



Legislative Assembly of Alberta

The 28th Legislature  
First Session

Standing Committee  
on  
Resource Stewardship

Ministry of Transportation  
Consideration of Main Estimates

Wednesday, March 20, 2013  
7 p.m.

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The 28th Legislature  
First Session**

**Standing Committee on Resource Stewardship**

Kennedy-Glans, Donna, Calgary-Varsity (PC), Chair  
Anglin, Joe, Rimbey-Rocky Mountain House-Sundre (W), Deputy Chair

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Barnes, Drew, Cypress-Medicine Hat (W)  
Bikman, Gary, Cardston-Taber-Warner (W)  
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Calahasen, Pearl, Lesser Slave Lake (PC)  
Casey, Ron, Banff-Cochrane (PC)  
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Hale, Jason W., Strathmore-Brooks (W)  
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Lemke, Ken, Stony Plain (PC)  
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Stier, Pat, Livingstone-Macleod (W)  
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**Also in Attendance**

Rowe, Bruce, Olds-Didsbury-Three Hills (W)

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**Standing Committee on Resource Stewardship**

**Participant**

Ministry of Transportation  
Hon. Ric McIver, Minister



7 p.m.

Wednesday, March 20, 2013

[Ms Kennedy-Glans in the chair]

**Ministry of Transportation  
Consideration of Main Estimates**

**The Chair:** Thank you for being so punctual. We're looking at the estimates for the Ministry of Transportation for the fiscal year ending March 2014.

Just a reminder for those of you who are very enthusiastic. The microphones are operated by *Hansard*, and they get very upset if we touch them. Please leave your telephones under the table because sometimes they interfere.

I'll go around the table and ask you to introduce yourselves. Minister, when we get to you, if you would introduce that whole entourage behind you, that would be wonderful.

**Mr. Anglin:** Joe Anglin, MLA, Rimbey-Rocky Mountain House-Sundre.

**Mr. Allen:** Mike Allen, Fort McMurray-Wood Buffalo.

**Ms Kubinec:** Maureen Kubinec, Barrhead-Morinville-Westlock.

**Ms Calahasen:** Pearl Calahasen, Lesser Slave Lake.

**Mr. Khan:** Stephen Khan, St. Albert.

**Ms L. Johnson:** Linda Johnson, Calgary-Glenmore.

**Mr. Casey:** Ron Casey, Banff-Cochrane.

**Ms Fenske:** Jacquie Fenske, Fort Saskatchewan-Vegreville.

**Mr. Kang:** Darshan Kang, Calgary-McCall. Good evening, everyone.

**Mr. McIver:** I'm Rick McIver, Minister of Transportation. I'm here with Alan Humphries, the acting deputy minister; Andre Corbould, assistant deputy minister, regional services; and Rod Skura, the executive director of finance. Also here is Bruno Zutaugas. Did I get that right, Bruno? Okay, good. We were rehearsing earlier. Bruno Zutaugas, assistant deputy minister, engineering services; Shaun Hammond, ADM, traffic safety services; Robert Quinton, director of programming, regional services; and Sheldon Roth, director of financial planning. Anybody I miss? Okay. All accounted for, Chair.

**Mr. Stier:** Pat Stier, Livingstone-Macleod.

**Mr. Hale:** Jason Hale, Strathmore-Brooks.

**Mr. Bikman:** Gary Bikman, Cardston-Taber-Warner.

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

**Mr. Barnes:** Drew Barnes, Cypress-Medicine Hat.

**Mr. Bilous:** Deron Bilous, MLA, Edmonton-Beverly-Clareview.

**Mr. Sandhu:** Peter Sandhu, MLA, Edmonton-Manning.

**The Chair:** All right. Welcome, everyone.

As you know, the Assembly approved amendments to the standing orders that impact how we do main estimates. Before we proceed with consideration of the main estimates tonight for the

Ministry of Transportation, I would like to again review briefly the standing orders governing the speaking rotation.

As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or a member of the Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes. For the hour that follows, members of the Official Opposition and the minister or the member of the Executive Council acting on your behalf, Minister, may speak. For the next 20 minutes the members of the third party and the minister or the member of the Executive Council acting on the minister's behalf may speak. For the next 20 minutes the member of the fourth party and the minister or the member of the Executive Council acting on the minister's behalf may speak. For the next 20 minutes private members of the government caucus and the minister or the member of the Executive Council acting on your behalf, Minister, may speak. Any member may speak thereafter.

Members may speak more than once; however, speaking times are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes, so I'll be asking you to advise me at the beginning of your speech if you want to combine your time with the minister's time.

Once the specified rotation between caucuses is complete and we move to the portion of the meeting where any member may speak, the speaking times are reduced to five minutes at any one time. Once again, a minister and a member may combine their speaking time for a maximum total of 10 minutes, and members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time.

I'd also like to welcome Mr. Lemke to our meeting here.

**Mr. Lemke:** Sorry I'm late.

**The Chair:** No worries.

Three hours have been scheduled to consider the estimates of the Ministry of Transportation. I'll probably call a break, perhaps after the New Democrats have their cycle of questions.

Committee members, ministers, and other members who are not committee members may participate. Members' staff and ministry officials may be present, and at the discretion of the minister officials from the ministry may address this committee.

If debate is exhausted or we're exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn; otherwise, we are here till 10 o'clock.

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

Any written material provided in response to questions raised during the main estimates should be tabled in the Assembly for the benefit of all members, Minister.

Vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 22, 2013.

We do have one amendment tonight tabled by the Wildrose caucus, so I will give you a little more information about the amendments.

An amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount.

Vote on amendments, as I mentioned, is deferred until Committee of Supply on April 22, 2013. Written amendments must be reviewed by Parliamentary Counsel prior to the meeting

at which they are to be moved, and 25 copies of amendments must be provided at the meeting for committee members and staff.

With all of those necessary details I turn it over to you, Minister, to make some introductory comments. Thank you.

**Mr. McIver:** Okay. Well, if I get to 10 minutes, I'm sure you'll stop me.

**The Chair:** Absolutely.

**Mr. McIver:** Budget 2013 is about responsible change. Transportation has made and is prepared to continue making the tough but thoughtful decisions necessary to effectively deliver our programs and services. Albertans depend on our transportation network to get them to work and school on time and to get them home safely and to get products to and from market. They can be assured that safety on our roads and bridges remains our priority. In the next three years we will focus on protecting our valuable investments in infrastructure, smart spending and innovation, connecting Alberta to international markets, and increasing safety on provincial highways.

Alberta Transportation's 2013 to '16 business plan has three goals: continue to develop a well-integrated multimodal transportation system that supports a growing economy, preserve Alberta's existing transportation infrastructure in a cost-effective way, and support environmental stewardship and the quality of life for all communities.

As part of our commitment to safety, funding to traffic safety is being maintained. With our partners we will inform and educate Alberta motorists about the right things to do to reduce collisions, injuries, and fatalities. This saves Albertans countless dollars on emergency costs, police costs, insurance costs, employment impacts, and, of course, the great personal costs that can be never measured by a dollar sign. After we build a safer province, we will use all the tools at our disposal to build and maintain the transportation network Albertans need now and to support economic growth for the future.

Transportation's overall proposed budget for 2013-14 is \$3.2 billion. This includes \$953 million for operating expenses such as highway maintenance and preservation and transportation safety programs. Through grant funding of \$838 million we will partner with municipalities to invest in roads, bridges, public transit, and water and waste-water infrastructure. In 2013-14 we are investing \$1.4 billion in the provincial highway network, that has far-reaching long-term benefits for Albertans, including \$625 million for the Calgary and Edmonton ring roads, \$271 million for northeast Alberta strategic projects, \$368 million for provincial highway construction and rehabilitation projects, and \$43 million on bridge construction projects, including the South Saskatchewan River bridge on highway 1 at Medicine Hat.

Increasing access to existing markets and securing access to new markets by focusing on key corridors is an investment in Alberta's economic future. It is also a government priority. This approach benefits all Albertans regardless of where they live and is a smart use of taxpayers' dollars. In the next three years our total expenditures are more than \$9 billion, about \$6 billion to support capital infrastructure projects with a focus on our core network and nearly \$3 billion for day-to-day operations, including highway and bridge maintenance and preservation.

Capital plan commitments include new and continuing construction on core infrastructure and rehabilitation projects on our highways, bridges, and water infrastructure. This goes for both provincial assets and municipal infrastructure. To meet our commitments and expand market access, we will complete the

twinning of highway 63 from Grassland to Fort McMurray by the end of 2016, open Calgary's southeast Stoney Trail by the end of calendar 2013, complete Edmonton's northeast Anthony Henday Drive by late 2016, and complete the key Canamex trade corridor between Grande Prairie and the Alberta-Montana border by twinning the final 20 kilometres of highway 43.

Like every year, our three-year construction program, which lists priority projects throughout the province, is posted online. Albertans can find out how and where their tax dollars are being spent with a few keystrokes by going to the Alberta Transportation website, [www.transportation.alberta.ca](http://www.transportation.alberta.ca).

One key thought during the budgeting process was that we must continue to support local initiatives, and we did that. Total grant funding for municipalities will be \$838 million, \$878 million, and \$859 million over the next three years. This funding is allocated through several programs: the basic municipal transportation grant, GreenTRIP, water for life, and the municipal water/waste-water program. The basic municipal transportation grant, an allocation-based funding program, remains fully funded.

**7:10**

The strategic infrastructure investment program, an application-based program, has not been funded in Budget 2013 for new projects. Projects that are under construction or tendered under this program will be completed. STIP includes the local road program, resource road program, local municipal initiatives component, and municipal and community airport program. Municipal governments still have access to basic municipal transportation grants and the municipal sustainability initiative from Municipal Affairs to help support their local transportation priorities.

Governments remain committed to GreenTRIP for the support it provides to public transit across the province and the benefits it holds for our communities and the environment. A total of \$667 million in GreenTRIP funding will be available to municipalities over the next three years for projects already approved. We will continue to advance these approved projects; however, there will not be a second round of application calls for GreenTRIP at this time. Capital for emergent projects has not been funded for any new projects in Budget 2013; however, projects that are under construction or tendered will be completed.

Program funding for water for life and municipal water/waste-water projects has been reduced by half, now funded at \$50 million and \$25 million per year respectively. These grant programs will continue to build new water and waste-water infrastructure and rehabilitate existing infrastructure.

In the next three years as part of Budget 2013's commitment to communities Alberta Transportation through the Alberta municipal water/waste-water partnership will fund a total of 151 projects throughout the province, from water treatment upgrades in Bentley, Slave Lake, Conklin, Longview, Okotoks, Taber, and many other communities to waste-water projects in Strathmore, Carseland, Beiseker, DeBolt, Peerless Lake, Czar, and many others. The Alberta municipal water/waste-water partnership is part of building Alberta communities by providing financial assistance for municipal water supply, water treatment and waste-water treatment, and disposal projects. When we look at water for life projects, they all contribute to reaching the three goals of the water for life strategy: safe, secure drinking water; healthy aquatic ecosystems; and reliable, quality water supplies for a sustainable economy.

In the next three years as part of our Budget 2013 commitment, a total of 71 different projects will receive provincial funding, again from all across the province. Many of these projects are the

second or third or fourth stages of long-term water system projects in areas like Vermilion River, Taber, Vauxhall, Vulcan, Peace River, and St. Paul.

In recent years the Alberta government has made significant investments in major new road projects. We have had great success in advancing our core infrastructure network. For example, Edmonton's ring road is now 90 per cent complete. Calgary's ring road is 40 per cent complete and will be 70 per cent complete once the southeast Stoney Trail opens this fall. The largest bridge deck in Alberta was completed over the Athabasca River in Fort McMurray. Over the next few years as these projects progress, we will make a conscious shift to protecting and maintaining our existing infrastructure investments. While we can expect to see a change in some roadways, we will keep our highways in good shape, and our roads will continue to be better than most.

Albertans will continue to see significant strategic rehabilitation investments in our roads and bridges and water projects through this period like overlay paving on the Trans-Canada highway, 21 kilometres near Strathmore; rehabilitation of Yarrow Creek bridge on highway 6; rehabilitation of Blindman bridge on highway 20 just north of Rimbey; and replacing the Wigwam Creek bridge on highway 734 near Sundre; upgrading the canal works from Belly River to St. Mary dam and replacing the low-level outlets at the dam; rehabilitation on the Mackay and McAlpine dams; replacement of the irrigation canal culvert and bridge on highway 554 near Duchess; and controls upgrading on the Oldman dam near Pincher Creek and upgrading electrical and controls at the Lethbridge Northern headworks near Barons.

With fewer dollars but greater demand for road building, rehab, and repair, we need to be more innovative. We need to shift from "This is how we've always done it" to "We can build differently" while still ensuring a high level of safety and affordability. Moving people and goods safely and efficiently is key to future prosperity and growth and enhancing the well-being of Albertans. We intend to incorporate new technologies and better designs to improve efficiencies, reduce operational and maintenance costs, and improve how our transportation network serves Albertans.

Over the next few years we won't have the luxury of being able to do all the projects we know need to be done, so we have had to defer a number of projects, including road construction work on highway 881, intersection improvements on highway 63 at highway 69 and Mackenzie Boulevard, the interchange at highway 2 and Cardiff Road in Morinville, and more than 200 kilometres of repaving work on a number of highways across the province.

But this also gives us the opportunity to take a look at what we currently have and what we'll need to support Alberta in the future. We will work with our industry partners to find innovation and opportunities and take those forward where they make sense. By doing this work now, we will also be more prepared when Alberta Transportation gets fully immersed this coming year in the results-based budgeting process this government has implemented. Yes, Budget 2013 resulted in some reductions to Alberta Transportation's budget, but I think you will agree that by making wise choices and funding priority projects for the construction and rehabilitation of our province's roads, bridges, water, and wastewater facilities, we are taking the right approach to meet Albertans' needs and continue to build Alberta.

Overall, we've taken a holistic approach to building a better Alberta, preparing us for the future, and supporting our children's and our grandchildren's futures while not compromising the quality of life today for all Albertans. We're proud of what we're putting before the Legislature and, by extension, this committee

tonight, Chair, and I look forward to having that discussion between now and 10 o'clock.

Now, if you please, Chair, I will be pleased to take questions.

**The Chair:** You had one second left. That was pretty good. This isn't your first rodeo.

**Mr. McIver:** Actually, it is.

**The Chair:** Sorry. It's an inside joke. I shouldn't do that here.

The Wildrose caucus has one hour to question the minister. Mr. Barnes, you are going to take the lead on this. Will you go back and forth with the minister?

**Mr. Barnes:** I'd like to go back and forth, please.

**The Chair:** Okay. I will give you a heads-up, then. I'm going to have to interrupt you every 20 minutes. Please proceed.

**Mr. Barnes:** Okay. Thank you. First of all, thanks to Minister McIver and all the Transportation people that have taken their time and their expertise to help us here tonight. I and the Wildrose caucus greatly appreciate it.

I want to start with line item 10.3. The Wildrose plan, of course, is different. We released about a month ago our debt-free capital plan, and in our estimate for 2013-2014 line 10.3 shows over \$67 million in interest at page 221. I'm wondering, Minister, please: how much of the \$1.1 billion that was borrowed for highway 63 will add into this debt service over the next year or two? How much is already in that \$67 million?

Is it possible also for you to detail the interest rates that the people of Alberta, the taxpayers of Alberta, are paying on the debt for this and the various debts for the ring roads? It was estimated in the budget from your government two or three weeks ago that Alberta will owe approximately \$17 billion in debt in just three years. I'm wondering what you think the impact will be on the roads and the transportation network in Alberta from these servicing costs.

I also understand that the average road has a 15- to 20-year lifespan before it needs considerable work, and the maintenance costs greatly increase on roads as they age. I'm wondering what your thoughts are on the crossroads, say, 15 or 20 years from now, when these 30-year P3s with the interest rates and the higher maintenance on the roads start to connect, on the level of services for Albertans.

**Mr. McIver:** Well, thank you. I would like to say that I appreciate the questions. One of the important things that the hon. member asked is: how will this affect Albertans in the future? Well, one way it will affect Albertans in the future is that their quality of life will be better. Twenty years from now they'll have had use of the Edmonton ring road for 20 years. They'll have had use of the Calgary ring road for 20 years. That will change their lives tremendously.

When you think about it from the viewpoint of the average Albertan, the cost of them sitting in traffic for an extra half-hour to an hour every single day, multiplied perhaps by 200,000, 300,000 Albertans, which is not a pie-in-the-sky number – you'll have to forgive me. I'm from Calgary, so some of the numbers I know better are Calgary traffic numbers. The Deerfoot Trail, for example, has between 80,000 and 180,000 cars a day. Edmonton is a little smaller than Calgary, but still the Edmonton region is pretty close to the Calgary region side. If you take a reasonable projection of that, you can estimate 250,000 to 350,000 Albertans a day just on the two ring roads alone.

If you multiply that by five days a week, you know, 49 to 50 weeks a year, depending on how many holidays they've got, and you extend that to the cost to each individual Albertan, not just for the fuel in their car, not just for the wear and tear on their car, but if you actually extend that to the change in the quality of their life, whether it's 20 minutes, half an hour, or an hour, when you actually consider that you can give them part of their life back, the value is unbelievable. What Albertans do with that time you give them: really, it's up to them. Whether they choose to spend it with their family, whether they choose to spend it working, whether they choose to spend it exercising or taking vacation, the point is that it's their choice.

One thing that I've often said and long believed is that we can all make more friends and we can all make more money; we can never make more time. When you talk about the quality of life and giving Albertans the gift of time: supervaluable. How do you put a value on that?

7:20

**Mr. Barnes:** Excuse me, Mr. Minister.

**Mr. McIver:** I'm answering the question, Chair.

It's the one commodity that they can't replace. When you consider the value of that, I'm not sure how you put numbers on it, but it's huge.

The other part of the question was: how much of the interest in line 10.3 was for highway 63? The answer is zero because line 10.3 actually refers to debt-servicing interest on the P3 projects, essentially the Edmonton and Calgary ring roads. There's the number there.

When you figure the value of that interest over 200,000 to 300,000 Albertans, I think Albertans would say that it's a heck of a bargain compared to, you know, what some people would advocate, Chair, to not build anything until you've got cash in the bank. Well, Albertans won't be very happy, I think, if you let them sit in traffic for 20, 30 years of their life and then at the end say: you paid cash. I'm not sure that that is actually going to make them happy. What I believe that I know is that actually having those ring roads in place is making them happy. I've heard fairly strongly about highway 63 from the good folks of Fort McMurray and Wood Buffalo, the people that live there, the people that work there, the people that just go up and down that road delivering goods and services that Albertans and people world-wide depend upon. I think what I'm hearing from them is that it's very important to their quality of life.

**Mr. Barnes:** Excuse me. Do you have any thoughts on the maintenance cost part?

**Mr. McIver:** When you think of that, the P3 funding is borrowed by the private sector – and those rates are proprietary – but the government assumes a borrowing rate for accounting purposes. For the Anthony Henday, just based on the government's assessment of when it was borrowed, we were assuming a 5.3 per cent rate, on the Stoney Trail northeast we're assuming a 4.75 per cent rate, on the Anthony Henday northwest we're assuming a 5.1 per cent rate, on the Stoney Trail southeast we're assuming a 5.0 per cent rate, and on the Anthony Henday northeast we're assuming a 3.75 per cent rate. The borrowing rate on \$1.1 billion: I guess that would be more appropriate to the estimates for Finance and Treasury Board.

The government also receives, of course, a 30-year warranty on the work done, reflected in interest payments on that line on the ring roads. Again, if you're only counting the dollar costs, there's the number, but there have got to be savings, too, on maintenance

and upkeep because along with those P3 projects comes a 30-year warranty.

**Mr. Barnes:** Okay.

**The Chair:** I'll just remind both of you that this is a back and forth, so you'll have to either keep your questions crisper and your answers crisper, or you'll probably end up reverting to block time.

**Mr. McIver:** There were a whole bunch of questions there, and I was doing my best to pick them all up.

**The Chair:** You guys will have to get into a rhythm of a back and forth here, or you may end up in block time.

**Mr. Barnes:** Okay. Thank you very much.

Let's talk about the P3s. During the supplementary estimates on March 6 your department requested an additional hundred million dollars for the construction of the northeast Anthony Henday. It's a P3 project, and of course you've been telling Albertans that P3s will save them money, but you didn't know about this extra hundred million dollars that would be needed. You said, Minister, that "the full cost of it wasn't clear until the negotiations were finalized" and that a hundred million dollars "was added to fully fund the project after the final approval was received for the P3." Can you explain to Albertans, please, why this hundred million was missed, and could you explain to taxpayers where you may have missed another hundred million for this year?

**Mr. McIver:** Well, actually, what I said at estimates, that the final cost isn't known until the negotiations are done, is absolutely correct because you don't know what the cost of any business arrangement is until the negotiations are complete. Because that's not subject to what we're talking about here, I guess technically I don't have to answer that, but I'm going to. There was no money missed, not a nickel. In fact, the accounting has been very good on that.

What this is a function of is how fast the work gets done. One thing I know about construction – and I don't know much, particularly about outdoor construction although it applies to indoor, too, but in this case it is outdoor – is that you don't really know how long the project is going to take until it's finished. There are vagaries and variables that are absolutely not predictable. One of them, obviously, is the weather, and that's really the subject of the estimates on the P3. The fact that we needed more money was a function of the fact that our contractors actually were in many cases getting the work done faster than they thought they would, not that different than when we opened a section of highway 63 several months early because there was a period of time when the weather was actually good and the contractors actually got a lot of work done faster than they thought.

In some cases on these estimates that's the case, where there was more money needed because the work was getting done faster. There were some other parts of the estimates, actually, where the work was getting done slower. Again, it's the vagaries of the weather. When you're digging in the ground, you get surprises. Some of it was the fact that there was, I think, around \$4.3 million that they found to make connections in the cities. Again, there are things that you're not fully in control of because you're working with other jurisdictions in the cities and making connections to their roads.

In fairness, there was nothing missed. The taxpayers got full value, and I think that on par they'd be very happy with how the P3 projects are going and in particular with the parts that caused us to come forward with estimates because there were some parts where we were just getting the work done faster.



**Mr. Barnes:** Okay. Thank you, Minister. With a hundred million it seems like the taxpayers got the full brunt of the risk.

I want to move on to line item 7.3 on page 220, strategic transportation infrastructure program, a cut of \$119 million. I understand that this money was in the past for resource roads, for airport runway upgrades, and for the local bridge program. Just in the 45 minutes or so I had a chance to talk to people at the municipality conference today, it was mentioned to me about two bridges that needed to be looked at, needed some maintenance very soon. That especially concerned me in light of what the Auditor General released a few months back about how bridge inspections had not been occurring. It was also mentioned about a road that was needed by a new grain elevator, very, very much a resource road that would very much help our commodity-driven province. I'm wondering what your expectations are for counties and towns to put in this infrastructure that's needed and how it will be made up.

**Mr. McIver:** Okay. Well, I'll start off with the premise of the question, Chair, which is, unfortunately, inaccurate. The questioner actually made a statement that the taxpayers took the brunt of the hundred million dollars. Actually, they got full benefit. The only reason there was more money needed was because the work got done faster. There was no brunt. In fact, the taxpayers essentially paid the same price they were going to pay. They paid it a little sooner because they got the work done sooner, so there was no brunt.

I'll start by addressing the inaccuracies in the premise of the question, and then I'll move on to the rest of the question. The questioner talked about STIP and about bridge audits, so I'll try to address each of those now because those are all things that were asked about.

Now, on the bridge audits, of course, what the Auditor basically said – and again there was another inaccuracy in the premise of the question. The audit actually made it really clear that we have a good system. The audit made it clear that there was absolutely no evidence found of unsafe bridges. The audit also said that Alberta has a very good system for inspecting our bridges. The audit did actually make some criticism of the fact that some of the inspections that were done weren't recorded in the right place soon enough, and we've corrected that.

7:30

One of the other criticisms that the audit had was that some of the inspectors weren't licensed. Of course, they were qualified inspectors. The reality is that they were inspectors that had been working for the government for a long, long time, and a bad habit had formed of not checking their credentials every year essentially because they had been inspecting our bridges for so long. Again, we corrected that, and I can assure you that there's a day every year where they're now showing their credentials every single year. At no time were they untrained and unable to do those inspections, and they're doing them.

Moving on to the STIP program, essentially the STIP program was zero funded in the budget coming up. I can tell you that I talked to a lot of rural municipalities. I met with several of them over the last few days. I've been talking with them on a pretty regular basis. They largely understand what the government did, Chair. Like anybody else that gets less money instead of more, they're unhappy that they got less money instead of more. That's normal. But they do appreciate that what the government did is consider their needs. As a former municipally elected person I can tell you that I think I have a good appreciation for this.

Of course, they make their own decisions on when they finalize

their budgets, but a lot of them finalize their budgets in December and January. When we were looking for ways to live within our means and reduce expenditures and we evaluated the grant programs, we decided that it would be in the best interest – STIP was the one that actually worked better for municipalities. The reason for that is that it's program based or project based, so a municipality couldn't reasonably assume that money from the STIP program was going to be spent. They would first have to apply for it, then they would have to have it approved, and only then would they be able to count on it in their budget, unlike MSI, which is funded at the same level, I understand, this year as last year, and the basic municipal transportation grant, which is a formula-based grant. The formula is negotiated and agreed upon with the municipalities. In fact, the basic municipal transportation grant formula hasn't changed at all.

What we did, essentially in consideration of the municipalities, is kept those two programs intact. Those were the two that municipalities could reasonably say to the government: you told us we could count on this money. We're saying: we did, and that's why, essentially, you can count on the money. That's why we didn't cut those and chose to cut the STIP instead.

**Mr. Barnes:** Excuse me, Madam Chair.

**The Chair:** Minister, just to keep you going back and forth here, okay?

**Mr. McIver:** Well, I appreciate that, but if I get five questions, I've got to answer five. I guess I don't have to, but I'm trying to.

**Mr. Barnes:** I think I'm satisfied, Mr. Minister, with your answer to that. I guess it's cut.

I've talked to lots of stakeholders. I guess at first I thought that the government didn't have a priority list. I heard time and time again that not publishing the priority list, that we now understand exists after we tried to FOIP it and it wasn't released, and not having consistent sustainable funding costs the taxpayers of Alberta dearly. How stakeholders have told me that this is true is that when the priority list isn't public, they can't plan their men and capital efficiently and effectively to save the taxpayer money. Road builders have told me about times when your department has pulled a considerable amount of roadwork and hasn't been consistent. I've heard stories of where that makes contractors, of course, financially nervous, so what they may do is try to capitalize the cost of their equipment over one year's projects rather than the five or 10 years it may last.

Are those accurate concerns? What does your department do to get the taxpayer the best value in terms of a priority list and sustainability? Will you release a priority list as to what you're going to do, what highways and in what order you're going to do them, not according to just the number of the highway?

**Mr. McIver:** Well, Chair, the priority list is available, as I've told the hon. member before. He's clearly decided to ignore the advice. It's on our website. If he goes to [transportation.alberta.ca](http://transportation.alberta.ca), he will find the three-year capital plan there, the priorities that are approved. It's right there in black and white not only for the member but for members of the industry. There it is. I don't know how we could make it more public than putting it on the website, where everybody can see it. The fact is that when we do that, it's as plain as it can be.

Consequently, that's how contractors can get the best value that they can. We deal with a normal tendering process. Members of the industry are familiar with the tendering process. They work with us very well, and we work with them very well. In fact, just

last week I spoke at the annual meetings of the Alberta Roadbuilders and Heavy Construction Association and at the CEA, the engineers, and frankly both of their leaders said that they're very happy with their working relationship with Alberta Transportation. The Consulting Engineers of Alberta actually put out a letter saying that.

**The Chair:** Okay. We have to stop at 20-minute cycles.

Mr. Barnes, you have a choice now. Do you want to continue to go back and forth, or do you want to do block time, 10 minutes followed by a 10-minute response from the minister?

**Mr. Barnes:** I will do block time. I'll take 10 minutes, please.

**The Chair:** Okay. I'm going to stop you again at 20 minutes, and you can decide again.

**Mr. Barnes:** Okay. Thank you very much, Madam Chair, and thank you so far, Mr. Minister. Again, in my opinion, your priority list is just on there by highway number. Things come and go off there, whether they're completed or not. Can you please tell me your top five priorities?

My second question. I'd like an update, please, on your negotiations with the agreement for the southwest route through the Tsuu T'ina reserve. How is that going? I wish you luck with that and them as well.

Part and parcel of that, Macleod Trail and highway 22X: the interchange, I see, is back on the list of priorities, which is very good. I understand that's very dangerous and very much needed, so I'd appreciate an update on that.

I'd like to talk about highway 63 and highway 881. On page 69 of your goals you mentioned that your goal 1 was "a well-integrated, multi-modal transportation system." Your only two checked priorities are to develop that and, your second, to "complete twinning of Highway 63 between Grassland and Fort McMurray to improve safety and accommodate economic activity." There is still a lot of, I believe, mistrust in the government and their desire to complete this, especially after it was announced in 2006 and by 2012 something like only 30 or 40 kilometres were done. I believe you announced that it would be all done by '16, but in 1(b) on page 70 it shows that the percentage of twinned highway kilometres open to travel will only be 69 per cent and that 22 per cent is your target this year. It greatly concerns me, you know, that you're leaving this work to towards the very end. That, of course, is open to more delays, open to the promise being broken again.

The passing lanes on highway 881 are also a concern. Your commitment to one of my questions on October 24 in question period I believe was: "We have also actually committed to adding some passing lanes on highway 881 and other things to make it safer. This government is performing on behalf of Albertans." Now here we are a few months later, and in this budget the passing lanes and other highway improvements for highway 881 have been postponed. I did a consultation tour of highway 881 and highway 63 four or five months ago with one of our fellow members, and it was clear up there that this road, 881, is dangerous. It's clear that a lot of people up there are using it for an alternative route. You made a promise.

7:40

From there I'd like to move to strategic services, which I believe is item 1.4. I'm noticing an increase of \$400,000 in this amount of the budget. Mr. Minister, I'd like you to explain a little more about what strategic services does and what the \$400,000 is estimated for.

At this point I would like to present my amendment to everyone. Is that okay?

**The Chair:** Absolutely.

**Mr. McIver:** That's fine. I assume this isn't a question. That was a speech.

**The Chair:** This is part of his 10 minutes.

**Mr. McIver:** I appreciate that. I'm just waiting for a question, but there isn't one, then.

**The Chair:** The amendments are proposed by this member.

**Mr. McIver:** Just checking, Chair.

**The Chair:** If you'll read it into the record, Mr. Barnes.

**Mr. Barnes:** Okay. Thank you, Madam Chair. I move that the 2013-14 main estimates of the Ministry of Transportation be reduced as follows:

- (a) for the minister's office under reference 1.1 at page 220 by \$150,000,
  - (b) for communications under reference 1.3 at page 220 by \$26,000,
  - (c) for strategic services under reference 1.4 at page 220 by \$1,723,000,
  - (d) for traffic safety services under reference 3 at page 220 by \$1,473,000, and
  - (e) for the grant to Alberta Transportation Safety Board under reference 4 at page 220 by \$121,000
- so that the amount to be voted at page 219 for operational is \$474,633,000.

Signed by me on March 19.

A little more clarification, too, if you don't mind, going back to highways 63 and 881. In a government press release on its capital plan issued on March 7, 2013, it states: "\$442 million [will be spent] to twin sections of Highway 63 from south of House River to south of Fort McMurray over the next three years," 2013-14, '15, and '16.

In the *Edmonton Journal* on March 9 your press secretary, Parker Hogan, stated that the rest of the \$550 million needed to divide the rest of highway 63 to Grassland "will come in the 2016-17 budget." But going through the capital plan documents as tabled by Minister Horner, I see that \$550 million is budgeted over the next three years – '13-14, '15, and '16, again – to complete the twinning of highway 63. Which of these numbers is correct, Mr. Horner's budget or the press secretary's? Will you be taking the \$550 million and reprofiling it into 2016-17, past the announced completion dates?

Also, line item 11.1. In the fall of 2012 the cost associated with twinning highway 63 from Grassland to Fort McMurray was quoted as being \$778 million. Given that \$550 million has been slated to be spent over the next three years on highway 63, did your department spend \$228 million on the highway in 2012-13, and if not, how much was spent last year on the highway?

Also with the highway 63 twinning it's my understanding that there are 12 bridge projects on the southern end that are no longer in the current three-year plan. Why is this? I don't believe they're completed. This, of course, leads to the confusion over the dollar amount, the \$550 million or the \$442 million, and the timeline, three or three and a half years, for the completion of the twinning of highway 63.

I'm wondering if you've received the necessary permits, for example, under the navigable waters. Some of these bridges could

take a long time. I'm surprised that there appears not to be some action going forward on that.

Just to use up the last part of my 10 minutes, I've heard a lot about cost-plus contracts causing the government to lose out in Transportation and in Infrastructure. I look at the south Calgary campus hospital, originally announced at \$500 million and taking \$1.6 billion to finalize. In Medicine Hat I saw three or four times where the government of Alberta announced a hospital first at \$400 million and then at \$280 million, then at \$200 million, then at \$220 million. My goodness, do all these extra announcements and all this extra planning cost us money, and does it end up getting the taxpayer of Alberta into a cost-plus contract, which costs us extra and costs us services in the long run? I'd like your comments on your department's . . .

**The Chair:** Mr. Barnes, I'd just remind you that we're doing Transportation tonight, so if you'd tie it back to Transportation.

**Mr. Barnes:** But I think it's fair that a Transportation . . .

**The Chair:** You can talk about cost estimates and the question of cost plus with Transportation.

**Mr. Barnes:** Okay. Transportation could enter into a cost-plus contract, so I'd appreciate it if you'd answer that, Mr. Minister.

Then line item 4. I notice that in estimates the funding for the Transportation Safety Board is up \$624,000. We are great believers in the safety board as well, and we're wondering: is this the result of distracted driving legislation, is it the cost on the .05, and has any of the additional funding been directed to the additional enforcement on highway 63? You may recall that the Wildrose campaigned on setting up dedicated roving checkstop teams in the last election, which I feel has tremendous value. It's so seldom that I bump into a checkstop as I'm driving around, and I feel they're very effective. If you could answer the part on the Transportation Safety Board, I'd appreciate it.

**The Chair:** Minister, you have 10 minutes to respond to those questions uninterrupted.

**Mr. McIver:** Okay. Well, I'll do the best I can.

First of all, I guess I'll start off with that there are several premises with the questions that are just inaccurate, Chair, and I'll do my best to correct them as we go along. I know the hon. member along with the hon. Member for Lac La Biche-St. Paul-Two Hills actually did take a trip up there, and I saw the report, which, frankly, was not very impressive. In fact, unfortunately, I saw the questioner taunted in social media by some of his own constituents over that, which should probably have been kind of embarrassing for him.

I will say that the priorities – actually, I listed that in my opening remarks, so I'll reference my opening remarks to answer that question. Perhaps the member that asked it didn't hear it or something else was going on. Now, also, the hon. member, I think, said highway 81. I believe he meant highway 881, so I'll do my best to cover for him on that. Where are we here? We talked about the priorities, so the priorities we covered.

On the southwest part of the Calgary ring road those negotiations are ongoing with our neighbours from the Tsuu T'ina. I'm cautiously optimistic. As I say, they're ongoing. One thing that I've committed to is not negotiating in public on that. Since this particular goal, to get that particular piece of road built, has been going on for 60 years, I think that negotiating in public and going there is probably counterproductive to being successful. What I can tell you is what I just did. It's ongoing, and I'm

cautiously optimistic, and I feel like we're heading in the right direction.

Macleod Trail and 22X were asked about. The hon. member is right about this inasmuch as it's in the three-year construction plan. We will do operational improvements that will double the number of lanes on that, which is important, and that is in the three-year plan. I'm guessing that the hon. member – you know, he said that he couldn't find it before. Obviously, somebody must have found it for him. That's where it is, on the website, or it's in the budget as presented.

7:50

What else? Okay. Highway 63. Now, the question referenced page 70 of the business plan. The hon. member talked about 1(b), where in 2015-16 69 per cent of the road would be finished. Well, in fact, his premise that that is committing to not getting it done by the end of 2016, unfortunately, Chair, is incorrect. The fact is that, as the hon. member ought to probably know, the budget year for 2015-16 ends on March 31, 2016. Of course, our commitment is to complete twinning it by the end of 2016, which is nine months beyond that.

Of course, one of the last steps that you take when you're completing a road is the paving, and there are a lot of dollars involved in the paving. So probably the hon. member should know that that's actually not a commitment to not get it done, but it's actually completely consistent with the government's promise and the Premier's commitment to get highway 63 twinned from Grassland to Fort McMurray by the end of 2016. We have every intention of meeting that objective.

What else was in here? Passing lanes on highway 881: that has been deferred in this budget. It's part of meeting our commitments. I will have to say that what we are going to get done is more than what we would get done with the program of the hon. member's party, which actually has less funding by about 25 per cent on capital expenditures. We're living within our means. We're doing budgeting responsibly, and we're making sure that the people travelling to Fort McMurray-Wood Buffalo and the people that live there have a safe way to get to there and out of there.

Let's not forget, Chair, that highway 881 was a gravel road about 10 years ago, so there's already been substantial investment done there by this government. We've dramatically improved the ability for people to get in and out of there already, and of course, as we talked about and committed to, we continue to invest in that part of Alberta.

Strategic services, item 1.4. Now, part of that \$400,000 increase is the cost-of-living increases on staff. There's some information technology and legal in there and some finance and some policy.

Now, the member was jumping all over the place with a whole bunch of different questions, so I'm trying to pick up the pieces that were scattered in a fairly unorganized path.

On the amendment that was moved, I know the hon. member talked about how safety was important yet proposed to cut \$1.4 million out of traffic safety services. I don't know. I find that extremely inconsistent with actually caring about safety. I see another cut to the Alberta Transportation Safety Board, and I find that inconsistent, too, because I've heard the hon. member's party complain about due process. One of the things that the Alberta Transportation Safety Board provides is due process to Albertans who have been charged with traffic offences, and I see this as the hon. member actually trying to remove the very due process that he and his party have complained about in the past. So I find that kind of embarrassing for the hon. member that made the amendment.

What else do we have here? Oh, yeah. Transportation does not do cost-plus construction projects, and we certainly don't build hospitals. I only mention that because the member actually asked it, unbelievably enough.

What else do we have here? The Transportation Safety Board: the additional money in the budget is to ensure that the .05 appeals can be heard expeditiously. Again, asking to cut that out is completely inconsistent with the member's and his party's position that people aren't getting due process. Now he's making an amendment to actually take the due process away, which I find, frankly, kind of amusing.

The Transportation Safety Board has nothing to do on the front end with enforcement. Rather, it's an appeal board for people that have been charged. They do hearings on people that are in danger of having their driver's licence taken away, and they actually do appeals for people that have undergone a ruling where their driver's licence is to be taken away. The Transportation Safety Board actually does those appeal hearings.

Again, the hon. member that's moving to cut the budget has had his party members complain about, you know, for the drivers that have had their licence taken away, their due process. Once again, he's trying to take away the very due process that he's been protecting. But that is what's in there. Indeed, the amendment will actually . . .

**Some Hon. Members:** Point of order.

**The Chair:** Excuse me, Minister. We have a point of order raised.

**Mr. Anglin:** What we're proposing is just a cut of \$121,000. We're not proposing to remove a process or eliminate it. We can only propose what we are by the rules, which is a reduction. That language is inflammatory.

**The Chair:** Okay. As chair I'm just going to comment that the goal here is to maintain decorum. The members can ask anything about the estimates that they wish. This isn't question period. We'll just respond to the questions.

**Mr. McIver:** In terms of decorum, Chair, I've been listening while the hon. member talked about trust. In fact, I think that if the mayor of Fort McMurray was here, she would say that she's very happy with our plans to put infrastructure in place. She's also said that she hasn't given up on 881 and that she's very happy with what the Alberta government is doing with our plans to improve highway 63. So I would take issue with the statements made.

I think I've answered all the questions.

**The Chair:** It's been duly noted, the point of order. As chair I'm just going to ask that we respect this opportunity to ask questions and respond to the questions, knowing that this is all on *Hansard*.

Member, you have another 20-minute go here. Do you want to go back and forth, or do you want to do block time, 10 and 10?

**Mr. Barnes:** Block time again, please.

**The Chair:** Thank you.

**Mr. Barnes:** Okay. Thank you, Madam Chair. Just so you know, Mr. Minister, a lot of those cuts were based on a 5 per cent cut which, again, the Wildrose proposed in our alternative budget, wanting to remain consistent.

Line item 1.1: you have an approximately \$150,000 increase in the minister's office. If you could explain that, please.

Then I want to move on to line items 5.2 and 14.2: P3 maintenance is 5.2, and 14.2 is P3 rehabilitation. I see here in the

estimates a line item called P3 rehabilitation, and it's growing from \$1.6 million in 2011 to \$4.1 million in '13-14. I thought we entered P3 contracts so that we were getting a guaranteed piece of infrastructure and the folks doing the maintenance were bound by the warranty to fix things when they break, bound by the contract. So why is this growing? Is it warranty work, or is it not? Is it supposed to be covered by the taxpayer of Alberta?

Provincial highway maintenance and preservation, line item 5. I've been told that the government of Alberta needs to do about 1,200 or 1,300 kilometres of road a year in rehab and paving to not fall behind based on a 15- to 20-year life. Budget numbers, I'm told, bring us closer to 800 or 900 kilometres per year. I'm wanting to know your thoughts, Mr. Minister. Deferred maintenance contributes to an infrastructure gap. Are we causing an infrastructure gap? Are we leaving ourselves the potential of higher costs down the road because we haven't funded the safety of Alberta's roads, especially important in constituencies that are commodity based, the movement of all kinds of commodities? What is your plan for dealing with and paying for this transportation infrastructure gap, especially in regard to increasing structural maintenance needs?

**8:00**

I want to get a little bit home. In my constituency I have two highways of interest. Highway 61 is in the south part of the province. It runs east-west, from Foremost through Etzikom to Orion and Manyberries. It was in the priority plan to rehab the whole thing two or three years ago. About 15 or 20 kilometres were done very close to Foremost, between Etzikom and Foremost. The other 20 kilometres weren't. Unfortunately, safety is a huge concern. The road is very narrow. There are very, very steep ditches. Unfortunately, a driver is killed almost every year going off the road. A pipeline shut down in the area, so super-Bs are on this road all the time hauling oil. I would ask you to check into the commitment that was made on finishing highway 61 and what happened.

Highway 3 is twinned from Taber to Lethbridge, and from Taber to Medicine Hat, approximately 60 miles, it isn't. On some parts of highway 3 the traffic count is actually higher than highway 63. It's been talked about in Cypress-Medicine Hat for 20, 25 years, that this could be twinned. Unfortunately, my constituency got some further bad economic news two days ago, when Halliburton announced they were closing and moving 200 men out. Ever since the royalty review and the plunge in the price of natural gas Medicine Hat may be the only city of approximately 60,000 in the province that isn't growing. Possibly it's a good time to do that so we can join a busier economic corridor. So, Mr. Minister, I would appreciate your thoughts on where we're at with finalizing the twinning of highway 3 from Medicine Hat to Taber.

I want to go back to bridge safety in the last part of my questions. In the Auditor General's October 2012 report the department received nine recommendations related to Alberta's bridges and bridge maintenance. You told the Legislature that the department had already implemented most of the recommendations. Which of the nine, please, have been implemented, and which have not? Again, with what I heard today about two bridges in more rural areas possibly needing some maintenance and the money not being there, do you have a plan to make sure that the unthinkable doesn't happen?

The Auditor General also identified 150 bridges throughout Alberta that were not inspected on time. Have they been inspected since? Can you tell us where any of the 150 that weren't inspected are, please? I'm also wondering what specific measures are being taken to ensure the proper co-ordination of the bridge safety inspections now.

I want to switch gears to municipal support. The estimates for 2013-2014 show that over 43 per cent of the capital dollars allocated are directed to municipal grant programs of one kind or another. I'm wondering: what processes does the department have in place to account and audit municipal spending on roads and bridges from these grants? Secondly, how many municipalities had their grants audited last year, and what were the improprieties and which municipalities if any? Are these municipal bridge structures that are funded by the department tracked or inspected by the department? If so, how many municipally owned bridges were inspected by your department over the last three years? The elimination of the strategic transportation infrastructure program will mean an end to this local road bridge program. Does this mean that the department will no longer be inspecting municipally owned bridges? If so, who will now do the municipal bridge inspections and maintenance?

I want to talk for a second about water treatment plants. I know of a situation of two municipalities that had difficulty getting together on one plant, so the alternative, the option almost, appeared to be each building their own instead of one plant and a pipeline, which in terms of long-term maintenance and long-term capital costs would cost the general taxpayer a lot more money. I'm wondering what mechanisms and procedures and what techniques you have in place to help different municipalities work together on water treatment and their water requirements.

When Mr. Saskiw and I took that trip to Fort McMurray, one of the incredible things we heard was that the oil sands group, some of the big companies up there, in their frustration and their waiting for highway 63 to be twinned, had suggested some alternatives to the government of Alberta: to be involved, to look at more creative techniques, or, certainly, a willingness to talk about it. I am wondering what your department has, if anything, for developer-pay policy for private-sector investment in public infrastructure. Is it being researched? Is it being looked at? Do you entertain any options from developers of any kind?

Actually, in the *Edmonton Journal* on February 12, 2009, former President of the Treasury Board Lloyd Snelgrove and Energy minister Mel Knight thought it might be a good idea to have the energy giants pick up more of the planning and cost of public infrastructure. From the *Calgary Herald* of the same day, Vance MacNichol, the chair of the 2007 committee on oil sands development and a former deputy minister, also mentioned getting oil sands producers to "help fund critical infrastructure for communities feeling the strain of energy development." What projects has Alberta Transportation entered into agreements with to have the energy giants fund the public infrastructure in the high-growth areas of Fort McMurray and Cold Lake?

I read an interesting article a couple of days ago in one of the newspapers. If we develop railway to Fort McMurray with the average train carrying 200 cars, that would take 200 trucks per train off the highway. I appreciate that that's private and that there are railway lines for it, but is your department doing anything to move that along and help a very, very strong-growing area and a very, very necessary part of the Alberta and Canadian economies reach their full potential?

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

Minister, you have 10 minutes to respond to quite a few questions.

**Mr. McIver:** Yeah. Okay. Well, I'll walk through them the best I can, Chair. We'll start out with a pretty straightforward one. The increase to the minister's office asked about is the addition of a press secretary as compared to the previous year. Other annual salary increases for staff there is specifically what that is.

I think I've got people beside me digging out the answers on something. There are a couple of things. Rail to Fort McMurray: I sincerely hope the hon. member isn't suggesting that the Alberta government get in the rail business and build rail up there. Right now there is a rail line to south of the river up that way which CN Rail has. They're responsible for it. I haven't got documentation, but in conversation – you can call it hearsay if you want; it's certainly not the final number – my understanding is that it would cost them about \$400 million to upgrade that track to Lynton. We've encouraged them to do it. They've indicated to me so far that they're not willing to do that. I guess I would say that if one of the two major railroads in the country doesn't see the value in doing it, perhaps the Alberta government should take the lead from people that have been in the railway business for a long, long time and not put taxpayers' money into that particular project.

I got questions about developer-pay programs. There's a Suncor interchange that we worked with the industry on. We worked with a developer on the CrossIron Mills interchange, actually, just north of Calgary. The private sector put money in. We continue to talk to the private sector about places and opportunities where they'd be willing to step up and work with us and support Alberta taxpayers. That's an ongoing conversation, and we work hard at looking for ways to give Alberta taxpayers the best value that we can.

**8:10**

Now, there was a question about rural bridge inspections. The hon. member that asked the questions actually made a point earlier of saying that he was at the AAMD and C conference. Actually, I was asked this question, and I answered it this morning, but he apparently didn't hear it or can't remember. I'm not sure which, but either way I'll be happy to provide the information again. Every bridge that we were inspecting before our budget we'll still be inspecting after our budget. That includes a large number of municipal bridges, the bigger structures obviously.

On the bridge audit there were 150 bridges where the Auditor had said that he needed documentation. All those have been done. In fact, every recommendation of the Auditor has been completed, I would say, with the possible exception of number 5, and I say possible exception because the recommendation there from the Auditor was: "We recommend that the Department of Transportation regularly assess whether it should contract out inspections or do them itself." We have consulted with Treasury Board and Finance and our own inspectors and our own experts, and we've decided that what we're doing now is best. If the recommendation says to assess it regularly, I guess I can't really fully take claim to that, but we did assess it. I guess I can't really say that we assessed it regularly, but we did assess it. Every one of the other recommendations on that particular audit has been met.

The hon. member asked about twinning highway 3. It's not in the three-year plan. Again, that's part of the government's habit of setting priorities and living within our means. I can tell you, Chair, that we always want to build more than the budget allows because Albertans ask us to, but in the spirit of living within our means we set priorities. The highest priorities get built in the three-year plans, that we post on the website. Of course, we are constantly re-evaluating the infrastructure, re-evaluating the traffic flows, safety, a whole number of other factors in order to reassess on a constant basis what the top priorities are. Every year we present those priorities by updating the three-year plan on our website, and we intend to continue to do so.

Again, it's a function of dealing with the vagaries of Mother Nature. Alberta roads are outdoors. Alberta bridges are outdoors. The weather is different from one year to the next. Since you can't accurately predict the weather from one year to the next, you can't really accurately predict how much damage to the roads and the

structures can be done by the freeze-thaw cycle because you don't know how many of them there are going to be, how long they're going to be, how severe they're going to be. That's why we do our regular and constant inspections on the infrastructure, and we regularly, you know, make decisions on where we go about fixing things.

In the member's constituency of Cypress-Medicine Hat we're doing the interchange at highway 1 and Dunmore Road – grade, base, and paving – and that's a contract for 2013 construction. Dunmore Road over highway 1 and Medicine Hat, the interchange bridge structure: again, that will go on in 2013. The miscellaneous utility work for the Dunmore Road interchange is part of that project, and that will go on. The Canal Creek bridge on provincial highway 887 near Orion: there's a structure replacement scheduled. The Mackay dam rehab in Elkwater and McAlpine dam rehab in Elkwater: that is a contract for 2012-2013. We don't have anything scheduled for highway 61, to answer a question, or, as I understand it, for highway 3.

I've just gotten a correction, and I apologize for that. Out of the 151 bridges there are a few that aren't done, and the only reason that they're not done is because they're not accessible during the winter. They're pedestrian bridges, and they'll be done as soon as the winter ends.

The collaboration between municipalities on water treatment. We give 90 per cent capital funding to encourage them to work together. I think that's an inducement, because our programs are oversubscribed, to build water and waste-water treatment plants. It appears that what we're doing is effective to that degree.

I'm trying to keep track. I think I've answered all of the questions. Oh, the infrastructure gap. The provincial highway network consists of more than 31,000 kilometres of roadways, of which almost 28,000 kilometres are paved; 2,500 kilometres are four- and six-lane divided. There are also over 4,000 bridge structures. We'll invest over \$450 million over the next three years in repairing that. The budget over this time is slowly and steadily rising. I would say to the hon. member that we have a plan. Because we keep our infrastructure in good condition, we have the ability while our infrastructure is safe and in good repair during certain years – and we're in those now – to actually have our emphasis on building new infrastructure. Two or three years from now we expect to shift our emphasis more heavily into rehabilitation and maintenance.

I think there was another question in there somewhere about increased maintenance for the P3. That's simply a function: we'll be opening up new sections of the ring road and we need to take the snow off it in the winter. That's not part of the guarantee. When they build a road, they guarantee the rehabilitation but they don't guarantee that snow won't fall on it. The increased budget for the P3 maintenance is for that type of regularly looking after the new stretch of roads. There's an increase because, of course, there is new infrastructure available for Albertans. More kilometres of infrastructure mean more kilometres of snow clearing and other regular looking after of the road that we do as a matter of course just because of what we do.

I think I have answered all of the questions.

**The Chair:** Thank you, Mr. Minister. It's good to know that you don't control the weather.

**Mr. McIver:** Yeah. It would be a lot sunnier if I did.

**The Chair:** I'm going to turn it over to the Liberal caucus. Mr. Kang, do you want to go back and forth with your questions, or do you want to do block time?

**Mr. Kang:** Yes. I'll do that, Madam Chair. I'll go back and forth.

**The Chair:** So for 20 minutes you'll go back and forth, ask and answer questions.

**Mr. Kang:** Thank you very much, Madam Chair. First of all, I'd like to thank the minister and his support staff for being here tonight. We will just get to the questions right away. Mr. Minister, you have answered questions about highway 63. The twinning of highway 63 is an important project for many Albertans in the northeast corner. When you said something about \$271 million for northeast Calgary, you know, you put a smile on my face because I thought that was for the airport tunnel.

**Mr. McIver:** Always happy to put a smile on your face.

**Mr. Kang:** But you took it back right away.

Okay. Will the minister tell me what he is doing to ensure that the project will finish on time and on budget? We have had past experiences with the Calgary south hospital, for example. You know, you said that it would be almost 70 per cent paved by 2015-16. Do we have those contracts in place to ensure that the twinning will be on budget and will be on time? Do we have any checks and balances in place?

**Mr. McIver:** We do. But in Transportation we don't build hospitals.

**Mr. Kang:** I know that. It was just for an example.

**Mr. McIver:** But back to your other question on the Stoney Trail, we actually have penalties. If the contractor that's building the ring road doesn't complete on time, there are actually financial penalties for every day that they're late. We've found in the past that that's been fairly effective. I guess there's nothing you can absolutely do to guarantee that a project gets done on time. Our experience thus far has indicated that those financial inducements on that fixed-price contract – what the contractor really likes to receive is the complete fixed price, and if they're late, they get less than the complete fixed price. We've found so far that that's been a pretty good inducement although, frankly, nothing can absolutely guarantee that it gets done on time.

**8:20**

**Mr. Kang:** So that goes for highway 63 that we're talking about, not the ring road?

**Mr. McIver:** Highway 63 is a different kettle of fish.

**Mr. Kang:** That's what I was talking about, sir.

**Mr. McIver:** Okay. We're at a different point in the construction there. What we have is a plan with every step between now and the completion of the road by the end of calendar year 2016. We've made that plan, and we're working on that plan. But, as you say, can we guarantee it won't be late? No, we can't. But the 36 kilometres of highway 63 that we opened up just a few months ago was done well more than half a year early, almost a whole year early. I don't want to mislead the committee and suggest that that guarantees that highway 63 will be done a year early. I'm not saying that at all. All I'm saying is that we have a plan, we do our best to follow it, we work with our contractors to do it, and our intention is to get it done by the end of 2016.

**Mr. Kang:** Thank you, sir.

My second question. You have been talking about construction, that your ministry has the priority of continuing the construction

to complete the Edmonton and Calgary ring roads, yet the performance measure shows that you will not be doing that. Both roads will collectively complete to 80 per cent – in your opening remarks you said 70 per cent by the year 2013 in Calgary – and will remain 80 per cent complete for the next two fiscal years. Your goal is not to complete the road but to continue construction. What are you constructing? Which of the 20 per cent part of the ring road or the 30 per cent part of the ring road will you not complete? When do you foresee the remainder of the ring roads being completed?

**Mr. McIver:** Well, as I said, 90 per cent of the Edmonton ring road is complete now, and by the fall, the end of 2016, we expect it will be 100 per cent complete. The southeast Stoney Trail will be complete by the end of 2013. Beyond that some of that will depend upon the negotiations that we have with our neighbours on the Tsuu T'ina, whom we continue to work with in a co-operative spirit. The answer is: most of it. The rest of your question is, unfortunately, somewhat dependent upon how we do in those negotiations.

**Mr. Kang:** Thank you, sir.

Your second goal is to preserve the existing highways in the province, and this is stated as “a critical component in supporting the economic prosperity” of Alberta. Yet again when you look to the performance measures, the only measure calls for our highways to degrade. By 2015-16 there will be 11 per cent fewer highways in good condition, 23 per cent more roads in poor condition. If our highways are so critical to the economy of Alberta, how can this government just let them deteriorate? Which highways are you going to let fall into poor condition, and how is this protecting Alberta's investment?

**Mr. McIver:** Well, actually, I thank the hon. member for the question. I'm assuming that the hon. member is referring to page 70 of the business plan, where we've actually stated the percentages right there in black and white. I can assure the hon. member that our highways will still be safe. They'll still be in better condition than most other highways in Canada if not all. Frankly, this is a matter of setting priorities. During this year and the last few years our priority has been on building new infrastructure, which is needed to support Alberta's economic development. As a result of that we've got the ability to put more resources there. The condition of the roads, frankly, is good enough that even at the lower targets that you are referring to for 2015-16, they'll still be in better shape than most roads in Canada.

You also asked another important question, which I'd like to answer for you. You said: which roads are going to be in what condition? As part of this, because we're doing what we're doing in a very deliberate way, the roads that take 90 to 95 per cent of all the traffic in Alberta will be very much in the high good and fair conditions, the two higher rankings, because that's obviously the bigger priority. So none of this is haphazard.

I will say to you, to try to set your mind at ease, that in my earlier remarks I tried to be clear about the fact that in a few years we are going to have to adjust our priority, at least part of it, from new construction to putting more into maintenance and rehabilitation of the current infrastructure. Your concern about doing that while it's still in good condition is something that this government agrees with, and we have every intention of doing that.

**Mr. Kang:** My concern is that we already have a large infrastructure deficit, you know, and by letting the highways' conditions deteriorate, what kind of a deficit are we looking at?

We already have a big deficit. Where is the money going to come from?

**Mr. McIver:** The thing that this Premier and this government knows is that you can only spend every dollar once. I'll say again that right now and over the last few years we've put a big premium on building new infrastructure. The evidence of that that I would show you is our commitment to highway 63, as we talked about earlier; the fact that we've paved highway 881, which was gravel 10 years ago; the work done on the Edmonton ring road and the Calgary ring road; some work on highway 2; the corridors that the bulk of Alberta's economy depends upon and the corridors that benefit all Albertans no matter where they live. Even if they don't live on those corridors, all Albertans benefit from those corridors because a large percentage of the wealth generated in Alberta and for Albertans depends upon those corridors.

If you're saying that we need to get back to fixing, to beefing up our maintenance and our upkeep on the existing infrastructure, Chair, I would say that I agree with the hon. member. We intend to do that. It's a matter of setting priorities. Right now we are keeping that infrastructure in a condition where it won't deteriorate to where it costs us a lot more. Frankly, your caution is well taken. I agree with that caution. We're aware of that. We will be, again, as I've said, moving at least part of our emphasis back to more rehabilitation and maintenance of those roads in the upcoming years.

**Mr. Kang:** Thank you, sir.

You have talked about bridges and overpasses, and my question is still pertaining to the bridges and overpasses. It's not only our highways that have to be maintained; it is also bridges and overpasses. The Auditor General's report from October 2012 found that there was not enough data on the condition of our bridges, and your business plan does not address a performance measure to ensure that these structures are in good condition. Why haven't you included a performance measure on the physical condition of bridges and overpasses to ensure that you are protecting that part of Alberta's investment?

**Mr. McIver:** I'm just looking here. Okay. If you look on page 221 of the capital vote by program, you will see that the bridge construction projects are actually going from a forecast in 2013 of \$40,168,000 up to \$42,718,000. We have increased that. That's with the intention of staying up on our bridge maintenance.

Again, the bridge audit which you referred to did say – and I'm always proud to say this: we saw no evidence of unsafe bridges. We intend to keep it that way. We understand there's no finish line on this. The condition of a bridge isn't static. It changes constantly because there's always traffic on it, there's always weather beating on the bridges, and there's sometimes erosion around the bases and the ends of the bridges. That's why we do inspections on a regular basis. Where the inspections hadn't been documented well enough, as I had offered to the member that was questioning me earlier, all of the recommendations that the Auditor General made: we have actually met them.

8:30

**Mr. Kang:** Mr. Minister, my question was that the performance measure here is just missing.

**Mr. McIver:** What page if you don't mind?

**Mr. Kang:** Page 70.

**Mr. McIver:** Page 70. Okay. Thank you. I appreciate it.

**Mr. Kang:** The performance measure you've got for the physical condition of highways has been taken out for some reason. I know that before, the performance measure was in the business plan. Why has it been taken out?

**Mr. McIver:** Okay. Well, this is my first year here, but I've got people talking to me that are not sure that they were there in the past years. I'll tell you what. I'll take that as a criticism and a recommendation if you don't mind.

**Mr. Kang:** Thank you, sir.

**Mr. McIver:** I will say that if you look at priority initiative 2.2 on page 70, it does say, "Continue to preserve provincial bridge and overpass infrastructure to protect Alberta's investment," but I'm kind of assuming from your remarks that you'd like to see an expanded section on bridges in there. Again, I'll repeat to you that I accept that from you as a criticism that you're making and as a recommendation that you are offering. Am I correct?

**Mr. Kang:** Thank you, sir.

**Mr. McIver:** Okay.

**Mr. Kang:** Okay. Your third goal, regarding environmental stewardship and Albertans' quality of life, is simple hokum. Two of the three priorities can be checked off once the budget passes. How difficult is it to administer grant funding and to provide funding for existing programs?

**Mr. McIver:** I really apologize. If you could say that again, I'd be grateful.

**Mr. Kang:** Your third goal, regarding environmental stewardship and Albertans' quality of life, is simple hokum. Two of the three priorities can be checked off once the budget passes. How difficult is it to administer grant funding and to provide funding for existing programs?

**Mr. McIver:** Actually, it's a lot of work. In administering the grant funding, it's important that we put the time in to make sure it's accurate and that the funding goes to projects that should be approved. Administering the grant funding is a matter of keeping track of the different programs by municipalities. There are, I believe, 349 municipalities in Alberta, and each of them has access to different amounts of the basic municipal transportation grant. Many of them have the ability to apply for the water and waste-water grants. When you add all that up, with 350 different municipalities and the different programs, the different projects, the different streets, the different bridges that each of them wants, it actually ends up being a great deal of administration.

I will say that if you look at performance measure 3(a) on that page, the "percentage of municipal clients satisfied with overall quality of service" – that's a biennial survey – our target is 95 per cent. We're determined to keep our customers happy.

**Mr. Kang:** Okay. That was my next question. For the same goal your performance measure is a biennial survey of municipal clients. The last one was completed in 2009-10. The next one should have been completed in 2011-12 and then this year, 2013-14, yet the next one called for in the business plan is for 2014-15. Biennial means every two years. Why will there be a five-year gap between the last time this survey was completed and the next one?

**Mr. McIver:** A good question. The fact is that we're doing one in 2012-13; in 2013 we're doing another one. Actually, it should

have been two years by what we prefer, and it's been three years. So that's happening now. A good catch, by the way.

**Mr. Kang:** The minister's last goal is to have the safest road system in Canada. Will the minister tell me what effects the distracted driving and impaired driving laws have had on reducing major collisions, and do you think that you could further reduce the number of accidents by continuing to upgrade poor roadways? Wouldn't this get you value for money?

**Mr. McIver:** Yeah. I thank you for that. The impaired driving penalties we have, of course, have been in place since 1999. There have been penalties since 1999. Of course, just in the last year or two we as a government increased those penalties. It got quite a bit of public attention when we did. If you say, "What effect has it had?" I guess I would say to you that, honestly, we weren't happy with the effect it was having, which is why we increased the penalty on impaired driving. We felt like there were too many incidents, collisions, too many injuries and deaths that included impaired driving, which is why the government made the move to increase the penalties. We thought, based on the evidence that we saw with the number of collisions, injuries, and deaths, that it indicated that the penalties weren't strong enough.

The distracted driving legislation is relatively new. Honestly, there were 19,000 convictions in the law's first year. More than 95 per cent of those convictions were for using hand-held devices. Although this is not a statistic, I can tell you that when I drive around, whether it's in the rural or urban areas, I'm very convinced that we've got a lot more work to do. I very often see people driving around with a phone stuck to the side of their head or stopped at a stop sign or a traffic signal with their phone down in their lap. Presumably, they're sending texts or reading e-mail.

As you know, we've got the advertising program to help with that. As time goes on, we'll evaluate it and decide whether we need to do different things.

**Mr. Kang:** So that means the advertising program is now not that effective?

**Mr. McIver:** Actually, the early results show a 10 to 15 per cent reduction in casualty collisions because of the distracted driving bylaw, but we don't consider that good enough, which is why we added the advertising program. We didn't think 10 or 15 per cent was adequate. We're not satisfied.

**The Chair:** Thank you, gentlemen. Thank you, Mr. Kang.

**Mr. Kang:** That's it?

**The Chair:** Yes. That's 20 minutes.

We're at a good time for a break. We'll take five minutes, come back, and the NDP caucus will have their questions then.

Thank you.

[The committee adjourned from 8:38 p.m. to 8:46 p.m.]

**The Chair:** Okay. We're ready to start again, gentlemen and ladies.

Mr. Bilous, would you want to go back and forth with the minister, or do you want to do 10 and 10 blocks?

**Mr. Bilous:** I'd prefer to go back and forth, if that's okay with the minister.

**Mr. McIver:** It's not my choice. I'm just the entertainment.

**The Chair:** Actually, it's the choice of the member. That's exactly right. Please proceed.



**Mr. Bilous:** I prefer to go back and forth.

Just at the onset I want to say, Minister, that I appreciate you and your staff being here. The nature of my questions is merely to clarify and to gather information. I just wanted to mention that because my time is very, very short here in estimates, if I interrupt you, I'm not trying to be rude. It's that regardless of the answer I may need to move on. I have a list of questions that I'd like to try to get through. In advance, it's not meant to be rude if I interrupt your answering. I'm just going to, after several seconds, try to move on.

**Mr. McIver:** If you make premises in your question that need to be refuted, I will take the time to do that.

**Mr. Bilous:** Okay. I'd like to begin by asking about the waste-water program. The municipal water infrastructure grant programs have taken a significant hit or have been decreased. They're down from \$170 million to \$75 million. Specifically, the municipal waste-water program saw a 50 per cent decrease, and the water for life budget went from \$120 million down to \$50 million. To start, where have the cost savings been found with regard to the waste-water program? In other words, what projects have been completed that no longer require capital spending, and are there any projects that have been deferred or cancelled due to the cuts in this funding?

**Mr. McIver:** Okay. In my opening remarks I think I referred to 141 projects that we funded, but they all didn't get completed. That is a bit of a detailed question you asked, there, but I'll try to answer the one question. You said: where have savings been found? Frankly, with that budget reduction, it's not because of savings. I'll try not to stretch this out. The fact is that there are no savings to be found from the budget per se, only savings in how we do the projects. Getting the best price possible is the only place to get savings, so we try to do that all the time. Probably we can improve, but we work hard at it all the time.

Where it's different is that the project, whether it's funded a little or a lot, is moving forward. We're moving towards more Albertans getting clean water through a reliable system and clean waste water through a reliable system. The reduced budget amount: it's not because of savings; it means that we're moving forward at a slower pace.

I think that's quite clear, and I think it kind of answers your question.

**Mr. Bilous:** It does. Thank you.

I was going to say, Minister, if any of my questions – and some might be quite detailed. I'm completely okay with getting a written response back if your folks aren't able to produce any of the numbers right now in this short time.

The water for life strategy has been a key policy initiative of the government with respect to long-term planning for one of our most valuable resources. I know you've talk about this to an extent, but why are we seeing this cut today, specifically for the water for life strategy?

**Mr. McIver:** It's a tough choice we had to make. We said, when we did this budget, that we were going to try to make tough but responsible decisions, and this is one of those. We looked at it, and we said that we've got to live within our means with the reduced revenue compared to what we would like to have. It's an important enough program that we decided we couldn't stop marching forward, so we are. I would characterize it as marching forward more slowly than we used to.

I'd also add – and I think you'll find this worth waiting for – that there are projects that are done in phases. We don't want to stop the projects halfway through. There's no point in having half a water system with no water in the pipes. Then whether you spend a little or a lot, you've spent too much. We've got to keep moving forward. The projects that are in progress but not done, we have to get them to completion so that the municipalities participating will actually at the end of the day have clean water coming in their taps and water going out of the municipality and into Alberta's environment that won't damage the environment. That doesn't happen till the projects are complete, and we're determined to complete them.

**Mr. Bilous:** Okay. Could you just briefly describe what effect this is having on your department, the result of this cut? I mean, how is it affecting your ministry?

**Mr. McIver:** We always have tough decisions to make in setting priorities on what gets done, and this doesn't make it any easier. In fact, I would just say that it makes it harder.

The program is oversubscribed. I think that's a function of Alberta municipalities, at least very many of them, in my view, having actually embraced the program. They see the value in it. They see the value in the province helping them launch their water and waste-water system. They like the assurance of quality and safety of the water supply. They consider that a priority, so when we reduced the funding, it makes it probably harder on some municipalities. They're going to have to wait longer. And it makes it harder on us internally.

**Mr. Bilous:** Okay. I'm going to move to the GreenTRIP. Last month, before the budget was released, my caucus and I spoke with one alderman who was concerned about the allocation of GreenTRIP funding. I'm not talking about the allocation of monies within the provincial budget but specifically the allocation of that money to the municipalities. Do you have or could you provide the figures of money from the last three years of funds that were promised under GreenTRIP to municipalities but weren't allocated?

**Mr. McIver:** Okay. Actually, at least some of those funds are probably in the budget right now, but the initial allocation, to be clear, was \$800 million to the Calgary region, \$800 million to the Edmonton region, and then \$400 million to the rest of Alberta. That adds up, I hope, to the \$2 billion that we promised in the program. That's the initial allocation.

There have been suballocations within there; \$363 million was spent by the end of '12-13. You can see it in the three-year budget. I don't think you need me to read those numbers. You can see it in front of you for the next three years.

In total we've allocated just over \$1 billion, which by extension means that we've got just less than \$1 billion that hasn't been awarded. That will come from a second call for applications. I think I said it in my opening remarks, but I'll remind you very briefly that we don't know when we're going to do the second call for applications.

I've got a couple more details here: 2011, \$70 million for approved projects; 2011-12, \$200 million for approved projects; 2012-13, \$93.1 million. There are some more.

**Mr. Bilous:** Sure. Maybe you've answered this and I misunderstood, but one of the concerns was that money was earmarked to go toward GreenTRIP, but there was a delay in a municipality or some municipalities in receiving the dollars. Again, depending on if they borrowed against or started projects, that was causing them to have to pay more. I'm just wondering

about the money that's earmarked. Has all of it in this last calendar year gone? Let's say Calgary was promised \$800 million. Have they received that full amount?

**Mr. McIver:** No, they have not. We pay on progress as the projects get completed.

**Mr. Bilous:** Okay. As they get completed.

**Mr. McIver:** As it progresses, on work that's done, that is in the past. I'll be a little more clear. Not necessarily when the projects finish, but at different progress points we pay for the amount that's been done up to that progress point.

8:55

**Mr. Bilous:** Okay. I guess this next question piggybacks on that one. Can you tell us whether the increased costs associated with the projects due to either deferral or lengthening of projects caused by delayed grant funding is being taken into consideration in this year's GreenTRIP funding?

**Mr. McIver:** In some cases we are paying interest costs because of the delay, and those conditions were negotiated with the municipalities that are involved. We're doing our best to work with them so that when they get a good project, they can actually start realizing the benefits of it.

**Mr. Bilous:** Is there a way to either accelerate that or to cut down on the delay of funding? Again, I mean, if this is costing some municipalities additional dollars, is there a way to reduce that or to prevent that going forward?

**Mr. McIver:** We work with them the best we can. In each municipality that's involved in the GreenTRIP program, we work with them one-on-one and try to make it as affordable and effective as we can. We try to balance the affordability with the benefit of delivering the project.

**Mr. Bilous:** Okay. Thank you.

I'm going to move on to the budget estimate for highway twinning, widening, and expansion. That's being reduced significantly, right? That's going from \$468.5 million in 2012 to about \$65 million.

**Mr. McIver:** I know I'll find it, but if you tell me the page number, I'll take less of your time.

**Mr. Bilous:** It's 12.1 under the capital spending.

**Mr. McIver:** Okay; 12.1 under the capital spending. And you're asking about the decrease?

**Mr. Bilous:** Well, no. I'm pointing it out just at the moment. I'm coming to the question.

**Mr. McIver:** All right.

**Mr. Bilous:** According to the department's transportation project plan there are about 1,805.5 kilometres of measured projects in the government's highway plan that are in the works or scheduled for construction. In addition, there are other infrastructure projects in the queue. Obviously, it seems unreasonable to think the current budget can cover all these projects given the cut to funding for twinning and widening. My question, Minister, is: can you explain which proposed projects will now have to be deferred due to the constraints in the capital budget for twinning, widening, and expansion?

**Mr. McIver:** I think I listed a whole bunch of those in my opening remarks, but I'll give you more here.

**Mr. Bilous:** Sure.

**Mr. McIver:** Okay. Some of these include interchanges: repaving east of highway 1X, west of highway 68, east of Canmore; repaving from highway 1 and highway 1A, east of Canmore; interchange at highway 2 and Cardiff Road near Morinville; repaving on the west end of Peace River Bridge to highway 2A; repaving from highway 881 to highway 884 in Hardisty and east of Hardisty; paving east of the city of Edmonton to the city of Fort Saskatchewan – there's some paving there – paving west of the Forestry Trunk Road, which is east of Muskeg River, which is also east of Grande Cache; paving north of Cutbank River to north of Big Mountain, which is south of Grande Prairie; intersection improvement at the junction of highway 69; intersection improvement at the junction of Mackenzie Boulevard in Fort McMurray; grading east of highway 40 to east of Harold Creek, west of Cremona; grading of highway 40 and east of highway 40, west of Cremona; repaving from highway 805 to highway 806, on 806, west of Three Hills; paving from highway 36 and east of highway 36 near the town of Viking; paving east of highway 21 and west of highway 21 and west of highway 824, east of Sherwood Park; paving from highway 870 to highway 881, northwest of Vermilion; paving from highway 2 to 10 kilometres east of highway 803, near Legal; paving from highway 725 to highway 727, northwest of Spirit River; paving from highway 49 to highway 680, near Spirit River; repaving from highway 549 to highway 22, southwest of Calgary; paving from east of Westcastle ski hill to west of Beaver Mines Lake access near Crowsnest Pass; the Carseland-Bow River headworks system rehabilitation at the Little Bow reservoir.

**Mr. Bilous:** Okay. Thank you.

In conjunction with this – and I know that you talked a little bit about priorities and how the ministry makes decisions based on usage – if you could expand a little bit further on the decision to defer highway 881.

**Mr. McIver:** It's a matter of making tough decisions. We don't like to delay or defer anything, but we're living within our means, trying to provide responsible government and decision-making for Albertans. We know it's important, but again we have to balance the needs all across the province within our budget. We analyzed the data based on construction and maintenance costs, reduction in vehicle operating costs, safety, costs associated with travel delays, our ability to deliver the project, the industry capacity, prevailing trends in the construction cost, the condition of the infrastructure, availability of funding, consultations, and the best timing for the projects. You know what? We really consider a wide range of differences that doing it or not doing it will make.

**Mr. Bilous:** I appreciate that.

Do you have a date for when the deferral will be reviewed or how long it will be before Albertans can expect the expansion improvements of highway 881 are back under way?

**Mr. McIver:** I can't tell you when they will be back under way, but I can tell you that we'll be reviewing that constantly only because we know it's important. We'll do that in the context of knowing that we're twinning highway 63. But that cuts both ways, respectfully, because in some cases it can actually cause more problems if you've got both highway 63 and highway 881 under construction at the same time. It actually can cause a bigger delay

than you want. On the other side of the coin, it's actually better if you get them both done sooner so that the people that use those roads can enjoy the benefit of the passing lanes and the additional safety and the additional convenience of having the infrastructure. It's a balance. Frankly, there's no perfect answer, but we agonize and work real hard at finding the best balance that we think we can.

**Mr. Bilous:** Can your ministry produce a figure as far as what it will save this year and in next year's budget by deferring the project in terms of a capital figure, and under which line item can we can find it?

**Mr. McIver:** No. Do we commit to doing that? The short answer would be no. I don't think that that's an exercise that can be fully done because, frankly, even if we tried to do an estimate, there would be a certain amount of guesswork there simply because when you defer a project, you don't know, for example, whether the project will cost 2 per cent more next year, the same amount next year, 10 per cent more. We just don't know. The other thing we don't know is whether we pay cash for it or borrow for it. If we borrow for it, it's hard to predict the interest rate going forward. Believe me; I'm not being evasive here. You're asking a question that I don't believe there's a legitimate answer for, once you scratch the surface, if you don't mind.

**Mr. Bilous:** I appreciate your honesty.

I've only got a couple of minutes left, so if we could rapid fire the last couple of questions. I can appreciate that you've talked about going into bridge repair. Again, at the moment the government contracts out most maintenance, inspections, and repairs, and I know that you had commented to another member that you did an internal audit, for lack of a better word, on whether it would be cheaper to bring it in house or to leave it where it is, contracted.

**Mr. McIver:** I wouldn't call it an audit. I'd say that we did an internal evaluation and looked at it because the Auditor asked us to. Frankly, I like audit reports because they tell us where we can be better, so on the Auditor's advice we did an internal evaluation. We feel that we're comfortable with hiring it out.

**Mr. Bilous:** So my question, Minister, is: would you be willing to share that? I would love to see and I'm sure colleagues on this committee would love to see – and I don't mean this evening; maybe it could be sent to us – the analysis of in house versus . . .

**Mr. McIver:** No. That's an internal document. There are competitive things there, too. Part of that is comparing the price that we pay the contractors now. For competitive reasons I don't believe it would serve the interests of Alberta taxpayers to put them at a competitive disadvantage that way.

**Mr. Bilous:** Okay. I'm going to move to a topic which I don't know if anybody has brought up. I don't think so. Quoting you on September 28 at a Calgary Chamber of Commerce meeting in regard to the discussion of high-speed rail between Edmonton and Calgary, you said:

I've had several people come to my office saying we'll build it. If you have the land, we will build it. Having the land is kind of a big deal – you can't go ahead without that – but if we decide to build it, if we get the right-of-way in place, there are people who are saying they can do it . . . I can tell you there's some research into it but there is no timeline.

9:05

My question. Mr. Minister, I can appreciate that this is not a priority or a priority initiative at the moment, but I'm interested to know what kind of research has gone into that idea with your department, what amount of resources, and if you could provide any kind of estimates, again maybe not tonight but in writing, as far as the total cost for such a project, what types of financing models are being contemplated, however hypothetical they may be.

We may get cut off with our time.

**Mr. McIver:** There were some market studies done. You can find them on our website. They're there for you to see. If you ask me what it's going to cost, we obviously don't know the answer to that. Clearly, getting the right-of-way, I'm sure you can appreciate, is kind of a big deal. It's difficult. So we're nowhere near, you know, committing to go ahead with this project, but we continue to research it. The cost depends on the technology used. Again, there's been more than one party that's come forward and said: if you give us free land and let us operate it, we'll build it. If we're not paying for it, the cost in this context is somewhat irrelevant, if the taxpayers aren't paying for it. What's important to know, if they're using the taxpayers' land, is that the technology is good and will serve the taxpayers well, whether it's a publicly or privately operated thing. I would think that it would be privately operated, probably.

You're asking a lot of hypothetical questions.

**Mr. Bilous:** Yeah, and it's also just to get a sense of, you know, is this something that . . .

**Mr. McIver:** We're doing the research. That's really the answer.

**The Chair:** Thank you, Mr. Bilous.

Now it's time for the Progressive Conservative caucus. Ms Johnson, you're going to start off?

**Ms L. Johnson:** Yes.

**The Chair:** Just to remind everybody, we're now at the caucus discussion stage, so it can pass from Ms Johnson to other members of the PC caucus as you wish.

**Mr. McIver:** How long is this section, just if you don't mind?

**The Chair:** Twenty minutes.

**Mr. McIver:** All right. Okay. I'm new here. This is my first time.

**The Chair:** That's okay. We told you it was another six hours, didn't we?

Ms Johnson, do you want to go back and forth with the minister?

**Ms L. Johnson:** Yes, I'd like to go back and forth, and yes, I'll be sharing my time with fellow caucus members.

**The Chair:** Thank you.

**Ms L. Johnson:** Madam Chair, I think you have a list of others that are interested in questions.

**The Chair:** Yes, I do.

**Ms L. Johnson:** Great. Thank you very much, Minister, to your staff, and to fellow committee members. We're just about into

hour 12 of this year's estimates, and I think we have another 16 hours to go, they tell me. [interjection] Yeah, goody-goody.

Minister, you touched briefly on trade corridors. In last year's annual report there was some information on market access in the north-south trade corridor. Could you help me see where that is supported in our estimates program here?

**Mr. McIver:** Well, I guess in my opening remarks I referred to the completion of highway 43. There are 20 kilometres left on the way to Grande Prairie. That's a project that the government started a few years ago. It's called the Canamex trade corridor. Canamex, of course, means Canada, America, and Mexico. There are a lot of goods and services that travel that entire corridor, and we want to make sure that our piece of that corridor is conducive. The interchanges, intersections, and safety upgrades, and highway twinning, widening, and expansion on page 221: some of that will support the trade corridor work that we're doing.

**Ms L. Johnson:** Oh, okay. Thank you.

As I was preparing I was thinking that it's like an overland pipeline that we don't have a limit on, really.

**Mr. McIver:** Yeah. That's true. Again, there are different economics to highways and rail and pipelines, but in some fashion, yes, you could describe it that way.

**Ms L. Johnson:** Okay. We've touched on ring roads, and they're an important part of this corridor. We have the Henday in the estimates. We have our line with the ring road numbers. Can you break out approximately how much is for the Henday versus the Stoney Trail project?

**Mr. McIver:** Yes. It says on page 221 Edmonton ring road in the upcoming years: actual for 2011-12, \$194.1 million; 2012-13 budget, \$50.4 million; 2012-13 forecast, \$236.365 million; and the 2013-14 estimate, \$270 million. The Calgary ring road: \$151.7 million in '11-12, \$241 million in '12-13, \$162.6 million in '12-13 forecast, and next year \$103.2 million.

**Ms L. Johnson:** As a new representative for Calgary as well how does page 221 relate to page 227, where there's a different set of numbers relating to ring roads? One is capital vote by program, and one is capital spending.

**Mr. McIver:** Okay. The numbers that I just read to you are the actual cash that is going out the door. The numbers on page 227 actually include the financing payments and other things attached to that. As I said, when a section of the ring road opens under the P3, there's that 30-year period.

**Ms L. Johnson:** Okay. Thank you.

We have to talk about the southwest portion of the Stoney Trail project. I'm very respectful that we don't want to be negotiating in public. At the same time as we're balancing capital needs and demands and transportations demands, my constituents are concerned about route selection and are concerned about the style of road. The number of lanes, whether it's a tunnel, whether it's a bridge, whether it's an overpass: all of those design features affect the financial requirements of those projects. I'd like to hear some comments on how we look at the design choices balanced against our financial needs going forward.

**Mr. McIver:** Well, the route selection and the size of the road is being negotiated right now with our neighbours, the Tsuu T'ina. I guess when the negotiations are complete, all of that will become apparent. I can tell you that we're working on it actively and

enthusiastically. How it affects the budget. There's nothing in the budget right now. It's a project that we've been working on as a government for six years. If and when we get an agreement, I will come back to government and make it known that if we're going to complete this, we need to put something in the budget. Your next question would probably be: when will that be? I don't have an answer, which is why there's nothing in the budget. You know, it's been going on for six years. We're cautiously optimistic. We're enthusiastic. We want it to go ahead. But when will it happen? I wish I knew the answer to that.

**Ms L. Johnson:** I appreciate that, Minister.

I had a constituency town hall a few weeks ago with over a hundred people in attendance. Transportation or Education, we went back and forth between those two files in that hot seat, actually, when you think about the day today. When it comes to the ring road, some of my constituents are asking, depending on if you live on the north side or the south side of the reservoir: what about the consideration of a transportation corridor and not putting the ring road up the 37th Street dotted line area so that it would be a smaller transportation road?

**Mr. McIver:** Right now we're focused on negotiating with our neighbours in the Tsuu T'ina. That's what we're focused on.

**Ms L. Johnson:** All right.

I want to move a little bit to traffic volumes. Based on media coverage, not living in Edmonton, my understanding of the Henday is that once it got built, the expectation was that there was going to be a certain volume of traffic, but the actual volume is quite a bit higher. As you plan roads going forward, how do you factor that in? I gather traffic is like water, that as soon as there's a path, they find it, and the cars come.

**Mr. McIver:** That's a fair comment. You know, the day after a new road opens, because of the road there's not necessarily one more car, but there's certainly a difference in where each of those cars is. That's strongly affected by the fact that the road is there, and people's traffic patterns – it's human nature. People try to go the route of least resistance between where they're starting and where they want to end up. If the new road is built properly, it's probably a path that a lot of people want to take.

We employ traffic engineers, and we do modelling based on growth projections. Like any other thing where you're trying to predict the future, it's an inexact science. If it was exact, then people doing it would probably be a lot wealthier than they are.

9:15

**Ms L. Johnson:** Thank you, Minister.

I have one final question. It goes back to the heater unit that painted the road – I think it was highway 63 – that had to be brought in. In the end what was the final cost of that?

**Mr. McIver:** You know what? I tabled that in the House, respectfully.

**Ms L. Johnson:** Oh. Okay.

**Mr. McIver:** A member from the opposition asked that question, and I'll find that for you, but it's actually on the record. It's been tabled in the House, and I can find that for you.

**Mr. Allen:** It was about \$37,000.

**Ms L. Johnson:** Okay. Thank you, Mr. Minister.

**Mr. McIver:** You're welcome.

**The Chair:** Okay. Mr. Khan, do you have a question for the minister?

**Mr. Khan:** I have a question. Actually, a lot of my questions in regard to GreenTRIP have been discussed at length. I have a couple of comments in regard to GreenTRIP as it relates to my constituency of St. Albert. My one comment is, really, kudos to the department for what I believe and what I've heard from folks at the municipal level is a very innovative structure in terms of helping our city deal with a real problem in terms of the park-and-ride situation.

The GreenTRIP funding, to my understanding, has yet to be finalized, but I think we're very close to securing some land that's actually just on the southern borders of St. Albert and Edmonton proper. Through both municipal entities working very well together in conjunction with the province, St. Albert will end up with a very, very much-needed park-and-ride facility, so we're appreciative of the creativity of your department, Minister, in being able to pull that off.

With that said, there is a concern that has been brought to my attention both at sort of a PC constituency level as well as at the municipal level. We understand there's a provincial provision that because the land is provincially owned and is being given to Edmonton – I may not have a firm grasp on all of the details, but St. Albert ultimately ends up with a parcel of land and what the park-and-ride holds, all of which is related to GreenTRIP – it prevents the municipality, which would be St. Albert in this case, from charging for parking or even granting a right at some time in the future for St. Albert to charge for parking. This is very much a concern at the municipal level because obviously anything that the city can contribute to the public transit coffers would be a real asset to the city.

That's a concern that has been shared with me at the municipal level as well as at the constituent level. I was wondering if you were aware of this provision or if you have any comments in that regard.

**Mr. McIver:** I will say that when the province owns land, typically it's in the care and control of the Department of Infrastructure, and that would be a policy that I would respectfully advise you to discuss with that administration. I think they're coming here on April 10.

**Mr. Khan:** Well, then, that was a very easy question for you, wasn't it?

**Mr. McIver:** I'm here for three hours.

**Mr. Khan:** Most of my questions regarding GreenTRIP have been well covered by people today. Thank you.

**Mr. McIver:** Some of my people here have told me Infrastructure is aware of the problem. I don't know what they're doing about it, but I will try to tip them off that they should expect a question.

**Mr. Khan:** I appreciate that. Thank you.

**The Chair:** Mr. Lemke had a question.

**Mr. Lemke:** Thank you, Chair. Mr. Minister, I live in a constituency with 43,000 very understanding Albertans to whom the previous two ministers in your portfolio have promised a highway that goes through the town of Stony Plain, highway 779. They understand that there are different priorities for the govern-

ment, namely highway 63 and highway 881 and others, but they also need an answer. They want to know: if it's not going to be built this year, next year, the year after that, when exactly can they expect it? I think it's a fair question. I think it's a question that they deserve an answer to given the fact that they've been promised this highway for, as I said, six years. That's my first question.

**Mr. McIver:** Well, the highway 779 widening has been deferred, and it's not currently on the three-year construction plan. I can't say for sure when it's going to be done. I think you just indicated that that won't please you, but that's how it is. I can't answer that. A portion of the widening was tendered for construction between 42nd Avenue and highway 16A. All of the work in that contract was finished in 2011. Work continues on the detail design, right-of-way acquisition, and agreement with CN Rail.

To your final question, when it will happen, there's no answer that I can give you today.

**Mr. Lemke:** Okay. In another part of my constituency, the far west end, there's a small town called Tomahawk. I can't remember the name of the highway that goes through Tomahawk, but they have a huge problem with gravel trucks going through their small town. The RCMP are aware of the problem, the sheriffs are aware of the problem, and the constables from Parkland county are aware of the problem. They all try and do something about it, but the truckers are very intelligent in that once they set up a radar trap or have some presence in the town of Tomahawk, the first trucker goes through and sees the police car, and of course he radios to all his pals. They all slow down until the car leaves, and then it's a race track.

I'm wondering: is there anything that we can do in terms of the use of photoradar in a small community like that? I know that's probably more of a question for the Solicitor General, but would you support the idea of some sort of photoradar, something that would have some effect on speeders going through a municipality like Tomahawk?

**Mr. McIver:** I appreciate the question, but you're asking about a policy change that would be province-wide for photoradar, and I'm not sure we would consider it for a case like this. Perhaps we can discuss this with the Solicitor General and see if there are other strategies we can employ. The other thing, too, is that, I'm presuming, the trucks are part of the Alberta Sand and Gravel Association. Perhaps there's some work we can do with them to try to get their members to behave like good corporate citizens.

**Mr. Lemke:** Thank you for that answer. That would be much appreciated.

My final question if I may. I think it was about two months ago that we had a freak early morning freezing rain in, you know, most of northern Alberta. Certainly, highway 16 turned into a skating rink, and we had buses and trucks and cars in the ditch, yet Carillion, who was the contractor out there, did not show a presence on that highway until late in the afternoon. I was wondering who monitors Carillion or any other contractors that are working in the province for the department and how our residents make the government aware of the lack of service that they're getting at a specific time in that kind of a situation.

**Mr. McIver:** Well, they can let us know about the lack of service by phoning your office, by phoning Alberta Transportation, and by going to 511.alberta.ca. All of those are legitimate ways of getting their complaints in place.

I would say to you – and I in no way mean to diminish your complaint – that we can't stop it from being Alberta, and there are certain weather conditions for which it takes a certain amount of time to get the road in passable condition. Having said that, there are certain times when perhaps the contractors aren't up to snuff. But you asked a specific question: how do we know they're out there? Every single one of them has a GPS in it, and we monitor it at Alberta Transportation. When we get phone calls from people saying, "I've just been down highway fill-in-the-number-here," whatever that is, "and I haven't seen anybody," we actually can find out for sure whether the contractor has been out there.

Now, having them out there is half the battle. The other half is having them do the right thing when they're out there. We constantly work with our contractors to do that. They're on service contracts that require them to keep the roads safe, so we monitor that. Their contracts have penalties in them for nonperformance of the work, up to and including things called demerit points that can actually make it harder for them to get contracts in the future from the government. We do our best to monitor it. All the input we get, we welcome.

9:25

We work with our contractors, and frankly we never let them off the hook. We don't. But some problems crop up sometimes. One of the problems that we've had because Alberta has got a great economy is with them having qualified, trained operators there. When the contractors bring in qualified, trained operators, we have this energy industry that sometimes picks them off and pays them more, so then the contractors, you know, train more contractors. In some cases, even if somebody is trained, there's sometimes no substitute for experience. I don't drive this equipment, but from what I'm told, having a feel for how hard the blade is on the road, how high, how low, at what angle, probably a bunch of variables I've never even heard of, is about experience and training. Again, we never let our contractors off the hook, but we hear that there are sometimes challenges in keeping qualified people in their employ.

**Mr. Lemke:** That concludes my questions, with one comment. It's very good information to know that they are in GPS. When we do have a constituent phone in with an issue like that, certainly the fact that you can track it is going to be of some benefit to them.

Thank you.

**The Chair:** Mr. Sandhu, you had a question. We only have about 45 seconds, so maybe you can put your question in, and we can get the answer later.

**Mr. Sandhu:** Okay. Thank you very much, Madam Chair. Minister, I've got to carry on with Mike's question when he talked about radar and all these truck drivers. I think we need to do more open houses to involve the stakeholders, to tell them to slow down in these small towns. You know, we attended with your ADM I think last year – and that was very successful – on the south side. People start to understand and truck drivers start to understand that this is the issue. We need the truckers to move the dirt on the Anthony Henday and to other parts of the province. At the same time we need safety.

The two questions I've got . . .

**The Chair:** You'll have to hold your questions. You'll be the first one up next time unless you talk to your colleagues and they have a different view.

Now we're at the five-and-five stage. Mr. Barnes, you're going to continue the questioning?

**Mr. Barnes:** Yes, please.

**The Chair:** Okay. It's five and five. Do you want to do block time, or do you want to go back and forth with the minister?

**Mr. Barnes:** I'll go block.

**The Chair:** Okay.

**Mr. Barnes:** Okay. Thank you, Madam Chair. Thank you again, Mr. Minister, for all your answers and your efforts tonight. I did appreciate the work where you helped with my constituent, that you spoke of some time ago. Thanks again for that.

I do want to be clear, though, that in no way am I trying to say how to run your department or to cut safety especially or whatever. Mostly it's an encouragement to look for efficiencies, to look for what programs are working effectively. I am especially interested in the results-based budgeting that you guys are in the process of. If you'd care to, if you could touch for a few seconds on how you see that working and how it's being implemented, I would appreciate that.

Secondly, my constituency is on the Alberta-Saskatchewan border, with a lot of farmers, ranchers, and truckers. We have concerns all the time about different regulations interprovincially. I'm wondering if your department is aware of some of the issues the farmers and ranchers are having, especially those that own land on both sides of the border, and if you're doing anything in terms of interprovincial harmonization of these trucking regulations.

I think you may have missed a couple of my questions. No longer on the current three-year plan were the 12 bridges that I mentioned on highway 63 that are crucial to the twinning of that. I speculated that the necessary permits were under the navigable waters act, so if you could touch on that, where we're at with those bridges that are necessary to complete the twinning of this by 2016. Again, I'm concerned about the size of some of these ravines in the Wandering River and how long and hard and how much detail it may take to do these.

I asked about roving checkstops. Again, I feel strongly that that's a plan that could greatly add to the safety of our roads for all Albertans. Have you ruled it out, or is it on your radar at all, please?

I also didn't ask for a list of all the projects that were being done in my constituency as it related to highway 3. Just a lot of my constituents and people in Medicine Hat believe that the final 60 miles of twinning highway 3 would help our economy a lot. It would obviously help our safety. Coupled with that is the fact that it's 20, 25 years that the government of Alberta has had engineers and politicians and people down doing studies and looking at different routes, and it doesn't seem to be happening. A lot of the good people in Cypress-Medicine Hat are very concerned about tax dollars, so they don't like to see the money wasted unless the project is going ahead.

So that brings me back to the priority list. They'd like to know if it's on the priority at all, if it's nine years or 10 years or dependent on anything. I have in my hand your tentative government-owned transportation projects three-year construction plan, which I'm presuming is the priority list you're talking about, and I'm wondering if you could allude to what your top five priorities are on this. Again, it's just simply by highway number, and if we look at the top five, they're all on highway 1: Bow Valley Trail, 4 kilometres; highway 9; and then the next three in good old Medicine Hat. Are those the top five priorities? They're the first five. Is there any rhyme or reason to this list and the priority?

Now, things seem to come off and on this list. They come off sometimes because they're completed, but sometimes they just come off, which I presume is because the Department of Transportation has changed their mind about completing those. I understand there's one particular area that's quite concerning, and it's the highway 2 interchange at the Cardiff Road near Morinville. There's a bridge structure and a grade, base, and pave project. It has been removed from the list, but it has not been completed.

David Jackson, my assistant here, has taken the time to make a three-page list of what is no longer on the 2013-2016 construction list, but all of these projects were on the 2012-2015 list, meaning last year's list. I'd like to provide everybody with the list. Mr. Minister, I can provide you with the list, and if you could tell me what makes things go on and off.

**The Chair:** Mr. Minister, you have an opportunity to respond.

**Mr. McIver:** Okay. Well, I'll start at the end, on what's been deferred. I actually read the entire list to the NDP member that asked the question. I read all of those deferred projects into the record already earlier this evening.

On the priority list: frankly, the priority list is the three-year plan that's approved for funding. It's on the website. I don't have a top five. There are projects funded and unfunded.

Frankly, I consider it counterproductive to create a fight about whether my project is more important than your project. We do our best to evaluate, then we put them in. Creating an argument amongst funded projects on which one is more important than the other: there's nothing to be gained, there's energy and time to be lost, and while we're doing that, we're not actually building things, and we're not actually looking for efficiencies.

So at the end of the day, what's funded is the priority list, and anything outside of three years, frankly, is speculation because we don't know when it's going to be funded. We constantly evaluate all those things, and those evaluations can change. They can change due to changes in traffic patterns. They can change due to new developments, new industry either opening or closing. They can change because of safety issues that crop up or disappear.

I sense that the hon. member is looking for a definitive list, but frankly it doesn't exist because the conditions that we work in are fluid because of all those other factors in Alberta: economic, human, demographic changes. So what we have is a funded list that's made public, and we'll continue to do that because it seems to work very well for Albertans.

9:35

Highway 3: I think I heard a desire from the member that he wants it, and it's not in the three-year plan. I can appreciate the frustration that the hon. member's constituents may feel. Frankly, it's consistent with what people say in other parts of Alberta that have wanted projects for a long time. But at the end of the day, if we're going to responsibly as a government handle the dollars that taxpayers entrust us with, we'll keep trying to make sound judgments on what's most important. After we make those sound judgments, we fund as much as we can within the dollars allowed, and beyond the dollars allowed, we don't fund it. It's a program that I think has served Alberta well, but it does indeed leave people that are desirous of projects that aren't at the top of the priority list unsatisfied. I acknowledge that.

The question about roving checkpoints: respectfully, that's a Solicitor General question, not a Transportation question. That's not something that we decide on or have authority over in the Transportation ministry.

The highway 63 bridges: the bridges will be part of the twinning project and are all scheduled to be done by the end of 2016. They haven't been forgotten about. They are included in our plans. They're all currently in various stages of regulatory review, and the timings haven't been accounted for in the overall plan to complete the twinning of 63 from Grassland to Fort McMurray by the end of 2016. None of them are left out. I want you to not wonder about that. They're all included.

One of the other questions you asked was about some of the other projects along with the 12 bridges. Somewhere in there I wrote that some of the other work that we're doing, of course, is moving utilities where they need to be moved in order to enable us to twin highway 63. Some of that work will be ongoing until it's completed.

Truckers moving equipment across the borders is federally regulated and beyond an Alberta-Saskatchewan agreement, but I also want you to know that we do a lot of work with Saskatchewan through the New West Partnership.

**The Chair:** Okay. Thank you, Minister.

**Mr. McIver:** I think I've answered the questions okay.

**The Chair:** We'll go back to the PC caucus.

Mr. Sandhu, you have a question?

**Mr. Sandhu:** Yep.

**The Chair:** Just remember that this is an individual member, so once you're finished your five and five, it can't be passed to another caucus member. Do you want to do back and forth, or do you want to do block time?

**Mr. Sandhu:** Back and forth. I've got three questions only, very simple ones.

Mr. Minister, thank you very much. Keep building Anthony Henday. The last leg: I mentioned to you that I've got a constituent who lives on the north part of the Anthony Henday. Somebody made a mistake and said: well, the telephone line was no longer working. They disconnected after that. My constituent north of the Anthony Henday is looking for \$60,000. He complained last year, before the election. I said: it's now the election; we can do nothing. After that: oh, we have a new ministry coming up; I'll talk to them. But I only got the runaround, no real answer. Telus was looking for \$60,000 to redo the line. My constituent just doesn't care. You know, he just wants a sunken telephone line under the ground. So I need your department when you're building – you've got the Anthony Henday going. The last leg has 48 bridges, nine flyovers, good things happening. I don't want more constituents developing the same problems in the future.

Another question. Mr. Minister, you've got a contract for the cable fences. When you're coming from Calgary, for the last five years I've noticed the fences. Some are on the edge; some are in the middle. It's just all over. I think this is a safety concern because when you're right on the edge and the car skids, it's going to hit the cable and then come back onto on the highway again. Whoever made the mistake with those kind of things – we pay the contractors. We should be collecting, not charging it back to the Alberta government.

The third one is that if you're coming from Calgary and there is a highway warning sign saying that the highway is closed, that sign should be before Red Deer so a person can stay in Red Deer, not leave Red Deer. There is no place to go back. The same thing when you're going from Edmonton: before Red Deer they should

have a sign. If that happens, a person can stay in Red Deer, not be stuck on the highway. Whoever is doing all this stuff – I don't who is making all the decisions on engineering – needs to revisit all those issues.

**Mr. McIver:** Okay. Thank you. You've got three issues there, and I'll try to address them all for you. I'll see if I can get them done in the time allowed. You know what? I'll work backwards here.

On the warning signs I heard a strong preference from you that they should be before Red Deer. We'll look at it, but I can tell you I think it's a bit of a preference. I understand your logic, that if you're travelling through, you want to know before you get to Alberta's fourth largest city, which presumably has a good chance of having some accommodations, whether you should stop there if the weather is bad. I guess the downside of that might be that the people actually in Alberta's fourth largest city, if you did that, wouldn't have the benefit of those signs as they were leaving their city going north and south. At least in my experience the weather inside cities and outside cities is sometimes dramatically different. If you gain on one side, you lose on the other. Nonetheless, your comment is well taken.

**The Chair:** It's a back and forth, Mr. Sandhu.

**Mr. Sandhu:** Okay. Minister, my concern is only when the warning says: highway closed. You don't want Albertans to leave Red Deer and then be stuck on the highway. That's my logic.

**Mr. McIver:** Fair enough. You know what? We'll look at that, and we'll consider what you're saying. I see a plus and a minus to what you're suggesting. There are people in our department a lot smarter than I am, and we'll ask them to apply their knowledge and talent to the question you're asking.

On the cable fence the fence location is based on safety and ensuring there's room to absorb a vehicle. The changes in location are within the median. The one thing about it is that the cable fences, in our view, have been very successful in reducing the severity of collisions. I don't mind telling you that I've had people complain about them before. They say, "Well, they eat my vehicle and damage it," which is a fair comment. Another fair comment would be: you're actually not designated to drive where the cables are.

The entire reason that they're there is because people's vehicles, more often than you'd like to believe, actually end up off the designated travel area. Before the cable barriers were there, there were a large number of vehicles crossing not only the median but the lanes on the other side of the highway, many, many every month. That's been, essentially, all but eliminated since the cable barriers have been there.

**The Chair:** I think Mr. Sandhu had a response.

**Mr. Sandhu:** I think, Minister, you did not understand my point.

**Mr. McIver:** Okay.

**Mr. Sandhu:** I'm in favour of your cable one hundred per cent. That's a safety issue. That's a good thing. But this is the road. In one way you've got it right on the edge, whatever, five feet. Then if you go further down another 30 kilometres, it's right in the centre of the ditch. What I'm saying to you is that the cable is a very good thing. We need to put it in the middle of the ditch. The cable is all over. It's not like it's only coming on the one side, six feet from the edge, and in another way in the centre of the ditch. It's wavy all over from Calgary all the way to Red Deer. So I'm

saying to you that, whoever the contractor was who made that fence, it should be right in the centre because when somebody is skidding in their car, they'd go to the ditch and then stop.

9:45

**Mr. McIver:** I would say to you that your complaint is not with the contractor; your complaint is with Alberta Transportation because the contractor put it where we told him to. The location of the cable is based on safety and ensuring there's enough room when the cable grabs the car to absorb the vehicle. The location, whether it's right beside the road or in the middle of the ditch or in the centre median, changes depending on the width of the centre median, I'm told. I get the feeling that you don't agree with what our people have done, and I'll take that as advice to consider.

Now, on the phone line issue, which I want to touch on, from what you tell me, you've got a constituent that in the construction of the Anthony Henday had their phone line clipped, damaged, taken out of service, and you're looking to get that fixed. I presume you're looking to get it fixed at the expense of whoever damaged it.

**Mr. Sandhu:** Right.

**Mr. McIver:** I will get as much information from you on that – we've got some from you. We will follow it up, investigate the best we can, and try to get that resolved. I will be happy to work along with you to see what we can get done that way.

**Mr. Sandhu:** Thank you, Minister.

Just keep building Alberta. You know, so much money. I wanted a highway in my end of town – the city is growing – and you're doing a good job of that part, so I don't complain much about telephone lines. But it needs to be fixed. I want you to continue to finish off the last leg of the – even the south part of the Anthony Henday. You can see that the city has already grown further south of the Anthony Henday. The cities are growing, both Edmonton and Calgary, so it is a good thing that we're building. Even though it's a tough time moneywise, we're still building the infrastructure that's going to stay for another 50 to 100 years.

**Mr. McIver:** Well, you're a part of a government that Albertans trusted to keep building Alberta, and that's exactly what we intend to do. From the Transportation viewpoint we have many needs, and within the realm of being fiscally responsible, we'll continue to expand the Transportation infrastructure. We'll continue to maintain what's there and do our best to create the Alberta, the future that our kids and grandkids will be able to flourish in in the way that we all try to.

**Mr. Sandhu:** You know, I'm going to share with you, Minister, that last election the Anthony Henday was still not finished up to the Manning. When I was door-knocking, people loved that. They said: "You don't need to come out door-knocking. You're building a highway which is going to be permanent." I won by a big margin because people like to see that you're building big infrastructure that is going to stay forever.

Thank you.

**Mr. McIver:** I think that's the important part of listening. When you do that, people respond well.

**The Chair:** All right. We've got 11 minutes left in this meeting.

Mr. Barnes, do you still have some questions?

**Mr. Barnes:** Yes, I do, Madam Chair.



**The Chair:** Do you want to do a five-and-five block?

**Mr. Barnes:** Five and five, please. Yes.

Thank you, Mr. Minister. My first question in this block of five: how does water for life under your ministry integrate or work in conjunction with the ESRD ministry, the ESRD water policy, and the ESRD water and air partner strategy? If you could touch on that for me, I'd appreciate it.

I've seen three numbers for the cost of twinning highway 63 in the last little while: \$778 million in the fall of 2012, there was a budget day press release in 2013 of \$442 million, and I believe the budget documents now show \$550 million. Which of these numbers do you think is accurate? How do these lesser numbers relate to the \$1.1 billion in bond financing that's being done?

Back to some line items for the third question. Some of the P3 maintenance that you touched on I'm just a bit confused about, particularly the snow removal part. Is that line item 5.2 or line item 14.2, and what does the other line represent?

In question period I asked you a question, and I hope you've had some time to check on it, but if not – it may be important. The three-year construction plan indicates the department will have to undertake a repair to a constraint-induced fracture on the North Saskatchewan River bridge four kilometers south of Waskatenau on highway 831. Do you know when this work will take place? What will be the impact on overdimension loads moving from Edmonton to Fort McMurray? When is the bridge being repaired? I understand from quick research on this that these kinds of fractures can just happen, and I wonder how that would relate to the bridge inspection.

You touched on this one briefly, too, but I would like a little bit more clarification if you could. Your business plan performance measure goal rates roads as good, fair, and poor. The business plan just released by your department indicates that the percentage of our roads that are in good and fair condition is decreasing. Actually, I think that by 2015-2016 there'll be a 7 per cent increase in roads in poor and fair condition from good and fair, which is a worrisome trend. If you could touch on that, I'd appreciate it.

The last question if you have time. "Multimodal" is the word that I've read about in your mandate letter and in your priority for your department, and I wonder what you think the bottlenecks are and what you think the opportunities are for Alberta when it comes to implementing a full multimodal transportation network.

Thank you very much again for your time here tonight.

**Mr. McIver:** Okay. My turn?

**The Chair:** Yes. You have five minutes, Mr. Minister.

**Mr. McIver:** Okay. I'm presuming you won't mind if I try to answer the RBB question that you asked last time and I never got to. Is that okay with you?

**Mr. Barnes:** Whatever. Yeah.

**Mr. McIver:** Results-based budgeting is a program where we work with some members out of the private sector, who have qualifications, and three MLAs. We go through ministry programs, and we look at some of the activities that are going on there, evaluate how important they are, evaluate whether the reason they were first put in place still exists or whether that reason has changed, and then make recommendations ministry by ministry on whether we should perhaps expand the program, perhaps get rid of the program, or perhaps change it in some way so that the dollars that Albertans are paying for the program get the best value possible. It's something we're going through

ministry by ministry. I guess I could go into more detail, but with the limited time I want to get to some of your other questions, so I'll stop there.

Water for life. You ask how it dovetails with the ESRD policies. ESRD and Transportation work together to approve a list of projects, and between the two ministries there's a joint committee that reviews the projects to try to find, I guess, the common ground between meeting the needs of the municipality and meeting the needs of the environment overall and considering how urgent or how beneficial each project is. So there's ongoing co-operation between the two ministries to try to prioritize and get the most important projects done first.

P3 maintenance. I'll come back to that because I don't want to keep you waiting while I fiddle with paper, okay?

The North Saskatchewan River bridge. Do we have when that's going to be fixed? Okay. Then I'll keep going on other things.

Multimodal, bottlenecks and opportunities. The multimodal strategy is essentially about putting the different networks together. If you look at Alberta as a map, you could have a map of the roads, you could have a map of the bus routes, you could have a map of the rail lines, you could have a map of both the international and municipal airports and the lines in between. It's a matter of putting them all together to see where the gaps are. It's a matter of layering over top of that where the economic activity is and where the people are and looking for the gaps in between where there is service and where service is needed and trying to fill in those gaps and actually trying to make each mode of transportation more effective by having places where you can hand off either goods or people from one mode of transportation to the other. That's part of the multimodal strategy.

9:55

Respectfully, you asked where the bottlenecks are, and I guess the answer to that will come out of the study. The opportunities are just to make Alberta way more efficient, hopefully, more cost-effective for the people and the industries that are here. I hope it'll help inform our infrastructure investments in the future so that we can actually fill the gaps where the greatest benefit could come from the smallest investment. That's the goal of looking for the bottlenecks and the opportunities. I'm desperately hoping to not waste your time and to get you some answers here.

Heavy loads over the North Saskatchewan River at the Waskatenau bridge are routed by way of the safest load capable. When will it be fixed? In 2013.

Okay. I'll move on to the next one. I'm trying to get your answers in under the clock here. Now, the P3 maintenance. Has someone been able to do that or the highway 63 stuff? Those are the two questions that I'm trying to get answered for the hon. member. Rehab is capital, and maintenance is operations on the P3 maintenance. This isn't as orderly as it could be, but I am genuinely trying to get you your answers in the time allotted.

The \$442 million was the House River to Fort McMurray part of the road, and that was part of the \$1.1 billion. We had \$108 million that was already in the budget for 55 to House River, and that totals \$550 million if you add those two together. Okay. I think we squeezed that in with the chair's indulgence in going just a little bit past the buzzer.

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

We have just a couple of minutes left, and Ms Fenske from the PC caucus has a question.

**Ms Fenske:** You are going into my two and a half minutes. It's my favourite ministry.

Minister, thank you very much for being here. I'm sure that you won't get to my questions because I won't get all of them asked. I'll come and meet you in your office. Some of the things, though, that I would like to sort of put on the record are certainly about highway 63. You mentioned key corridors. Over time those key corridors seem to have changed because when we look south, when we run up secondary highway 831, where we have heavy and large loads – and they come from highway 14 and originate in Nisku or in south Edmonton – that really has to be I think looked at as part of the corridor. You mentioned the Waskatenau bridge. Certainly, that is part of it. I'm hoping that through some kind of process we relook at how things change over time as far as key corridors.

I'm also wondering – because there's been a lot of talk about strategic initiatives projects, and a lot of the concern I've heard happens to be on bridges, which include culverts. There's been some discussion about who actually owns those when I talk to some of my municipalities. Because there are no dollars to really deal with them, there's almost a bit of a backlash of saying: well, they're the province's anyway, so let's just not fix them. Ultimately, they will be ours. They're our assets; they're on our books. So I really would put, I guess, some caution out there about

totally cutting some of those opportunities off because they have a lot of other priorities they have to deal with.

On a much happier note, we were talking about highway 2 and the guardrails. I actually saw a car bounce off one of those one time, so they are doing their job.

Thank you for being available for us.

**The Chair:** Thank you, everyone.

I apologize for interrupting you, Ms Fenske, but we are now finished. The time allotted for this budget estimate has been concluded.

Thank you to your team, Mr. McIver. That's a lot of work to prepare for this.

**Mr. McIver:** I'm grateful for them as well, I can assure you.

**The Chair:** I would like to remind committee members that we are scheduled to meet next on Monday, April 8, to consider the estimates for the Ministry of Energy.

Have a wonderful constituency break.

[The committee adjourned at 10 p.m.]



