minister that I'm very, very pleased with how we're being treated as cities. We realize we're down a little bit this year, but when he talks to his counterparts across the country, the municipalities in Alberta are being treated so much better than anywhere else across the country. He just wanted to pass that on, that it's indeed a pleasure being in Alberta and being able to work in a system where the municipalities are supported.

With that, when are you building our new bridge? We don't want a tunnel; it seems like everybody wants a tunnel.

Mr. Kang: The next time you go to the airport from Stoney Trail, you'll need the tunnel.

Mr. Weadick: So I'll be having to talk about a tunnel.

I want to look at the picture on a little bit bigger notice. I was looking at some of the business plan, and we're talking about expanding our trade. I met with the cattle industry, and they're talking about trying to get more of our beef to the west coast and get it to Asia. They're talking about trying to get oil and gas reserves to the west coast, with some way to move that to other markets so we're not so dependent on the U.S. I saw in the business plan that you have a goal for this, but could you maybe take a minute and tell me, because that's the big-picture piece of this: how far along are we? When are we going to start to see some progress on both the north-south as well as that really important east-west connection?

Mr. Ouellette: Well, as you know, we've always supported any initiatives that provide access to key markets. You know that we've supported Rupert port. We applied for some money under the Pacific Gateway initiative, and as you know, we were successful, but now we're waiting on CP – I've got a meeting with them soon here – and the city of Edmonton on if they build their corridor there and stuff. We did get a little bit of money from Pacific Gateway on that from the feds.

As you know, we worked very hard on the Canamex highway to make sure that we had a good route for people to get their goods. We have one little piece left to do through the Sturgeon Lake area that we're hoping to get started on this spring. We're hoping to get our final approvals. We've been waiting two and a half years to get our approvals from the federal government on that agreement.

So we're there all the time to make sure that we support Pacific Gateway, and we support the new Ports-to-Plains also. As you know, one of our colleagues sits on that, the hon. Member for Cypress-Medicine Hat. He's in meetings all the time with our friends to the south of us. We're here to support everything we can toward making sure that we have a system that we can get our goods to market.

Mr. Weadick: Do you have a comfort level that we can move on the east-west, especially, to open the Asia Pacific marketplaces to more Alberta goods moving in that direction?

Mr. Ouellette: Repeat that question. I missed it.

Mr. Weadick: What do you see for challenges in the way of us expanding that east-west corridor and starting to move our goods more east-west? What's in the way of that? Or is there anything?

Mr. Ouellette: I don't think there's anything in the way of that. I think that we've been working hard with our rail partners, CN and CP, and they've actually brought their level of service up in Alberta. As you know, we've pushed really hard to get a level of service review. They've named a committee now to look into that level of

service review. We have a fellow Albertan that was appointed chair of that committee, Walter Paszkowski, who was a Transportation minister at one time and an agriculture minister in this province. I think we'll be well represented. Those rail links are very, very important to us.

Mr. Weadick: That's good. I noticed in the budget line items that we're seeing a little bit less money available. Is that going to impact our ability to work these partnerships or to see these export routes expanded?

Mr. Ouellette: I don't think any of our funding that we have right now, whether you see it going down or up, will affect the Pacific Gateway initiative or the Ports-to-Plains initiative or the north-south trade corridor. We're going to continue with all of that.

Mr. Weadick: A question in a little different direction. I want to talk just for a minute about Green TRIP. I come from a smaller community. As you know, we don't have LRTs, and we don't have a lot of the fancy stuff, so for us to get creative when you run a bus service as really your only transit, it's a little more difficult. Have you looked at what kind of options – we'd love to be more green. Is your department looking at ways where you could help some of the smaller communities, that maybe don't have access like Calgary and Edmonton would to resources and all the other stuff, to be more successful in the Green TRIP, in expanding transit and reducing our carbon footprint or our climate change impacts?

Mr. Ouellette: We haven't taken it upon ourselves at this point in time. We've had a tough enough time, I think, trying to get criteria together from the consultations we've done with all the different municipalities on the different things they wanted. Then for us to start going out and saying, "Well, we should be telling these guys to do this and that" – we're having a hard enough time letting you come with the stuff so that we can say: how do we pick out the best projects here?

Mr. Weadick: I guess, then, my question: the criteria you're creating won't just be geared for the large cities but will also be there to help give some direction to the smaller communities?

Mr. Ouellette: That's why I mentioned tonight that it looks like we're changing a little bit in our criteria, that there will be some pots of money there rather than all in one pot that could all go to one area. It's an application-driven program, but I think that when we get those applications in, we'll have to make those decisions.

Mr. Weadick: Thanks very much. Those are all of my questions.

8:45

The Chair: Thank you very much for your consideration, sir.

Mr. Kang, you're up next. You do have 20 minutes. However, you can use less if you like.

Mr. Kang: All right.

Are we going to come back to that \$480 million question, or are we going to move on?

Mr. Ouellette: We'll do it in writing.

Mr. Kang: You'll do it in writing? Okay.

Mr. Ouellette: I forgot that you got another shot at us, and I told her: just worry about it later; we'll do it in writing.

Mr. Kang: Well, I'll just read the questions.

Okay. On that \$485 million I assume the difference between the amount in the capital plan and the estimates is due to P3s and direct borrowing. One, would you break this difference down into P3 financing versus direct borrowing? Two, will the ministry still pursue P3 contracts in this low-interest environment, and what is the interest rate you are currently paying for P3 projects? Can you give a few examples?

Mr. Ouellette: We're going to give it all to you in writing. We don't pay any interest on it. It's none of our business what you would have to go out and pay in interest if you're working for me. I just have to make sure that it's a better deal than conventionally done, basically that it's a better deal than we would do conventionally.

Mr. Kang: You're going to give it to me in writing?

Mr. Ouellette: We'll do that. Sure.

Mr. Kang: Okay. Coming back to page 420 in the budget estimates, revenue of \$184 million, that's a transfer from lottery funding of \$184 million. They are 50 per cent less than the 2009-10 budgeted amounts. Why the decrease in lottery transfer for Transportation? That's 50 per cent less than in 2009-10.

Mr. Ouellette: The decrease in those lottery revenues is due to less lottery revenues being collected. There's less being collected. That's under the purview of the Solicitor General.

Mr. Kang: Okay. What effect did the decrease in lottery transfers have on your business plan? In other words, is the reason for the decreases in the amounts for street improvement and provincial highway rehabilitation a direct result of Albertans gambling less? Are we depending on lottery money to fix our roads and pave our streets?

Mr. Ouellette: No, absolutely not, but we do count on lottery money as an income to the province because there is income there. Whether we got the income from lottery money or we got the income from oil and gas or we got the income from income tax that you pay, I'm sure, we would still be doing our highway structure. I can tell you how we divided the money up that we did get, what we put that money towards. You'll see that there's other money that went with that from other places to bring that money up. On the provincial highway preservation system we're using \$30 million of this money, on the Alberta cities transportation partnership we're using \$30 million of this money, on the rural transportation partnership we're using \$24 million of this money, and on the municipal water/waste-water program and water for life we're using a hundred million dollars of this money.

Mr. Kang: So overall it's not really affecting any of the programs?

Mr. Ouellette: No, it's not.

Mr. Kang: So it's not really tied down to some programs, to certain programs only?

Mr. Ouellette: We use this in those programs, but if some of those programs are bigger or less, then the money comes from somewhere else in the treasury.

Mr. Kang: Getting back to page 417, alternatively financed projects were underexpended by approximately \$50 million in 2009-10. Now you have a big increase in 2010-11. Why is that big increase there?

Mr. Ouellette: Most of that is all ring road stuff: \$195.3 million in '10-11 reflects the work in progress for the Anthony Henday northwest, a P3 project, while the project is being constructed, of course, as you know, by the private sector; \$160 million in '10-11 reflects the estimated portion to be funded by the private sector for the Stoney Trail southeast ring road, also a P3 candidate. Over the years we've done all of that. Sometimes they get more work done, so we pay them more money than what's in that particular envelope.

As I was telling you, the bids have closed on the southeast ring road now. We're actually waiting for the contract to be signed as we speak, and that's why we needed more money in this estimate.

Mr. Kang: You have already set money aside for the southeast and that's why this has gone up?

Mr. Ouellette: Yes.

Mr. Kang: You know how much the contract is, then?

Mr. Ouellette: Not yet, not until I get the signed contract back. I know how much it was bid for today, but we can't release that till they've signed that contract and we get it back.

Mr. Kang: Okay. Coming back to the Green TRIP, you know how my friend was complimenting you on the Stoney Trail?

Mr. Ouellette: Yeah.

Mr. Kang: That it's such a nice road?

Mr. Ouellette: Yeah.

Mr. Kang: Very soon Stoney Trail is going to connect onto the Airport Trail. That's why we're talking about the airport tunnel. Next time, when we build the airport tunnel – you keep on talking about greenhouse gas emissions, and the only way we can take the C-Train to the airport is by building the airport tunnel. If we build the airport tunnel on 96th Avenue, there's an interchange already built. That's the road to nowhere. If we don't have the airport tunnel, we won't be able to use that interchange, most likely. That's why I keep bringing the airport tunnel up. When we build the airport tunnel, next time my friend from Lethbridge, you know, has to travel to the airport, he will hop onto Stoney Trail, then he will hop onto the Airport Trail, he will go through the tunnel, and he will be at the airport in no time. Next year he will be complimenting you for the airport tunnel. Okay? That's why I keep pushing for the Airport Trail funding.

Coming back to the Green TRIP – that was part of the Green TRIP – this year \$70 million is budgeted with a three-year commitment for \$470 million, which is about \$50 million less than the original Green TRIP announcement. I know you answered part of this question, but have there been any changes in how the program will be operated? Are there different priorities for this? You said that you were trying to set up the criteria.

Mr. Ouellette: We're still saying that we're supplying \$2 billion. There is \$470 million showing in this budget over the next three years. I can give you the estimates and the targets: \$70 million will

go in '10-11, \$200 million in '11-12, \$200 million in '12-13, \$400 million in '13-14, \$400 million in '14-15, \$365 million in '15-16, and \$365 million in '16-17. That will be the \$2 billion. That's strictly a target today that I'm telling you.

Mr. Kang: Have we got any requests for the funding?

Mr. Ouellette: Well, originally, before we ever, ever had – I'm just going to say this. I had \$2 billion worth of asks from the city of Calgary and \$2 billion worth of asks from the city of Edmonton and about a billion from the rest of the province. So there has been \$5 billion asked for with no criteria. They just said: make your criteria this way so that we get the \$2 billion. That isn't going to happen.

8:55

Mr. Kang: There are no projects in the pipeline?

Mr. Ouellette: There are no projects today that have been approved yet. We have one more with a little bit of consultation to do yet. We've kind of explained to people the direction that it looks like it's going to have to go on a pot of money for Calgary region, a pot of money for Edmonton region, and a pot of money for the rest of Alberta, but we haven't completely finalized that yet.

Mr. Kang: We were going to have the Calgary regional plan for transportation. How far have we gotten on that? Has any funding gone towards that to do the study?

Mr. Ouellette: No. We've been consulting. My department has been consulting with the Calgary Regional Partnership on how this should work and with the Capital Region Board partnership on how can we make this so that it works for everybody.

Mr. Kang: So there's no money set aside?

Mr. Ouellette: Not for the city of Calgary, no. It's for the Calgary regional area.

Mr. Kang: Okay. Coming back to high-speed rail . . .

Mr. Ouellette: You just want to get home quicker when you're finished work here. That's why you want high-speed rail, isn't it?

Mr. Kang: No, no, no. You know, you keep on talking about the environment, about greenhouse gas emissions. You keep on talking, but I'm pushing to get something done.

Mr. Ouellette: Keep pushing. Keep helping me.

Mr. Kang: Okay. Strategic priority 4 in the business plan on page 281 states that "as funding becomes available, the ministry will look at and develop options such as high speed rail and transit." How much funding are we talking about? Where is the high-speed rail on your list of priorities?

Mr. Ouellette: As I'd said earlier, we released the report. We wanted to see what kind of feedback we'd get from the report. I think today we haven't got all the feedback we'd like. It's on our radar screen, very much so, but I still have some work to do to get there.

Mr. Kang: Is there any plan to review and make a decision on the high-speed rail this year or next year?

Mr. Ouellette: Well, I'm going to tell you a little bit about the study, and then you think of how much demand there really is there. The study involved the analysis of data on potential ridership, revenues, demand for high-speed rail between Edmonton and Calgary. It also compared the costs and advantages of four different high-speed train technologies. We provided the report to the federal Standing Committee on Transport, Infrastructure and Communities to assist with the committee's national study on high-speed rail in Canada. We've given the projected growth of the overall travel market in the Calgary-Edmonton corridor, and it's estimated that high-speed rail ridership would increase significantly from 2021 onward, so we're talking a ways out there. The faster the train the greater the ridership and the revenues.

If government decided to proceed, Transportation would conduct a transportation/utilities corridor study to determine the proposed alignment and to begin to acquire right-of-way rights. The corridor study would cost about \$10 million just for the study to decide where that corridor should be, and it would take about two years to complete it. It would take another three to five years to acquire that land. So it would take us five years. If we had somebody come forward and say, "You supply me with that corridor; I'll build you a train," it would take us five years to get to the point where he would start building.

But let me tell you that from everything I've seen in that study, if private enterprise isn't prepared to put some money into this system, then I don't think it's good enough for the taxpayers of Alberta's money to go into this system either.

Mr. Kang: Is there any projected cost for this? Has there been any number floating around?

Mr. Ouellette: It really, really has been high level, like more of a guesstimate than a projected even. There is no engineering or anything done on it, but it's going by the different technologies of trains. I've had people say as low as \$3 billion for a diesel electric, which is like a 160 kilometre an hour train which that report basically says people wouldn't ride, to as high as \$20 billion for the maglev. That's just a guesstimate of the train manufacturers actually.

Mr. Kang: Okay. Going to road safety.

Mr. Ouellette: Are we done?

The Chair: You've got about 4 minutes and 20 seconds.

Mr. Kang: Four? Oh my God, two questions, then. You're taking too much time, Luke.

Mr. Ouellette: I'm just trying to really, really make sure that I give you a good answer.

Mr. Kang: Okay. Road safety, strategy 2.1, business plan page 284. In reference to Alberta's traffic safety action plan 2010 to 2020, what is exactly this action plan? How does it differ from what you have been doing? That is, how is it different from the 2006 Alberta traffic safety action plan, and how much will this cost? You know, which line item would this be reflected in?

Mr. Ouellette: Well, we've always been committed to reducing injuries and deaths on Alberta's roads. As you've seen, when we came out with our statistics last year, our '08 ones were quite a bit less. We were happy with the statistics because our '09 showed that we had dropped our collision rate, we had dropped our fatality rate.

This year we're going to be funding \$47 million to go into education programs, commercial vehicle inspections, and enforcement to enhance that safety on our roads. The funding will also include the Transportation Safety Board in there. Law enforcement's visibility on our roads serves as a constant reminder to aggressive drivers and speeders that high-risk driving will not go undetected.

Our regional traffic safety co-ordinators will also be working at the local grassroots level, involving communities in finding solutions to help keep bringing our statistics down. We have monthly traffic safety awareness campaigns. We're committed to the traffic safety plan calendar. It has also been achieved through significant efforts of the Solicitor General, again. We're working with all the regional traffic safety co-ordinators. Health and Wellness is involved in this.

I think that we're always trying to better whatever we do. I have an assistant deputy minister in charge of that that's always, always coming to me, saying, you know: "Should we have more regulation here? Should we have more regulation there?" I'm just saying to make real sure that if we're going to put a regulation in, it's going to see real results, that we're not just doing this to make it look like we're doing something.

Mr. Kang: How about driving distraction legislation? You know, people talking on the phone and text messages. Where are we on that? When are we going to see some kind of legislation in Alberta?

Mr. Ouellette: I think distracted driving legislation is something that needs to be looked at very, very carefully, and we've been doing that. We've been working very hard on that. We have a whole lot of distractions out there, not just cellphones, and if you look at what most of the other provinces have done across the country, they've strictly passed a cellphone law or on electronic equipment.

9:05

The Chair: Thank you very much, Mr. Minister. Thank you very much, Mr. Kang. We're going to move on to Mr. Xiao.

Mr. Xiao, you have 20 minutes, but you don't have to use it all if you don't want to.

Mr. Xiao: Yes. Okay. I'm going to be very brief. First of all, I'd to thank the hon. minister for doing this. So far you have been doing very well.

I'd like to thank you for your commitment and for your leadership, you know, to the infrastructure in Alberta. The reason I'm saying that is not that I'm just trying to – I don't know how to flatter anybody. Why? In Edmonton the overpasses along the Henday have been an issue since day one. Okay? I'm talking about Stony Plain Road and also Lessard, Callingwood, and in Cameron Heights. These are, you know, the problems that Edmontonians are facing every day. It's very dangerous and is not safe. Also, the stops and the starts cause the level of the noise to go up, right? I would say it is the biggest issue in my riding, anyway.

Since the election I've been working with the minister and many of my colleagues. You know, so far now we are getting completed the three overpasses of Stony Plain Road and the Lessard and Callingwood roads. Also, I had the chance in the last two summers, especially last summer, to drive all over the place in the province. I can see that everywhere is under construction, and they are putting the top – what do you call it? – overlay on the road. That's really good. I had the opportunity of driving in the States as well in the summer, so I can see the difference.

I'm really happy with that because especially in this economic situation this is the time that the government should play a very

significant role, a meaningful role, you know, because we are not competing with the private sectors and we are actually keeping Alberta at work, providing jobs, and, most importantly from the business point of view – as you know, I'm a businessman – because now everything is cheaper. Steel is almost 30 per cent cheaper, the labour also one-third cheaper, and also the companies are looking for work. They would undertake this project just by maintaining their core team, right?

Now every project that you are looking at, you know, has five or even seven companies bidding on it, so we can get the best deal for the taxpayers. I understand that originally the budget for those overpasses in my area – now almost every overpass is almost one-third cheaper, which is good. This is the time to do it. I really commend, you know, the minister and the leadership and also all the efforts of the deputy from the department.

My next question. Yesterday I was at the Cameron Heights Community League winter fun day. Every family was asking me the question. Why? Originally your department didn't even plan to design the overpass. I found it out in the Ormsby community hall open house in 2008. So immediately I talked to the minister, and he promised me he would get the department to work on it right away. On the information I got, I have kept asking the minister the same question: when? That's a small overpass. It shouldn't take too long to complete the design and the planning.

I want to ask the minister: can you tell me today very specifically when you are going to start the construction of that overpass? Because it doesn't make any sense, okay? We spent all the money – we're talking about billions of dollars on this freeway – but it will still leave a traffic light on that segment of the Anthony Henday. It just doesn't make any sense at all. It makes our government look very bad, and it makes taxpayers angry. I just want to ask the minister: when are you going to start building this overpass?

Mr. Ouellette: As soon as we open that gravel pit. I'm kidding.

David, we are – I think I told you this before – actually doing the engineering and the design of that right now. As you know, the Premier had made the commitment that we would try and have all the ring roads done by 2015. I'm working very, very hard towards that goal here in Edmonton yet. I know that you want to hear: before 2015. So I'm going to go out on a limb here and say that we're going to work very hard to try to get that one done at the same time that the others are. As you said, it is a smaller overpass. It won't take as long to build as the others. So we're shooting for 2011 in the way. I'm not guaranteeing it like I've guaranteed the others, but we're shooting for it.

Mr. Xiao: Well, you know, that's a positive step, but I'm serious. I really hoped to take the opportunity, the economic situation. Now we're in a downturn. Everything is cheaper, so to build that one is much cheaper. With the same dollar we can do more.

For my next two questions instead of going back and forth, I would like the minister to answer me. One is about cellphone use, you know, while we are driving. I call it driving distraction. We talked about this for years.

Mr. Ouellette: I told you, David, you can't talk on the phone and drive.

Mr. Xiao: Yeah. But, you know, I'm talking in general about distraction while you're driving, including cellular phones and many others. I think it's time, really, for Alberta to take some action on that front. I just want if the minister can provide some specific information about what initiatives you're going to take or what kind

of steps you are taking to talk about the issue, to deal with the issue, whether we're going to introduce legislation or we're going to put down some regulations. Okay? That's my second question.

My last question is about Green TRIP. Green TRIP, you know, seems to most people to be talking about economical and fuel efficient and environmentally friendly transportation vehicles or what have you. I would think we should think about it in a broader sense. Okay? You know, anything which can reduce the amount of emissions, anything, really, that can make people's lives more efficient in terms of transportation, and anything, I would say, that can leave less of a footprint should be considered as part of that whole plan.

I'm glad you're developing the criteria for this. Just as an example, it's easy to go out and buy, you know, hybrid buses. But you're looking at running them in Calgary, Edmonton, the major centres. There are so many bottlenecks in the city. If we don't tackle this issue, that is going to cause a tremendous amount of pollution. Why? They have to stop there, right? It's all about efficiency. If it's efficient, then of course you're going to produce less pollution. You are going to burn less fuel.

I just want, using this synergy, you know, to ask you to think about the big picture in a broader sense, not just focusing on the vehicles. The light rail transit, of course, is another one. You have to develop a more complex plan. That's my point – okay? – to tackle this issue from as many angles as possible. The common goal is to reduce pollution, to increase efficiency, to make people's lives easier, and to have a much better quality of life environmentally or economically. Those are my last questions if the minister can make some comments on these two.

9:15

Mr. Ouellette: Well, thank you very much, David. You know, on the Green TRIP I agree with you. I think that that's what the whole thing was about: who can come up with good, innovative ways to reduce greenhouse gases from the tailpipe? But remember that when we build this criteria, we've also got to build in there some way that we can measure it. We have to be able to measure: did we reduce tonnes of greenhouse gas for this \$2 million that we spent? That's got to be part of the criteria also, being able to measure, to show taxpayers that the things that we approved, put their money in even though it's other people doing it, actually showed a good return for that investment.

I don't know what else I can comment on. We talked quite a bit about Green TRIP tonight. I think everybody knows that, yes, there's \$70 million in this year's budget for it. We're committed now to finish our criteria off, finish the negotiations that we have to do with the Calgary Regional Partnership and with the Edmonton regional board and with the rest of Albertans. Then we've got to complete that, and we've got to start taking some applications and approving some and committing it out for so many more years.

The other question that you had, as you know, I was halfway through, if you were listening, with the hon. Member for Calgary-McCall.

Mr. Xiao: Yeah. You know, I am holding the torch for him at the end of the tunnel.

Mr. Ouellette: You know, as I was saying, distracted driving is a very, very broad issue. It covers a lot more than just cellphones or just texting. Most of the other provinces have gone with just electronic equipment. It's about public safety mostly. We have to develop a legislation that's practical and effective and enforceable, and we're taking the time to get it right. Now there are more reports

coming out that are almost turning the calls the other direction. Now I'm getting calls saying: "Well, why would you put in any legislation, give us more rules? There's a report out there that says . . ." And I haven't got any information on if there's any science to that report or not.

I wanted you to know that our comprehensive approach of having the big picture and having it all there is unique in Canada. We want to give law enforcement additional tools to help keep all Albertans safe on our roads, and we want to continue to use public awareness campaigns to educate the public about the dangers of distracted driving so that, hopefully, people will start to use their own common sense and intelligence to not take part in issues of distracted driving and pay attention. The big thing is that they keep their eyes on the road and their hands on the wheel. Our stats show that driver error is 90 per cent of the cause of collisions, and you can almost link driver error – and this is my own little common-sense saying – to distracted driving.

Mr. Xiao: Okay. Well, no more questions, Mr. Chair.
Thank you, Mr. Minister.

The Chair: Thank you very much.

We're going to move on to Mr. Kang. You've got about 11 minutes or so. You could use them all or leave a few minutes for Mr. Amery to get on the record.

Mr. Amery: I'll talk about the tunnel.

Mr. Kang: Well, you can go ahead first if you want to about the tunnel. Anybody who wants to talk about the tunnel can.

The Chair: They can take your turn.

Mr. Kang: And I'll sit back.
So my turn?

The Chair: Yeah. Go ahead, Mr. Kang.

Mr. Kang: Mr. Minister, strategy 2.8 refers to developing approaches to address the new types of off-highway vehicles, business plan page 284. Some people are very interested in using Segways, or personal transporters, but according to a June 2009 publication Segways are still banned from public spaces. I personally would like to use one and go door-knocking with it.

Mr. Ouellette: You'd like to use a Segway?

Mr. Kang: Yeah, when I go door-knocking. You know, that would be very helpful for you, too.

Mr. Ouellette: You won't need a tunnel, then; you can drive above ground with a Segway.

Mr. Kang: What is the current status of legalizing these personal transporters or any zero-emission vehicles like small electric cars? Where do we stand on this?

Mr. Ouellette: As you know, we've been doing a pilot project with the Segways. I've ridden one myself, not out on the roads but actually right in the Legislature here. They're kind of a neat little vehicle. The thing is: where do you put them? They're not designed for and would not be safe to be mixed in with traffic. There are no lights of any kind on them, no signals, no anything. They wouldn't

go fast enough to stay within speed limits in town. And most pedestrians are saying: we don't want them on the sidewalks.

We have done a pilot project with all policing agencies. In the town of Sylvan Lake they use them because in the summer you can't get through; the traffic really backs up on Lakeshore Drive. Also, the park is very narrow and long through there. If they get called, then they use them. They say that they work wonderfully, and they have great success with them. We have a few other police agencies, I think, that have taken out pilot projects on them, right?

Last year we gave a permit for the fellow that I think runs Segways in the province to do river valley trail tours with them. So you could go down and ride a Segway, and he would lead you through the trails down here in the river bottom. But we haven't been able to come out with: how can we legalize them safely for you to use them to go to work or to go to the local grocery store or whatever? We haven't figured out how we can make them mix with other forms of traffic and have them be safe.

It's the same with some of the electric cars that are out there that you say we should be – they're not designed with the Canadian road safety standards or the Canadian vehicle safety standards. So it's really tough for us to say: oh, we'll allow them in Alberta. We have run some pilot projects with them, and we've run into trouble with them in some spots also. We can work on permitting inside gated communities and things like that.

Mr. Kang: What kind of feedback have we got from the pilot projects? Can we bring them to the Canadian standard, or can we do something?

Mr. Ouellette: Everybody loves it in the feedback we get from the people that have done the pilot projects and stuff. The problem is that the federal government sets the standards of what has to be legal on the roads. Yeah, we can special permit stuff. We haven't got the feedback yet to see that they would be safe enough for us to allow on our roads.

Mr. Kang: So is it the federal government that is not permitting, or is it the provincial government now?

9:25

Mr. Ouellette: Well, because they don't meet the federal standard that's put out, then legally we can't license them for on-road use. We can say you can use them off road, but we can't say you can use them on-road. We haven't said that you can use them off-road, because we don't have off-roads in the city. No off-road vehicles are allowed in the city.

Mr. Kang: They could be like bikes. Maybe there is a fear of change here.

Mr. Ouellette: I'll get my assistant deputy minister – I'm sure he's been listening intently to everything you've asked tonight – to write you a little letter about off-roads.

Mr. Kang: Thank you. Maybe not only to me but through the clerk to all the members?

Mr. Ouellette: We'll CC all the members.

Mr. Kang: Okay. I think my colleague from Calgary-East wants a go at it, so thank you, Mr. Minister. It's been very informative and a good conversation. We are trying to improve the environment, the quality of life for all Albertans. Keep at it, and have a nice evening.

Mr. Ouellette: Thank you very much, Mr. Kang. Keep my feet to the fire like you have been doing. You're a very good critic also.

Mr. Kang: Thank you.

The Chair: Thank you very much, Mr. Kang.

We've got four minutes and 16 seconds, and we're going to move on to Mr. Amery.

Mr. Amery: Thank you very much, Mr. Chairman. I'd like to thank the hon. Member for Calgary-McCall for being so generous in giving me some of his time to continue his line of questioning. I will start with the tunnel. Minister, I know I only have four minutes. I'd like to start by stating the importance of the airport tunnel not only for the residents of northeast Calgary or Calgary but for everybody who will be using the Calgary International Airport.

I saw some numbers the other day that Calgary now has 1,230,000 people. I know that airport is the third busiest in the country, and with the increase in population I think it will be one of the busiest in the country. The fact is that Calgary International Airport is becoming an inner-city airport. One road leading to that airport is not going to be sufficient to accommodate all the travellers who will be using that airport in the future.

The other thing that I would like to mention, the other important issue, is the closure of Barlow Trail. Not only for the commuters but for the business community that is located along that trail it is going to have a devastating effect in that area. I heard what you said, that this is a jurisdictional situation; it is the city of Calgary. But I would like to urge you, Minister, not to miss any chance to make sure that you bring to the attention of the city of Calgary, city council, that they can forgo a bridge, that that's not needed, and direct that money towards that project.

I know that it's either pay a little now or pay a lot later. I know that Calgary is growing. The airport is not moving. It's not going away; it's going to stay. Right now the estimate is that that tunnel is going to cost \$298 million. I believe that there is a similar tunnel in the Far East – I don't know where – that cost \$1.8 billion. It was done after the runway had been built. So I would urge you not to miss any chance to bring that to the attention of the city of Calgary and to also talk to the federal government, your federal counterpart,

and the airport authority so that we can do something about the tunnel. I don't need an answer.

The other question. You mentioned, I believe, in your opening statement about linking 17th Avenue – you were talking about the ring road – with Macleod. When is the start date on that? Do you have any idea about the start date on that?

Mr. Ouellette: We're planning on it to be this spring. I'm hoping it's as soon as all the frost is out of the ground and they're ready to go to work. I don't know from the time that we award them that contract, which we think will be very soon, what their timeline is to get set up and get going.

Mr. Amery: Okay. About the high-speed rail: would you consider offshore investors if they are available?

Mr. Ouellette: By all means. I mean, we use offshore companies right now on our ring roads, on our P3 projects and stuff.

Mr. Amery: That's what I mean. If somebody comes from other countries, offshore investors, we will build it?

Mr. Ouellette: Hey, Alberta is open for business if they meet our criteria. We hope we have opportunities for people to come and invest in our province.

Mr. Amery: Thank you.

The Chair: Thank you very much, gentlemen. I apologize for interrupting if I have, but I must advise the committee that the time allotted for this item of business has been concluded.

I would like to remind committee members that we are scheduled to meet again tomorrow, that is February 23, to consider the estimates for Infrastructure.

I just want to thank everyone for being here today. Pursuant to Standing Order 59.01(2)(a) the meeting is now adjourned. Thank you very much.

[The committee adjourned at 9:31 p.m.]

