Legislative Assembly of Alberta

The 28th Legislature
First Session

Standing Committee on Alberta's Economic Future

High-speed Rail
Stakeholder Presentations

Tuesday, February 4, 2014
9 a.m.

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Standing Committee on Alberta's Economic Future

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Standing Committee on Alberta's Economic Future

Participants

9 a.m. Tuesday, February 4, 2014

[Mr. Amery in the chair]

The Chair: Good morning, ladies and gentlemen. It's 9 a.m., and we must begin. I'd like to welcome all members, staff, and guests in attendance at today's meeting of the Standing Committee on Alberta's Economic Future.

I would like to call this meeting to order and ask that members and those joining the committee at the table introduce themselves for the record and also please indicate if you are attending as a substitute for a committee member. I will start. I'm Moe Amery, MLA for Calgary-East and chair of this committee.

Mr. Fox: Rod Fox, MLA, Lacombe-Ponoka, vice-chair of this committee.

Mr. Quadri: Sohail Quadri, Edmonton-Mill Woods.

Ms Olesen: Cathy Olesen, MLA, Sherwood Park.

Mr. McDonald: Everett McDonald, Grande Prairie-Smoky MLA.

Mr. Bhardwaj: Naresh Bhardwaj, Edmonton-Ellerslie.

Mr. Eggen: Good morning. I'm David Eggen, MLA for Edmonton-Calder.

Mr. Cao: Wayne Cao, MLA for Calgary-Fort. Welcome.

Mr. Dorward: I'm David Dorward, and I represent the people in Edmonton-Gold Bar.

Mr. Brawn: I'm Bob Brawn, director of the Van Horne Institute.

Mr. Wallis: I'm Peter Wallis, president and CEO of the Van Horne Institute.

Ms Watts: I'm Teresa Watts. I'm with Shirocca Consulting, and I'm an associate of the Van Horne Institute.

Dr. Metcalf: I'm Alex Metcalf with Transportation Economics & Management Systems.

Mr. Barnes: Drew Barnes, MLA, Cypress-Medicine Hat, sitting in for Ian Donovan.

Mrs. Sarich: Good morning and welcome. Janice Sarich, Edmonton-Decore.

Mr. Rowe: Bruce Rowe, MLA, Olds-Didsbury-Three Hills.

Mr. Stier: Pat Stier, MLA, Livingstone-Macleod, subbing in for Rick Strankman, Drumheller-Stettler.

Ms Sorensen: Rhonda Sorensen, manager of corporate communications and broadcast services for the Legislative Assembly Office.

Ms Robert: Good morning. Nancy Robert, research officer.

Ms Dean: Shannon Dean, Senior Parliamentary Counsel and director of House services.

Dr. Massolin: Good morning. Philip Massolin, manager of research services.

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

The Chair: Thank you, all, ladies and gentlemen.

We also have Mr. Luan and Mr. Hehr joining us via teleconference. Can you introduce yourselves for the record, please?

Mr. Luan: Sure. Good morning, Chair, and good morning, everybody. Jason Luan, Calgary-Hawkwood.

Mr. Hehr: Good morning, everyone. Kent Hehr, MLA, Calgary-Buffalo.

The Chair: Thank you.

We also have Mr. Roy from CPCS joining us via video conference from Ohio.

Mr. Roy, can you hear us? Thank you very much. Thank you for joining us.

Mr. Roy: Just fine. Thank you.

The Chair: Ladies and gentlemen, just a few housekeeping items before we start our meeting. The microphone consoles are operated by the *Hansard* staff. Please keep cellphones, iPhones, BlackBerrys off the table as these may interfere with the audiofeed. The audio of committee proceedings is streamed live on the Internet and recorded by *Hansard*.

Ladies and gentlemen, now we'll move on to the second item on the agenda, the approval of the agenda. Would a member move adoption of the agenda, please. Mr. Quadri, thank you. Mr. Quadri moves that the agenda for the February 4, 2014, meeting of the Standing Committee on Alberta's Economic Future be adopted as circulated. Any discussion? All in favour? Opposed? Carried. Thank you.

Now the third item on the agenda is the oral presentations, and for this item we have from 9 till noon. Our guests are panel 3, Edmonton-Calgary high-speed rail project consultants. Today the committee will be receiving presentations from a number of stakeholders on the potential for high-speed rail transit within Alberta. I am pleased to welcome our guests participating in panel 3. The committee will be hearing from Mr. Roy from CPCS first via video conference. Once he has completed his presentation, we will hear from Mr. Wallis from the Van Horne Institute and Ms Watts and Mr. Brawn and Dr. Metcalf from TEMS, Inc. I would like to inform you that Mr. Case from Oliver Wyman is not able to attend due to illness, so you will have more than 10 to 15 minutes, so we'll be a little more flexible with our time.

With this, I would like to ask Mr. Roy to please go ahead with your presentation.

CPCS, Van Horne Institute, Transportation Economics & Management Systems

Mr. Roy: Thank you very much. I appreciate the opportunity to speak to the committee today, and I regret that I wasn't able to be there in person. I was asked to speak on two specific matters, the economics of high-speed rail in Alberta and funding and affordability of high-speed rail in Alberta. I will take you through some fairly high-level comments and views on those things. I trust that you all have the presentation in front of you.

The first comment on page 2 is that there are many options for high-speed rail in Alberta, and they have varying capital costs. Some of this has been studied in the past, and the range is really roughly $3 billion to $8 billion. In fact, there are options that are much more expensive than this, but those are within the realm of what I would characterize as the most realistic options.

Some of those drivers of those potential capital costs are the route alignments. I understand that there are really three

considerations. There's what's called the rural greenfield alignment, which is largely using unused, unoccupied land, farmers' land between in particular Calgary and Edmonton. There's an alignment along highway 2 and another along the existing Canadian Pacific Railway line. There are varying cost implications to this, various impacts to the various alignment options in large part as a result of the potential interference in built-up areas that the line would have to work with and around, ranging from no urban development or very little urban development in the rural greenfield alignment, some development along the highway 2 alignment, and the CP Rail alignment: there's a great deal of development along that line in large part because that's where towns have evolved over the years, along the existing railway line.

Other items that'll impact capital costs: the vertical alignment. Chances are that for the most part this alignment would be at grade, which means that it would be along the ground level. It would need to be separated in the sense that it would need to be fenced off and have no road rail crossings. Other options, particularly in built-up areas, are to build part of the alignment below grade, which is effectively a trench, or above grade, which is effectively, as you see in the image there, a type of structure that takes the line above ground.

Certainly the rolling-stock technology and the energy sources for the operation will have a major impact on potential costs as well as the operating performance and dynamics of the system, so I've presented some options here, ranging from a 200-kilometre-an-hour rolling-stock technology to one that's akin to that used in France, the train à grande vitesse, or TGV, that runs at much higher speeds, in some cases over 300 kilometres an hour. The point I'm making here is that there's really a range of costs depending on the options selected.

On the next page – this is really for reference – is just an overview of the alignment options. The rural greenfield alignment is really a conceptual option. I'm not aware that an actual alignment has been delineated, but it does provide an idea of how these alignments would interact with the areas around in particular between Calgary and Edmonton. What's interesting in this map is that it includes also the planned growth areas. As I understand, these are the official planned growth areas, so around Leduc, around Red Deer, and to the west of Calgary. That's where there's future growth development anticipated and planned for.

On the first topic of economics of high-speed rail in Alberta I want to recognize that there has been a lot of work done on this area. The gentleman from the Van Horne Institute and Alex Metcalf from TEMS have studied this fairly extensively, so I'm not going to belabour that. Certainly, I expect that they would provide more detail on the economics. But I want to make a few points.

First is that the economic benefits of high-speed rail could include a range of things, from mobility, increased productivity, potentially reduced emissions from car and air travel, reduced wear and tear on the roads, fewer accidents, time savings, among other things. Now, these are all things that are very difficult to measure and equally difficult to price. I also want to make the point that the economic benefits really hinge on ridership; that is, the traffic levels that would be anticipated on this particular corridor over time. That's of course premised on travellers shifting their mode of choice from road, air to rail. There's of course a growth factor in terms of the population base, but really it hinges on the willingness of people to shift their travel preference to rail.

My personal views are that no one truly knows the ridership potential for the high-speed rail on this particular corridor. There have been all sorts of forecasting exercises and all sorts of high-speed rail projects internationally. Many have missed the mark both with a greater upside and in a lot of cases a greater downside than what was forecasted. Taiwan, Australia, the European Union: some of the high-speed projects in these areas have been built around a ridership projection that did not materialize. So the point here is that this is a gamble. No one has got a crystal ball that's perfect, so we're basically doing our best to try to understand the preference of travellers.

9:10

That big question is: are Albertans willing to leave their car behind to take the train? I think that question is still unclear. It's not strictly a preference question. There's a lot of planning of the transportation system that could incent or promote a willingness to leave the car behind. Nevertheless, that is unclear.

Would high-speed rail have a negative impact on for-profit air and bus transport along this particular corridor? I think the answer is: quite probably. In a lot of jurisdictions where high-speed rail is quite successful, there is in fact no air travel. It's been curbed or eliminated altogether to promote the use of rail. An example would be Paris to Lyon.

Will the economic benefits of high-speed rail outweigh the costs? Well, this really depends. Is the province committed to getting people out of their cars and onto a train? This is a much broader transport policy question. It's not strictly a matter of building and providing a high-speed rail service between Calgary and Edmonton and perhaps beyond. It really is a question of how the province views the role of rail and transport policy more broadly in the long term.

Are Calgary, Edmonton, Red Deer, and the airports at Calgary and Edmonton committed to integrating transport and development plans with high-speed rail, so, specifically, transit connections, to really make it easier for people to leave their cars at home and to be able to get on either a light rail system or a bus system to connect to points at which they could take the high-speed rail system to get to between those two points? That, of course, on both ends. It's not strictly going from home to the system; it's on the other end, getting off the system and going to one's destination.

Then the bigger question that I don't have any answers to at all, but: is high-speed rail a better use of public dollars than other priorities such as, say, health and education? The question of: what is the optimal use of capital dollars for infrastructure in the province of Alberta? That is a much broader question than strictly transport policy.

On the next page what I'm proposing or suggesting is – in terms of the economics, this has in fact less to do with short- and medium-term economics and more to do with the long-term political vision for the highway 2 corridor. So there are two visions there on the page in front of you. On the left is encouraging use of personal cars and doing that by maintaining, expanding highway capacity, subsidizing the use of cars, which is of course done through the use of public dollars for the roads system. Or is the vision really one of promoting use of rail in the long term, so building the high-speed rail, subsidizing the use of rail? I'll talk a bit about the commercial dynamics there.

What is often more important than the speed of the service is the frequency of the service. Much like a high-frequency bus it's much more convenient, and it really does incent use of a system like high-speed rail when there are trains that are moving at least as frequently as current air service. In a lot of cases in Europe, you know, that's less than an hour in terms of frequencies. The other question is: is there enough ridership in the long term to justify that?

Road user charges: obviously very, very contentious. Is there a view of discouraging air travel between Calgary and Edmonton through various policy levers? I already spoke to the integration of rail into provincial transport plans. Again, this talks to the broader, longer-term transport policy question for the province and whether your vision is that in the very long term rail makes the most sense and is the better way to go.

On page 6 I can't help but underscore a particular timing challenge. This whole process, from the time these deliberations occur, these debates – there'll be further studies no doubt. Once the project gets the green light, then there's an environmental assessment phase, corridor acquisition – there'll no doubt be legal issues around that – procurement of the contractor in whatever method the preferred procurement vehicle is, whether it's a public-private partnership or otherwise, design, construction, testing, all aboard. That will likely take eight to 10 years if not more. There may be opportunities to move faster than that, but that's my best guess at what the realistic timeline is.

So the significant cost now in the short run and medium run, before the anticipated benefits are to occur, which will likely take years and several political terms to realize – those benefits will not happen on day 1 that the train starts to operate. It really is about that broader, long-range vision of transport policy and the role of rail within it and whether you really want to promote the use of rail to generate the benefits that you're looking for. So is this going to gain political traction and funding commitments today?

Now, I also was asked to speak to funding and affordability, and I've got a couple of pages on that. I anticipate that I would need about another five minutes; is that appropriate?

The Chair: Yes. Sure.

Mr. Roy: Okay. Well, this project is largely intended to generate public benefits, and there could be a whole range of them: mobility, accessibility, productivity – some of these things I've already mentioned – as well as minimizing a host of negative externalities. That public benefit rationale really creates the condition for public-sector support for the project if those are, in fact, benefits that you're keen to push through the use of rail.

The alternative – and this is the commercial view – is that this is really about return on investment given the level of risk in a project. It's just a very high-level number. But, you know, very often in rail projects investors tend to look to about 15 per cent return on investment in a relatively stable risk environment, and it could be higher than that in one where there is more risk. All this is to say that you're not going to find interest within the private-sector market in funding a project that will largely be intended to generate public benefits if the commercial returns are not there to satisfy those particular requirements.

Slide 8. What sources of revenue could be used to fund high-speed rail? I want to stress that this isn't a financing problem as much as a funding question. The bigger question is: where is the money going to come from to pay for this system and its operations? There are a number of potential sources: certainly, revenues from the actual operations, which will come only once the system is operational; ancillary revenues; potential retail, commercial developments are all opportunities to generate revenues that could help fund the project.

But if there is a funding gap – and my sense is that there will be, certainly on the capital infrastructure side if not on the operating and maintenance side – there are a whole number of potential funding mechanisms: taxes on income; sale of goods and services; fuel, property tax; fees and user charges, not strictly on rail but through toll roads; parking. There is value capture and other funding mechanisms through various property tax schemes and the like. Government guarantees could be on the traffic side or backstopping alone or other innovative funding mechanisms.

Slide 9. The fact is that all international high-speed rail projects need some form of public support or guarantees to be viable. In all my research I've not found a high-speed rail project globally that is entirely financially self-sufficient, including both the operations and the capital. There are examples of above-rail operations, just the operating side, that do cover their operating costs and make perhaps some contribution to capital but certainly not all.

So, again, my personal views. Is there a commercial business case for investment in high-speed rail infrastructure in Alberta? My sense is that that's very unlikely. Can above-rail operations be commercially viable? Maybe in the long term; maybe not. Again, this comes back to my earlier comment about ridership and the expectation that ridership will be there at the right price to generate the revenues that are forecasted and anticipated to pay for the operating side of things. Will the private sector put its own capital at risk without significant government guarantees? My sense is: I doubt it. What we've seen in a lot of rail transit projects is government guarantees in the form of payment availability structures, which effectively guarantees revenue, and the operators pay to provide a service at a certain standard and level irrespective of how many people ride that particular service. So that's one way of mitigating that risk to the private sector.

It will no doubt require public investment in the billions of dollars. There may be potential funding sources, but I think the question is: is there a political appetite to use taxpayer or user-charged sources of funding, such as those outlined on the previous page, to pay for the high-speed rail?

That really concludes my presentation on those two key topics.

9:20

I'll make one last comment. I would be remiss if I did not mention rural impacts. We were engaged a couple of years ago with the Alberta Association of Municipal Districts and Counties to look at the potential rural impacts of high-speed rail. I'm not going to get into them, but on the next slide you see what the relative impacts could be for the three different route alternative alignments. That report is a public one. The key point is that there really does need to be an understanding of the rural impacts to meaningfully engage in discourse around how to mitigate those potential impacts.

That concludes my presentation. I appreciate the additional time, and I'll be happy to address questions later on.

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

I would like to acknowledge the presence of Mr. George Rogers, MLA for Leduc-Beaumont, and Ms Pastoor, Lethbridge-East.

Now we will turn it over to Mr. Wallis, please.

Mr. Wallis: Well, thank you very much, Mr. Chairman and members of the committee. We're very pleased to have the opportunity to appear before you today. My name is Peter Wallis. I'm the president and CEO of the Van Horne Institute. The institute is affiliated with the universities of Alberta, Calgary, Athabasca, and SAIT Polytechnic.

Ten years ago the Van Horne Institute released a study entitled Calgary/Edmonton High Speed Rail: An Integrated Economic Region. We purposely called it an integrated economic region for the reasons set out in that report and, frankly, for the same reasons which we'll be talking to you about today.

Today we are releasing an update of the cost and ridership revenue for the Calgary-Edmonton high-speed rail to this Committee on Alberta's Economic Future. The study is being circulated. It was released to you in advance, and it will be released to the membership of the Van Horne Institute simultaneously with the release to this committee.

With me – and you also have their CVs – is Teresa Watts, principal in Shirocca Consulting. Teresa is our lead researcher, and she will make a presentation outlining the report which the committee is now receiving. I shall also be followed by Mr. Bob Brawn. Bob has recently been recognized by his peers as Alberta business leader of the year. I think he's known to many of you as a leader in the oil and gas industry in this province and as an individual who has been involved in the economy of this province in many different ways. He will be addressing a few remarks to you after Teresa. He's also the former chair of the Alberta Economic Development Authority.

Teresa.

Ms Watts: Thank you very much, Peter. I should also mention that I was the project manager for the 2004 study that the Van Horne undertook looking at high-speed rail.

I'm going to stick very closely to the report and the slide presentation that we have, but afterwards if you wish to ask more general questions, I'm certainly open to that. What we have undertaken is an update of the 2004 feasibility study, looking at capital and operating costs and bringing them to 2013 dollars. I'll go through that in my presentation.

We have not undertaken any new work, new engineering, looked at any changes in right-of-way availability or changes in environmental circumstances. Equally we looked at the 2009 ridership and revenue forecasts undertaken by TEMS, my esteemed colleague here, and also Oliver Wyman. Once again, we did not undertake new surveys of travellers but rather looked at how things have progressed since that time. We took the opportunity of addressing other changes that have occurred in the marketplace since then that would affect costs primarily because that was the focus of this particular update.

On the capital cost update we took three components and looked at them quite differently. From a property perspective in the city centres we looked at what were recent commercial site sales figures and used that to update the land costs related to the station locations in those urban areas as well as for the maintenance facilities, which we assumed would be in the vicinity of Red Deer.

For the greenfield options and looking at land requirements, both for the greenfield option and also the CPR alignment option, which I'll come to in a moment, we looked at both Statistics Canada and Farm Credit Canada data on farmland values and updated the land costs in that manner.

For rolling stock we took two approaches. One was to use inflation and to just simply increase the numbers that we had derived in 2004. The other was to look at recent supply contracts awarded to the three largest manufacturers of rail systems of this type and look at what their costs had come in at.

From the engineering and construction perspective we used industrial-specific increases related to the various components and quantities in those estimates.

Our conclusions are here, and I will just talk about the three alternatives that the 2004 study looked at. One was a double-tracking of where the existing line is, where CP operates today between Calgary and Edmonton. As many of you may know, this was built basically a very long time ago, in the 1800s, so in order to fit it within the 100-foot, by and large, alignment corridor, the project looked at double-tracking the rail line and operating in a mixed freight and passenger operation.

Then we looked at two other greenfield options, each with different technologies, and you can see the speed related to the particular technologies. It was a generic technology component.

The costs, as you can see, were updated. I should make one particular note, and that is that given the passage of time we added 5 per cent to the contingencies to allow for various changes that we know have occurred in the corridor and to be conservative in the estimates. The range of estimates came out to be $2.6 billion to $5.2 billion. Just as a note of interest, if you look at the range of costs for implementing high-speed rail in Europe, they range between $16 million per kilometre to something around $39 million per kilometre. This particular estimate at the high end is $17 million per kilometre, which would put it at the low end. Now, it would suggest to me that given that Europe has a considerably more dense land base, et cetera, further economies could be made, but it is certainly within the ballpark.

In terms of ridership and revenue we looked at the TEMS work. I feel a little remiss in stealing my esteemed colleague's thunder. He will be coming after me. We did not undertake any new work, as I said before, but rather looked at how things have trended and the underlying factors to the ridership and revenue forecasts that TEMS had looked at at the time.

Looking at population, employment, and income growth, the forecast, the actual growth that has occurred since the work was undertaken is much more similar to the high forecast than the base forecast that TEMS had indicated in their work. As far as the cost per barrel of oil, it was comparable to the TEMS high, but the cost per litre was only slightly higher than the TEMS base. The traffic congestion increase was comparable to the TEMS base. Now, I should mention the traffic increase. At the same time there has been additional capacity; nevertheless, the congestion has gone up by the base rate. As a result, we tried to be a little bit conservative, so we looked at the high TEMS demographic forecast only. We did not adjust for the higher per barrel of oil cost or any of the other factors that were underlying the forecasts.

If we take the TEMS high forecast, it would indicate, contrary to the previous prediction, that they would be 24 to 33 per cent higher than had been previously predicted for the service. In terms of revenue it would be 58 per cent higher in 2015, and that is across the board. You can see how the various ridership and revenues correlate to the various technologies and speeds, which echoes my colleague from CPCS's comments about speed and service.

As far as operating costs were concerned, the 2004 study, the base of it, was Via Rail. Via Rail were partners and participants in that particular work, so they provided information with respect to their operating model and their operating experience. It should be noted that we went forward with the update and on the same price basis and looked at labour increases that had occurred since then in Via Rail's operation. We used the Railway Association of Canada data for fuel cost increases, and we used the current Alberta rate increases for electricity and in that way updated the operating costs. Those operating costs range from $92.6 million to $129 million per annum in 2013 dollars.

9:30

Now, having said that, there are a number of issues related to the operating costs. Specifically, if you were to start this as a greenfield operation, in other words a totally new railway system, you would not necessarily be tied to the existing wage rates, the existing work rules that are contained within Via Rail. There is a

considerable potential for cost savings, and that was noted in the 2004 study and exists still today.

Looking at the potential to reduce cost and risk: first of all, avoiding the adaptation of trains to North American standards. If they were to be operating in mixed freight operations and with the CP Rail option, you would require the same buff load standards that freight trains currently have. In Europe they have much more lightweight trains, but they do not have the same structural rigidity and weight that North American standards require, and there's $150 million in adaptation costs that would apply to that. If this was to go forward, it could be licensed as a provincial railway, and you could in fact bypass that requirement. This would result in lower acquisition costs because there are opportunities then to tag on to a European order, which would make it cheaper. Also, it would lower both operating and maintenance costs because the trains are of a lighter weight and operating in a contained environment without mixing with freight. That would be possible.

On the other hand, you could look at a shared right-of-way with CP, which we did in one of the three options, and that would save right-of-way land acquisition costs and also impacts. There are, of course, trade-offs, and as we mentioned, this is a built-up corridor. As well, mixed freight operations would not allow that economization in the train acquisition, and it would have higher maintenance costs because of freight mixing on the track. It would also impact on operations. So there are trade-offs.

There are opportunities to partner with developers in terms of commercial retailers in both city centres or even public landowners and utilize sites that are either publicly owned or are owned by commercial interests and then have stations developed as part of that. That could save up to $39 million in the capital costs and about $3.9 million in operating costs.

Public acquisition of the right-of-way would allow use of expropriation, and that would also lower costs and also time factors and could result in $1.2 million less in interest costs. That is based on what was – if current interest rates for debt, let's say, are around 5 per cent, if you use a 30-year bond rate around 3, 3 and a half per cent, that is the difference in terms of cost.

If you were to outsource the train operation and maintenance functions, that also provides a lower cost opportunity. Again, some of these structural options for financing and operating and reducing costs for the high-speed train operation have not been extensively studied, but there are examples where you simply have a planning function, and then you contract out operations; in other words, running the trains. You contract out their maintenance. You can contract out all the service functions in terms of reservations and so on. There are economies related to that.

You could pursue – and we did not include this in the 2004 study; we have not included it in this study – the opportunities for additional revenues in terms of food and beverage, retail sales, advertising, merchandising, parking, courier contracts. There is a whole host of retail opportunities that would increase the revenue to the service.

Also, we took note of the fact that there have been some lifestyle and demographic shifts in the marketplace. If you look at Calgary, for example, there is the phenomenon of Car2go. Car2go, by the way, for those of you who may not be familiar, is an option where you don't have to take your car home. People, younger people in particular, the younger demographic, are opting not to have cars, not to necessarily drive. Certainly, in Vancouver – and Vancouver's not the only place – there have been noticeable declines in car ownership and car use by the young demographic; let's say the 20 to 30 age group. So there have been shifts there.

There have also been shifts in the travel market. For example, air between Calgary and Edmonton has significantly declined, which is very understandable given some of the delays. The costs, et cetera, of just flying between Calgary and Edmonton have made it less attractive over time. Some of those things are going to reduce the ridership and revenue risks of high-speed rail.

There are lower current interest rates than what we used in the 2004 study. We were using, I think, 5.2 per cent for debt and something north of 13 per cent for return on equity, and in fact now those are roughly 2 per cent less in both areas.

In terms of our conclusions, what we have concluded is that the cost to construct high-speed rail would probably be in the neighbourhood of between $2.6 billion and $5.2 billion, with annual operating costs between $93 million and $129 million. But I think both those figures are high, and they can be brought down. The key here would be – and I think that this is an ideal corridor for this because we're not dealing with mountainous countryside like they do in Switzerland or very highly populated areas as they do in Germany and France – to bring down the costs; in other words, build the system much more cheaply. That would be the key. We suggested a number of ways that that would be accomplished, but I'm sure that there are others that could be explored.

We do expect that ridership would be higher than what we had thought when we did the work in 2004, and perhaps my esteemed colleague will be commenting on that. If we take his high growth, which has been the case over the last few years, we are seeing a 24 to 34 per cent increase in both ridership and revenues. Revenues would be actually about 58 per cent higher.

Because of lower interest rates there are really two options. You can either reduce the payback period – in other words, if you kept your payments on an annual basis to be constant, the payback period on a million dollars, for example, at current interest rates would be roughly 10 years shorter. I should mention that when we did the publicly financed option – in other words, if government was to go in and totally finance this – we would see a payback period of roughly 25 years at the time. This was in 2004. One could expect a much earlier payback period. It was roughly 34 years in the greenfield option at that time. If we applied the same numbers, it would be more like 10 years shy of that, so it would be under 30 years.

It's also worth noting that when we were doing our analysis, 30 years was sort of the benchmark for payback for most government projects. We've been seeing increasingly a longer term, 35, 40 years, for the term of these sorts of investments because there's a recognition that that is more in line with the actual useful life of the asset. When you acquire property and you put rail down, that physical asset usually has a life of 50 years, so the payback period would be less.

That is my presentation.

The Chair: Thank you very much, Ms Watts.

Before I invite Mr. Brawn to make his presentation, I would like to inform Mr. Roy that we have forwarded some documents electronically to you, and I see that you have your laptop in front of you, so I hope that they're there already.

Now Mr. Brawn, please.

Mr. Brawn: Thank you very much, Mr. Chairman. My name is Bob Brawn, and I'm a director of the Van Horne Institute. I was engaged in the '82-84 study of high-speed rail, which goes back 30 years ago, I guess, at this time. My presentation is not to discuss the costs of high-speed rail but to look at the overall economic advantages of such a thing. For that purpose I would

focus on the greenfield route and a much wider designation of the land base.

9:40

I was a member of the Premier's Council for Economic Strategy, and in that report we did make a number of conclusions, and I'd like to read from that for just a moment. Dealing with transportation,

> decisions about transportation shape patterns of commerce and the future communities. Transportation routes also influence how people think about their place in the world . . .
>
> Our twin goals of realizing the full potential of our energy resources and broadening our economic base will require reliable, cost-competitive transportation services to take more products into more markets, and to facilitate movement of people within and outside Alberta's borders . . .
>
> High-speed rail, direct air services and excellent urban transit systems all contribute to attracting people and businesses. A high-speed rail system linking Edmonton and Calgary would serve as a practical backbone to create a thriving economic region. It would symbolize Albertans' collective understanding that this small population will be unable to compete successfully on the world stage in the absence of close collaboration between its largest urban centres.

It is important that land-use planning look far into the future, anticipating population increases and shifting economic activities. The corridors through which more pipelines, rail lines, roads, and communication lines will need to be built to connect businesses and markets must be reserved for future growth rather than broken up and committed to nonstrategic uses. Wherever possible the rights-of-way that are currently protected for one purpose should be opened up to multiple uses.

I would point out that the uses of a broader corridor could be several. Amongst those are waterlines for fresh and salt water, sewage lines to allow central collection and possible processing and regional movement of water, electrical grids, new direct freight lines and removal of old lines from central urban districts for safety and congestion reasons, new and faster truck routes, and development of more economic land between the QE II and the new corridor. Towards that, I would have no qualms about the line that's shown in the CPCS report on the greenfield although I would tend to look at eight to 10 miles east of the QE II as being an economic corridor that could be developed successfully and quite aggressively. Also within that corridor could be oil pipelines or telecommunication operations, and all of those could contribute to the economic valuation of the corridor.

Comparing this economic plan to investments of AOSTRA 30 years ago and the resultant development of the oil sands operation – and where would Alberta be today without the oil sands investment that's taking place? – I think that an economic corridor between the two cities would have the same kind of benefit in the long run.

I think it's important that this committee not decide where that corridor would be but ask that the corridor be put together. The important scenario is: where's the line? I think that people will work from that point of view. The things that are going on in Beaumont today, where people are objecting to industrial development: they will have that information once the line direction is known. The people will move either into the corridor or away from the corridor depending on what their desires are.

Shaping Alberta's future. We have an opportunity to reshape Alberta and Canada's economic future by combining the assets of Alberta's two cities into one economic unit, Calgary's financial and head-office businesses with Edmonton's manufacturing and government economies. Both cities can be considered as one by shrinking the time distance between them, and for that purpose I would argue for the high-speed greenfield operation. Remember, drawing the line will allow that to take place.

As mentioned in the shaping of Alberta's future, with high-speed rail we can live within urban Calgary and work in downtown Edmonton or vice versa. You can live in Red Deer in a rural setting and work in downtown Calgary. You can be there in half an hour, and that is essentially the same time as transiting the cities these days. So I think the opportunity to get increased urban development in the whole area is very important.

In comparing the economic benefits of the purchase of the Anthony Henday and Stoney Trail rights-of-way many years ago, I think it's important to designate where that is. By just designating the line location, people can plan to move either closer to or away from, and it will create a new economic zone.

There are many ways to finance the project. I would just talk about a number. Land could and should be isolated now or the route put together. It could be financed with very little cash in the rural areas by paying a down payment of 10 to 15 per cent, allowing the farming community to continue to farm it during the period of time before it's used, and at that time paying the balance of the cost. You could use a form of airport authority regulations to in fact manage that operation, and we know what's happened with both the Calgary and Edmonton airports under their authorities. They've developed large economic units. The income earned by using the land for other purposes can go towards the cost of the whole thing.

I'd just bring to your attention that the transportation of goods and services will be vital to our future economic well-being. Isolation of the corridor today is vital to that economic success in the future. High-speed rail is but one thing that can go into the corridor, but it will make the two cities of Alberta into one economic unit by shrinking the time to travel between them. Your foresighted deliberation will make this happen, and I urge you to plan the corridors throughout the province, not just the Calgary-Edmonton corridor. I would just bring your attention to the slogan Draw the Line. I think that's the important part.

Thank you.

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

Now we'll move to Dr. Metcalf.

Dr. Metcalf: Thank you very much for having me here today. I greatly appreciate the opportunity to present on this topic, which has been with me for the best part of 30 years as we've continued to look at the potential for high-speed rail in Alberta. I'm currently the president of Transportation Economics & Management Systems, a Canadian company which is heavily involved in evaluation of major transportation projects in North America for provinces and states, the federal government, and both Bay Street and Wall Street. We're involved in a lot of different major projects around the country, everything from the Panama Canal to the St. Lawrence Seaway to the Alameda Corridor in California to high-speed rail in the northeast corridor of the U.S.

Prior to coming to Canada in '86, as you can tell from my funny accent, I was not a native Canadian. I chose to be a Canadian. I moved here in '86, having been the chief economist at British Rail, which, having been privatized by Maggie Thatcher, was a great education for me. I became the managing director of Transecon International, which was all the economists of British Rail and London Transport, and we were supposed to make money. I learned to make money, but then I said, "Well, if I can make money for Maggie, I can make it for myself," so I decided to come to Canada and try and make some for myself.

In Canada our clients include Via Rail; BC Ferries; several major oil companies, including Irving; Transport Canada; the provincial governments of Ontario, Quebec, British Columbia, and Alberta, including AIT here in Alberta. One of our key expertises is high-speed rail forecasting, and we have done over 50 studies in North America. We believe that demand forecasting is not gambling. Rather, we believe it a science, and we believe that our forecasts are accurate. Of the 34 investment-grade studies we have done in North America, we are able to provide a plus or minus 20 per cent range on our forecast, so we think we can provide some pretty serious input in terms of estimating what the future markets will be under different transportation conditions.

9:50

My work first began here in Alberta in 1982. I was sitting in Washington, DC, and somebody said: put your mac on, and go to Edmonton. I arrived here in January in the middle of a blizzard without gloves or hat and got a quick education in being a Canadian. Luckily, I was able to borrow both the hat and the gloves.

In the study that we did in 1982, we found there to be a weak case for high-speed rail, and what we advised what I think was Economic Development in those days was: give us a call after the year 2000. Sure enough, after the year 2000 we were called, and we did the investment-grade study in the year 2006, and we brought onboard Oliver Wyman, another well-respected Canadian operation that has done a lot of work for Via Rail and a lot of forecasting for major railroads in Europe. Essentially, we felt that the Alberta market in 1980 had not yet really evolved to the point where it deserved high-speed rail, but we felt that by the year 2000, if the market kept evolving, it would essentially justify high-speed rail.

What happened in that period was that trips grew from 25 million to 50 million intercity trips in this corridor, doubled. But what is even more surprising if you now look at the numbers, if we look at the first slide that I have, you'll see that what we're suggesting is that if those very conservative trends, which Van Horne is suggesting were too low, continue, there will be a further tripling of intercity trips to 150 million by 2050. So we're saying that this market is evolving very fast. I must say that this is the only place I think I know of in North America where despite the really disastrous economic conditions that have existed between 2006 and 2010, essentially we would be faced with our central case forecast being too low. I think that's really surprising, and it means that instead of a tripling of trips, there will be even a bigger increase in trips in this corridor if, in fact, these trends continue.

In terms of the key findings from the study we carried out in 2006, basically the first one was that trips are growing very fast in this corridor and, second, that there would be substantial ridership for the corridor. If we go to the next slide, what I'm showing in that top graph is a comparison of the TEMS forecast and the Oliver Wyman forecast. TEMS is in blue, Oliver Wyman is in white, and the Van Horne forecast is in red. This is a comparison of the three sets of forecasts, and you can see that while the Oliver Wyman and the TEMS are more conservative than the Van Horne for a 125-mile-an-hour system, once we start going faster, up to 150 and then 200, essentially the forecasts converge, and we're all agreed that there is a very strong market for real high-speed rail, true high-speed rail, in Alberta.

On revenues there is a difference, again, between the three of us. The Oliver Wyman forecasts were not revenue optimized, so that's why the TEMS numbers appear higher. We actually came in afterwards and then played with the fares until we optimized the revenue out of the corridor and were able to generate a revenue that is much closer to the Van Horne forecasted revenue. I think what we're saying is that these three sets of forecasts show that, firstly, there is going to be a very strong demand for high-speed rail in this corridor and, secondly, that there will be significant revenue generation associated with it from the fare box as well as all the ancillary-type revenues that might occur.

If we go to the next slide, in terms of our operating costs basically we're saying that this corridor will make an above-the-rail profit. Typically, once you go faster than a hundred miles an hour, railroads make an above-the-rail profit. In other words, they can cover their operating costs. In all the studies we've done around North America, once trains go faster than 125 miles an hour, you're going to make an operating profit, but you obviously will not cover all your capital costs. We have a lot of work that we have done that shows that that is going to be the case, so we're pretty convinced that there will be an operating surplus.

What's important about an operating surplus is that it allows you to have a public-private partnership. It means that the private sector is going to be interested in your corridor because, essentially, they can see a way to make money operating it for you. That's a very key and important factor, that we can make enough money out of this system to attract a series of consortia to come in here as a public-private partnership and basically work with the public sector in funding and operating the system.

The Florida model, as we call it, which was basically developed by the Florida Legislature and DOT, was essentially that you form a public-private partnership – they had eight consortia wanting to participate with them in a public-private partnership – when you have these kinds of conditions associated with a corridor. Florida is very interesting for Alberta because it's 200 miles, a very similar type of terrain and a similar kind of geography, so lots and lots of interesting relationships.

The Florida model would be a great model for Alberta since it gives the ability to basically create a public-private partnership. The operating surpluses that we are forecasting and which Van Horne is forecasting are going to allow that to happen. That's really very important. Without that, if we had to subsidize this system, I for one would not be telling you that this would make a worthy transportation investment because you wouldn't be able to create a public partnership, and the pressure on your finances would be so high with a high-speed rail project that it simply would be something that you would find very difficult to do.

The other criteria that we have to worry about in high-speed rail planning is the cost-benefit ratio. From our economic studies, if we go back, basically what is important to get Transport Canada to lend you money is that you are able to show that this project is good for the communities, good for the corridor, good for Canada. Basically, you need a cost-benefit ratio greater than 1 in order to be able to do that. Economists like me spend all night dreaming about cost-benefit ratios of 2 to 3 because they are very strong, and that means that someone like Transport Canada cannot ignore your project. If you have a cost-benefit ratio of just over 1, then the risk factors and all the other factors basically play down the prospects for your project, but once you have cost-benefit ratios up near 2 or even above 2, then you have a very strong case for asking Transport Canada to contribute to your project.

Basically, what we found was that the cost-benefit ratio for the 200-mile-an-hour tag technology was giving us a cost-benefit ratio of 3, which for guys like me is a dream come true. Essentially, what we're saying to you is that from Transport Canada's point of view, using both their 3 per cent discount rate, that they like to see used, and their 8 per cent, we pass the test, we jump the hurdle, and this project has the potential for getting funding from Transport Canada. We see that as very important.

The third hurdle that we like to look at is what we call supply-side benefits. Now, Transport Canada does not use supply-side benefits. Transport Canada uses what we call demand-side benefits. For all of you who are knowledgeable about economics, on page 50 of Samuelson you'll find there's a little thing saying: simple economic model. On one side is demand, and the other side is supply. What happens is that Transport Canada likes to look at the demand side, but most Legislatures and most policy-makers and most decision-makers want to look at the supply side because it's a lot more interesting.

What does the supply side tell us about? It tells us about the amount of permanent employment associated with the project. It tells us about how incomes will grow as a result of the project. It tells us about how property values will change as a result of the project. Most Legislatures are interested in: can we create jobs? What we're telling you is that if, in fact, you were to implement the 220- or the 200-mile-per-hour option, you would create 6,400 permanent jobs over 30 years, which is about 190,000 person-years of work, which is a pretty serious type of employment. Certainly, from an employment-generation point of view a project like this would be very good in terms of its long-term productivity because what jobs are being created are service industry jobs, not largely construction. There is some construction, but most of it is service industry, high paying.

10:00

Basically, the reason why firms like Google, State Farm, and all the rest of them are interested in high-speed rail is because it's something that is important to quality of life and important to their ability to attract employees and their ability to run the kinds of businesses that they want to run. It's not a mistake that Google and Microsoft and all the other guys are keen supporters of high-speed rail.

One of the other considerations is that transport economists like myself are not really supposed to talk about transfer payments. When you read all your economics 101 books, it says that transfer payments are really things that you shouldn't consider when you're doing a project because, basically, if the government spends money in Alberta, it's not spending it in central Canada. Therefore, the benefits that you get are not real benefits. However, if you're the mayor of Calgary or Edmonton, then certainly you're interested to know what those transfer payments are going to be because if the construction of that project creates 3,000 jobs, which is something like 30,000 person-years of work, then you're going to be very interested in the idea that this project gets built because it's going to create a lot of jobs within your community.

The other transfer payment which is really interesting is the impact on tax revenues. This project will expand the tax revenues because we're generating a lot of additional income. We talked about the fact that we were going to create a lot of extra income, about 400 bucks per household, in the corridor as a result of building this project. What that does is expand the tax base. What it means is that the federal government's tax base for this project, if we add up the tax revenues over the life of the project, are going to be a billion dollars. The federal government is going to get something like a billion dollars extra in tax returns if it builds this project than if it doesn't build this project. It might spend the money on submarines or the army, but this will create an additional tax flow to the federal government worth a billion dollars.

The second thing about this is that the province is going to get some extra tax, about $800 million worth of tax benefit over the life of the project plus, when you consider both the property tax and the income tax that is associated with this project, $1.8 billion of extra tax payments as a result of this project. Now, that is against a cost in 2006 dollars of basically $3.6 billion, which was the number that had been put on the table by the Van Horne Institute.

If we compare it, we say 50 per cent of this project is going to be paid back in taxes over the life of that project, so it's really like a mortgage. Put the money up front, and then you're going to get an annuity every year, basically paying you back 50 per cent of the project. Now, if you do this as a public-private partnership, where the private sector steps in and with the kind of cash flows we're talking about is capable of putting up 30 to 40 per cent of the project's capital cost and the government comes in and puts up 60 per cent, then it's going to get back a very large share of its contribution to the project in the form of extra tax revenues.

What's our conclusion? Our conclusions are that Alberta's market is really now ready for high-speed rail. You've been ready for a couple of years, but, you know, you couldn't get it built before 2020. I think our friends at CPCS were correct when they said that it's going to be an eight- to 10-year process. It certainly would take us that long to get the thing built although I do know that people have been out buying land and doing all sorts of stuff that will help the process.

The benefits to the corridor in sheer economic terms could be about $20 billion. That's the sort of overall number that you would get from a project that basically is going to cost you somewhere between $3 billion and $5 billion. So there's going to be a huge economic impact in the corridor, to Alberta, and I think the Van Horne Institute put their finger on it exactly by saying that essentially this project is an economic growth project which creates a lot of opportunity. We're going to create 6,400 high-paying permanent jobs, nearly 200,000 man-years of work. We're going to boost income by $400 million per year in the corridor by doing this, and that's worth about $350 per household.

We're going to put about $1.4 billion into property values. If any of you have been to Europe and taken a look at the station development that's going on in Europe, you'll all have seen, for instance, Liverpool Street, which has a phenomenal amount of economic development based right on the station. People will want to build over your station, on your station, close to your station, anywhere near the station within a circle of about half a mile. So there'll be huge development not just in Calgary and Edmonton but also in Red Deer. Red Deer will get a significant benefit from this project because Red Deer will find itself an hour's travel time from either Edmonton or Calgary, which will make it a very, very attractive place to live and to have a high quality of life.

Fifty per cent return to government on the tax base expansion. That's really important. You know, we're asking you to put the capital up front to work with the private sector to have a public-private partnership, but we're saying that 50 per cent of the costs of that, $1.8 billion, can basically be returned to you in terms of higher taxes and in the short term 3,000 construction jobs to keep the mayors of Edmonton and Calgary really happy because it's going to boost the construction industry significantly. If we take into account the jobs that are in the 6,400, it's probably closer to 4,000 to 5,000 construction jobs. Remember that the short-term construction jobs are only eight to 10 years; the permanent jobs will last 30 years. So that's going to be really important.

Then the policy issues. The key policy issues are that, you know, high-speed rail improves – I meant to say intraprovincial, not interprovincial – intraprovincial travel. As you know, the separation of government and business in Alberta has created this sort of two-town thing where you all need to get together, and

essentially it will be very helpful for that. It significantly reduces highway congestion because the trip length on high-speed rail trips affects two or three urban communities on the way. If I leave Edmonton to drive to Calgary, I go through Red Deer. Basically, I'm going through congestion in three key places along the corridor. If my average trip is long, then the amount of congestion impact that I save is much greater than if I'm just making a 10-mile trip to the supermarket.

It reduces pollution, it reduces emissions, it is environmentally friendly, and it has flexibility in terms of your ability to use electric power on a 220-mile-an-hour system that basically could be driven by gas, wind, solar rather than oil. Let's, you know, use an environmentally friendly system here and reduce our emissions. I know emissions are very critical to your policy issues, and I think that this would be a great way for you to show that you're trying to help the environment in the province.

With that, thank you very much indeed.

The Chair: Thank you very much, Dr. Metcalf.

Mr. Roy, how are you doing on time?

Mr. Roy: I'm fine. I'm here for the whole session.

The Chair: Is it okay to take a 10-minute break, and then we can come back for the questions?

Mr. Roy: That would be fine.

The Chair: All right. Then, ladies and gentlemen, we'll break for 10 minutes, and we will be back here at 10:19.

[The committee adjourned from 10:09 to 10:20 a.m.]

The Chair: Now it's 10:20, and we must reconvene.

We have heard some very interesting and informative presentations from our presenters. Thank you very, very much.

Now I will open the floor to questions from the committee members. Members, if you have a question or a comment to make, please give me a signal, and I will add your name to the speakers list. We will start with Mr. Dorward.

Mr. Dorward: Well, thank you very much, Mr. Chair.

Ms Pastoor: Excuse me, Mr. Chair. Could I get on the list?

The Chair: Yes, you can.

Ms Pastoor: Thank you.

Mr. Dorward: Actually, I would like to ask Mr. Roy a question. You gave the first presentation. We heard some wonderful information. I would like to thank all five of you for the information that you gave. I'm going to have to go back to *Hansard* and listen to some of the dialogue that we had here. This is outstanding, pure information.

Mr. Roy, do you have any comments on your presentation as it relates to the information that we heard after that? Was there something that twigged to you to say, "Okay; that substantiated something I said," or "I could have said it a different way"? Any thoughts come to your mind after you heard the other presentations?

Mr. Roy: A few. First of all, I'll make the comment that unlike those from the Van Horne Institute and TEMS, I haven't had the benefit of studying the economics of this project myself, so I'm very much reliant on the information that's been provided.

What I can comment on is that I think that, in general, with these types of projects there is a great deal more risk than people anticipate at the time of developing forecasts and at the time of planning capital costs. It's not to say that the work hasn't been done very well – I'm sure it has been – but looking globally at high-speed rail projects and studies leading to them, it's not uncommon for actual ridership to not materialize to the extent that had been forecasted, which could create a financial challenge for a project, but at that point that project is quite far along, and what's happened in a lot of jurisdictions is that governments have either had to subsidize to a greater degree or take over the project entirely, which has happened.

As far as PPPs, I would make this comment. The potential for a public-private partnership exists, in my view, whether or not the revenue from the operations of the service, from ridership revenue, i.e., from money that people pay to ride the train, is sufficient to cover operating costs. Clearly, for there to be a commercial business case and for a PPP to make sense, there needs to be a source of revenue that will justify the interest of the private sector in taking this on and operating it as a PPP. Having said that, some of those sources of revenue can come from government as they do with a lot of transit systems in Canada as well as globally that operate on a PPP basis. I had mentioned availability payment structures in the past.

Just one comment. You know, there has been a lot of talk about speed. I made the comment earlier, but I do want to reiterate that I think frequency is often overlooked in these discussions. Frequency is, in my opinion, as important as speed. Clearly, being able to get from one point to the next in very low time is important to the attractiveness of a service, but having that service offered on a regular basis so that people could just show up at the train station if they need to and not have to wait several hours for a train is something that makes this service offering much more appealing as well.

Those are my general reactions. We talk about major changes and growth and these types of things, but there are major shifts in how the world works as well when we talk about time periods as long as this one. If it was 10 years ago, I wouldn't be joining you via video conference. I would physically take a plane and come and join you, most likely. There is a lot of change in how people travel and interact with one another. There's a lot more happening through electronic social media. You know, these are just changes that in some cases minimize the interest to actually travel between one point and another because you could still interact. I'm not trying to make a big case for some futurist scenarios, only to say that the future is unknown, and this is really an exercise in trying to take a best guess at what the future looks like and then making a decision on that basis. But it is just a best guess and perhaps one informed by scientific forecasting. Nevertheless, there is quite an art to this as well, and nobody has perfect vision for the way forward.

The only last comment that I would make is that I'm personally a fan of high-speed rail. I think it's a good way to move people around, but it shouldn't be viewed in isolation, as just one high-speed rail service. It should be viewed as part of a broader transportation policy in terms of the role of rail in moving people within, in this case, the province of Alberta and how the other modes interact with that and the cost of using other modes.

I've got other thoughts, but I'll perhaps limit it there for now in terms of initial reactions.

Mr. Dorward: Thank you.

Now, Mr. Chair, if I could just make a comment, and then maybe it can form some part of some discussion in the next while

here. I think it's important in our report that we have a very long-term view – I've said that before – and try to make sure that we capture comments that have to do with decades out and put them down in our report so that people can come and not just think it was done, but they actually want to take it off the shelf and use it for a launching point for the next exploration that needs to take place in the future.

I personally so far have not heard enough evidence that with a population of 4 million people, we're ready to jump on this. I certainly appreciate the things that Mr. Brawn said relative to the corridor idea. However – and here's the comment – that seems like: build the corridor, take a few decades to try to piece that together and have it for a more fulsome channel, if you will, for things like high-speed rail and other things. But then you push it out, and the population of Alberta is now 10 million, and we're ready for that, and we have that corridor. It's kind of like having: "Man, why wasn't Whyte Avenue three more car lengths wide? Why didn't they think of that?" Well, we need to think of that now. So we need to think 80 years forward in Alberta, not just 20 years but even 80. That corridor is a piece of that puzzle. My question is: will people even be travelling on the ground in 80 years?

Anyway, I'll just leave that right there.

The Chair: That's a good question.

Mr. Rogers.

Mr. Rogers: Thank you, Mr. Chairman. I, too, want to thank all of our presenters. Certainly, some very good information was shared with us this morning, very encouraging of the opportunity for the future. Again, like others, we are talking about something that is going to benefit my children and their children as we look ahead and lay some groundwork.

Ms Watts, in your presentation – and I don't want to get into a lot of detail because I realize this is a high level, but it struck me. If you can give me just some brief comments. When you spoke of the quality of the types of systems we might use, you mentioned the types of systems used in Europe versus what Transport Canada would be typically comfortable with, I think. Maybe you can clarify in terms of a lighter structural type of a vehicle. I'm just wondering about the concern for safety.

However, I was in Germany this fall, and I rode on some of these types of vehicles. I know I've ridden on one at least up to 200 kilometres an hour, and they seem to function on a track – I was in Munich and back and forth going into town waiting for the rail, and I did notice freight going by and then the high speed going by, so it seemed to be a mixed operation there. I'm just wondering if that's not common and why we wouldn't maybe be able to do a better utilization here if we did move forward with this. I see some opportunities. For example, we have companies like FedEx and UPS moving freight very quickly across the country, but what about the opportunity to move information, packages, and so on, large documents, large packages between Edmonton and Calgary with a mixed-type system?

10:30

Ms Watts: Okay. Well, first, you asked me about technology and differences between North America and Europe. In the CPCS presentation, actually, the second page, they have some pictures, and of those the Acela is the only existing train that has been in operation that meets North American standards. It is all about the structure of, basically, the vehicle. There is a box at the front, and it's the rigidity of that box in order to withstand impacts in a situation where they are in a mixed freight-passenger operation.

What you find in Europe and also in Asia is more the type that you see in the Talgo system or even the TGV, and there are other examples. There are Korean, Japanese; you name it. Those are typically much more lightweight, aerodynamic types of trains. There have been more of them purchased, quite frankly. They're much more prevalent in the market if you look at high-speed rail. Now, that's not to say that Siemens or some of these other companies would not be willing to beef up their models of trains to operate within North American standards, but it does add weight to the train and also cost. So there are two elements. Your cost of acquisition is going to be higher, your cost of maintenance on the track will be higher, and also your operating costs will be affected because of fuel consumption or electrical consumption and potentially in terms of some of the speed aspects.

Mr. Rogers: Heavier vehicles, less speed.

Ms Watts: That's correct.

Now, you mentioned mixed freight and what you saw in Germany, and that is correct. As I said, there are pluses and minuses about sharing the same track with freight operations, conventional freight operations. What happens there is, of course, that the high-speed trains are going to be limited in operations because the freight trains operate more slowly. Conventional freight trains are not high-speed trains per se. Secondly, they are much heavier because they're carrying these kinds of loads, and that has an impact on the rail and operating costs of maintenance, so there's a downside to it.

Now, in France they do have freight trains, La Poste, which is the post, and you talk about that. They have, actually, a high-speed TGV train that carries mail between Paris and Lyon and whatever. They have a high-speed train that is a freight train and does not have those impacts in terms of maintenance or operational costs. So it's definitely a trade-off if you want to have mixed operations. It's not to say that it can't be done, but there are those trade-offs.

What I did mention in my presentation was that we have not included on the revenue side in our analysis any revenue stream from packages. Now, it would be totally possible to have FedEx, Canada Post, anyone who wants to put light freight packaging onto a fast train . . .

Mr. Rogers: On a fast train?

Ms Watts: Correct. It would just be a matter of the design of the system and what you wanted to do.

Mr. Rogers: Thank you so much.

The Chair: Thank you, Mr. Rogers.

Mrs. Sarich.

Mrs. Sarich: Thank you very much, Mr. Chair, and I'd like to thank all the presenters this morning for their body of knowledge on the subject matter and the information shared to all of us.

I think I'd like to start. Mr. Brawn, you had asked a very interesting question in your presentation, which is: what is the line? If I could just provide a little bit of perspective from a presentation that occurred at the last meeting of the Standing Committee on Alberta's Economic Future, on January 29. In some of the materials there is mention of CP Rail, and CP Rail actually was one of the presenters, and we also had CN. The line that we're looking at is Edmonton to Calgary or Calgary to Edmonton and what happens in between.

Some of the thoughts and facts that were presented to the standing committee: I'll just highlight a couple of them from CN

and a couple from CP and then ask my question. CN suggested that on that line, Edmonton to Calgary, there are 27 communities, and many of the communities go right down the centre, so that rail goes right down the centre of those communities. There is no passenger traffic on the line for CN. The trip between that line is eight and a half hours. They even asked the question: who would want to travel on that line because the top speed of that line for CN is approximately 40 miles an hour? They did, however, say that they do partner with other service providers, which include Via, GO in Ontario, and AMT in Montreal.

CN stressed that one of their major issues, because of the communities that that line goes through, is safety. There are a lot of rules, regulations around giving notification that the train is coming through the community.

Then I'm moving on to CP Rail, which has been noted in some of the presentation materials today. That same line, from their perspective, is about 180 miles of track, and their train speed is 55 miles an hour, and that's at top speeds. They also commented that they pass through every community that the highway passes through.

There was a comment by both of them about the crossings. From CN's perspective, they had 166 public railway crossings with numerous farm and private crossings, in total approximately 290 at grade. That's why they also wove into their presentation the issue of safety.

Just to finish up with the CN points, in their humble opinion, any higher speed rail services would require proper grade separation away from their lines because they carry freight, and they're not set up to do the passengers.

Both of them had made comments that there isn't any public passenger rail service in Canada that consistently provided profitability to the jurisdiction, meaning government.

We have also received presentations thus far that have indicated that when you look at high-speed rail in jurisdictions around the globe, typically they are subsidized by government, not only for the infrastructure but for the operations. I think, to the best of my recollection, there might be one or two, you know, that have a better financial situation. The financial or the economic benefit was highlighted to us.

My question. Given the presentation of these facts from CN and CP Rail that there would have to be consideration of a totally different type of infrastructure approach or massive upgrades even if considering an existing line, when you tie that into the cost, I am struggling with some of the numbers because I think you have presented something that is very low compared to presentations or information that we've received. It has ranged anywhere from $3 billion to $20 billion plus, plus, plus. I'm wondering if there is a comment, maybe from Mr. Roy and the other presenters that are here with us today, about the actuality of economic benefit given that there would be a massive amount of things that have to transpire from the infrastructure, land acquisition, even environmental. It just doesn't seem to add up with the numbers or the things that you're presenting today.

Mr. Brawn: If I could answer that just for a moment, because I would be a proponent of the greenfield operation.

Mrs. Sarich: Okay.

Mr. Brawn: I would suggest that both CN and CP, whose traffic between Calgary and Edmonton is unit trains or large trains – and I don't think they stop in any one of the communities frequently, anyway. I would think that you would build a freight line along with the high-speed rail line, and all the level crossings would have to be there, were all put in place with that kind of infrastructure.

10:40

I think the answer is the greenfield route because you can build economic units along that line, and the rail time for freight would be considerably reduced for them, and it would be a real benefit to CN and CP to move their trains a lot quicker. I think that thinking about the slow-speed line is not the way to go. We should be talking about the higher speed line.

Mrs. Sarich: Mr. Brawn, I really appreciate your comment because it was pointed out by CP. They have a view of the future, too, for the province, you know, like in trying to be supportive in terms of the information that they're providing to the standing committee. They had commented that the upgrades to signalling and switching systems for passenger travel, as you're pointing out if you're favouring the greenfield approach, would also economically cost a lot of money.

Mr. Brawn: If they went on the existing line.

Mrs. Sarich: No. If it was even separated, because it would have to be all new technology.

Mr. Brawn: Well, I think that's the greenfield approach, all new technology.

Mrs. Sarich: Okay. Thank you.

Mr. Wallis: Mr. Chairman, with your indulgence, I suspect a couple of members of the committee would also like to . . .

The Chair: Yes, please. I would like to remind committee members and the presenters to direct their comments to the chair in the future. Thank you.

I have Mr. Roy. I think Mr. Roy would like to answer Mrs. Sarich's question.

Mr. Roy: Sure. Just a few reactions. There's no question in my mind that if you want high-speed rail, there has to be no crossings. It has to be totally fenced off, totally separated from any interaction with the road system, the pedestrians. There has to be no interaction whatsoever. That's, in my mind, basic for high-speed rail. There's really no alternative to that, surely, in the types of speeds that we're discussing.

You mentioned subsidy. The comments made by I believe it was CN are correct. We've looked at subsidy levels for various inner-city passenger operators, in most cases not high speed, including Via Rail. I'm not aware of any segment of the Via Rail system that is profitable. There may be potential for a recovery of costs on the Toronto to Montreal route, but keep in mind that that's a corridor of over 10 million people.

There is in the U.S. some profitable operation perhaps or at least the Acela line in the New York-Boston-Washington corridor that does cover its cost. But these examples are fairly limited globally. In the U.K. there are certainly examples of lines that do operate on a commercial basis above the rail, but in most cases the access to the rail infrastructure is subsidized, so there's not a great deal of contribution to the capital cost of the infrastructure, certainly not complete coverage of the capital cost.

My sense is that in the context of Alberta it would be very much the same case. I'm a bit surprised to hear discussion of payback periods. My gut sense is that there is in the long run a payback, but it's an economic one. It's not a financial one.

The Chair: Thank you, Mr. Roy.

Mr. Wallis.

Mr. Wallis: Thank you, Mr. Chairman. That was a great question, and I know that Ms Watts and Dr. Metcalf would like to respond as well, with your indulgence.

The Chair: Ms Watts.

Ms Watts: Thank you, Mr. Chairman. Just to further elaborate on Mr. Brawn's response, first of all, in terms of the costs that we looked at in the 2004 and the updated studies, it assumed, number one, that the greenfield options would be completely fenced. The largest part of the construction cost deals with grade separations and with requirements to provide access for farms and so on and different modes, whether it be an underpass or whatever.

Those are details; nevertheless, they were costed in and factored into the costs for those particular cost estimates. Having said that, in terms of the range of costs that you've heard, I tend to think that people then go to the very extreme of looking at – for example, in China, most of their high-speed rail systems are on above-grade structures. That would not be appropriate in this particular environment.

Again, you may hear of a very large range of existing systems' construction costs, but you have to address what is the most appropriate, comparable. I think the low end of the European would be comparable and perhaps a little high for Alberta. The estimate that you have before you, just over $5 billion, is around $17 million per kilometre. That is at the low end of the European. As I said, I think that there are further economies that could be brought into that estimate.

You also mentioned the profitability. In our analysis, when we looked at the ridership and revenue – Dr. Metcalf has done so as well – we did find that given the estimates of operating costs there was an operating surplus. In other words, within a year you could cover the operating costs from the revenue stream that we anticipated.

To comment on others, yes, Acela does make a profit and also in Europe TGV. Of course, TGV started in 1981. They have 30 years of experience, but what motivated them to expand on their system was the fact that it is profitable.

The Chair: Thank you.

Dr. Metcalf: Mr. Chairman, just a couple of comments. Firstly, when you go to Europe and you see freight and passenger trains running together, you often see that, in fact, the high-speed lines are separated from the freight lines. Typically with British rail the high-speed lines will be the two centre lines, and the freight will be on the outside. If a freight train goes past, you won't necessarily recognize that it's actually on another, slower line and isn't on the high-speed line. When we run high-speed lines, we run so many trains a day that we can't possibly put the freight trains on our tracks, so CN is completely correct when it says that what we're talking about for Alberta is not, you know, getting the CP line and spending a few dollars, $4 million a mile, and bringing it up to a 110-mile-an-hour operation. We're talking about talking a greenfield route, spending the $5 billion to $7 billion dollars associated with building that infrastructure, and then basically running a high-speed train system on that.

The number that's been produced by the Van Horne for a 200-mile route of $5 billion is very comparable with the number that we've just produced, for instance, for Hampton Roads through Richmond to Washington: 200 miles, $7 billion. Atlanta to Charlotte has just been produced similarly, about that kind of number. What we're talking about is a greenfield route that's going to cost $7 billion, and any intermediate operation is going to be very substandard.

Now, the reason speed is important is that speed basically gives you the ability to make an operating profit. If you go, like Via does, less than 100 miles an hour, then you are always going to be subsidized. The difference between Via and Amtrak is that the federal government in the U.S. put a lot of dollars into the northeast corridor, allowing it to do an average top speed there of, like, 150. They don't actually do 150. They sort of run at about a 125 average, and they make an operating profit. Anybody who gets a line like Acela, even if they're Amtrak, which isn't thought of as being the most efficient operator in the world, will make an above-the-line profit, an operating profit. So there's no reason to believe that if we build a $7 billion track, we won't make an operating profit. That is not right. If we take the CP line and try to tart it up, then we're going to make probably a go at only, you know, 50 miles an hour; we're going to make a thundering operating loss, no question about it. So that's the reason speed is important.

High speed means above 110 miles an hour. If you're not doing above 110 miles an hour, you can make an operating loss, but there's no way you're going to make an operating profit if you're not doing at least 110 miles an hour. The rule of thumb for high-speed rail planning is really that you've got to do that. Now, the reason we emphasize speed is because with speed comes the frequency. If you look at most of the studies that are done, the 50-odd studies that we've done around North America, basically if we're talking about 110 miles an hour, we're talking about eight to 12 trains a day. If we're talking 150 miles an hour, we're talking 12 to 16 trains a day. If we're talking 220 miles an hour, we're talking about basically 18 to 24 trains a day.

10:50

So there's a direct correlation between speed and frequency, and you can only have frequency if you have a big enough market to justify carrying the traffic. You've got to have a big enough market. We have waited for the Alberta market to mature from the 1980s, when you were too small to have high-speed rail, to today, when you are in a position where you can have high-speed rail if you want it, because your market is big enough.

I'd like to say three things about the market here. A lot of people – and there was some stuff in Ontario in the newspapers about 4 million people not being enough and all this kind of good stuff, but the reality is that this market is a very unique market. It's really different from a lot of the markets around North America. Certainly, it's different from central Canada. You know, when you live in Edmonton and Calgary, the nearest places to go other than Edmonton or Calgary are a long way away, so that encourages people to go between Edmonton and Calgary because they're the only places you can go. I mean, yes, you can go to Banff, and, yes, you can go to Jasper, but basically if you want a trip away from your own town, the easy weekend is to go to Calgary if you're in Edmonton and Edmonton if you're in Calgary.

The second thing is that your industrial structure is such that basically your government and your business has been separated into two groups. They have to communicate with each other, and basically that increases the traffic in the corridor.

Then, thirdly, the growth of trips in this corridor. We are not talking about satisfying a market of 50 million; we're talking about satisfying a market of 150 million by 2050. Essentially, you're growing so fast that if you do not build a high-speed train, you are going to have to put in highway 2 again, complete, in order to satisfy the market for travel in this corridor. You know,

you have a choice. You can build high-speed rail, or you can build highways. Which are you going to do? Are you going to increase emissions and deal with your congestion that way, or are you going to build high-speed rail because high-speed rail will give you a lot of policy benefits, that I discussed earlier?

I think that what you've got to do is, firstly, recognize that you've got to bite the bullet. Six billion dollars is a lot of money, but $6 billion can be met through basically a PPP if you combine government and private-sector money. That is really the key for you. Why I emphasize the PPP is because I don't believe the government will do it all on its own but as a PPP in the Florida model, where they had eight people, where eight consortia were willing to bid and put in the money. Just as your highway system had PPPs, there's no reason why high-speed rail shouldn't have a PPP, and you can do it if you want to.

The Chair: Thank you, Dr. Metcalf.

Ms Pastoor.

Ms Pastoor: Thank you very much. Some of the stuff that I wanted to talk about has already been mentioned. The actual resolution that came out of these conversations was the fact that we would like high-speed rail in Alberta to be built in phases. Unfortunately, all I've heard this morning is about the fact that people actually believe that Edmonton and Calgary are the centre of the entire universe. I, coming from Lethbridge, would like to point out that the agricultural industry is the second-largest revenue maker in this province. In fact, it outbids the oil sands, not traditional but the oil sands.

So I would like to ask why there's been no mention, not even thought of at least looking at a high-speed Fort McMurray-Edmonton corridor. Again, perhaps you'd need the two rails, freight and people, but there is a tremendous amount of people being flown into Fort McMurray every single day. I sit in the same airports when I see these airplanes fill in and out. The point is that they don't want to live in Fort McMurray. Their families do not want to live in Fort McMurray. They want to be out in rural Alberta.

I know that Margaret Thatcher certainly probably wasn't known for her great ability to think about people – it was sort of all about money – but I guess that would be my point. Is there not any other phase that could start the process? Clearly, in 50 or 60 years from now this province, hopefully, would be crossed with more than the magic bullet between Edmonton and Calgary.

You spoke about private and public. The private wants a return in 36 years, but the public, I think, could wait 50 years for their return. It is a different funding model that private uses as opposed to public, and the public good would be met with this high-speed rail.

I happen to be a big fan of high-speed rail and think that it should come, but again I'm not necessarily tied to the Edmonton-Calgary corridor. I think that we have to look at quality of life and look at how much land we have around the magic circle and that people live there. So how do we move these people to their jobs so that, in fact, their families can stay there? We will be moving a tremendous amount of agricultural product. Would these be the type of products that could go on a reasonably high-speed freight line? Just a couple of questions. Just another comment that I'd made once before: I know that Bill Gates and Steve Jobs did not use this amount of time when they actually changed the world forever.

Thank you. I'm sorry that I'm not there. It's so difficult to do this by a teleconference.

The Chair: Mr. Brawn, do you want to take a shot at it?

Mr. Brawn: I would point out that in my comments I said that we should look at corridors all over this province.

Ms Pastoor: I did. I heard that. I don't know who you are, but thank you.

Mr. Brawn: Oh. It's Bob Brawn.

Ms Pastoor: Okay. Thanks.

Mr. Brawn: And I would say that Fort McMurray certainly would not be excluded in those comments. You're correct that there are a lot of people being moved in and out of Fort McMurray at the present time, so I can see no reason why – I think we're spending a billion dollars on highway 63. Here's another way to move people into that area.

The Chair: Thank you.

Ms Pastoor: That's my point. I thank you for that. But I'm just wondering if anyone has given any thought to that at all other than just, you know, to say: yeah, that that sounds cool. Has anybody actually done any numbers?

Dr. Metcalf: It's quite a long way to Fort McMurray, and certainly with the notion of high-speed rail, probably the answer British rail would have given is: come back in 2050.

Ms Pastoor: You have to start now to get it by 2050.

Dr. Metcalf: Right. But in terms of getting passenger rail to Fort McMurray, one of the things, I think, is that – we have recently worked for Sunoco on the Fort McMurray transit system, helping them straighten out their bus operations up there – they are very anxious to see if there is potential for rail connections to Edmonton and Calgary. Certainly, I think that, you know, the partner that would be potentially available to the province would be the oil companies, and the oil companies could well be interested in some kind of system.

I don't think you'll get high-speed rail before 2050, but one thing about the rail industry is that the technology of the rail industry has been evolving tremendously fast. You know, the train today is not at all the same as the train in the past. As a result, the technology has just wowed me because it keeps on evolving, and essentially the new trains, that can do 240 miles an hour as efficiently and as effectively as the old trains could do 150 miles an hour and the older trains could do 125 miles an hour, are just amazing.

Of course, as you know, there are faster steel wheel and faster technologies out there for the future, but the economics, the Margaret Thatcher economics – one and one has got to be two – say that basically it's going to be quite a few years before we can put high-speed rail to Fort McMurray knowing everything we know today. But you could have a number of trains, particularly on the weekends and during the week up there. Because they may have to be subsidized because they won't be going more than 125 miles an hour – but they might be doing 100 miles an hour – the great partner you could have would be the oil companies, and I would suggest that you talk to them so that they basically recognize that they could be a private-sector partner with the province in terms of moving forward.

Thank you.

11:00

The Chair: Thank you.

Ms Pastoor: If something like that happened, at least you'd have land put aside.

Dr. Metcalf: Yes.

The Chair: Yes. Thank you, Bridget.

Ms Pastoor: Okay.

The Chair: Mr. Wayne Cao.

Mr. Cao: Well, thank you very, Mr. Chair, and thank you very much to the lady and gentlemen presenting excellent information. I learned quite a broad scope of opinions, facts, and research. I have, in fact, three questions here. One is maybe for Dr. Metcalf. You're more on the economic side and numbers projection and so on, and that brings me back to existing businesses like the airlines. When they introduce a new route – right? – they talk about ridership frequency and economic payback. Is this anything similar here? To me, within Alberta flying is a short leg for airlines like WestJet and Air Canada. They jump in with their new small aircraft and transport people. On the economic side is there something similar here with this high-speed rail?

Dr. Metcalf: The answer to that is that the models we use to forecast high-speed rail are actually the same models we use to forecast air travel. For example, the algorithms that TEMS uses for high-speed rail are exactly the same algorithms that were put into American Airlines' Sabre system to do the forecasting of passenger traffic for the airline.

The big issue for the airlines is increasing oil prices. If oil prices keep increasing, it becomes more and more uneconomic for airlines to fly under 300 miles. They lose money consistently as oil prices go up. It's such a large proportion of their costs compared with rail, for which it's a relatively small proportion of its cost. So the economics of high oil prices make it more and more difficult for air to be competitive. Our prediction is that air is going to go to an average trip length of 700 miles for their flights because of increasing oil prices. If oil prices go up much more, it will be extremely difficult for the airlines to maintain service for short distances like 200 miles. They're not going to do it. It's just going to be too difficult, and they're going to cut off those routes. So our view is that if oil prices rise further – you know, there is a great expectation because of India's, Brazil's, and China's markets expanding – then, in effect, air has become more and more uncompetitive.

The great thing about rail over air is that rail can stop at small communities along the way. You know, basically, for instance, Red Deer is in all the plans. But it would be possible when you have 24 trains a day in both directions, as proposed for a 220 system, for two or three of those trains to be milk trains and to stop at communities along the way, to stop at places that the express trains don't stop. So we are saying that not only does rail have the advantage over air in that higher oil prices are going to support high-speed rail, but it will also benefit the communities because rail will introduce service to communities that long ago lost jet service. That's where we think the trend is going to be.

Mr. Cao: Okay. Thank you.

May I ask a question of Mr. Roy?

The Chair: Okay. Go ahead.

Mr. Cao: Mr. Roy, thank you very much for a comprehensive look at almost everything in your view, which is great. You touched on the political side of it in one of your slides. You said that this thing could go on for more democratic election terms – right? – taking longer to build and so on. So from that perspective, on the political side, do you see anything – I'm talking purely political – from the experiences of other jurisdictions where the government got in there and did things and then it failed or succeeded, whatever, in terms of the political impact to the government decision-makers?

Mr. Roy: I'm a little bit out of my element on politics other than to say that, you know, I believe that with all the information that you have before you, at the end of the day, this is a big political decision. It's a long-term political decision, and it's one that's based on your vision, as I said, for the corridor.

Yes, there have been high-speed rail projects that have been big political problems. If you look at what's happening in California now, they are building part of a high-speed rail project which is anticipated to cost $68 billion. They haven't really figured out how they're going to connect the two ends. It's unfunded, so there are some major political constraints or issues around the whole funding question. I'll cite Taiwan as an example where the service ridership did not materialize to the extent forecasted. The company, that was a private company, that was operating the above-rail service was close to bankruptcy, and the government had to take it over, which is likely very embarrassing. Having said all this, there have been examples where high-speed rail has been a big success. We talked about the northeast corridor in the U.S. with the Acela service. That, as I see it, has been a political success. There have been a number in Europe as well.

You know, it really is a broad question, but I keep coming back to this issue of tying high-speed rail or rail transport generally within the broader question of transport policy and how you want people and things to move around in the long term and then making investments on that basis and creating incentives and disincentives to using the system in a way that's consistent with that long-term transport policy.

Mr. Cao: Thank you.

Mr. Chair, can I ask a small one of the Van Horne Institute?

The Chair: A really small one. I have a long speaking list.

Mr. Cao: Okay. Just to be fair, three questions to three groups.

I think Mr. Brawn talked about a greenfield operation and all that, and you have the cost of operating. My question is: do you envision that this would be an authority that runs the rail line in partnership with operations? How would that materialize?

Mr. Brawn: Yes, I think the development of an authority similar to the airport authorities, with lending power to Alberta municipal finance could be a good form of governance for this type of operation.

Mr. Cao: Thank you.

The Chair: Are you done, Wayne?

Mr. Cao: Yes.

The Chair: Thank you.

Mr. Roy, please feel free to jump in if you feel that you have anything to add to the discussion. Just let me know, and I'll recognize you.

Mr. Roy: I'll put up my hand.

The Chair: Thank you.
Mr. Stier.

Mr. Stier: Yes. Good morning and thank you. Again, as others have said, fabulous information this morning and I appreciate very much having had the privilege to be here to listen to it. As you may or may not know, presenters, I'm from southern rural Alberta, and I have a large rural background.

Perhaps I'll start with Mr. Roy, if I could, Mr. Chair. The report that you did for the Alberta Association of Municipal Districts and Counties is a very thick and complex document, and it has an awful lot of information to it. I just wanted to dig into that a little bit if I could, since I have you here, with respect to the impacts of high-speed rail on rural Alberta. It may not have been in your presentation this morning to the detail that I'm seeking, so I'm asking you now, Mr. Roy, if you could perhaps enlighten us. When you did some of that work, could you tell us what types of questions and/or surveys you did with municipal officials for a greenfield alignment such as what you've got on your map and what their reaction was to that?

Secondly, if you didn't mention it today, I just wondered if you'd like to comment a little bit more on the preference in that regard, especially when we have the farm equipment we have today and the amount of underpasses, overpasses, and so on and so forth.

Mr. Roy: Yes. Well, maybe just as a talking point, if you have my presentation in front of you, on slide 11 I've provided a summary of the impacts of the three alignment options purely in terms of magnitude designated with these little black triangles. We did look at the rural greenfield alignment, the highway 2 alignment, and the CP Rail alignment. This was done through consultations with rural municipalities, with rural stakeholders, including farmers and various industry groups that represent rural interests. What we wanted was to get a sense of how these three alignments compare in terms of implications for rural communities, and what we found was that there are a number of different types of impacts, things like emergency vehicle access, for instance.

11:10

In the rural greenfield alignment, because we are talking about a fully separated alignment, they would have to close off a number of small rural streets and private crossings, which could create some challenges for getting ambulances and police vehicles and fire trucks from one side of the alignment to the other. Just by way of comparison, if the alignment was along either highway 2 or the CPR, it would still be separated, but there would likely be a lot more road rail crossings that would be grade separated, where you could move emergency vehicles. In that respect, the impacts were greatest for the rural greenfield alignment although probably the least costly to mitigate.

Things like – and you alluded to it – moving combines from one side of the rural greenfield alignment to the other are an issue. As you know, combines are not cheap, and they do tend to use them to spread over a large area, and that does involve moving this equipment back and forth. If you were totally separating an alignment, then you could create complications and major detours for having to get that equipment from one side of the alignment to the other, and then you've got practical issues in terms of the height of the clearances at road rail crossings where they do exist. They would of course be separated, so it would be either bridges or tunnels.

You know, it's hard to value or to quantify, but there are all sorts of social and environmental issues around wildlife, noise, and vibration, and we looked at those impacts in terms of the impact of high-speed rail on the three relative alignments as well as on planning. I do want to highlight the planning and administrative types of impacts. As you saw on the map, there are a number of planned areas for growth. It's very difficult to plan for growth when there is this uncertainty of where this line is going to go, if it's going to pass through a particular community. It creates a risk and an unknown for municipal planners in rural and peri-urban areas outside of Calgary and Edmonton.

The long story of this analysis, which is summarized in that report that you've described, is that the rural greenfield alignment is probably the alignment that would overall minimize the cost of the development of the system, but it does create all sorts of other impacts that would have to be mitigated, that you wouldn't have to deal with in the alternative CPR or highway 2 alignment. Having said that, in that report we did cost out what some of those things would cost. Again, the intent was to really form a dialogue around minimizing or mitigating the impacts of high-speed rail on rural communities.

Mr. Stier: Okay. Through the chair, if I could continue . . .

The Chair: I think Dr. Metcalf would like to add a point.

Dr. Metcalf: Yes. Mr. Chairman, on a point of information, one of the things that was mentioned was the high-speed rail in California costing possibly $60 billion. The reality is that if they build the airports and the highways that would basically be needed if they didn't build high-speed rail, they're looking at a bill of $160 billion.

The issue is: what is the alternative to high-speed rail? If it's a highway, what we're looking at is a corridor that's much broader than the corridor for a railroad. A railroad needs only an 80- to 100-feet-wide right-of-way. A highway typically will take, say, for instance, perhaps as much as 200 or even 300 feet of right-of-way because, basically, the land is bought up. As a result, the ability to cross and, therefore, to isolate communities is much greater with a highway than it is with a railroad. Crossings of railroads can be built relatively cheaply, you know, $2 million to $4 million crossings, whereas crossings for roads will be much more expensive.

The answer, if you're looking at future infrastructure – and let's be clear. All future projects are based on forecasts and cost analyses. The bridge between Ontario and Michigan is going to be based on the same kind of forecasts as we're using here and the same kind of cost information, so we're not facing any more risk than they are with their bridge. The fact of the matter is that the high-speed rail will have a much smaller footprint than the alternative highway, and it's the highway option that will also create the maximum of pollution emission and further congestion because highways are very congested.

What we're saying is that you've got to keep a balanced view about this. You can't simply say: well, it's $60 billion in California for the high-speed rail system. Yeah, it may be $7 billion for the high-speed rail system in Alberta, but the alternative, if we build a highway, is probably significantly larger. Really, what we need to understand is that when we talk about Alberta's future, what is the alternative that's most cost-effective given that we're talking about tripling the traffic between now and 2050?

Thank you, Mr. Chairman.

The Chair: Thank you.

We have a very long speaking list. I would like to limit the questions to one question and one supplemental, please. If we have time at the end of the list, we will go back.

Please go ahead.

Mr. Stier: Okay. Just a supplemental to what I was asking Mr. Roy about, with respect to the rural situation. I'd like now to direct a question to Ms Watts if I could. Similar to MLA Sarich's comments, I was curious about the dollar figures that you had mentioned and so on. In your presentation you mentioned land acquisition and expropriation and it being much less if that kind of approach was pursued in many cases, et cetera. I'm just wondering: did your figures include land-acquisition costs and compensation in all respects to investors, landowners, farmers, ranchers, whatever the case may be? Was that in your estimates, please?

Ms Watts: Yes, they are in the estimates, not necessarily in the property figure. They would be embedded in some of the other figures in the construction because of environmental mitigation and so on.

Just to go back to Mr. Roy's table, yes, these are all potential impacts, and those would all be the classic things that, when you went forward with building a system like this, you would address through the engineering and find the optimum solutions. Obviously, there's a cost and a price tag associated with it. That is the difference that you see in the estimate range that we showed.

Mr. Stier: I see. Okay.

I will yield my time now. Thank you, Mr. Chairman.

The Chair: Thank you, sir.

Mr. Dorward: Dr. Metcalf, the scenario that you gave us: I have some difficulty with that in the mutual exclusivity of the highway versus the rail. We have to in the report grapple with that issue, and you, I think, shied away from that largely.

I will drive down to go to southeast British Columbia with my golf clubs regardless of whether there's high-speed rail. I'm asking the question of the group. Has there ever been a study of actual folks moving about saying, "Would that one happen? Okay. That one? That one? That one?" and going through – I don't know – 400 cars or trucks and saying, "Will those people now?" I must say also, even if I'm going to Calgary, I am the kind of person – I know I'm old school – that is going to want to have my briefcase and my this and my grandkid and my thing, and I'm not going to want to jump onto light rail transit or into a cab to get to wherever. I want to drive across town and have a hamburger at – what's that place? – Peters'.

Can you comment on that, please, the mutual exclusivity issue?

Dr. Metcalf: Yes. In the investment grade study that was done in 2006, a lot of attention was paid to how individuals travel in Alberta today and what is motivating them to make their decisions. We call this a stated preference study. A very extensive stated preference study was done for AIT, and essentially what this study did was go out and look at 5,000 drivers, everybody with their golf clubs, and, you know, also I think we interviewed about 800 air travellers and 600 bus travellers, so all of those groups who travel: business, nonbusiness, socioeconomic group, and size of family income, all that kind of stuff.

11:20

The key here is that the one thing that those studies didn't do – okay; what didn't they do? They did not look at things like the demographic changes that are going on in society today. You know, my ambition as a young man was to get a Mustang car and to drive it around like Steve McQueen in *Bullitt.* Young people today are much less inclined to want to be Steve McQueen than I was. Essentially, what they want to do is use their electronic instruments, and the one thing that came out was that, if anything, young people really don't want to drive cars like we did. Driving a car was a status symbol and a sign of your maturity. Young people today really want to be driven and basically play with their electronic equipment, and you can see that from the fact that the ones that are driving are playing with their electronic equipment as they drive. So we can tell that, basically, this trend is for real.

What that means is that people are going to be a lot more open in the future. We know we aren't going to get you, me, and the golf clubs on the train when we want to get that burger at our favourite burger spot, but the evaluation that was done took that into account. Essentially, what we're saying is that we will get 8 per cent of the travellers between Edmonton and Calgary, but we won't get you and me because, basically, we're old school. It's different people like the business traveller who wants to come up to the Legislature Building from Calgary to give evidence because the oil industry is on the mat or whatever. Basically, he will come up by the train, and he will take a cab from the station to the Legislature Building. We will get 8 per cent of the traffic. We aren't asking for 90 or 100 per cent of the traffic. We only need 8 per cent of the traffic in order to be able to create a project that will meet the objectives that Transport Canada has set which will allow us to do a PPP.

Mr. Dorward: So the supplemental is that at 8 per cent we're still going to have to build that awful, 300-metre wide corridor for the Queen E II that you talked about because we're only taking 8 per cent off that. They're not mutually exclusive. We're probably going to need both.

Dr. Metcalf: Eight per cent of the total market but a good point. I mean, there will have to be additional infrastructure built in order to satisfy the 150 million travellers.

Mr. Dorward: Thank you, Mr. Chair.

The Chair: Thank you.

Mr. Roy would like to get in on this question.

Mr. Roy: Just a question of modal preference. I don't think it's strictly a question of generation or a preference for rail versus road or air. I think it really is a broader question. There is great ridership in the northeast corridor in the U.S., but it's also a much more congested corridor. Parking costs an absolute fortune in all of those major cities – Boston, New York, and Washington, DC – so there's a real disincentive to driving. Likewise, in Europe high-speed rail and intercity rail are much more common and have very high ridership, but the cost of fuel in Europe is significantly higher than it is in Canada. Again, there's this relative cost of using one mode versus the next. I really don't think it's strictly a question of: what do I prefer? It's a question of: what's the relative cost to me, and how does that equate into my overall mode selection decision?

The Chair: Thank you, Mr. Roy.

Dr. Metcalf: Mr. Chairman, if I may?

The Chair: Briefly, please.

Dr. Metcalf: I think I was misunderstood, Mr. Chairman, by our friend from CP. What I was saying was that we did not take that into account. We did take all the modal preference stuff into account when we made the decision about what kind of market share high-speed rail will get. But what I'm saying to you is that that probably will turn out to be conservative because of the change in taste that's going on right now between the generations. All I'm saying is that the 8 per cent may turn out to be 12 per cent because we did not take into account the fact that young people basically do not have the same taste choice as the baby boomers had and that essentially that taste choice difference could well prove our numbers conservative in the future. That was all.

The Chair: Thank you, Dr. Metcalf.
Mr. Rowe, you have been waiting patiently.

Mr. Rowe: Thank you, Mr. Chairman, and thanks very much to all of the presenters today. A lot of information to absorb here and good information.

Mr. Stier asked the main question that I wanted to get to, regarding the rural impact. Every presentation that we've had since we started this project seems to mention CP Rail and CN Rail in it as an option. In Dr. Metcalf's benefit-cost ratio the best option is a 200-mile-per-hour train. That on the CP Rail or the CN Rail right-of-way is just not doable. It's just not, so I think those options need to be taken right off the table, which puts us back to greenfield as the logical position we're going to land on eventually, and that's going to have a huge impact on rural Alberta. I'm really looking forward to hearing the AAMD and C's and the AUMA's positions when they appear this afternoon.

Thank you, Mr. Chairman. That's all I had to say on the matter.

The Chair: Thank you, Mr. Rowe.
Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chairman, and thanks to all five presenters. A great information day.

I'd like to start by asking Dr. Metcalf a couple of questions. You spoke quite a bit about supply-side benefits. Personally, I think that when we're prioritizing how we're going to spend taxpayers' money, it's very, very important, you know, when we're reallocating assets from health care, education, social support, or other transportation programs. It puts a great deal of onus on us on how we spend it, especially when we go into P3s with considerable interest costs, considerable maintenance costs, and, in a case like this, potentially considerable risk.

You spoke about the supply-side benefits. Cost-benefit analysis, again, I feel is very, very important, and I'm wondering if, when you considered your supply-side benefits, you thought about how the Alberta construction industry now is at or close to capacity. It seems like with every project we hear about, public cost escalations are high. Oil sands costs end up costing a lot more than the original budget on the oil sands. I wonder if a redirection of the resources to this would greatly reduce your potential benefits because we'd just be creating higher costs, and we'd be taking it from where the activity would happen somewhere else.

I'm also wondering, Dr. Metcalf, if you could talk about: did your supply-side benefits talk about the negative effects on the competitors that are supplying the market now, whether it's air or busing? Then we heard a bit about how the two major cities, never mind the smaller cities, are going to need considerable infrastructure added to be able to accommodate their modes, the places where people can get on and off the train, park their cars, do those kinds of things. I wonder, too, if your supply-side benefits considered that.

Thank you.

Dr. Metcalf: Fascinating question. It's very seldom that people are concerned about the lack of construction capability as an issue associated with, basically, a project. It is certain that a high-speed rail project will require a fair amount of construction effort, and I've given you estimates of the job requirements. I realize that in a province that often runs out of porta-bins, it's quite possible to have problems with the supply side, but the issue is that this has obviously got some significant benefits that are directly related to either the improved efficiency of the system or the costs of construction.

Now, the ones that you should really, you know, worry about are the productivity benefits. What this is doing is preparing the economy very much so for the new industries and the new service opportunities that are going to come about in the future. The reason I mentioned that big firms like Google, State Farm, and a whole bunch of the big service industries are so interested in high-speed rail is because, basically, it helps them provide quality of life – we heard something about that – to their employees, and they see real advantage in that.

In terms of your economy there's no question that high-speed rail will require resources to do it, and we've said, you know, 3,000 construction jobs over an eight- to 10-year period or whatever is going to be required. It will certainly contribute to your growth, it will certainly contribute to your income, and it will certainly contribute to the long-term development of high-paying service industry jobs within the communities. But that analysis is really in terms of, you know: what is the direct reflection of the cost-benefit ratio? What are the resources needed to do the system?

11:30

So if you told me, "Wow. We basically can't come up with 3,000 construction people," then obviously that's a real problem in terms of being able to build a system, and I think it's one that you would have to look at in terms of the fact that you are under some kind of stress with respect to your ability to deal with the construction industry here. I mean, you have a lot of pressures on you. I agree. But if you don't make the accessibility investments, it will then in the long term affect your economy as well. You will then have negative impacts coming on because you haven't been able to provide the kind of transportation investment that is needed in order to support both of your industries.

Thank you.

The Chair: Thank you.

Mr. Barnes: Okay. Thank you.

The Chair: Do you have a supplemental question?

Mr. Barnes: Yeah. Mr. Chair, if I could ask my supplemental to Mr. Brawn, please. We've heard lots from the presenters that maybe we need to have 10 million people to make this happen, where it's economical. We've heard about transportation corridors and that kind of thing, and you mentioned corridors and setbacks and areas for us to get out ahead. I wondered if you or the Van Horne Institute have any numbers, any thoughts to where you think such a corridor should be, what all could be included, how much it would cost, the length of time that would pertain to. It

could be a tremendously expensive proposition all by itself, paying people to, you know, basically sterilize their land if it might be part of the transportation corridor or might not. I wonder if you have any thoughts and numbers around that process, please.

Mr. Brawn: I think the answer to that is that we're looking at an economic benefit, and presumably you'd have to do the legwork to figure out where that corridor is. My off-the-cuff suggestion – and it would only be an off-the-cuff suggestion – would be eight to 10 miles east of the present QE II and come in that direction, therefore making an economic corridor between the two things. I would certainly think that there would be benefits for both CN and CP if they put a freight rail line in there and reduced their time between Calgary and Edmonton for their unit trains. I think from the discussion it was eight hours down to probably the better part of three. Those economics are there.

It is a study that would have to be done. I don't have the answer to costs or anything else, but I think it could be financed through some type of an authority. We're financing 2 and a half billion dollars through the Calgary Airport Authority right now. So I think that's practical, but I don't have the numbers in my head. I'm just a lowly engineer, not an economist.

Mr. Barnes: Thank you for your answer.

The Chair: Thank you, Mr. Barnes.

Was there Jason Luan? And a Happy New Year to you.

Mr. Luan: Thank you, Mr. Chair, and thank you to our outstanding panel members.

I must say that as I was listening, I was so excited. There are so many things that you folks talked about that align so well with what I firmly believe. But you are the experts. I'm going to ask you a few questions just to validate some of my inclination. My questions are going to all of the panel members, but I'm particularly interested to hear Mr. Bob Brawn's opinion because lots of what you are saying sinks very deeply into my head. Basically, my understanding is this. In order to have this magnitude of public infrastructure, we have to look beyond simply the convenience and people's habits, all that stuff. We are talking about a leverage effect to our economic engine. That's the part I was really drawn to, interested in.

The other part is: beyond economics we're talking about environmental protection and other advantages. The way I look at it is pretty much like urbanization. As much as we Albertans – me, too – like the freedom to drive around, a big backyard, and all that stuff, that's not the reality of our urbanization. The whole world is not operating like that. We're just darn lucky because we have the vast resources. We have the land. We have the money. We can spend it. But if we look to the long run, it's not sustainable.

My question is this. I heard some cautions from you, talking about how there are certain jurisdictions where they projected the need, and then the need didn't arise in the right time; therefore, their high-speed investment wasn't giving proper returns. I heard somebody mention Taiwan. I am really curious. Did any of you have any evidence? If not, I would love, when you get back to us to answer this question, any other jurisdiction that we're aware of where they succeeded on this term. The one I'm looking at is an example where governments put into the early investment and within a 10-, 15-, 20-year span started to demonstrate the tangible economic, social, and environmental benefits to their communities. That is something I want to see.

I can tell you that I grew up in mainland China and came to Canada about 25 years ago. At about 15 to 20 years ago China had massive, massive investment into road transportation, high-speed, airline transportation, and Internet. I can tell you from my own personal kind of observation that all of those early investments in infrastructure paid big, big time to the current boom that they are having. This is the reason why I consider China is ahead of other emerging countries, including India and other ones, simply because they are so much better positioned. They saw the vision, they saw the potential, and the government did the right thing for their people.

I very much feel that in Alberta we have a somewhat smaller scale but have a very similar sort of atmosphere. The advantage we have is of our energy sector, our leading role as an economic engine to western Canada and the whole of Canada, and our 100,000-a-year population increase is not going to stop. It's all pointing to a very similar, similar kind of a feeling I had about 15, 20 years ago in China. My sense is that we are fortunate. We're at a critical point that if we get the information, facts, and research all right, we could benefit big time. It's that timing, that expertise, that scientific research plus the vision of our leadership that will come together and make a difference.

My question is to our panel members. Do you have any evidence to support the positive return that I'm talking about?

Ms Watts: I'll be very brief. I don't want to list out a whole series of studies, but probably one of the best examples, or one of the earliest examples, is the TGV development in France, the impacts that it had in terms of the Avignon area and also to Lyon. It basically spawned a tremendous investment in the Avignon area, in particular, of high-tech industries. It has had, obviously, a very big contribution. They designed the service initially for business travellers, but they found that tourism was a big factor in their particular case. So, yes, there have been positive economic benefits that have been demonstrated with some of these projects, and the French example is probably the best. It spurred the French government to go forward and further increase investments and create new lines.

I might add also that there is a business partnership between Air France and TGV, so there are some complementarities between the airline business and high-speed rail.

Mr. Luan: Thank you.

The Chair: Thank you.

11:40

Mr. Wallis: I'd perhaps just add to that, and it would be responsive to some of the other questions we've heard relative to the airline business. Clearly, air service has already, as Ms Watts has said in her evidence, declined between Calgary and Edmonton. In fact, with a high-speed rail service you could see a lessening of that service, but you would see, I believe, partnerships which would occur between the airlines and the operator of the high-speed rail. I think it's important. The point was made by Dr. Metcalf that airline costs are going up, particularly when it relates to fuel, and therefore the sweet spot for an air service now is 700 kilometres as opposed to 250, which is the length we're looking at here.

The other thing I think you should realize is that aircraft are maintained on the basis of cycles, and every time an airplane takes off and lands, it's a cycle. So if an aircraft is maintained simply on the number of times it lands and takes off, then you want to minimize that type of exposure if you're an air carrier, and you really want to have your aircraft operating on routes which are effectively longer. That's part of the airline economics that I think would add to this discussion.

The Chair: Thank you.

Dr. Metcalf: Well, I'm just back from a visit to China and amazed to see the way that they are using high-speed rail as an economic development tool and how they are connecting up their cities and building a huge network that will effectively give them high-speed rail connections between every major city in China. Just absolutely staggering, what they're doing. Their reasoning is that because they know that in the future India and Vietnam and Thailand are going to take a lot of the manufacturing industry away from them, they must move into the service industries. The service industries are best served by high-speed rail.

You know, we built the highways basically because of manufacturing. Manufacturing moved to the suburbs, to the beltways, and to the interstates. High-speed rail is really all about the service industry and the new industries that are being generated by the computer age.

In terms of development we've done two things. One, we've given you a lot of examples of how elsewhere in the world, whether it's London or France or Japan – I mean, any of you who ride the Japanese rail between Tokyo and Osaka will see the huge economic development that's gone on along that line and around the stations. What you do is that you make the stations economic development nodes, and what happens is that you get huge office and housing development. Retail, commercial go on around those stations, and that creates a whole new economic development node for the service industries that are going to be part of that.

Basically, what we have done for this corridor is look at the supply side, and what we're telling you is that if you build a 220 system, which will cost you somewhere between $5 billion and $7 billion, essentially you're going to see $20 billion of return.

Now, economic development isn't something that you have to have. If you don't want to have economic development, you don't have to have it. The advantage of high-speed rail is that it will give you economic development if you want it. If you don't want it, you don't have to have it. The reality is that the reason we're building a bridge from Ontario to Michigan is because Ontario wants the economic development. If Alberta feels that investments in the oil industry are its future and it doesn't need to worry about building a service industry, then, essentially, why would you worry about high-speed rail? But if you want to build a service industry in the future, if you want those high-paying jobs that we all see as part of the economy of 2050, then that's why you would build high-speed rail.

With respect to, you know, as we said already, the rural areas, then, essentially what we're seeing is that high-speed rail can be less disruptive than the alternatives. That's really important to the rural areas. Certainly, I think being disruptive to communities is something we should try to minimize.

Thank you very much.

The Chair: Thank you, Dr. Metcalf.

I'd like to go to Mr. Roy and then back to Mr. Brawn. Briefly, please.

Mr. Roy: Thank you. I'll be brief. I just wanted to react to a couple of comments about air service. One thing to note about air service is that these are profitable businesses. You know, the question of the distance getting longer, where air is no longer becoming commercially interesting: I take some disagreement to that. In Europe you could fly quite short and significant distances for very little money on some of these discount carriers. I, personally, live in Ottawa. It costs me about a hundred and thirty bucks to get to Toronto City Centre Airport by air. I have the option to take Via Rail as well at probably not a whole lot cheaper but at a much greater period of time.

The comment that I think was an important one was on the potential for co-operation between airlines and this high-speed rail service. In a lot of the corridors in Europe where high-speed rail is very successful, there is no air service. In many cases it's as a result of regulation, but in some cases also the airlines like Air France, as has been mentioned, have participated in that.

You know, I think an important point here is that if you're going to move towards less air service between Calgary and Edmonton, you're going to need a stop at the airport, both airports. That will slow down the service, but it will also provide an opportunity for people to make their transits directly by rail rather than air. That has implications for the operations of high-speed rail. It has implications for the profitability of some of these airlines. But, you know, opportunities for collaboration, I think, are what warrant further exploration around this type of concept.

The Chair: Thank you, sir.

Mr. Brawn: Just in dealing with the economy, a bigger economy is probably better than a smaller economy, and high-speed rail would have the ability to tie Calgary and Edmonton together to make it one 2-million-population economy as opposed to two 1-million-population economies.

Mr. Luan: I love that idea.

The Chair: Thank you, Mr. Brawn.

We have one more question. Mr. Eggen.

Mr. Eggen: Thanks, Mr. Chair. Thank you for your presentations here today. I just have two sort of brief questions. The first one – it just occurred to me in listening to the presentations here this morning – is that perhaps we should not just be talking about high-speed rail but rail in general. I was surprised to hear that the transportation time between Edmonton and Calgary for CN or CP is, like, up to eight hours, and they can only make 50 miles an hour. Perhaps we should be looking at building a new corridor for railway in general that can work in concert with a new freight train strategy as well as a passenger strategy, so reducing the transport congestion on highway 2 and then also creating, well, just a new rail corridor that could supply everyone along the way with freight and rail and everything else, right?

Then the other question I have. It's always important to listen, to remember, and to learn from history. I know that there used to be a passenger train between Edmonton and Calgary, and it was quite fast, I think, at some point. Going one direction it was called the Stampeder, I think. Going the other direction it was called the Eskimo express or whatever. I mean, there were trains in history that were going fairly fast.

You know, did we just see the congestion of this corridor evolve over time so that the trains just got slower and slower? Then why did those passenger links eventually disappear? So two things, you know, looking at rail as a new corridor in concert with freight and high-speed rail and/or other transportation of some kind and then number two: what happened to the old passenger trains? Can we learn from that?

The Chair: Mr. Roy would like to say a few words.

Mr. Roy: Sure. On your first point, I probably spend more than 50 per cent of my time dealing with freight issues. Both CN and CP are private businesses traded on the stock exchange. Their model over the past several years has been to focus on maximizing the

utilization of their existing assets. Building new rail lines unless to a mine or a spur to a major industrial site is generally not something that they are very open to unless they see the commercial benefit in doing that. So I think your first question, around a freight corridor, is an interesting one although it would have to be contextualized within this broader picture that these are private commercial businesses. They own the rail line. They own the rights-of-way. Having them just move into a corridor because it's convenient for kind of a broader transport, movement of freight context is something that, I would suggest, would be probably quite challenging.

11:50

Now, I think you raised another good point. You're quite right. There used to be a passenger service between Edmonton and Calgary, and it has been discontinued, so there's perhaps a lesson there. I guess the question that immediately comes to mind is: is that discontinuance of that service the result of service that's too slow, the fact that travel patterns and demand at the time were not quite what they are today, or is there some other factor that would be important in being tuned into as far as thinking about high-speed rail? You know, the past does provide quite strong lessons. I don't have the answer to that question, by the way.

Mr. Eggen: No problem.

The Chair: Okay. Thank you.

Ms Watts: Just to echo what Mr. Roy said about CN and CP, very definitely they have specialized in freight carrying, and they are renowned around the world, globally, as the most cost-effective freight carriers bar none, and he is correct in terms of the areas of their business that they are pursuing in terms of direct investment.

Having said that, whether they would be interested in an upgrade of their rail line – for CP we did look at it in 2004. They saw some merits in the business case where basically they were taking an 1800s built from the prairie type line – it was very old – and double tracking within their existing right-of-way, so they would have had the benefit of an upgraded rail freight line in conjunction with the passenger service. But I've already alluded many times to the pluses and minuses of that, and it would be restricted in its speed to lower levels of demand.

Mr. Eggen: Yeah, but you're perhaps misunderstanding what I had suggested, which is to have a new corridor that has transport and passenger service and freight service, too. Whether CP or CN doesn't like that, well, too bad. Somebody else might want to do it, right?

Ms Watts: Indeed. I have no knowledge on that front. Yes, indeed, it's possible, but no information to provide.

Just one point. On the old service that you refer to, I think it ceased running in the mid- to late-80s, and it was Budd car service, I believe. My esteemed colleagues who remember those days have to inform me of that. They are typically below the threshold of speed and frequency of service that Dr. Metcalf has alluded to as being what I would call profitable or attractive. They were losing money because they were just plain slow, and they're very old cars and technology. So that's why they went out of business.

The Chair: Thank you, Ms Watts.

Dr. Metcalf and then Mr. Roy.

Dr. Metcalf: Yes. In terms of the freight industry I think we need to look at the existing rail freight industry, which, you know, when we look at the terms and conditions under which they want to do business with passenger rail, makes it very difficult to have any kind of shared approach, which basically leads us, once the markets develop, to saying that we want to have a separate high-speed rail from basically the existing freight. But there is a freight market that we should be focusing on, and that is e-commerce. The fastest growing freight business in North America is e-commerce. These industries are growing at 15 to 17 per cent per year, and as a result they need to replace their infrastructure every 10 years. This is why UPS and FedEx have one of the biggest air fleets in the world. I think UPS is number nine.

What I'm saying is that if we want to get into bed with passenger rail and freight, the one that we probably want to get into bed with is the e-commerce industry: UPS, FedEx, post office, et cetera. Those businesses really are very compatible because they often operate at night rather than during the day, and as a result trains could be run at night.

British Rail ran a thing called red star parcels – we made a huge profit on it – where you brought your parcel to the station, it went to another station, and the person at the other end went and got their parcel. Equally, we're saying, a modern version of that, where FedEx or UPS was a partner in a public-private partnership, could well result in a significant revenue boost for any high-speed rail consortium that was bidding the project. We believe that in the future, because it's getting more and more difficult to get their trucks down the road, e-commerce businesses are going to be very interested in a high-speed rail option.

Thank you.

The Chair: Thank you, Dr. Metcalf.

Mr. Roy: Just a comment that there is no freight rail market between Calgary and Edmonton. Freight rail that moves in that corridor either originates on the west coast at a port and moves inland to a key market around Edmonton or Calgary or in central and eastern Canada and moving in and out Calgary, in and out of this particular region in Alberta. But there is no case for movement of freight by rail strictly between Edmonton and Calgary. There's just not enough of a distance to make it worth while for the railways, and it's simply not fast enough. So as far as the market between Calgary and Edmonton for freight, that's a truck market, period.

The Chair: Well, thank you very much, Mr. Roy.

Mr. Brawn: Just one quickly: can you imagine the value to CP of downtown Red Deer land, Leduc land, and their traffic that's going south on that line there, 120-, 150-car freight trains, and they're moving south? They're not moving anywhere else. I think, taking out the level crossings, there is a real value to the freight movers in this part of the world to do that.

Mr. Eggen: Yeah. You caught on to what I was suggesting, which is: you just move the whole train, period. Move the whole thing.

Mr. Brawn: Yeah, and a common line between CN and CP would work.

The Chair: Thank you, everybody. Thank you all very, very much.

It has been a very exciting, interesting, and informative morning. On behalf of the committee please accept our sincere thanks, Mr. Roy, Mr. Wallis, Ms Watts, Mr. Brawn, and Dr. Metcalf for your presentations, and I would like to thank all committee members for their very good questions. For the

presenters, you can access the *Hansard* transcript of the full-day proceedings via the Legislative Assembly of Alberta website later this week, and the audio of the meeting is also available on the Assembly's site.

Thank you all very much for being here today.

Thank you, Mr. Roy.

Mr. Roy: Thank you.

The Chair: Members, please remember that we are adjourning to committee room C for our break, and the meeting will go back on the record promptly at 1 p.m., sharply and exactly at 1 p.m.

[The committee adjourned from 11:58 a.m. to 1 p.m.]

The Chair: Good afternoon, ladies and gentlemen. Now we will be moving to number 3 on our agenda, panel 4, municipal issues. Today the committee is receiving presentations from a number of stakeholders on the potential of high-speed rail transit within Alberta.

I am pleased to welcome our guests participating in panel 4, municipal issues. I would ask that we go around the table and introduce ourselves for the record, and I will also ask our four members teleconferencing to introduce themselves. I will start. I'm Moe Amery, MLA for Calgary-East and chair of this committee.

Mr. Fox: Rod Fox, MLA for Lacombe-Ponoka and vice-chair of this committee.

Mr. Quadri: Sohail Quadri, Edmonton-Mill Woods.

Ms Olesen: Good afternoon. Cathy Olesen, MLA, Sherwood Park.

Mr. McDonald: Good afternoon. Everett McDonald, MLA, Grande Prairie-Smoky.

Mr. Eggen: Good afternoon. I'm David Eggen, MLA for Edmonton-Calder.

Mr. Cao: Wayne Cao, MLA, Calgary-Fort. I welcome you.

Mr. Barnes: Drew Barnes, MLA, Cypress-Medicine Hat, sitting in for Ian Donovan.

Mrs. Sarich: Good afternoon and welcome. Janice Sarich, MLA, Edmonton-Decore.

Mr. Rogers: George Rogers, MLA, Leduc-Beaumont. Welcome.

Mr. Rowe: Bruce Rowe, MLA, Olds-Didsbury-Three Hills.

Mr. Stier: Pat Stier, MLA, Livingstone-Macleod, sitting in for Rick Strankman, MLA, Drumheller-Stettler.

Ms Sorensen: Rhonda Sorensen, manager of corporate communications and broadcast services with the Legislative Assembly Office.

Ms Robert: Good afternoon. Nancy Robert, research officer.

Ms Dean: Shannon Dean, Senior Parliamentary Counsel and director of House services.

Dr. Massolin: Good afternoon. Philip Massolin, manager of research services.

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

The Chair: Mayor Iveson, please introduce yourself for the record.

Mr. Iveson: I'm Don Iveson, mayor of Edmonton.

Mr. Logan: Good afternoon. I'm Malcolm Logan. I'm the general manager of transportation at the city of Calgary.

The Chair: Good. Thank you.

We also have four members joining us by teleconference: Ms Pastoor, Mr. Luan, Mr. Hehr, and Mr. Dorward.

Mr. Luan: Thanks, Mr. Chair. Good afternoon, everybody. Jason Luan, MLA, Calgary-Hawkwood.

Mr. Hehr: Good afternoon, everybody. Kent Hehr, MLA, Calgary-Buffalo.

Mr. Dorward: Hi. David Dorward, MLA, Edmonton-Gold Bar.

The Chair: Okay. Ms Pastoor?

Well, thank you all very, very much. For our presenters, you will each have 10 to 15 minutes for your respective presentations, and then I will open the floor to questions from the committee. We will follow the order on our agenda, starting with Mayor Iveson from the city of Edmonton.

Your Worship, you can go ahead with your presentation.

City of Edmonton, City of Calgary

Mr. Iveson: Well, thank you very much, Mr. Chair, Members of the Legislative Assembly, and others assembled here. On behalf of my fellow city council members and the city of Edmonton I thank you for the invitation to present on the feasibility of establishing a high-speed rail system here in Alberta.

Edmonton is transforming. Downtown's renaissance continues with confidence, job openings exceed labour supply, forecasts for 2014 project continued growth in the province's economy and employment, and a key contributor is the growth of Alberta's big cities. In 2013 the Edmonton region created 1 in every 10 new jobs in Canada. One in every 10 new jobs in Canada. Migration will continue to be strong in the coming months and years, adding to the labour force and to our population. The Conference Board of Canada forecasts that our region will be Canada's fastest growing between now and 2017. Strong migration into the region from elsewhere in Canada and around the world, expansion of existing businesses, attraction of new investment: you'll agree that this is a great time to live here.

I applaud the standing committee in anticipating and planning for further rapid growth in our province, for its consideration of more efficient connectivity and transportation links in Alberta. After all, the efficient movement of people, goods, and services will be key to ensuring that our cities, our economy, and our province remain competitive globally. To be competitive globally, we must dare to be bold, to dream big, to think transformatively, and we have one of those rare opportunities to do it right, to ensure that all of Alberta benefits and that the investment in a high-speed transportation network in Alberta provides maximum return on investment. After all, when Alberta succeeds, we will all succeed.

However, in an environment of finite financial resources, considering options and weighing priorities are part of all of our decision-making challenges. In the case of creating a province-wide high-speed rail system that works and makes Alberta more globally competitive, we suggest, respectfully, that the city's

urban light rail transit network be prioritized and developed further in order to feed into any future high-speed rail connection being contemplated by the government of Alberta.

In order for that high-speed connection from one point to another to succeed, those end points feed the necessary passenger volumes into the high-speed connection. The current state of Edmonton's transit network is not at the full stage of its development and, therefore, not able to fully support such a rail connection.

The gap lies with the need for a timely expansion of our LRT network, which Edmonton city council has unanimously declared as our city's number one infrastructure priority. Voters told us that as the city and the region grow and as we continue to attract rapid growth and newcomers who want to make this area home for them and their families, we need efficient ways of moving people around the city and the region.

The benefits of a full build-out of Edmonton's LRT system are germane to a capital city whose best days lie ahead. We know from recent history that there is an appetite for expanding our LRT system. For example, ridership doubled on our system and exceeded our 10-year projections within one year when we extended the line south into the area that I used to represent as a city councillor.

Less motor vehicle congestion on roadways enables the easier movement of goods and services so key to an economy like ours. By spending less on motor vehicles, households also have access to increased disposable income for expenses on life's needs, which in turn grow the economy and gross domestic product. Our region's air quality improves. Greenhouse gas emissions lessen. There is an almost endless list of benefits, but the end result is a connected capital city and region that we can all be proud of, with the partnership and leadership of the government of Alberta.

Committee members, we have a shrinking window of opportunity to act and to develop the city's light rail network. Timing is critical, and while we can proceed without missing a construction season and while interest rates are low, further deferral may not only incur cost increases, but it will also mean that communities who have waited now for decades to be connected by the LRT will have to wait even longer. It's essential that we continue building a public transportation system befitting Alberta's capital city.

I understand that you've heard other presentations and submissions, including the Edmonton International Airport and Edmonton Economic Development, which have also suggested that while high-speed links have a future, investment in the expansion of urban light rail systems is this community's and the greater community's number one priority.

Edmonton, Alberta's capital city, is speaking to you with one voice. Thank you once again for the opportunity to address you today. I look forward to your questions and don't want to take any more time than that.

The Chair: Thank you, Mayor Iveson.

I will turn it over to Mr. Logan from the city of Calgary.

Mr. Logan: Thank you, Mr. Chair. I will also have a fairly brief presentation. In preparation for today's meetings I've spent some time looking at the foundational work that was done by the Van Horne Institute and their associates, and I'm convinced that there certainly is a need to plan for a high-speed rail passenger link between the cities of Calgary and Edmonton, and there is clear economic benefit to the entire corridor between the two cities. The travel demand exists now, and as you can see when you drive back and forth on highway 2, like we did today to come up and present, there is a demand along that corridor not only for passenger travel but also for goods movement.

The good thing is that the city of Edmonton and the city of Calgary are both planning for high-speed rail. On the right-hand side of this slide you'll see an excerpt from the Calgary transportation plan, which is our master planning document for the future of our transportation network. It clearly shows on the blue line leading up to the top of the screen what we have assumed will be the future high-speed rail corridor and how that will integrate into our other transportation networks.

We are actively planning to participate in the province's upcoming long-range transportation strategic plan to discuss not only the high-speed rail corridor but our light rail corridor and the regional rail system. What's happening in Calgary to plan for the high-speed rail and to make sure that it is part of our future is identifying the terminal locations. In the top upper hand is a shot of the downtown East Village area. Similar to what Mayor Iveson said, this is an area which is currently undergoing a revitalization, and there is a large plot of land, which is shown along sort of the bottom central part, which has been set aside and acquired by the province for the Calgary terminus station.

1:10

In addition, the lower photograph shows an area just to the west of Deerfoot Trail at Airport Trail where we're planning to have the north station so that riders can transfer from the high-speed rail onto our LRT system and, hopefully, into the future link to the Calgary International Airport. We've established a right-of-way need, and we are starting to protect crossings, and we would urge that this committee make a decision to do that in the future for all of the province.

The other thing that I did want to bring up at today's meeting. I know we've talked a lot about the high-speed rail, but I think that another layer that's in between the LRT system and the high-speed rail will be the future of regional rail, not only in the Calgary region tying in communities such as Airdrie, Cochrane, Okotoks, and Strathmore, but I suspect that will also be the future reality for the Edmonton region. We need to identify that network and integrate it into the high-speed rail system and our municipal light rail systems.

To summarize, I would urge the committee to make sure that the high-speed rail and regional rail are integrated into the future long-range plans for Alberta. I know they will be for Calgary and Edmonton. I think that at this time we can absolutely move forward on confirming the routes and confirming the station locations so that we can make sure that the opportunities that exist today because those sites are vacant are not lost. We have an opportunity to protect that land and to plan around it, and as Mayor Iveson stated, that opportunity will evaporate if we don't take advantage of it. I think there's an investigation of the necessary policies that are going to need to be put in place to do that.

Mr. Chair, that summarizes my comments. I would like to also reiterate that the mayor of Calgary has asked me to stress to the board that our number one priority for transportation is also funding our third LRT line, the green line, which will go from north-central Calgary through to southeast Calgary and tie into the new southeast regional hospital. That does remain our number one priority for major capital grants to the city of Calgary.

Thank you.

The Chair: Well, thank you very much, Mr. Logan.

Thank you for your presentations, and now I will open the floor to questions. Committee members, if you have any questions or

comments, please give me a signal, and I will add your name to the speakers list. I can see a long speakers list.

I'll start with Mr. Dorward.

Mr. Dorward: Thank you. Mayor Iveson, thanks for your commitment to LRT. You know it impacts the Edmonton-Gold Bar area greatly with respect to the Strathearn development as well as transportation for all of the people in the Bonnie Doon, Avonmore, and Strathearn areas. Can you just comment on the extent to which the city of Edmonton has considered terminals with respect to something between Edmonton and Calgary?

Mr. Iveson: Well, there's no doubt that whatever the final location of the end-of-line or Edmonton station, we would want it to be integrated with the light rail system. There are a couple of nodes in that system, but the most obvious one is downtown. We understand that there have been discussions at different times about either using the High Level Bridge to bring it into the vicinity of the Legislature or other ways to access downtown, and I think we would want to work with the province in order to secure right-of-way and ensure great separation and safe and quick movement of the trains in and out so that it can be effective.

I think, you know, we've heard different things over the years and would look forward to some certainty on that with a view to ensuring that that integration is there. I think that in order to make sure that you have the load factors to justify the business case and round out the ridership for high-speed rail, having Edmontonians at any major point of origin from the west end to the southeast to the southwest to the northeast be able to tie into that system centrally makes a lot of sense but, again, only if you've got the same ability to get to major destinations in the other major city at the other end of the line. So that's why our comment is there about the integration and the priority of light rail.

Just to add one point, I'm glad you mentioned Strathearn Heights in your constituency because that's an example of a significant transit-oriented development – 1,900 units, including more than a hundred units of badly needed affordable housing – but perhaps for the broader housing market a housing choice that isn't available in Edmonton to any great degree yet, which is that transit-oriented lifestyle which is available in a lot of other major Canadian cities at a much greater degree of supply. In order to bring those units on, we need to have a timeline for when the LRT is actually going to be built. That development can't proceed; its transportation impact doesn't work without an LRT station to support it, it and many other significant potential developments that support that urban, walkable, low-impact, high-affordability lifestyle, which is very desirable for young professionals, whom we are competing to attract and retain in this economy. That's why it's all an essential part of city building to get the LRT in as an enabling piece of infrastructure for growth and prosperity for Edmonton.

Mr. Dorward: Thank you.

Just a supplemental, Mr. Chair, if I could. Mayor, your thoughts on the mutual exclusivity being that high-speed rail to Calgary taking cars off the road to Calgary. Now, I'm not asking for empirical evidence here but just your sense of whether you feel that if we did something or started at least a plan for this kind of thing, that would actually take vehicles off the roads to Calgary.

Mr. Iveson: Well, I can really only confess that I would rather take the train in the fullness of time than drive on highway 2 as it becomes increasingly congested. But in order to be able to ensure that we can move labour and goods in and out of, say, Nisku and to our international airport, anything that helps manage the heavy demand on those trade corridors is helpful. That's why I think it's a complementary strategy.

It's why I agree with the gentleman from Calgary that preserving right-of-way and doing long-term planning makes sense for this infrastructure. However, again, people need to be able to connect to it from all points in Edmonton. Otherwise, in order to get those cars off the road, if the station is in the core of the city and you don't have LRT to connect it with – I mean, we're in the park-and-ride business, and I would respectfully suggest that the province does not want to get into the park-and-ride business because it is not lucrative. It's very, very costly, especially to do structured parking. That's why your best bet to feed into it is LRT.

Mr. Dorward: Thanks, Mr. Chair.

The Chair: Thank you.

Before I recognize the second questioner, I would like to limit the questions to one question and one supplemental because I have a very long list of questioners. When we exhaust this list, I will start another list if we still have time.

Mr. Eggen.

Mr. Eggen: Well, thanks, Mr. Chair. Thank you for your presentations here. We've been hearing quite a range of presenters from across Alberta, Canada, and around the world on this issue. I think it's important for us to not look at one or the other as either subsuming one over the other or not. I think that, well, certainly the Alberta New Democrats recognize the primacy and the immediacy of investing in light rail transit so that you have an infrastructure that's available to connect the two cities together with a high-speed train.

A lot of the presenters that we've had have been pushing hard on building a rail system using a P3 model. What are some of the concerns that we should have that would suggest that that P3 model would constrain or cause problems down the road for us when building any sort of rail transit system, especially a high-speed rail transit system?

Mr. Logan: Well, I guess, the construction of the P3 gives you certainty of cost. I think that would be the biggest advantage I would see of using that methodology, a very long-term project where you could control the potential overruns associated with that. If you get a price and a financing that you're comfortable with, that's a good way to go. On the operating side I think you might have more difficulty finding a proponent that's going to guarantee the operating price far into the future, so what I would be looking for in the P3 contract is what kind of risk the proponent is prepared to undertake on the operating side of it going down the road.

Mr. Eggen: Thank you.

1:20

Mr. Iveson: I think there are advantages and disadvantages to every procurement model. We got quite excited about the idea of being able to partner through a P3 on the vehicle maintenance and leasing, for example, because if you can work in with, you know, supplier X, whose business is not only building but also maintaining parts and has a stake in the ongoing performance of the vehicle, there may be value to that. So when we initially started looking at the P3 for the southeast LRT, that was where our focus was, the ongoing operational relationship.

Where it starts to get more complicated in terms of thinking about the southeast LRT line is, when you have now a third party,

thinking about how your level crossings are going to work in your right of way. There's a lot of complexity there, but that's one of the risks that I'm concerned about and that we're actively managing with our P3. But that might not be an issue here because I'm assuming this would be separated entirely from other traffic and you wouldn't have level crossing issues in the same way that you would find in an urban environment.

Mr. Eggen: Thank you.

The Chair: Okay. Good. Thank you.
Mr. Cao.

Mr. Cao: Well, thank you, Mr. Chair. Thank you very much for coming and giving us some vision. I like your statement, mayor, about thinking transformationally. I think that we are trying to think long into the future. We heard a presentation saying that Calgary, Edmonton, and Red Deer are kind of a corridor there, and when you add the population together, it's big. There are economic factors in there, and there's a thought that if we connect those three big centres together, then with the travel speed I can live in Calgary, leave there in the morning, and work in Edmonton or Red Deer and vice versa. People move around. You mentioned that in your talk, too. My question: do you have any vision regarding that sort of a transformational picture for the three urban areas, at least for now?

Mr. Iveson: Well, there's no doubt that for several years now, since people started looking at regional economies and economic corridors, it remains one of the highest performing, if not the highest performing, in the world, and that's thanks in part to some good transportation infrastructure and the fact that it's a single jurisdiction. I think a rail connection would enhance that over time. I think the number of people for whom it would incrementally increase the timeliness of travel between the jurisdictions compared to the offsetting risk – and not to make it either/or, but in terms of the benefit to the largest number of people in the use of scarce resources, being able to keep people moving through the increasingly congested cores of the two large cities is an equally important economic enabler for us.

If we start to run into the challenges of other North American cities who haven't thought ahead with their rail systems and you start to lose time to congestion – $7 billion was a recent estimate that I think came from the province, actually. The Premier asked for a congestion study, and I think it was $7 billion, the cost of congestion. That's primarily in the cities, where congested roadways slow people and goods down.

I think the same argument applies for both. If you can speed people up, I would just suggest that the greatest proportion of people whom you would benefit is in the highly congested areas.

Mr. Cao: Thank you.
A supplemental one?

The Chair: Sure.

Mr. Cao: I tend to agree with you. If we think about the transformational rail across Alberta here, we need to think of the local conveniences, too. I'm very pleased to see you both having that thought about the local networks, which, in fact, affect me if I want to bring my grandson to school. That's a first priority, I would say, so I'm very pleased to see that thought in there.

I'd just say my comment on the recent vision in Calgary, locally, about the network. I think expanding that probably to Airdrie and High River and connecting there would be excellent, too.

Thank you.

Mr. Iveson: I think the key is the integration between the two systems over time.

Mr. Logan: The reason I brought up the regional rail was that there will be other jurisdictions such as Airdrie who will be seeking an improvement in their public transit accessibility, and the risk is that if you try to do it all with the high-speed rail, you will erode the quality of that system, so I think we have to plan for multiple layers that are clearly integrated, and I fully support the plan to integrate both airports as furthering the accessibility of the area to do business.

Mr. Cao: Thank you.

The Chair: Thank you, Mr. Cao.
Mr. Stier.

Mr. Stier: Yes, Mr. Chairman. Thank you both, gentlemen. I really appreciate your coming all the way from Calgary today. I know what it's like to travel that road, particularly, being from down south of the city.

Mr. Logan, if I could, you suggest and you have been talking about this regional rail system. I'd like to dig into that a little bit if I could. The Calgary Regional Partnership has been promoting that for some time. There has been, however, some resistance with local municipalities in terms of costs and so on and so forth. I'm just wondering if you've gotten any further along with getting a good understanding of how that might be funded. How do you see the split? At the same time, though, could you also respond to a question regarding ridership and how much ridership would really be there? Would you think it would be viable, considering all those costs?

Mr. Logan: Thanks for those questions. Those are challenging ones. Realistically, I don't think the regional municipalities would be able to fund it. Well, in the short term, certainly, the viable means would be to partner with the rail companies to try to provide that. Would it be viable? I think we're getting close to the threshold that it would be, and I look to the other jurisdictions in Canada. Toronto, Montreal, and Vancouver all have functional regional rail systems, and in Toronto's case it's actually profitable. It's the only one in Canada, I believe, that is.

As that commute time gets over an hour and there's a disparity between the cost of housing in the different regions and the value of the employment, I think it does become a viable option. So the key again at this stage, I think, is to plan where it is that it makes sense, where the terminuses would be, and try to find the rights-of-way or try to come up with those questions. We're not there yet. We haven't even started. We're probably a decade behind the work that's been done on high-speed rail.

Mr. Stier: Okay. A supplemental, if I may, Mr. Chairman, to Mayor Iveson, similar questions. I'm not as familiar with the city of Edmonton and its work with the capital region and so on. I wonder when I come through the different towns and cities as I approach Edmonton if there is that viability, or is it very, very long range down the road for your city as well?

Mr. Iveson: I used to chair the Capital Region Board Regional Transit Committee for the three years prior to the last election. As part of that work we were tasked with coming up with an

integrated regional transportation master plan, which supports the land-use plan for the capital region. It addresses all modes from heavy haul to key highway upgrades that need to happen. It also speaks to a transit network over a 30-year period. Early on in the analysis we looked at commuter rail. It's one of those things that we'll get to eventually, but it didn't make the cut within the 30 years.

The system that's described in that integrated regional transportation master plan, which secured unanimous approval from the board, in fact, when it was reviewed and has since been passed along to the minister and received by the province and embedded and recognized in the planning, shows an integrated bus, park-and-ride, and LRT system as the backbone for the regional transit system. So there are feeder buses that would operate, and there would be additional lines developed in the future, essentially as they do today. From Fort Saskatchewan they have a long-standing commuter service that ties into the LRT in Clareview in the northeastern part of the city. Leduc and Leduc county jointly operate a service called the C-Line, which has had double-digit passenger growth in the last several years. That's been operating three years now; that ties in at Century Park.

That allows the cost-effective use of rubber tire – i.e., bus, transit – through the lower density areas to connect to key points using the highway network but then ties into the rail transportation at about the point where it's useful to get even the bus out of the congestion on the roads and get people into the bypass, which rail is able to reliably provide for people. So you can make up time, essentially, versus being stuck in traffic either in a car or a bus, and that's the advantage. Then it flows in and adds to the economy of scale that supports light rail.

That expanded throughout the region over time and with some of the rail lines actually extending, say, into St. Albert and further south than it does in the city of Edmonton is the vision in the 30-year time frame. But commuter rail, as mentioned in the plan, is something that should be studied in the future as well.

1:30

Mr. Stier: Thank you for that very detailed response. That was excellent.

The Chair: Thank you.

Mrs. Sarich.

Mrs. Sarich: Thank you very much, Mr. Chairman. Just in some of the presentations that we've received, in particular the CN and CPR and other presentations, it's been pointed out that, for example, from the viewpoint of CN and CPR rail, their rail lines would not accommodate the high speed at all. You both have presented some information about when you look at the LRT systems, that you're looking at what potentially could be a line coming through the city and the development of the nodes or the terminals or anticipation of terminal stations. Are you looking at it from the viewpoint that it is a new line, new technology, and what that may look like?

I know, Mayor Iveson, you mentioned, like, if high speed were to come into the core of Edmonton, then it has to go somewhere past that point. When you're looking at support from the province for LRT, as is the city of Calgary, you're planning, and when you look at the land and future technology, are you taking that into consideration? That would be my first question, and I'll follow with a supplemental after you answer.

Mr. Iveson: I think we have always assumed that even if the existing line wasn't what was used, some of the existing right-of-way might be what was used because there's an existing travel pattern there and land use around it that expects to be near rail. I understand there may have been discussions about how – and I mean the sort of legacy rail lines, the freight lines, not necessarily the new LRT line, for example. I think there have been discussions at various levels, but I couldn't speak to the specifics. We don't have a line identified in our transportation master plan to the same degree of specificity that it shows up in the Calgary one, it looks like.

I think we'd be willing to work with that, but I think our understanding has always been that even if it didn't use, say, the Canadian Pacific alignment that comes up through the city that you might still want to look at coming up through that corridor, for example, because people expect there to be rail there over time. We'd certainly work with the province on that.

Mrs. Sarich: Just a follow-up comment from my perspective there. I think it was mentioned by Mr. Logan that Alberta Transportation is doing the consultation sessions across the province to collect the input. Perhaps there will be something additional to share there.

My supplemental question is about the line itself. The focus for us is the Edmonton to Calgary, and then you look at the province, but the presentations have been concentrating on that line. The research has suggested that that line, the distance is short compared to other high-speed rail lines around the world and that the economics of that short line from the perspective of experts is – there are lot of questions involved there.

Plus, both of the cities have expanded, and one of the points that is brought up is the issue of densification and the limiting of sprawl. Mayor Iveson, the city of Edmonton, many people may know or may not know, is looking at annexing land, and we have this annexation issue. I was wondering from the sprawl perspective and the issue of densification, because that seems to be a heavy requirement to support future high-speed rail, if you would have any comment or vision or insight to put forward to this committee.

Mr. Logan: I would suggest to you that the high-speed rail and an investment in high-speed rail is certainly supporting densification of the cores. I have no grey area about that. I don't think that it would be promoting sprawl at all. Investing heavily in that type of transportation versus the equivalent amount in road transportation would probably suggest that the province is more interested in densification of the urban cores. But it does point, as well, to: we must integrate that with our light rail systems because there's only so much that we can put in the station area. We have to make sure that those terminus points are fully integrated into our local light rail system, to give a more eloquent answer.

Mr. Iveson: Well, usually what makes density work isn't the big infrastructure. It's the sidewalk because all dense areas that really function well are pedestrian-oriented areas. Then what rail is actually there to do is to enable the swift and convenient movement of pedestrians in and out of walkable areas. So every great downtown is really a pedestrian zone, and every great transit-oriented development is a transit-connected pedestrian zone. High-speed rail can deliver pedestrians essentially from one node to another, but in order for those pedestrians to have good connectivity at either end, that's why you need that integration with the local transit network as well.

I would suggest that both are aligned in the sense that they both aggregate people in the core to meet with each other, to do business, to live a walkable lifestyle, to work in compelling neighbourhoods where there's lots to do at lunchtime and lots to

do after work and all of those things. I think anything that aggregates people in a node is helpful to that building up agenda.

Maybe just an aside on the question of annexation. One of the reasons why the city of Edmonton is interested in annexation currently is to ensure the orderly planning of those new neighbourhoods to be built to a high urban standard and to ensure that corridors for LRT and other major infrastructure can be protected in the developments that would happen in and around the Edmonton region.

Mrs. Sarich: Thank you.

The Chair: Thank you very much.
Mr. Luan.

Mr. Luan: Thank you, Mr. Chair. Can you hear me this time?

The Chair: Yes.

Mr. Luan: Okay. Sorry. Forgot to undo the mute button.

My question is to the city of Calgary. I heard the Edmonton mayor talk about their vision and how to integrate the LRT into the possible future high-speed train. But in regard to the city of Calgary is this something that our city council has had much discussion on, or is this a very early stage sort of concept, that not much has been discussed about how to integrate that into our existing LRT system in Calgary?

Mr. Logan: The high-speed rail has been planned to be integrated. There is the southeast, or green line, that we're talking about right now, that has the station planned directly adjacent to the lands that the province is looking at for creating a terminus, and we have our main north-south line approximately a block away. I would say that it is integrated into our network although I would suggest to you that the city needs to spend a little bit more time integrating it into our urban planning. It's been talked about for many years, but we haven't really got down to doing any of what I would consider sort of preliminary detailed planning on the high-speed rail. That's one of the reasons why I think that sending a strong message now to flesh out those plans will help places like not just the city of Calgary but the neighbourhoods within the city start to build their plans so that they can accept those terminuses and hubs and the activity centres over time.

Mr. Luan: Thank you. That's a great point.
Mr. Chair, can I have a very brief supplemental?

The Chair: Yes, you can.

Mr. Luan: This is more to the city of Edmonton. I heard you talking about that you need to have an LRT sort of in place first before we spend money for this major high-speed railway, but my question is that when you develop your LRTs, it follows a different budgeting and planning process versus what we're talking about with this one. Is that not true?

Mr. Iveson: Well, I couldn't comment because I'm not familiar with your planning process. But I would assume, actually, that they're fairly similar in the sense that you have to look at feasibility, then you have to identify a corridor, then you need to do preliminary engineering, and then you need to buy land: all the things that we do for our LRT system. I don't want to suggest that the province shouldn't be doing that. I think that's wise activity. That is the kind of work that the city of Edmonton has been doing for the last five or six years in order to try to get our entire LRT network to what you might describe as a shovel-ready position.

For example, on the southeast line we've spent over a hundred million dollars on engineering work and land acquisition so that if all of the other funding can be brought to bear, we can actually move into delivery of it right away. I would suggest you're at the stage we were some years ago when we were doing our network planning and the high-level planning, which is to look at feasibility and to identify corridors.

1:40

So I think I wouldn't suggest that you shouldn't invest that front-end money and acquire land where it's advantageous to do so and do engineering to get the scope of the project under way. I think those things can happen in parallel. My suggestion to you is really just that LRT is actually further along because of our front-end investment. I think the city of Calgary has been doing a lot of the same kind of high-level network planning work to be closer to shovel ready for these projects.

They could certainly happen in parallel. My overall point is that without LRT to get pedestrians concentrated at both ends in the major stations in Edmonton and Calgary, the high-speed rail will not be as successful.

Mr. Luan: Yeah. I've got your point. I think it's a good point, so thank you very much.

The Chair: Thank you, Jason.
Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chair, and thank you Mr. Logan and Mayor Iveson for your time and your information today. I greatly appreciate it. To me, the idea of the number one priority, I believe you said, of both cities, of the full build-out of the light rail transit, makes total sense to move a million people around in each city. I just want to confirm a couple of things with both of you, please.

First of all, that the decision and the needs for that are separate from any high-speed rail decisions, and secondly, Mayor Iveson, I believe that you said in your presentation that timing was critical. Then I think you talked about a couple of macroeconomic things like the growth in the province, the growth in the city, and interest rates. I'm wondering, from both Edmonton and Calgary's perspective, if there are any more micro or smaller things that make timing critical, like land acquisition, like transportation corridors. That's my first question, please.

Mr. Iveson: Sure. They are separate to the extent that we would want to go ahead and would argue to go ahead with completion of the LRT network in Edmonton whether or not a provincial high-speed train was developed. We see a business case for that strong ridership. The complete build-out of our network is forecast to have over 400,000 trips a day on it, so it becomes a real enabler of mobility in our region and part of our competitiveness in the future and an enabler to the pattern of development that we'd like to see more of within the city of Edmonton; i.e., that dense, walkable, urban fabric that LRT enables. So we would go ahead with it either way, to answer your question about the connection between the two.

But as the order of government with between 6 and 8 cents of all of our tax dollar, it's obviously difficult for municipalities to move ahead on projects as big as light rail on our own, which is why traditionally they've been cost-shared across all three orders of government as major transformative pieces of infrastructure on par with, you know, maybe ports, major highways, things like that. They're the conveyor of labour and of the knowledge economy bodies in a city, but they're no less important to the

mobility of our national and provincial economy. That's why everyone has a stake in it and investment is required.

The specific issue of timing: as the city of Edmonton has done this front-end work to muster city funding and the order of $800 million, we're working with the federal government between the P3 fund and building Canada to secure a federal commitment. Then there are some GreenTRIP funds that have previously been announced in the overall $2 billion program that we would hope to secure, and then there is the matter of a few hundred million dollars out in the construction seasons of perhaps 2017, 2018, 2019, but in order to move into procurement now, we would need to secure knowledge that those funds were going to be in place some years down the road. That would be to just build the next identified phase in our network, or the next specific priority, which is the southeast to downtown line.

Obviously, what would be ideal is if we could identify a sustainable, predictable, long-term strategy for funding the expansion of light rail in both cities that would allow us to look beyond that and start to think about a rolling procurement that would continue to build out the system within a reasonable period of time. My goal is 17 years because my daughter is one, and when she goes to college or university, I'd like her to be able to do it on light rail in Edmonton. With a sustained long-term commitment as a province-building agenda, I think it would be feasible to build out the system, but in order to not miss a construction season – and this is the urgency – and in order for us to leverage lower interest rates as they exist today, a commitment, you know, within the next few months would be required. Otherwise, we risk losing another construction season and potential cost escalation on both interest rate risk and labour and material costs.

Mr. Logan: Just a quick addition to that. From a more simple macro point of view, I agree that a sustained long-term program is the way to go so that we can do both over time, but if we're looking at competing for resources in the short term, building a new LRT line in Calgary with a four-car train could probably move in 20 minutes as many people as the high-speed rail system identified in the study moved per day.

Mr. Barnes: Okay. Thank you, both.

Just a quick follow-up. I believe you both identified light rail transit expansion as your number one priority. What do you think your total cost estimates would be over the next five or 10 years as your cities continue to grow?

Mr. Iveson: That's a good question. I mean, you would require the alignment of all three orders of government in a building commitment, but I think when we looked at it a few years ago, we figured there was capacity, without overheating the economy, to spend $300 million to $400 million a year in the ground, expanding the system a few kilometres a year at a time. That would put you on that pace to complete it within a 15- to 20-year kind of timeline, to build out the full network. So just multiply those numbers by five to 10 years, and then divvy that up in a reasonably equitable fashion between the orders of government, and you'd get to the number.

Mr. Barnes: Okay. Thank you.

Mr. Logan?

Mr. Logan: I think that for the city of Calgary the third line, the green line, for the entire 43 kilometres is somewhere in the order of probably about 4 and a half billion dollars. Our expectation isn't that that would be over the next decade, but if it was, that would be sort of the order of magnitude that we would be looking at. It's extremely expensive to build urban LRT, particularly as we go through the downtown, and we expect we would be subgrade. These are big undertakings.

Mr. Iveson: Maybe if I could, just to answer you a little more specifically, then, to give you a comparable to Calgary, to deliver our southeast line through its first and second phases, which would get it out into west Edmonton, over a comparable period it would be about $3.2 billion, in that order of magnitude, to build that line, which is our next identified priority.

Mr. Barnes: Thank you, both.

The Chair: Thank you, Mr. Barnes.

Mr. Hehr.

Mr. Hehr: Well, thank you very much, Mr. Chair. I'd like to thank the presenters for a very informative discussion so far. I also appreciate Mr. Barnes' last question and some of the answers given. My question will be a follow-up to that. I agree with the mayor and Mr. Logan that city infrastructure around LRT and transit lines should be completed first, before any high-speed rail is undertaken in this province, yet I'm of the understanding from the answer just given by the individuals that it could take some time to complete all the nodes and transportation lines that are needed both in Calgary and Edmonton.

I also appreciated the mayor's comments in regard to our fiscal structure. It's very difficult for, I guess, the city of Edmonton and the city of Calgary to plan these projects given that our fiscal structure doesn't allow for predictable, sustainable funding. I was just wondering if you could be a little more clear on how long you think Edmonton and Calgary will need to complete their LRT expansion to be ready for the high-speed rail to go forward. I see this as just extending out inevitably into the future, and we need to start moving on these projects, hopefully, a little quicker both on what the cities of Edmonton and Calgary are doing as well as high-speed rail. If you could try to answer that question as best you can, that would be great.

Mr. Iveson: Well, thank you for the question. I think the completion of our network depends entirely on the availability of funding from other orders of government, and to some extent it depends on the sustained political will of Edmonton's city council. The fact that we got unanimous approval for this and that next to potholes when you ask our citizens what they want us to invest in that they think will shape the future destiny of our city, LRT is at or near the top of the list consistently and has been for some time, that there is a very strong public consensus I hope representatives at all three orders of government will hear from our shared public.

1:50

If we had a sustained and predictable funding model, I think you'd be talking about completing the network within a couple of decades in Edmonton. I don't think you should necessarily take away from what I've said that you shouldn't start to build high-speed rail until it's done. I think the suggestion is that if you were to build high-speed rail without committing to urban rail in both cities, that would be a significant lost opportunity both for high-speed rail to succeed and, more importantly, I think, it would be missing the opportunity to satisfy that high priority for the citizens whom we all serve, which is to realize all the benefits that I've already spoken to.

Mr. Logan: MLA Hehr, thank you for that question. I would suggest that the province, actually, has an excellent track record in

this regard. I'll remind you that Calgary opened their first LRT extension in 1981, and that dated back to planning which started in 1967. The first stage went from downtown to Anderson station in the south. Then that was further extended for the Olympics and into the other directions, and over the last 30 years we've managed to build out two complete lines, effectively.

Now, while that was happening, the province was also carefully assembling land for the ring road, and now you're seeing the fruits of that plan. So the province does have a great track record of working on parallel systems, looking long term towards the ring road while they were funding the incremental development of the LRT system. There was some third-party contribution. The federal government did contribute to Calgary building out part of the Olympic plan, but largely that was done just by the municipalities and the province working.

So how long would it take us to get the third leg in Calgary, which would integrate at two locations to the high-speed rail? I would say, you know, realistically, 10 to 15 years is doable, recognizing the capacity of the industry and just the planning process and whatnot. And while that's going on, I think it would be wise if the land started to be assembled for that future transportation and utility corridor between Calgary and Edmonton.

Mr. Hehr: Thank you very much for your answers. They were very informative, and I've enjoyed listening to your comments very much.

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

Since Mr. Hehr was the last questioner for this segment, I would like to take this opportunity to thank Mayor Iveson and Mr. Logan for your informative presentations and for taking time out of your very busy schedules to be with us here today. You can access the *Hansard* transcript of the full day's proceedings via the Legislative Assembly of Alberta website later this week. The audio of this meeting is also available on the Assembly site. Thank you very much, gentlemen.

Ladies and gentlemen, we will take a 10-minute break before we start our next panel.

Mr. Iveson: Thanks very much for the opportunity.

[The committee adjourned from 1:53 p.m. to 2:08 p.m.]

The Chair: Ladies and gentlemen, can I ask you to take your seats, please. Thank you very much. We will begin. We will go back on the record to continue with the presentations for panel 4, municipal issues.

I am pleased to welcome our guests participating in panel 4, and I would ask that we again go around the table for the fourth time today and introduce ourselves for the record. I would also ask our three members teleconferencing to introduce themselves. I will start. I am Moe Amery, MLA for Calgary-East and chair of this committee.

Mr. Fox: Rod Fox, MLA for Lacombe-Ponoka and vice-chair of this committee.

Mr. Quadri: Sohail Quadri, Edmonton-Mill Woods.

Ms Olesen: Good afternoon. Cathy Olesen, MLA, Sherwood Park. Good to see you.

Mr. McDonald: Good afternoon. Everett McDonald, MLA, Grande Prairie-Smoky.

Mr. Eggen: Hi. I'm Dave Eggen. I'm the MLA for Edmonton-Calder.

Mr. Cao: Wayne Cao, MLA for Calgary-Fort. I welcome you all.

Mr. Hunter: I'm Henry Hunter. I'm the executive director of public infrastructure and planning in the regional municipality of Wood Buffalo.

Ms Kolebaba: Good afternoon. My name is Carolyn Kolebaba. I'm vice-president of the Alberta Association of Municipal Districts and Counties. With me is Gerald Rhodes, our executive director.

Mr. Christie: I'm Steve Christie. I'm the mayor of the city of Lacombe and director for cities up to 500,000 with the Alberta Urban Municipalities Association. With me today is our CEO, John McGowan.

Ms Lodewyk: Good afternoon. I'm Tara Lodewyk. I'm the manager of planning for the city of Red Deer.

Mr. Sennema: Good afternoon. My name is John Sennema, and I'm the manager of land and economic development for the city of Red Deer. Nice to meet you.

Mr. Barnes: My name is Drew Barnes. I'm the MLA for Cypress-Medicine Hat, substituting for Ian Donovan.

Mrs. Sarich: Good afternoon and welcome. I'm Janice Sarich, MLA for Edmonton-Decore.

Mr. Rogers: Good afternoon, everyone. George Rogers, MLA for Leduc-Beaumont.

Mr. Rowe: Good afternoon. Bruce Rowe, MLA for Olds-Didsbury-Three Hills.

Mr. Stier: Hi there. Pat Stier, MLA for Livingstone-Macleod, substituting for Rick Strankman, Drumheller-Stettler.

Ms Sorensen: Rhonda Sorensen, manager of corporate communications and broadcast services for the Legislative Assembly.

Ms Robert: Good afternoon. Nancy Robert, research officer.

Ms Dean: Shannon Dean, Senior Parliamentary Counsel and director of House services.

Dr. Massolin: Good afternoon. Philip Massolin, manager of research services.

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

The Chair: Thank you very much. For our presenters, members participating via teleconferencing, please introduce yourselves.

Mr. Dorward: My name is David Dorward. I'm the MLA for Edmonton-Gold Bar.

Mr. Luan: Jason Luan, MLA, Calgary-Hawkwood.

The Chair: Kent, are you there? Anyway, he will be joining us later.

For our presenters, you will each have 10 to 15 minutes for your respective presentations, and then I will open the floor to questions from the committee.

We will follow the order on our agenda, starting with Ms Kolebaba from the AAMD and C. Please go ahead with your presentation.

AAMDC, City of Red Deer, AUMA, Regional Municipality of Wood Buffalo

Ms Kolebaba: Thank you very much, Mr. Chair and to your fellow MLAs.

Good afternoon. My name is Carolyn Kolebaba. I am the reeve of Northern Sunrise county as well as the VP for AAMD and C. Again, with me today is our executive director, Gerald Rhodes.

The AAMD and C represents elected officials in each of Alberta's 69 municipal districts and counties, specialized municipalities, and special areas, giving perspective on a key issue impacting our members such as high-speed rail corridors. For your benefit, I'm on slide 2 of the paper slides that you have before you.

In 2010 the AAMD and C released a report entitled Study of High Speed Rail Impacts on Rural Alberta. While the intent of today's presentation is to respond to the questions provided by this committee, summarizing the key points of the 2010 report will provide context to the AAMD and C's perspective on high-speed rail. In previous studies of high-speed rail in Alberta analysis focused on high-speed rail impacts on large population centres while impacts on rural communities were not considered.

The study addressed this gap and provided information to ensure that the rural voice was presented in the high-speed rail discussions. The study focused on the rural impacts of high-speed rail and presented a variety of mitigation strategies that should be considered during planning and construction and did not discuss whether the AAMD and C supports the construction of high-speed rail corridors.

One of the key conclusions of the report was that while high-speed rail would likely benefit all Albertans, the rural municipalities that a high-speed rail corridor would pass through would see limited economic benefits while urban municipalities with high-speed rail stops would see much more of a positive economic impact. Despite this, those rural municipalities would have major planning, development, and transportation strategies associated with the high-speed rail.

Slide 4. The study identified three possible routes for the corridor between Edmonton and Calgary: the CPR alignment, the highway 2 alignment, and the rural greenfield alignment. The alignments were used for comparison purposes only, and the study did not recommend one particular alignment as ideal.

Slide 5. The study identified four categories of impacts that a high-speed rail corridor would have on rural municipalities. They are road-user impacts, commercial and economic impacts, social and environmental impacts, administration and planning impacts. The report examined each category in detail and analyzed the seriousness of the impacts for each alignment route.

Slide 6. The report proposed several ways to mitigate the negative impacts high-speed rail corridors may have on rural municipalities. For example, it emphasized the importance of ensuring that both landowners and municipalities are fairly compensated for lost land-use opportunities caused by high-speed rail construction. It also recommends strategies to mitigate negative impacts in other areas, ranging from emergency vehicle access and wildlife mobility to road maintenance. The report is available on our website at aamdc.com, and we encourage you to look closely at the rural impacts when considering the viability of high-speed rail. The AAMD and C sees the potential value in high-speed rail, but it is important that its impacts on rural Albertans are considered and mitigated as much as possible.

2:15

Slide 7. At this point we would like to discuss the questions provided by the committee. As an association that represents rural municipalities, the AAMD and C chose not to address several questions geared towards the urban impacts. All answers are supported by information and arguments found in the AAMD and C high-speed study.

Public transportation has a different meaning in rural areas than in towns and cities. While the question was likely intended to refer to bus, light rail, and similar methods of mass public transit, the AAMD and C sees this question pointing to a high-speed rail impact on road infrastructure that makes small communities accessible to residents of rural areas. In rural areas local roads are used for travel to smaller centres and transporting agricultural equipment. Limiting that access can significantly impact the rural life. A high-speed rail corridor would likely be created at grade with overpasses or underpasses while intersecting with public roads. Only grade-separated crossings would be allowed due to the high speed of the operation. Due to the cost of building grade-separated crossings, only provincial highways that cross the corridor would be grade-separated while most other roads, including local, municipally maintained roads, would be severed.

There is no question that severing local roads will impact the ability of rural residents in the high-speed rail corridor area to travel locally. For example, in combining the seven districts directly affected by a proposed Edmonton-to-Calgary high-speed rail corridor, the AAMD and C report estimates that between 618 and 2,895 vehicles will be rerouted daily, depending on the alignment of the corridor. Additionally, the drivers in those municipal districts combined will be required to drive an extra 25,000 or 227,000 hours annually. A mitigation strategy for these impacts should include ensuring that some low-volume local roads are afforded grade-separated crossings and that funding for these crossings is not downloaded onto the municipality.

Slide 8. Land-use planning in all of the municipal districts that an Edmonton-to-Calgary high-speed rail corridor would travel through would be impacted. The lingering possibility that the route will travel through the municipalities has caused planning uncertainty, which will continue until the corridor is either acquired, built, or dismissed. Each of the municipal districts has designated economic growth areas along highway 2 and 2A, with growth management strategies in place that are intended to attract commercial development. Our members are concerned because the high-speed rail has not been considered in their growth management strategies due to the government of Alberta's uncertainty about its feasibility and routing. As speculation of a high-speed rail corridor reintensifies, it may compromise development in the affected areas as developers may be reluctant to invest in areas that may be impacted.

It is also likely that the agricultural land will be sterilized by high-speed rail, particularly through the severance of local or private roads. While sterilization of farmland would require compensation, its long-term impacts would likely be beyond financial compensation for affected farmers. Land-use uncertainty could be partly mitigated by providing rural municipalities with timely information on high-speed rail routing and giving adequate time for the revisions of the municipal development plans before construction. It may require compensation to businesses located on severed lands. Mitigating the social and psychological aspects of sterilizing farms may be more difficult but would include considerable financial compensation.

Slide 9. As mentioned earlier, severed local roads will certainly have social impacts by lengthening the distance the rural residents will be required to travel to reach urban areas, workplaces, and neighbours. The economic impacts may also be serious for farmers, for business owners as the shopping patterns of many rural residents will likely change. Severing local roads will also have environmental impacts as rural drivers will be required to travel greater distances, leading to increased emissions. Finally, the safety of rural residents may be compromised by increasing emergency response times due to the limited road access. While the AAMD and C report points out that a relatively small number of rural residents would likely be impacted, the serious consequences of increased response times make the issue a high priority.

While these are all major concerns, they can be at least partially mitigated through education, planning, and proper consultation with impacted municipalities. For example, strategically selecting local roads for grade-separated crossings may greatly reduce negative social, economic, and environmental impacts in rural areas. Incorporating the construction of a new emergency service near crossings in the course of asset renewal would mitigate emergency response concerns over the long term.

Slide 10. The AAMD and C believes that the development of a high-speed rail corridor between Edmonton and Calgary should form one component of a transportation and utility corridor that would include space for additional freight rail lines and highway, pipeline, and telecommunication infrastructure. A TUC would reduce planning uncertainty and concentrate infrastructure development, minimizing land-use conflicts. For example, an opportunity for development of a TUC may be in the median areas of the twinned highways. Whether or not this is feasible on the already constructed highway 2 between Edmonton and Calgary is beyond the expertise of AAMD and C, but the government of Alberta may be missing out on an opportunity by not incorporating a TUC into the twinning of highway 63, leading to Fort McMurray, or highway 43, which is part of the Canamex corridor, or any other route chosen. These should be acquired sooner rather than later.

Slide 11. On behalf of AAMD and C we would like to thank the standing committee for allowing us to present the rural perspective on high-speed rail development. The AAMD and C believes that with proper planning high-speed rail has the potential to benefit all Albertans, but the impacts on rural Alberta must be remembered and mitigated, and further consultation must be taken before moving forward.

I want to thank you for having us speak to you today.

The Chair: Thank you very, very much, Ms Kolebaba, for your presentations.

I will now turn it over to Ms Lodewyk and Mr. Sennema from the city of Red Deer.

Mr. Sennema: Thank you. My colleague and I sincerely appreciate the invitation to speak to the Standing Committee on Alberta's Economic Future regarding the establishment of a high-speed transportation system for Alberta.

Thank you for the list of questions that the steering committee provided. Some of these we will try to answer; some are not particularly applicable to the city of Red Deer. However, based on our understanding of the dialogue today, what we are here to convey is that the city of Red Deer is preparing itself for high-speed, intermodal integrated provincial transportation.

Red Deer is a prosperous community because of our strategic location along one of the busiest transportation routes in the country. This allows our business community and citizens direct access to local, provincial, national, and international trade markets. In our presentation today we will speak to the economic profile of the city of Red Deer and the economic impact of a high-speed rail transportation system. As well, our land-use planning framework, which Tara will elaborate on, has contemplated high-speed transportation for the past 20 years.

As you can see, Red Deer has a highly advantageous geographic position for trade within Alberta. We are located along the most heavily travelled corridor in Alberta. Red Deer has the unique ability to reach over 86 per cent of Alberta's population within a two-hour driving radius. We are the only city of our size that is able to claim this. Red Deer's strategic location is essential in moving goods and people to and from Calgary as well as to the oil sands developments.

By locating in Red Deer, firms are able to service and have a presence in both the Calgary and Edmonton markets, thus maximizing the benefits of the whole Alberta economy. It is for this reason that the city of Red Deer should not only be identified as a stop for integrating high-speed transportation but should also be contemplated as a provincial headquarter. Once again, Tara will elaborate on the reasons for such a consideration.

We are a commercial and industrial hub, with an immediate trade area of approximately 300,000 people within central Alberta. Red Deer is a growing, prosperous community. With a medium growth scenario Red Deer is expected to double its population by 2041. With an average age of 32 Red Deer has a significantly younger and higher proportion of working-age population in comparison to its neighbouring communities and the province. Over the next 30 years our working-age group population is expected to double from nearly 65,000 people to 112,000 people.

2:25

Red Deer's industry profile includes oil and gas extraction, construction, manufacturing, health care, and professional, scientific, and technical services. Each of these industries is forecast to have significant employment growth in Red Deer over the next 10 years. Our local oil and gas extraction and manufacturing industries will add over 3,500 new jobs in the next 10 years. These statistics provide further justification that intra-provincial high-speed connectivity is a necessity. It's also good to remember that these robust figures that we are anticipating are extrapolated based on conventional historic trends. The integration of an intermodal high-speed transportation system will improve these figures significantly.

In addition, Red Deer offers low costs of utilities, land, housing, transportation, and commodities compared to many other Alberta cities. Our combined tax and utility rates are among the lowest in Canada. It becomes quite evident that integrating high-speed connectivity for both people and goods can only enhance central Alberta's already thriving economy.

Red Deer has one of the highest number of small businesses per capita. Our business leaders and staff are described as having an ambitious spirit. The city of Red Deer was ranked the fourth-most entrepreneurial city by the Canadian Federation of Independent Business in 2013.

Red Deer's airport has become one of the busiest regional airports in the province, with thousands of charters and scheduled flights per year. Maximizing the benefits from Red Deer Airport and continuing to unleash the full potential of our road, rail, and air transportation networks is a priority for the city of Red Deer. Good transportation links make our economy stronger and our lives easier. The integrated high-speed transportation links we are contemplating today must provide travellers and commuters and

goods with an inexpensive, frequent, and reliable way to get between two points.

Alberta Venture identified Red Deer College's centre of innovation and manufacturing as one of the province's most innovative organizations. With resources like this in our community and region Red Deer's workforce is highly skilled in design, development, and production of industry-leading technology and tools, positioning us well for the implementation of an innovative, technology-driven transportation solution. As we know, the technologies related to high-speed integrated movement systems continue to evolve, and the implementation of it is a number of years away. However, visionary planning is integral to the success of implementing such a plan.

Tara will now speak to some of the concrete steps the city of Red Deer has taken to make us high-speed transportation-ready. Thank you.

Ms Lodewyk: Thank you. The city of Red Deer has been operating for over 20 years as if a high-speed transportation system is foreseeable. We are planning accordingly. In our long-range land-use planning documents, our transportation plans, our strategic plans, and by resolution of city council we have been ensuring that a high-speed transportation system is indeed part of our long-term economic growth and vision. Our municipal development plan, which guides overall development within the city, has a policy stating that the city shall support the provision of effective intermodal regional transportation systems, including the development of a high-speed passenger rail service with a stop in or near Red Deer. Our municipal development plan was approved back in 2008.

We have the advantage of a joint Red Deer county and city of Red Deer intermunicipal development plan. This outlines where the city will eventually annex and continue to grow. This is the map from our intermunicipal development plan. The white piece in the centre is the current city of Red Deer boundary. The area shown in blue is the city's agreed-upon growth area. This area can accommodate a population of approximately 300,000 people. Studies have shown a stop in Red Deer to the west of our current city boundary. I have added a red star to the slide, which is the approximate location of the stop in the line.

Red Deer has the space to plan, and we are centrally located along the line and within the province. We are the east-west hub for communities from Rocky Mountain House to the west and Stettler to the east. As Mr. Sennema pointed out, one of our current economic strengths is in the logistics and transportation sectors, that build on our central location and innovative spirit. This serves as an opportunity for Red Deer and area to become a location for marshalling yards, maintenance, research, and other support services that would be required for the high-speed rail transport system.

Our council continues to support integrated movement. They just adopted a mobility playbook that says that Red Deer is ready for integrated mobility. This was the result of council's strategic direction that envisions movement within our city integrated between our sidewalks, trails, bike lanes, transit service, rail, and roads with our built environment. This is the basis for transportation, trails, and transit master plans that are beginning in our city this year. Specifically, council has supported this initiative by presenting resolutions that have passed to the Alberta Urban Municipalities Association and has sent letters to the Transportation ministry in support of high-speed rail.

To be successful in our region, we would recommend that high-speed transportation be complemented by a regional transportation system that would connect the hubs like Red Deer to the region we serve. We have gained experience in regional transportation in the last few years by providing regional transit services. Currently we provide transit to Red Deer county and have just recently signed agreements to provide transit service to communities north of Red Deer, these being Blackfalds and Lacombe. We expect this momentum to continue and recommend that the government of Alberta continue to support regional transportation networks as critical first steps in preparing for the high-speed transportation system.

Demand for regional transit in our area is also felt by the need to expand highways in our region. We have been working with Alberta Transportation on regional transportation initiatives which contemplate a significant expansion to the QE II in our area amongst other things. There is a need to invest to build a more robust network in our region to move people and goods in our growing economy. Investing in the QE II is only one option. A high-speed transportation system is one piece of a larger picture of cost-effective, efficient, and environmentally sustainable transportation.

For Red Deer we are thinking about high-speed transportation not as an if but a when, and we will continue to plan with a stop to our west in our growth area. This will allow us to protect rights-of-way and plan for appropriate land uses with our neighbours. We realize that future technologies and realities of transportation planning involve designing our multimodal transportation networks to connect the region to a high-speed transportation network stop west of our city.

Lastly, we understand this is a complex issue. Technology is changing, and it will take time to plan and implement. All we ask is that we are kept up to date so we can continue to adopt policy and plans to support a high-speed transportation system.

We thank you for your invitation to present to you today.

The Chair: Thank you very much for your presentations.

Now we will move to Mr. McGowan and Mayor Christie on behalf of the AUMA. The floor is yours.

Mr. Christie: Thank you very, very much. Once again, I'm Steve Christie, and I'm here as vice-president of cities up to 500,000 with the AUMA board. Joining me is Mr. John McGowan, the CEO of AUMA. On behalf of our entire board and our membership we appreciate the opportunity to meet with you and talk about the development of high-speed rail in Alberta from a municipal perspective.

AUMA represents urban municipalities across the province, including summer villages, villages, towns, and cities. As you see on this slide, one of AUMA's key functions relates to solutions-based advocacy on infrastructure. This is a top priority since Alberta's cities in particular are struggling to balance demands for infrastructure growth. In fact, we estimate our total infrastructure deficit to be about $26 billion. We therefore applaud the Minister of Transportation's intent to establish a long-term transportation strategy so that a clear plan can be put in place for this particular aspect of our built infrastructure. A key component of this strategy should be transit and high-speed rail in order to connect people, communities, and markets.

2:35

We have been advocating since 2011 for the province to develop strategies, policies, and funding to support the development of a high-speed rail system. However, we want to ensure that other critical transportation requirements such as rail inside our major cities, transit, are our first priority.

Let's take a closer look at transportation priorities. Alberta continues to be an economic engine for Canada, with an impressive growth in our GDP, employment, and business investment. While it's often assumed that our growth is centred on the oil sands region, our growth is actually occurring throughout the entire province. Ten of the 15 fastest growing census agglomeration regions occur right here in Alberta. The growth in Edmonton and Calgary, 12.1 per cent and 12.6 per cent respectively, represents the highest growth for major cities in all of Canada. The other eight areas are Okotoks, High River, Wood Buffalo, Grande Prairie, Cold Lake, Lethbridge, Lloydminster, and Camrose.

There are several pressing transportation needs that must be addressed in order to enable sustainable economic growth. The current infrastructure is insufficient to support the anticipated large increase in heavy hauls to the oil sands in the coming years. As Alberta's population grows, there's a significant challenge with traffic congestion within and between our urban centres. A recent report by the Alberta Economic Development Authority pegged the economic cost of traffic congestion at $7 billion per year in Alberta, or a loss of 3 per cent of GDP.

Top priority should be given to urban transportation, including expanding transit systems and light rail transit within our cities, as has been said before; improving city to airport connections so that they can meet the demand for services that these transportation hubs require, particularly once high-speed rail is built in the cities of Edmonton and Calgary; and improving the existing municipal road network and improving goods-movement corridors.

But this does not mean that planning for high-speed rail shouldn't start. Since we have the time, the province should begin work with the impacted municipalities to advance the concept of high-speed rail, looking at the significant effort that would be required to acquire land, determine the routing and station locations, ensure appropriate rights-of-way and zoning, and address aboriginal land rights issues as well. This will be made more complex by the fact that a high-speed rail system will need to be designed with grade-separated crossings to ensure that the system remains rapid and does not create rail safety issues common in other forms of rail along the same corridor. In fact, using existing rail corridors may provide an opportunity to address some of those challenges as well. Open and transparent consultations will be key to seeing the success of a high-speed rail built right here in Alberta.

Given the importance of municipal infrastructure to the economic prosperity in our province it is important to remember that the first priority is getting the transportation systems within our cities right. There's a substantial investment required to get the rail systems in Edmonton and Calgary functional and effective first, and this cost cannot be carried by the two major cites alone. It requires substantial support from both federal and provincial governments.

Second is the importance of investing in the transit systems within all our cities to help meet the economic pressures that they are feeling with the growth all across Alberta.

Third is the need to eventually link the Edmonton and Calgary rail systems to the two international airports. The efficiency of this has been recognized in many major airports throughout the world and would be important as a part of the Alberta government transportation plan to find linkages between the city rail systems and air transportation.

Finally, the cost of the high-speed rail between the cities should be a provincial and federal responsibility and should not be funded out of priority and existing municipal grants such as MSI or GreenTRIP. We're a little reluctant to mention any specific funding programs as we feel strongly that no existing necessary programs should be affected by high-speed rail.

Once again, we thank you very, very much for being able to present to you today, and we look forward to any questions you may have.

The Chair: Thank you very much, Mayor Christie and Mr. McGowan.

We'll move, then, to Mr. Hunter from the regional municipality of Wood Buffalo.

Mr. Hunter: Good afternoon. Thank you, Mr. Chairman and Members of the Legislative Assembly. The regional municipality of Wood Buffalo supports the development of high-speed rail in Alberta and, in particular, to and from the oil sands production sites. It is a sustainable choice. We would also support a number of initiatives that our mayor and council promote such as community living and reducing camp accommodation in the Athabasca oil sands region.

The region is nestled at the top northeast end of our province and covers 66,000 square kilometres and is home to the Athabasca oil sands reserves, which are the third-largest oil sands reserves in the world. The region is a major economic driver for Alberta and Canada.

The region's growth pattern is linked directly to the oil sands. In the year 2000 most of the oil sands development was north of Fort McMurray, and if you see the blue circle there, that represents the mining operations, Suncor and Syncrude. The red dot represents the in situ SAGD-type extraction.

In 2010 development still continues to be in the north, with a little bit of development in the south, but as we go forward to 2020, there's a large amount of development continuing in the south, so we need a transportation network across the whole region to support that development. The high-speed rail route needs to cover the whole region, north and south, to support the development.

Another interesting statistic is that in 2015 we will see a change. The amount of money spent on construction will then be surpassed by the dollars spent on production. Again, that shows a change in the type of employee that the oil sands needs to attract. The construction requires transitory-type people who come in and do construction, commissioning, and then move on to the next big project whereas for production we need people who are going to come and stay there and work 24/7 the 365 days of the year that production will take place.

The demographics of the regional municipality of Wood Buffalo. Our population currently sits at about 116,000 although there is a shadow population there, of which we don't really know how many there are. The average growth is about 7.1 per cent, and as we move forward into the future, we see the projected future growth as actually frightening when you consider the infrastructure that will be needed to support it. In the year 2020 we expect to be at about 174,000, and in the year 2030 that will jump to 231,000. High-speed rail will be a necessity to move people around the region.

The region faces a number of traffic challenges now: highway 63, with the oversize loads coming up and down to the oil sands, with many trucks bringing goods and services to and from Fort McMurray and the oil sands. We also have between 300 and 400 buses or coaches on the road transporting workers to and from the oil sands every single day. They ship approximately 5 million people back and forth in a year. We've had major construction on highway 63, and we've had the bridges over the Athabasca, the continuing upgrades to highway 63 south of Fort McMurray, all

bringing congestion issues and delays. We also have winter conditions, which cause us no end of problems in the winter. The other route that we have south of Fort McMurray is highway 881. Again, that road needs to be upgraded to support the development that is coming south of Fort McMurray.

2:45

Camps are another big issue for us. We have 650,000 camp beds in the Athabasca oil sands region; 40,000 to 60,000 are in use at any one time. As we transition from construction to production, we want to move people from camps to homes in the community. This gives them a better quality of life. It'll help us attract workers and their families and also help us grow our community.

Our airport expansion. Our new air terminal is expected to open in June 2014. Our old terminal, which is in use now, sees 1.2 million passengers passing through an airport that was built to handle 250,000 passengers. It is estimated that our new terminal will reach capacity by the end of 2015, and that's based on our current growth, which is approximately 25 per cent.

High-speed rail in the regional municipality of Wood Buffalo. We're excited by this project, we hope it moves forward quickly, and we support it fully.

The Chair: Thank you very much. Thank you for . . .

Mr. Hunter: I'm not finished.

The Chair: Oh. I'm sorry.

Mr. Hunter: I've not gone through my 10 minutes yet, have I?

We need high-speed rail as soon as possible. We need it now. It will help alleviate the traffic challenges that we have now and face in the future, and it'll support growth in our region. It gives options for our people in Fort McMurray. It supports growth. If we link it to our transit system and use the hub and spoke type arrangement, where the high-speed rail stations become the hub and we use our transit system as the spoke to move out and into the community – and it will also reduce our greenhouse gas emissions.

High-speed rail would be a great addition to our airport in Fort McMurray. We have land available for a station. It would also support the surrounding businesses, open up travel options for residents through Edmonton and Calgary. It would link to the oil sands, and it would also help us reduce the number of airfields that we have in our region. At the moment we have about 47 airfields in the regional municipality area.

Station locations. We see three stations in Fort McMurray: one in the city centre, which would be the central hub; one to the south at the Fort McMurray Airport; and then one to the north, which would be the Parsons Creek, which is a major development that is ongoing at the moment in Fort McMurray. Then we would see other stations linking the communities of Conklin, Janvier, Anzac in the south and possibly Fort MacKay or a strategic point to service the industrial sites north of Fort McMurray.

In summary, we support the development of high-speed rail. In the regional municipality of Wood Buffalo land is an issue, and the RMWB does not have land at the moment, but it is currently working with the province through a process to release land.

Stations should become transfer points to link with public transit. This will also open up commercial opportunities at the stations for things like coffee shops, newsstands, et cetera, and give a commercial opportunity.

We look forward to hearing what the next steps are and thank you for inviting us here today.

The Chair: Are you done, Mr. Hunter?

Mr. Hunter: I am finished now. Thank you.

The Chair: Thank you very, very much for your presentations.

I will now open the floor to questions from committee members. Members, if you have any questions or comments, please give me a signal, and I will add your name to the speaking list.

Now we will start with Mr. Stier.

Mr. Stier: Okay. Well, thank you very much for attending today. I really appreciate that. I just wanted to touch base with a couple of folks as I have limited opportunity to ask questions with the amount of people we have here today.

I just wanted to jump quickly over to the AAMD and C representatives. I wanted you to know that we did discuss some of the rural context this morning. I'm very, very much aware of the rural needs and the rural values that you've presented, so thank you for that. As far as questions, I'm going to perhaps just leave you for now and go to Red Deer.

Thanks for your presentation there, too. It's interesting. I note that you have shown the alignment of the station and/or track to the west of town, yet your chamber of commerce on Wednesday alluded to the east of town. Can you clear up that little change of plans for me, please?

Ms Lodewyk: Mr. Chair, we have shown a stop to the west of town, and that is based on the TEMS study, the Economic Benefits for Development of High Speed Rail Service in the Calgary-Edmonton Corridor. Whether it's shown to the west or the east, it's within that blue area. That is the point we're making. I just wanted to show that that stop in particular is within our collaborate growth area, which is an area where the city is going to be growing over the next so many years until we reach a population of 300,000 or more.

Mr. Stier: Okay. Thank you for that.

A supplemental, Mr. Chair, if I could, and it will be my final. Mr. Hunter, thank you for your wonderful presentation. I have been to Fort McMurray. I've actually flown over the area, and I've seen what's going on there. It's absolutely mind-boggling. I noted that you referred to high-speed rail within your boundaries as a network. Are you perhaps referring to light rail transit as a start, going to a high-speed terminal from, say, Edmonton or something? I suggest maybe that is what you're doing. Is it?

Mr. Hunter: My expectation was that the high-speed rail would come from Edmonton to Fort McMurray. Possibly what I would like to see is the route of that come up route 881 so that it could pick up places like Conklin, Janvier, Anzac on its way, Fort McMurray Airport, then into the city itself.

Mr. Stier: I see. Yet perhaps you might have heard and seen some of the other presentations we've had today, where we're looking at trying to maintain the speed and do the local services with LRT. What's your comment back to that?

Mr. Hunter: We don't have LRT or the like.

Mr. Stier: I understand that.

Mr. Hunter: The density in those areas like Anzac, Conklin isn't there, even in Fort McMurray, because our community is so spread out, and it's built on either side of the Athabasca River. You know, there's no way that light rail would be economic, if you like.

Mr. Stier: Okay. I'll yield my time now. Thank you very much. I just needed that confirmation.

Thank you.

The Chair: Thank you very much.

Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. Just to build on the information and the conversation around some of the issues in your area, we, the committee, you know, look at the big question: looking at the province of Alberta, what is the line? You had commented about Edmonton to Fort McMurray, and then you also had mentioned there are issues because of how things are spread out, the Athabasca River, and so on.

In the presentations that we've received, it has been mentioned that the high-speed rail has to go over so many miles an hour for it to be of economic benefit. That's like 110 plus, like a bullet train going long distances, for some economic viability. The question is: because of these other issues – you had mentioned the bus transportation. When you look at transportation in the future, are you going to continue the busing with no consideration for light rapid transit with the population coming into that whole region? The high-speed rail would provide a line, but it's not going to solve everything. That line could be Edmonton-Fort McMurray and then back, but it's not going to solve some of the other things that you touched upon. I'm just wondering. As your community looks to the future, like 20 years out, is it still going to be bus?

2:55

Mr. Hunter: Our public transit system is based on bus transit. We have not looked at light rail, not in the time that I've been with the municipality, and I don't see that coming up any time in the very near future.

Mrs. Sarich: And there would be no conversation as you look to the future on light rapid transit considerations for some kind of development?

Mr. Hunter: I would like to start that conversation.

Mrs. Sarich: Yeah. I'm asking the question because Alberta Transportation is doing a consultation across the province. That's a look to the future, like 50 years out, so the time is right to stretch a bit in the thinking. Light high-speed rail may solve one thing, but you've got other considerations. I just found it very interesting, and I thank you for sharing because one of the lines that we had started to talk about as a committee was not the Edmonton-Calgary leg per se but also looking to that north corridor. We need to appreciate what some of the implications would be, and there's a lot of water mass between Edmonton and the north as well.

Mr. Hunter: Absolutely. There's a lot of muskeg.

Mrs. Sarich: Yes. I'll leave it at that and maybe supplement at another time. Thank you.

Mr. Hunter: Thank you.

The Chair: Okay. Thank you.

Mr. Eggen: Well, thank you so much for your presentations today. I wanted to ask the representatives of municipalities between Edmonton and Calgary about the routing of a rail line. I've become more sensitive or more aware, just from your presentation, of how a high-speed corridor or another transportation corridor of any sort will sever communities and cut off roads and just create that kind of disruption. I'm just wondering. This new corridor, the closer that we have it to highway 2: would that help to mitigate the problems associated with cutting off roads and severing of communities and access points between Edmonton and Calgary? The closer we keep the new corridor or the new high-speed rail route to the existing highway 2 – presumably, they've already gone through that process when highway 2 was built years ago. Would you sort of envision any more inconvenience associated with a new corridor being put through?

Ms Kolebaba: Are you talking to me?

Mr. Eggen: Absolutely.

Ms Kolebaba: All right. Very good. I see all the urbans wanting to jump that phone.

In our study we have which rural impacts should be prioritized for mitigating. It depends to some extent on the conceptual alignment selected. In our document, which we have some copies of here, there are different impacts. If it was the impact, let's say, for the CPR line emergency vehicles to get across, it's low. For highway 2 it would be a medium. For the rural greenfield it's a high, high impact. They are listed in our study, and you certainly are welcome to look at it. The highway 2 corridor in itself: there were places along that where low-volume roads could be accessed without changing the pattern of how residents move around within those communities. Does that help you?

Mr. Eggen: Sure. Which route would you prefer, then?

Ms Kolebaba: We don't have a preferred route. The AAMD and C wishes to have more consultation with our residents in order to come up with that. The matter before the panel, I would hope, would be that you will make a decision and you will move forward. Either it's yes, no, or you're not doing it ever. In order for us to plan, we need to know that. I think, you know, that's a priority for us because we've been told that we have to do planning, and if we're going to do it without the province knowing what they're going to do, then it creates even greater problems.

The AAMD and C does want, definitely, for these corridors to be looked at at a little bit higher level than what they have been, not just for roads. They should be looked at for all kinds of pieces of different rail, whether it's rail, pipe, communication, power lines. For any of these ones you build such as Fort McMurray or highway 43, which you built from Canamex to Grande Prairie, there should be land bought today like you did in the past.

Thank you.

Mr. Eggen: Yeah. I agree. Thanks.

The Chair: Done, Mr. Eggen?

Mr. Eggen: Yeah. I'm finished. Thank you.

The Chair: Okay. Thank you.

Mr. Cao.

Mr. Cao: Thank you, Mr. Chair. Well, thank you very much for the presentation representing different perspectives of our Alberta communities. I'm very pleased to hear.

A couple of questions. One is that when the high-speed rail runs through, that's talking about 200 kilometres an hour – whoosh – there will be a lot of protection, right? Also, I think we don't have many stops either. My question is that I've experienced in Europe and other parts that they do have express trains that go whoosh

with very few stops, maybe just three stops, like Edmonton, Calgary, and Red Deer. Then they also have other trains at other times, same track but kind of nonexpress. So they have multiple stops. I was curious in that aspect. Would it help to improve not the buying in but more like the benefits to communities along if we have nonexpress trains, high-speed but nonexpress? Maybe add a few more stops, and that will help. I was wondering whether you have some thoughts on that.

Mr. Hunter: That was actually what I was thinking of when, you know, we were looking at service in the communities of Janvier, Conklin, where you have an express and then you have an intermediate service between. The only thing is that I was thinking more like Calgary, Red Deer, Edmonton, Fort McMurray, and then going to Fort McMurray through . . .

Mr. Cao: Nonexpress stops.

Mr. Hunter: . . . nonexpress stops, doing the likes of Conklin, Anzac, and then also going further north from Fort McMurray to service the oil sands sites as well because the likes of the oil sands sites, some of those are about an hour and a half outside of Fort McMurray by bus. So if you've got a reasonably high-speed train, it'd cut that down and make it a much more reliable service and less prone to delays on the road.

Mr. Cao: Do you have some comment on the municipalities beside the big urbans?

Ms Kolebaba: Yes. Thank you. We chose in our study not to speak to the urban centres because AUMA does very well doing that.

The corridors themselves, if there is a rail corridor already existing that could be side by side, or even if – you know, I heard earlier; I think it was you that spoke to them. They didn't want them on the same track, the high-speed rail and CP. They didn't want to be on the same track, but there are integrations all over the world. You know, I mean, maybe that track isn't up to speed, but maybe it's cheaper to get it up to speed than it is to build a whole new one. I don't know. I wish you luck with that. As far as my answering your question, I can skirt around it for a long time because, really, as AAMD and C we don't have a commitment from our members other than the fact that they do support high-speed rail and they have. It's just a matter of how it gets done. But yeah.

Mr. Cao: In fact, Mr. Chairman, my curiosity is that we talked about the urban centres and the train just speeding and stopping at those locations, but I can see extra stops along the way for nonexpress, just like the bus right now. I rode the Red Arrow express – whoosh – but if I ride the nonexpress arrow, I'll stop somewhere else. It will take longer, but that will also bring benefits for people to come to those at certain hours, nonexpress, joining and going fast.

3:05

Ms Kolebaba: We all have a vision. Certainly it's a good vision of yours, and I think that it can be shared.

Thank you.

Mr. Cao: Thank you.

The Chair: Thank you, Mr. Cao.

Mr. Christie: I think you hit the nail on the head when you talked about the bus systems. I think that is part of the demise of the Greyhound not stopping in the smaller centres, because nobody took those milk runs. Nobody wants to take eight hours to get from Calgary to Edmonton on a bus. When we talk about high-speed rail, I think that's what people would expect. I don't think that they would see it as another milk run system. I think they want to do the whoosh.

Those would be our thoughts. We haven't done a study into the ridership and that type of thing. That's the way I think that we see it, as a high-speed express commuter train.

Thank you.

Mr. Cao: Thank you.

The Chair: Thank you.

Mr. Barnes.

Mr. Barnes: Thank you, Mr. Chairperson, and thank you, all, for your time today. Your information is greatly appreciated. First question to AAMDC, Ms Kolebaba. Your point here: "Rural municipalities would see limited economic benefits, but have significant planning and development challenges." I'm presuming that you believe the cost-benefit analysis is negative or at the very best neutral. To me it's very, very important how we prioritize the spending of hard-earned taxpayer dollars. I've heard estimates on this project of $3 billion to $20 billion. I've also heard it said many, many times that it's almost totally unlikely that it wouldn't take some huge input of public capital, public operating. It would concern me if 180 miles along this route from Calgary to Edmonton received limited economic benefits. Could you talk about that?

In addition to that, I thought when you were talking you mentioned – and in one of the earlier questions I think you touched on it – that us being the government of Alberta, I guess, which is not us, but that the government of Alberta not having a clear transportation corridor or clear plan on what they wanted to do with high-speed rail was not only causing you planning difficulties but was causing some speculation of land and maybe some slow planning and some slow development now because of the uncertainty and the speculation. Can you talk about those two things, please?

Ms Kolebaba: Okay. I'll talk about the last one first. Through the land-use framework municipal governments have been told that we need to plan better. We need to look at things strategically. No matter where you live in Alberta, municipalities, you need to learn to plan for the future. So that's the long-term plan. Some communities, urbans, do maybe 20, 30, 50-year planning. But for rural municipalities, I mean, we do five, six, sometimes 20-year planning. Those plans are set in place, and then we do the land-use development around those plans. So if there is a push by the Alberta government to move forward on high-speed rail, we certainly want to be in that window and maybe within municipalities sterilize land so that it's there for when we need it. That's long-term future looking.

The problem with the economic development: we understand for the greater good of the province that we need to move populations, and populations need to get from A to B to make it economical for whoever is running this rail line. But at the same we would like to seek some concessions on the emergency side or just on some, like I said before, low traffic roads, that you can actually get across this thing because I am under the assumption that this thing is not going to run 24/7. Is that an incorrect assumption?

Mr. Barnes: No idea.

Ms Kolebaba: You guys have no idea. Okay. So then we will forget assumption. The first three letters are a-s-s, and that's not what I want to be.

Then, if that is the case, some grade crossings will have to be put in place so that communities are not shredded, the smaller communities are not torn apart by their people who have always been fed that direction and all of a sudden can't go there anymore. So that was my thought to that. Does that help you?

Mr. Barnes: Yeah, it does.

Ms Kolebaba: Thank you.

Mr. Barnes: Thank you. Okay. My supplement to Mayor Christie and to the two representatives from Red Deer, please. Mayor Christie, first of all, you mentioned a $26 billion infrastructure deficit. I'd like you to talk about that and highlight some of the real priorities on that and especially when it relates to transportation and where you think some money should go for the municipalities you represent.

Red Deer, the representatives from Edmonton and Calgary, quite similar to your presentation, both talked first about the need to improve some local, within-the-city transportation, so I'd like you to take two or three minutes and talk about what Red Deer and Red Deer county might need and what you think it might cost and how that would fit into the timing for high-speed rail.

Mr. Christie: Well, I think with regard to the deficit that's an estimation. That's our estimation. I think the most important part of that was brought out in the national report card with regard to roads and highways. Just over 50 per cent of roads in Canada got a rating of good or less than good. I think 32 per cent was good, and 20.6 per cent, something like that, was rated as fair to poor.

I think that is fairly representative of Alberta as well. I think that our road systems, as stated in our report, need to be brought up to snuff and working properly, first of all, and without interruption of the integration of a high-speed rail, if that is the way that it goes, and our internal transportation systems as well, as the cities spoke of their light rail transits, as Red Deer spoke to our regional transit systems. I think that those are so important. We spoke a little bit earlier about the discontinuation of bus service to the smaller centres as well. That highlights the importance of the regional transportation systems.

I can speak a little bit to the collaboration that's being done in central Alberta with Lacombe, Blackfalds, and Red Deer. The GreenTRIP funding was essential to making this happen. That, too, we spoke to in our report, that we don't want that to be affected either.

When we speak to that $26 billion deficit, it is a built infrastructure deficit, but I think roads, transportation systems are priority one and right here in Alberta.

The Chair: Thank you, Mr. Barnes.

Ms Lodewyk: Mr. Chair, Red Deer just finished working on an integrated movement study this past year, and that sets the basis for how we're going to plan for trails, transportation, and transit, and those plans are being done in 2014. One thing that we've had a realization and understanding of in the last while – and that's council and our residents – is that mobility needs to be integrated. It's not just spending dollars on roads, but it's also spending dollars on your trails and transit, so it is starting to become looking at that systems approach. We will be embarking on that.

We have in that last while made a commitment to an expressway, and we've gotten partial funding for that and are planning to have that throughout our city, so we are putting a large investment into that. Our transit system, we're investing in that.

As well, with Alberta Transportation with QE II there's been a significant amount of work done there as to: how do we get the 30,000 residents of Red Deer who use it as a ring road and build out that capacity? We're looking at that with Alberta Transportation, understanding that there's investment there as well.

There is a lot of work being done. I don't have any dollar value as to what we're looking at from the city of Red Deer, but I do know that it is something we're having a conversation about in 2014 and starting to have that conversation about bus rapid transit and those corridors within the city and planning and budgeting for those. That is something that is coming, and it would be nice to know where this is at. I know we're not going to have an answer tomorrow on this. We'll continue to plan for a high-speed system to the west of our city and how it will link in with our intercity system and our regional system, which is also important to us because we serve 300,000 folks in the region.

Mr. Sennema, do you have anything to add?

Mr. Sennema: No, but I think she – I guess I do. I think Tara brings up a very good point in that because we are looking at the intermodal nature of what we're trying to do, the sooner you folks at the province can give us some direction, we can actually incorporate that into our planning. I think you're sort of hearing that as we go along. Because we're in the fortunate position that we are an infant municipality to some degree – we're not a Calgary or Edmonton – we can start putting those systems in place to help accommodate something like high-speed transportation.

3:15

Mr. Christie: If I could just add to that a little bit, too, I'll take off the transportation hat because there's much more included in that figure. There is the existing that needs to be maintained, and there's a growth aspect there as well. And not only transportation. When I talk about growth, you know, 12 per cent in the large centres – Okotoks was at 43 per cent growth – and on down from there, 20 per cent, the amount of growth in Alberta puts pressures on our other systems such as water, such as waste water, systems like that.

I think what ties us together as well is the need for regionalization. I think that there are some savings there. If we look at the North Red Deer River Water Services Commission, that is operating well – it's profitable – in central Alberta, and we expand those models throughout the province, I think you'll see savings in that $26 billion infrastructure deficit as well. It's something that we do well in central Alberta and that we would love to see happen from AUMA in all other aspects of the province. I think that AAMD and C would probably work with us on that as well.

Ms Kolebaba: Yes, regional services, absolutely. Most municipalities are doing it, urban and rural, in order to cut back on expenses.

Mr. Barnes: Okay. Thank you, all.

If I could have one more question, please, to Mr. Hunter. Thank you, too, for your time. I'm putting you on the spot a bit, but I want you to talk a little bit about what you think the cost-benefit analysis might be. Again, I've heard numbers from $3 billion to $20 billion to do Calgary to Edmonton. My personal guess, with the limited information so far, is $10 billion to $20 billion, so that extra two and a half hours to Fort McMurray is probably going to

be in that same vicinity of $10 billion. I think it did cost a billion to twin highway 63, so that's some comparison.

If you can talk about what you think the cost benefit may be if we're in that $10 billion to $20 billion vicinity. I'm also a little concerned about the use to Fort McMurray. You know, I'm very, very grateful for all of the activity that goes on in Fort McMurray and what it does for Alberta and Canada and what it does for Cypress-Medicine Hat. Many people in Medicine Hat live in Medicine Hat and drive or fly to Fort McMurray for work. I understand Kelowna might even be the biggest area where people live and go to Fort McMurray.

So if you could just speculate for a second. I know your airport is tremendously successful already. Are we sure of what the ridership would be to Fort McMurray compared to flying?

Mr. Hunter: We have not done any study on that. This was really dropped in my lap. You know, I came here rather unprepared. We've only looked at the high-speed rail portion, the information, over the past three or four weeks.

Costwise I don't know, but you have to remember, from Stats Canada, that the oil sands can contribute I think it is $2.1 trillion between 2010 and 2025 to the Canadian economy. We really need to get people to and from Fort McMurray.

I actually thought that the majority came from Newfoundland, not from anywhere else.

Mr. Barnes: You might be right.

Mr. Hunter: I'm sorry. I can't really give you a better answer than that. I apologize.

Mr. Barnes: Okay. How is the current train line for hauling bitumen and stuff now? I heard there were some difficulties with the condition, but it obviously is growing. Are there any construction or infrastructure concerns you see that way?

Mr. Hunter: They are having difficulties with the existing rail line, which stops south of Fort McMurray. It stops down highway 69, just past the airport. At one point in time it did actually come right into Fort McMurray, to Waterways. I know that CN is looking to do some upgrades there, but that's as much as I know at the moment.

Mr. Barnes: Okay. Thank you.

The Chair: Thank you, Mr. Barnes.

Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. I didn't have an opportunity to thank all of the presenters this afternoon for the information that you shared with the standing committee.

I just want to build some more capacity about a few of the questions that were asked, just to get a little bit more clarity. This is around the question I think Mr. Barnes was asking in terms of the cities of Edmonton and Calgary. We are hearing very strongly that the priority for them is the consideration of completion of the LRT prior to moving infrastructure dollars into a high-speed rail although you have to look, you know, 10, 20 years into the future for that type of development.

I would just ask from the perspectives that you represent today. I'm hearing a little bit, for example from Red Deer, that you're taking a look at it, that you're in this conversation, that you're not too sure of what that number would be. But I think it's important – and maybe this goes back to the AUMA and the other organization – and it needs to be clear. It really needs to be clear for municipalities across the province in terms of support for transportation, whether it be locally or regionally or other options, what those priorities would look like. As you look to the future, what will you require from the province? If you're taking something like high-speed rail, what would the implications be in the planning of that? You're working on those plans. Because Alberta Transportation is doing that consultation across the province, I think that's another opportunity to be clear about what the expectation is to help your municipalities develop in this area.

My question. This one has been asked before to other presenters. Typically high-speed rail projects are heavily supported by government in terms of infrastructure and operations. They're subsidized. There are not too many around the world that are stand-alone and that are making big profits and a really great rate of return for the value of the investment. They're coming in as P3 models. I was wondering if you had any perspective to share with the standing committee about that approach for high-speed rail and where high-speed rail would fit. As, like I mentioned, Edmonton and Calgary said: we need the commitment by the province for light rapid transit first before we look outward even though we can do some preliminary planning to get there in the long term. What would be the expectation?

Mr. Christie: I think you explained it quite well. In our report, definitely, the internal systems have to work first. You have to have, as Wood Buffalo spoke to as well, the hub and spoke system. The high-speed rail has very few stops. It is just that; it is a high-speed train with minimal stops. It stops in Red Deer. Red Deer's system reaches out to that hub and then distributes people from that point forward, and that's exactly the model that we're looking at or that we've spoken to our municipalities about and what they're thinking about.

The need for funding is definitely – I mean, we don't have any preference on how the other levels of government look at or propose to do this P3 or however it works best for you. That is A-okay; just leave our municipal funding alone.

Thank you.

Ms Kolebaba: You know, I think that for us the big push is to seal up these corridors like you did with Anthony Henday and sort of tried around Calgary. I think those corridors need to be bought and done today if we're ever going to move forward. Maybe we don't have the money today, but it's never going to get any cheaper. I mean, it has been talked about since the 1990s that this rail should happen, and we still trail and trail and trail, and we just don't seem to move ahead. But I think the corridors need to be bought up, and they need to be done. Find the map in Alberta, do it now rather than later, and when the rail gets on there, it gets on there. Somebody will come along. When there's enough traffic, they'll be there. So just get the corridors. That would be our thought.

Mr. Sennema: Most of the discussion I'm hearing today is really around the conventional notions – and I think we're looking for some time out here, if I'm not mistaken, when I listen to Edmonton and Calgary – with regard to high-speed rail. I'm certainly no expert, but I know the technologies are changing dramatically as the years go by. You know, the introduction of goods and different aspects to that is a possibility. I've heard of vac systems, modular systems, all kinds of different things as opposed to the conventional ribbons down a corridor.

That being said, relative to financing these projects, there could be all kinds of different opportunities we're not even contemplating at this point in time. I know that sounds a little far out

there, but it's just something where, you know, if we're looking at something that's 20 to 50 years away, perhaps we should be thinking outside the box a little bit as well.

3:25

The Chair: Thank you.

Any other questions? Mr. Stier.

Mr. Stier: Yes. Thank you. I just had a follow-up, and I'd like to talk to the gentleman from Wood Buffalo again if I could. Just lately – and I've been informed by my assistant – there's been a land transfer agreement with highway 63 between your municipality and the province, I believe. There is a possibility of perhaps going into a situation where you can eliminate the traffic lights and speed things up through there, and understandably there'd be some infrastructure costs associated with that. In the overall plan, with having high-speed and all these things, would the improvement to 63 in that respect also be a consideration?

Mr. Hunter: The land transfer is not for 63; it's for highway 69. But there are some development agreements which we are in the process of signing with Alberta Transportation for, you know, improvements to highway 63, and that's primarily to improve several intersections and also to provide bus priority lanes and bus on shoulder. That's what our focus has been on for our regional transit and also to improve the transit time to and from the oil sands sites. To get priority lanes for buses: that's where our focus has been.

Mr. Stier: Okay. A follow-up, Mr. Chair, if I may, just to that point. With this corridor that you have got there and in some of the planning you're doing, are you already thinking, therefore, of a wide enough corridor to accommodate things like rail transit?

Mr. Hunter: I think we've probably missed the boat a little bit on that because the likes of the two new crossings over the Athabasca didn't anticipate rail. You know, if rail had been a consideration some time back, then they would have made allowance for it there. If you want to put rail in, you're going to have to put a separate crossing.

Mr. Stier: Given that a crossing is constructible, though, what about the right-of-way and land acquisition to and from that new bridge, let's say? Did you set aside extra corridor room, as the AAMD and C has been indicating needs to be done throughout Alberta if we're going to do these corridors? We need to have enough room for ancillary utilities, et cetera.

Mr. Hunter: The regional municipality doesn't have control over that. It's Crown land there, and highway 63 is under the control of the province.

Mr. Stier: Okay. Fair enough. Thank you very much.

The Chair: Thank you.

Any other questions? Mr. Cao.

Mr. Cao: Thank you, Mr. Chair. I hope that any one of you can help me out here. I was thinking about Carolyn talking about: just go and get the land and reserve it. That means we need public dollars – right? – to get the land. Also, where are those lands? My question is maybe about the money but more like: who will decide where the land is? Would it be the AAMD and C members, who will suggest, "This is the land that you should get"? How does that work? I'm just curious.

Ms Kolebaba: I'm not certain, but I know Anthony Henday was bought by a visionary who believed at the time when they were doing it that in the future they would need it. All I'm saying to the province is: get these corridors. You know the twinnings. You know where they're at. Follow the main passes that you want today, or maybe in 50 years some east-west connectors above the 55th parallel in Alberta would be a good thing, too. I think you know the traffic patterns. You know where these corridors are going to be needed, as you did with power lines. You knew that corridor had to be built and where it had to go. The populations are increasing.

By the same token, I'm hoping that you have some vision outside of what we do today, as John spoke to there. Technology and things will change, but at the same time there's no harm in holding those corridors or those twinnings, wherever they are. You will continue to advance, and you'll see changes in the province. Be on top of it. That's all I'm saying. Don't wait till people build there and then say: "Oh, sorry. Now we have to rip you all apart." No. You should have some foresight and get 'er done.

Mr. Cao: Right. Well, I understand that.

A supplemental question, just for my own learning here. Just curious about the process of getting the land. Would there be consultation or just the Minister of Transportation deciding: this line here?

Ms Kolebaba: Well, you will consult. I'm sure you will because that's part of your mandate, to consult. So we will all consult together, and when you have a corridor, that's the consultation that will take place, along the corridor. So do it. Just do it. We'll help you.

Mr. Christie: I think that, definitely, we would all love to be at the table. It's very similar to your first question with regard to corridors. I think existing corridors would probably be, you know, our first choice and efficiencies in those corridors, as Councillor Kolebaba talked about, with regard to power lines and what else we can run along those corridors as well. They're there, and it's up to you people here, I think, to decide where that might be. We would love to sit down and talk to you again about possible routes.

Mr. Cao: Okay. Thank you.

The Chair: Any other questions?

I have a brief question for Ms Kolebaba. Correct me if I'm wrong. I think I heard you say at the end of your presentation that we had to do some more consultation.

Ms Kolebaba: Yeah. There are seven municipalities along the corridor. If it's going to be highway 2 or the CPR line, that isn't as bad. I do have these copies here, and I really would encourage you all to read it because it does spell out in there exactly what you're aiming at as well. Each one of those corridors will make something different for the rural, and we tried to find in here somewhere where it would be the least impact, which corridor would be picked. Yeah, consultation either through AAMD and C or through the individual municipalities along there: either way, we can help you out, for sure.

The Chair: I see. Okay. Thank you very much.

Any other questions? Any other questions from the members that are joining us via teleconferencing? Are you guys still there?

Mr. Dorward: We're all here. We're just listening. The quality of the questions is outstanding and the answers as well.

The Chair: Well, again, ladies and gentlemen, thank you very, very much for your presentations, and thank you for taking the time out of your very busy schedules to be with us here today. You can access the *Hansard* transcript of the full day's proceedings via the Legislative Assembly of Alberta website later this week, and the audio of this meeting is also available on the Assembly site. Thank you again. It was a pleasure having you here.

We're not done yet, members. Please remain in your seats. We have two more very brief items to discuss.

Ladies and gentlemen, we will take a five-minute break, and we will be back here at exactly 3:40.

[The committee adjourned from 3:34 p.m. to 3:38 p.m.]

The Chair: We have a couple more items on the agenda. Item 4, other business. Do members have any other items of business for discussion? Mrs. Sarich.

Mrs. Sarich: Yes. Thank you, Mr. Chair. I was wondering if it would be possible to get – with the presenters we can see their names very clearly. A few times, including yours truly, colleagues have been referred to as "you" rather than by name.

The Chair: Name tags?

Mrs. Sarich: Right. Our names.

The Chair: Can we get name tags for all members of the committee?

Mrs. Sawchuk: We can do that.

The Chair: Okay. Point well taken.

Any other discussion?

Seeing none, we'll move to the date of the next meeting.

Actually, I was informed by the clerk that we have a little change to our agenda for tomorrow and that it has been sent out to each and every one of us. Okay. Good. You all got it?

Mr. Rogers: I haven't read it yet.

Mrs. Sawchuk: Mr. Chair, the Alberta Wilderness Association has withdrawn from panel 6 for tomorrow. They're unable to participate.

The Chair: That's the only change?

Mrs. Sawchuk: Yes.

The Chair: Okay. The date of the next meeting will be tomorrow, February 5, from 9 a.m. to 4 p.m. We might finish a bit earlier tomorrow.

Mrs. Sarich.

Mrs. Sarich: Yes. I'm just wondering. Have you as chair received any of the materials by the presenters in advance of tomorrow, like copies of their slide deck?

The Chair: I haven't received anything myself, no.

Mrs. Sarich: I'm just simply asking the question because some of the documentation received today at the table was quite extensive and with new information, and it's really difficult while the presentation is going on to read the material and perhaps formulate a question. I would ask that if your office is receiving any of the presentation materials . . .

The Chair: No, we haven't.

Mrs. Sarich: . . . in advance, they be circulated internally to committee members.

The Chair: It's not my office that receives these documents; it's the committee's office.

Mrs. Sarich: Well, to the committee or somehow in advance.

Mrs. Sawchuk: Mr. Chair, we are currently just going through our internal e-mail communications that we have to see who has sent us their information in advance. If we can get it posted by the end of today, it'll be on the internal website. We'll send out a quick e-mail to everybody.

Mrs. Sarich: Thank you very much. That would be very helpful for the committee members.

The Chair: Okay.

Mr. Rogers: I'd be pleased to move to adjourn, Mr. Chairman.

The Chair: Well, that was next.

All in favour? Great. Adjourned till tomorrow morning at 9.

[The committee adjourned at 3:42 p.m.]

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