



Legislative Assembly of Alberta

The 29th Legislature
Fourth Session

Standing Committee
on
Resource Stewardship

Ministry of Transportation
Consideration of Main Estimates

Wednesday, April 11, 2018
3:30 p.m.

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The 29th Legislature
Fourth Session**

Standing Committee on Resource Stewardship

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Drysdale, Wayne, Grande Prairie-Wapiti (UCP), Deputy Chair

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Dang, Thomas, Edmonton-South West (NDP)
Fraser, Rick, Calgary-South East (AP)
Hanson, David B., Lac La Biche-St. Paul-Two Hills (UCP)
Kazim, Anam, Calgary-Glenmore (NDP)
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Also in Attendance

Clark, Greg, Calgary-Elbow (AP)
Starke, Dr. Richard, Vermilion-Lloydminster (PC)

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Aaron Roth	Committee Clerk
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Standing Committee on Resource Stewardship

Participants

Ministry of Transportation

Hon. Brian Mason, Minister

Barry Day, Deputy Minister

Dale Fung, Senior Financial Officer

Shaun Hammond, Assistant Deputy Minister, Transportation Services

Tom Loo, Assistant Deputy Minister, Delivery Services

3:30 p.m.

Wednesday, April 11, 2018

[Loyola in the chair]

**Ministry of Transportation
Consideration of Main Estimates**

The Chair: I would like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Transportation for the fiscal year ending March 31, 2019.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, please introduce the officials that are joining you at the table when we reach you. I'm Rod Loyola, MLA for Edmonton-Ellerslie and chair of this committee. We'll continue off to my right.

Mr. Clark: Good afternoon. Greg Clark, MLA, Calgary-Elbow.

Mr. Hanson: Good afternoon. David Hanson, MLA, Lac La Biche-St. Paul-Two Hills.

Mr. Drysdale: Wayne Drysdale, MLA, Grande Prairie-Wapiti.

Mr. Hammond: Shaun Hammond, ADM, transportation services, Alberta Transportation.

Mr. Fung: Dale Fung, senior financial officer, Alberta Transportation.

Mr. Mason: Brian Mason, Minister of Transportation.

Mr. Day: Barry Day, Deputy Minister of Transportation.

Mr. Loo: Tom Loo, assistant deputy minister of delivery services, Alberta Transportation.

Ms Kazim: Good afternoon. Anam Kazim, MLA for Calgary-Glenmore.

Mr. Dang: Good afternoon. I'm Thomas Dang, the MLA for Edmonton-South West.

Mr. Rosendahl: Good afternoon. Eric Rosendahl, MLA, West Yellowhead.

Ms Woollard: Good afternoon. Denise Woollard, MLA for Edmonton-Mill Creek.

Dr. Turner: Bob Turner, Edmonton-Whitemud.

Mr. Nielsen: Good afternoon, everyone. Chris Nielsen, MLA for Edmonton-Decore.

Mr. Malkinson: Brian Malkinson, MLA for Calgary-Currie.

The Chair: Great. I'd like to note the following substitution for the record: Dr. Turner for Mr. Kleinsteuber.

Please note that the microphones are operated by *Hansard* and that the committee proceedings are being live streamed on the Internet as well as broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates, including the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of 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 may speak. For the next 20 minutes members of the third party, if any, and the minister may speak. For the next 20 minutes members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes, as set out in Standing Order 59.02(1)(c).

Members wishing to participate must be present during the appropriate portion of the meeting. Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the rotations that follow, with speaking times of up to five minutes, a minister and a member may combine their speaking time for a total of 10 minutes.

Discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time. If members have questions regarding speaking times or the rotation, please feel free to send a note or speak directly with either myself, the chair, or the committee clerk about the process.

A total of three hours has been scheduled to consider the estimates of the Ministry of Transportation. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? Okay. Seeing none, we'll do just that.

Committee members, ministers, and other members who are not committee members may participate; however, only a committee member or an official substitute may introduce an amendment during a committee's review of the estimates.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to a question. Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to the three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. The scheduled end time of today's meeting is 6:30 p.m.

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 by the minister in the Assembly for the benefit of all members.

The vote on the estimates and any amendments is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2018.

Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for committee members and staff.

I now invite the Minister of Transportation to begin his opening remarks. Minister, you have 10 minutes.

Mr. Mason: Thank you very much, Mr. Chairman and members of the committee. I'm pleased to present Alberta Transportation's

2018-19 estimates. You've already met my officials at the table, and we have additional officials of the department in the gallery.

On March 22 our government released Budget 2018, with a \$26.6 billion five-year capital plan, which is focused on the priorities of Albertans. We're trying to do a number of things with this budget. First of all, we're trying to control costs to stay on a path to balance. We're investing in jobs and diversification of the economy and protecting public services that support Albertans.

Alberta Transportation continues to be fully committed to ensuring our highways are safe, creating a modern and effective multimodal transportation system, supporting essential water and waste-water infrastructure, and investing in public transit. As a government we will maintain these essential services as we follow the path to balance across all ministries.

Of our total Transportation five-year capital plan, we are investing more than \$5.6 billion in improving and expanding roads and bridges, including \$2.3 billion in capital maintenance and renewal. Budget 2018 invests more than \$3.3 billion in roads and bridges, including planning, design, and construction. Of this, \$674 million is in the budget year 2018-19. This includes continued work on our major transportation and economic corridors, on projects such as the southwest Calgary ring road, the Gaetz Avenue interchange on highway 2, the highway 2 Peace River Bridge, and twinning of the highway 15 Fort Saskatchewan bridge.

Having said that, we made careful and responsible decisions for Budget 2018, reducing spending on capital construction projects by approximately 12 per cent. We've adjusted cash flows to meet more realistic construction progress and avoid lapsing capital funds. We've sharpened our focus in the capital planning process to better manage preconstruction spending. For example, we'll move forward with such things as land purchases and utility relocations in a more timely manner, spending as we need. We were asked to reduce spending, and we achieved that goal.

We've also been able to realize spending restraint within our capital maintenance and renewal budget. Starting in Budget 2016, we made significant investments in the capital maintenance and renewal of our highway network. Careful and robust investment over the last two years allowed us to repave about 1,500 kilometres of roadway per year. Thanks to this approach we were able to reduce spending on capital maintenance and renewal and still maintain the overall highway conditions that have existed. Budget 2018 reduces spending in this area by approximately \$97 million during 2018-19, with \$411 million in capital maintenance and renewal this year. We will maintain annual funding at \$380 million in the following two years. This means we will be able to repave about 1,000 kilometres of highway in each of the next three years.

Budget 2018 also dedicates \$75 million for slide repairs, \$15 million in each year, allowing us to invest in permanent solutions to this vexing problem.

I'm especially proud of the strong relationship our government has developed with residents in large and small municipalities across Alberta and with municipal officials. Our reinstatement of the strategic transportation infrastructure program, or STIP, is just one example of how our government has responded to the needs of local leaders and Albertans in rural communities to support continued economic recovery and diversification in all regions of our province. Since we relaunched STIP in 2015 with funding starting in 2017, we've committed about \$37 million in grants to support 87 projects in 50 communities across rural Alberta. For the current fiscal year approximately \$27 million in STIP projects will be announced in the coming months. Our government's commitment to this program remains at \$100 million.

One of the strengths of our investments in both local transit and water projects is our strong relationship with our federal partners.

We're able to leverage our grant commitments to achieve a common goal, working together to develop improved services for Albertans in a fiscally prudent manner.

Our government's support of public transit initiatives clearly demonstrates our commitment to environmentally sustainable public transportation options for Albertans while supporting job creation. At the same time, they foster local economic growth and diversification by stimulating housing and shopping developments close to transit centres.

3:40

Budget 2018 invests more than 1 and a half billion dollars in grants for transit initiatives over five years. I want to be clear that the bulk of this funding, more than \$1.4 billion, comes from carbon revenues. Critical transit projects in cities and regions across Alberta would not be able to move forward without funding through our climate leadership plan. Part of this reflects our \$3 billion commitment over the next 10 years for LRT in Edmonton and Calgary. In 2018-19 alone \$409 million is dedicated to transit, including \$136 million in federal funding.

Our trigovernment collaboration has also resulted in dozens of water infrastructure projects moving forward in smaller communities across Alberta. More Albertans, including indigenous people, will have better access to clean drinking water and improved waste-water facilities because of more than \$480 million in grants in Budget 2018. More than 100 water projects have been approved over the last two years, and this funding supports many of them. Some of these water projects will also receive nearly \$79 million from the government of Canada.

Mr. Chairman, how much time is left?

The Chair: You have three minutes and 30 seconds.

Mr. Mason: Okay. Thanks.

We're also working to protect Albertans from the impacts of major flood events such as those experienced in 2013. We're investing more than \$550 million in flood mitigation and water-management infrastructure projects to help improve Alberta's flood resiliency and protect Albertans from natural disasters due to the impact of climate change. Of this, \$405 million is dedicated to the Springbank off-stream reservoir, or SR1. We need this project in order to protect Calgary and other communities downstream on the Elbow River. We have submitted our environmental impact assessment for regulatory review, and we continue working towards our goal of having the project built to protect Calgary as soon as possible.

At the same time, we continue to look to the future as we investigate innovative ways to address challenges and opportunities. We have a long-term multimodal vision that emphasizes seamless connections between modes, corridors that facilitate economic growth, and a system of hubs built through strong partnerships. We know that emerging technologies such as automated vehicles are already transforming the traditional transportation systems, and our department is taking action to adapt to these changes.

We're working on a regulatory framework that will allow for the presence of automated technology on Alberta roads to ensure they are introduced in the safest way possible. As well, my department has been tasked with developing a strategic plan and investment strategy for making Alberta a leader in unmanned aerial systems. We're also investing \$2 million over two years in a rural transportation pilot program to lay the foundation for public transportation options in rural Alberta.

Mr. Chairman, safety is, of course, of paramount importance. In the wake of the tragedy that occurred in Saskatchewan, our hearts

go out to all families involved. In light of this incident I've directed my department to look into the safety of our highway system, particularly at intersections, and provide me with a report. We'll continue to work with our partners to improve safety in order to ensure our highways are safe for all road users. This includes the legalization of cannabis as we know it will bring new challenges for enforcement.

In conclusion, Mr. Chairman, Budget 2018 affirms our commitment to supporting Alberta's economic growth and diversification and safety on highways while reflecting the recognition that there's a need to rein in spending as the economy improves. Today we're reaping the benefits of robust investment over the last three years, and we can continue work while reducing spending in a responsible way.

Thank you, Mr. Chairman. I'm happy to take questions.

The Chair: Thank you very much.

For the next hour members of the Official Opposition and the minister may speak. Mr. Drysdale, I understand that you're going to be asking questions.

Mr. Drysdale: That's correct.

The Chair: Yeah. Would you like me to set 20-minute intervals so that you're aware of the time?

Mr. Drysdale: Sure.

The Chair: You'll be going back and forth with the minister?

Mr. Drysdale: Yes, I would like to combine the time, back and forth, if that's agreeable.

The Chair: Happy to. Please, go ahead.

Mr. Drysdale: Thank you, Mr. Minister and all your capable staff here today. I know how capable they are, Minister. There's lots of great talent behind you, for sure. I can attest to that first-hand.

You know, this year is going to be a little tougher for us because the last few years we've had Infrastructure and Transportation and I only had 20 minutes. Now we've got an hour to talk about Transportation, so we'll have to get into more of a philosophical discussion, maybe, about your business plan.

Mr. Mason: I'm happy to be as philosophical as you wish.

Mr. Drysdale: Good. We'll fill the hour, I'm sure.

You know, the Transportation budget, on the first page there, is down \$553 million in overall capital. I guess that's on page 253, I believe, just the overall budget. Any highlights about – I know we're going to get into details and that I'll hear it all, but that's the first line I look at and see a cut of \$553 million. Any comments on where that – I know we'll get into lots of detail later. I won't go line by line too often, but we'll do a couple of them.

Mr. Mason: There's a decrease from the '17-18 forecast to the '18-19 estimate of \$14.6 million due to finalizing the remaining work on the northeast Henday ring road. That includes, you know, the landscaping, the grass seeding, the bridges, and replacing the asphalt, that sort of thing.

Mr. Drysdale: Okay. Then I see highway maintenance cut \$11 million on page 254, line 5. You know, I guess that's a cut in maintenance. It's pretty obvious what that is, but any explanation?

Mr. Mason: In terms of maintenance there's a \$13.8 million decrease. In this one you're looking at . . .

Mr. Drysdale: Just the total there, line 5, an \$11 million total in the whole thing.

Mr. Mason: A \$9.9 million decrease due to one-time funding for Carillion Canada.

Mr. Drysdale: Okay. On page 255, line item 11.2, interchanges, intersections, and safety upgrades have been cut \$142.5 million to \$24 million from \$166.7 million last year. That's a huge cut, and I'm sure you've got a good explanation for that.

Mr. Mason: Yeah. The decrease from the '17-18 forecast to the '18-19 estimate is primarily due to activities such as intersection improvements, cable barrier installation, climbing and passing lanes, and other safety-related activities which are now funded under the provincial highway rehabilitation. The only projects that remain under this program are Gaetz Avenue and funding for LED lights under the climate leadership plan.

Mr. Drysdale: Okay. On page 145 of your business plan under Ministry Overview it includes a bullet that mentions that developing the highway network is important to enable a diverse and vital economy. You know, I'll be asking you some questions. That's kind of the preference in the business plan I'm referring to.

I know that there have been lots of projects that previously have been started and are being worked on that take a big chunk of the budget. You know, we'll get into maybe some updates on them later, but I didn't see in there any new specific capital projects for this year coming. Will you let me know of some of them, or are you going to announce them later?

Mr. Mason: There are a number of announcements. Of course, we can't include every project with its own line item, but there are a number of announcements that will probably be made over the next couple of months about specific projects. All I can really say at this point is to stay tuned.

Mr. Drysdale: So there are no new ones in this budget per se, that I could see, anyway, so that will come later?

Mr. Mason: Yeah.

Mr. Drysdale: Okay. With that being said, you know, maybe we could get an update on some of the projects that have been under way for a while. Some stuff you mentioned in your opening remarks: could we get an update on some of the projects that have been under way? Sorry if I go back to some of them.

3:50

Mr. Mason: No problem.

Mr. Drysdale: You know, the Springbank dam, of course, we've talked about. You've got \$130 million a year, and you've stated that this project will be completed by 2020. The money is in the budget, this year \$130 million, so we expect to see some movement or some action this year on it.

Mr. Mason: Well, as you know, there are two things that need to happen before that can happen. I believe that the money is for the land acquisition. The money is in the budget for the land acquisition. There is the environmental review by the Canadian environmental agency that is under way, and then there is the acquisition of the land. The difficulty, of course, is that the landowners are quite adamantly opposed to the project – and I understand and appreciate why – but we believe that in this particular case, you know, the good

of the million-plus people living in Calgary and the requirement to protect them and the billions of dollars of property supersede that.

We're prepared to have a fair process, and we're prepared to pay a fair price for the land. So far we've acquired several parcels, but it's pretty clear that the bulk of the land that we do need for the project is not something that the landowners are prepared to voluntarily sell, at least at this point. But we're going to continue to work with them to do that. Obviously, we need to conclude the acquisition of all the necessary land and conclude the regulatory process, and then we're in a position to begin construction of the project.

Mr. Drysdale: Okay. I think you know, Minister, as well as me by now that you're never going to make everybody happy no matter what you do in some of these situations, including Springbank. It's been five years, and we need – especially this winter, when you see all the snow, we're always concerned when the next flood is going to be, and there will be one sometime. You're never going to get everybody happy, like I said. You've committed to having this completed by 2020, so hopefully you'll push it along and get it done. I'm concerned for the people of Calgary.

Mr. Mason: It's a very high priority for me and my department. With respect to timelines we're still very hopeful that it can be operational by 2020, but I have directed the department to do a detailed review of the timelines and report back to me. If there are any changes to those timelines, I want to be able to have very clear, accurate information, and I will be communicating that publicly should there be any change in those timelines.

Mr. Drysdale: Okay. Thank you, Minister.

I know we hear from different groups that say that it's the wrong project and that the other dam further down would be better, but, like I say, you're always going to get opposition.

Mr. Mason: Well, I'm afraid that that train has left the station. You know, we would have to start over in the process, and it would add an additional couple of years, I think, if we started over. I'm quite confident, based on the reviews that were done, that this is the best. No particular project or particular site is perfect. I think McLean Creek is the other one that's most commonly referred to, and I think the environmental impact there would be more severe. Plus, there's a risk. It's an earthen dam that is proposed, and the risk of failure in a flood situation could be catastrophic and could wipe out the progress that has been made. We think that given the difficulty in getting this project built and the opposition that we've seen, that would be multiplied at McLean Creek.

I guess I'll give you the last reason why I don't think it's the right answer. It's so high up on the watershed that should a major stationary rain event, as we saw in 2013, take place but lower down, a dam at McLean Creek would not capture sufficient runoff from that storm to provide the protection to Calgary. It's actually better to have it as close to Calgary as you can.

Mr. Drysdale: Yeah. I agree, Minister. You're right. I just would like to see it move forward.

Mr. Mason: So would I.

Mr. Drysdale: I think we'd come to that conclusion quite a few years ago, so I'm glad we're agreed on that.

Mr. Mason: And we thought you had figured it out properly when we took a look at it.

Mr. Drysdale: Good.

That brings me to the next one, which is pretty similar, the Calgary ring road, finishing it in the south, another project, I think, that's pretty important and one that you're not going to make everybody happy on all the time. It takes a big chunk of your budget. The two ring roads took lots of my budget. So just an update on where that's at. I'm sure it's, hopefully, still on schedule.

Mr. Mason: Well, it's on track. We are dealing with issues of construction as it affects the community. The section that we're building now goes very close to existing communities, so there's more impact on existing homeowners in terms of dust, noise, and so on, and we're dealing with that as we go. We've added additional stations for noise and dust monitoring. We moved the asphalt plants as far away from the homes as possible because they produce quite an unpleasant and powerful odour. So we've done what we can.

The difficulty is this, and I know you know this. The agreement that was reached with the Tsuut'ina Nation by your government – I think Mr. McIver was the minister at the time – provided that we would have to complete the project through their land, which was transferred to us according to the alignment contained in the agreement, within seven years or the land would revert to them with all of the improvements that were constructed. Plus, all of the compensation would be retained by them. That clock started ticking within a couple of weeks of me being sworn in as the minister, so we've been very focused on getting it built. We're trying to mitigate the impacts.

Unfortunately, the alignment that's contained there provides for additional lanes between the two outer lanes, and that means that the road, actually, is pushed closer to the homes than it would have been if we were allowed to put it right down the middle. But that alignment is in the agreement, so we're committed to that. We're doing our best to try and help homeowners that are inconvenienced by the construction, but it can't be entirely, you know, eliminated.

Mr. Drysdale: Yeah. Thank you for that. I know you've met with different groups and people concerned there and done your best to try and mitigate it. As you said, the clock is ticking, and that's why I'm concerned as well. It is a bigger chunk, but 50 or 75 years down the road somebody might thank you for doing that.

Mr. Mason: I hope we don't wait that long.

Mr. Drysdale: But we won't ever go back and negotiate more land there once this happens, so I get it. Thanks for doing your best. I'm just concerned that the clock is ticking, and we need to get at and get it done.

Mr. Mason: I am as well.

Mr. Drysdale: Thank you for that.

The other one is the highway 19 twinning. You know, there are \$20 million, it says, for the east and west ends. You committed to working on both ends last year, and I know that at the east end there's kind of a third party involved that you're helping with it, but when I was last there, I never really saw any significant progress last year. There might have been some little side work. But I was under the impression that we would get quite a bit of work done there last year, and I haven't seen it. Now, I know you're committed, that there's a bunch of money in the budget for this year. Then there was the piece in the middle, that was going to be left blank. Now that it's been delayed and the money hasn't been spent, are we going to get the whole thing done?

Mr. Mason: Well, the middle part was awaiting decisions by the airport with respect to a future third runway, so the road will

actually kind of loop north around that. I think the alignment is finalized on that now. So we have the alignment for the middle now, and I can tell you that we expect to have the project completed in 2021. It was originally to be completed in '17-18, but funding was reprofiled to future years as a result of late tendering of the highway 232 portion of the project, utility issues on the west end project, and expropriation issues on the highways 39 and 60 roundabout. The east end is under construction, but it is progressing slower than anticipated, and the total funding for the project remains the same.

4:00

Mr. Drysdale: Okay. You know, we announced that project when I left, but it was in progress. Three years haven't seen a lot, so hopefully this year we'll see some progress. I mean, I think you're aware that there were some deaths there again a month and a half ago. There were people killed there, so it shows the need to move on with it and get it done. It's a busy chunk, so hopefully we see progress.

Mr. Mason: Yeah. I agree with you.

Mr. Drysdale: I think I asked last year and never got a clear answer about the Fort Saskatchewan bridge. Is it going to be heavy load, wide corridor?

Mr. Mason: No. The Fort Saskatchewan bridge, I think, is critically needed. The existing two-lane bridge is a huge bottleneck for people coming and going from Fort Saskatchewan, and there are waits in the afternoon and in the morning of up to an hour for people trying to use the bridge. Also, because it's a two-lane bridge, there tend to be more accidents, and when the bridge is closed as a result of an accident, you know, then it's completely shut down for long periods of time. It's pretty clear that we needed to do that.

The other thing, of course, is that with just a two-lane bridge, when you have to do maintenance and so on, you know, you're down to one lane, and potentially if you had major work, you would be down to no lanes, so by twinning the bridge, it then provides an alternate in the case that the older bridge needs some work. Those were, really, the compelling reasons for that.

We're just wrapping up a high heavy load corridor study of the entire province that will have options for high-load corridors that will serve the Industrial Heartland, and that is something that's very much on my radar. But we felt that we needed to address the Fort Saskatchewan issue quite urgently because it's actually well past the point where it should have been twinned for over 10 years, so we'll deal with that, and then we'll deal with the heavy-load bridge separately.

Mr. Drysdale: So there's going to have to be another bridge over in Fort Saskatchewan, then, for the . . .

Mr. Mason: Not necessarily right there, but, yes, there will be.

Mr. Drysdale: Close to there.

Mr. Mason: And we're looking at the different alignments that would make sense for that.

Mr. Drysdale: I mean, we're going to disagree. When I left, we were going to do a heavy-load, wide corridor just before Fort Saskatchewan to align with 15, and that would have kept the traffic out of Fort Saskatchewan. But I get it. You changed that thing. Now we'll have to build two bridges because, you know, they need that heavy load. Now they have to go a long way around.

Mr. Mason: I understand that. That proposal may in fact be the basis of a heavy-load bridge, but I was not satisfied that it met the needs of Fort Saskatchewan commuters in terms of alleviating that congestion just because of where it was located. I think, you know, we can still look at that. I think we'll see how it stacks up against some other sites for that and see what works best for, specifically, the industrial traffic. I was also, I have to say, a little concerned about bringing the heavy industrial traffic right into an urban area. You've got Fort Saskatchewan, and you've got Edmonton – right? – and you bring that in there. That's one of the things that we're looking at in this. I think one option might be to move the . . . [A timer sounded]

The Chair: Please continue.

Mr. Mason: . . . heavy-load traffic downstream of Fort Saskatchewan. We'll look at that as well.

Mr. Drysdale: Yeah. We can disagree about that, but that's all right.

Mr. Mason: Well, I'm curious why you think it was the right answer, though.

Mr. Drysdale: Well, I'd sooner have the traffic not have to go through Fort Saskatchewan. I mean, nothing against Fort Saskatchewan – it's a nice little town – but there aren't that many people living there. A lot of the people that cross that bridge come from Edmonton and somewhere else, and if you could keep them out of the town and have them cross the bridge, including the heavy loads, before they got there, I think that bridge would serve Fort Saskatchewan. But we'll disagree on that for now. It's moving forward, anyway.

Mr. Mason: Okay. That's interesting.

Mr. Drysdale: That brings me to the next one, just up the road there, the intersection with highways 37, 15, and 825. That thing has been going on for years. We had a proposal when I left there about a roundabout there, a double roundabout, but nothing has been happening, I don't think. Can you just give me an update there?

Mr. Mason: It's been under construction since September, right? It's a double-T system. I think this was something that was considered under your government as well. We're going to recommence construction in the spring, and we're expecting to be finished by fall of next year if the weather co-operates. So far it's not, but I'm ever optimistic. We're doing significant work, including upgrading the lights at highways 37 and 15, installing a signal at 37 and 825, with additional improvements. The intent is to improve capacity and safety as well as traffic flow.

Mr. Drysdale: You say the fall of next year. Do you mean the fall of '19 or the fall of '18?

Mr. Mason: The fall of '18.

Mr. Drysdale: Okay. I was going to say that I hope it didn't take two and a half years for an intersection. That's good.

I thought that when I left, it was going to be a roundabout, a big roundabout, and now you're saying that it's a double T?

Mr. Mason: Yeah. It's a double T.

Mr. Drysdale: That's a change.

Mr. Mason: After the consultation I think that was where we landed. I didn't know it was going to be a roundabout.

Mr. Loo: When we went through the preliminary design and the various options, it was felt that the most efficient for traffic flow would be the double T. As you're maybe aware, it's quite a complex area with the intersection of multiple highways into that one dual double-T intersection.

Mr. Drysdale: Okay. Thank you. I'll have to look at the details of that at some point, or I'll drive out there. Thank you for that.

Just the one last update is Gaetz in Red Deer. I know that's moving along quite well, and I would expect it'll be finished up this year.

Mr. Mason: Yeah. We're on track, are we not? Yeah, we're on track for that.

Mr. Drysdale: Okay. Good.

Now I'll maybe move on to some projects that we think are priorities. I know you have that money in your budget, and you're going to be announcing projects in the coming months, you said, so hopefully some of them might include some of our priorities.

Mr. Mason: Okay. I'm interested to hear what you have.

Mr. Drysdale: Yeah. I guess we'll get to see that in the near future.

You know, I've always been a supporter of twinning highway 3, and I'm sure you've heard from those guys as well. I know it's one of those projects that's a fairly big project, but even if you do it in little bite sizes and get started, it lets the people know that, you know, we're taking it seriously. When I met with them, there was agreement to start at the border and work their way back. I don't know, but a lot of the busiest times on that highway are in the summer with tourism. We're wanting to diversify our economy, and I think that tourism's pretty good, but a lot of people just don't like going there because of, especially, long weekend traffic. Just wondering if that might be one of the ones you're going to announce in the coming months.

Mr. Mason: Well, I'm going to be announcing them in the next couple of months, not now. You know, it's an important priority for residents. I did have a meeting a year or so back with practically every mayor, including rural municipalities, across southern Alberta, so I recognize that it's a very important priority for them for a number of reasons; like you say, to improve tourism, to improve trade, and also, of course, for safety reasons.

4:10

There are three projects that are on the unfunded capital list now. Unfortunately, we weren't able to find the money to put them into the capital plan, but they remain an important priority and very much, you know, on our radar. The three potential projects are realignment at Fort Macleod, between highway 2 and east of highway 2 – is it fair to call that a bypass, or is it within the urban, built-up area? Yeah, it's a bypass at Fort Macleod – a new truck route in Crowsnest Pass, and the construction of a wildlife underpass at Rock Creek. We're hopeful that we are able to find the funding for those projects. They are, as you say, pieces of the puzzle that would move us towards eventually twinning the entire highway.

Mr. Drysdale: So not really starting twinning at the border and working back?

Mr. Mason: No. We've picked what we think are, you know, the priorities in terms of safety as well as congestion, and we'll work that way.

Mr. Drysdale: Okay. You know, hopefully, someday that happens. Human life is more important than wildlife, but I know the impact wildlife creates.

Mr. Mason: Well, sometimes they intersect, you know.

Mr. Drysdale: Yeah. I get it.

Mr. Mason: If you hit a moose.

Mr. Drysdale: Yeah. Okay. Thanks for that.

One of my pet projects that I always pushed – I got a little way on it, but it seems like the department likes to forget about it – was finishing the twinning of 43 to the border. The commitment made back in the '90s was, you know, from the border of the States to B.C. It almost got done, but it seems like northwest Alberta kind of gets forgotten about a little bit. There are not many people up there. That project was committed to. It's funny how 63 and ring roads all seem to get finished, but that one just gets left on the back burner. We talk about economic development. There's a huge energy service sector in Grande Prairie that services that B.C. side, and they keep telling me: if we don't get the road twinned, we're going to have to start building shops on the B.C. side. I'm quoting someone down in Alberta because every day they're travelling that road through the towns. Maybe there are not a lot of people that live out there, but there was a commitment to do that. Hopefully, it doesn't get forgotten.

Mr. Mason: No. We are, as you know, working on the 43X bypass at Grande Prairie, but I can't tell you that there are projects to twin that highway to the B.C. border at the present time. So you're talking about . . .

Mr. Drysdale: Like, the next one was around Beaverlodge.

Mr. Mason: . . . east from Beaverlodge, yes?

Mr. Drysdale: I know that they acquired land. I think that the planning is done. I don't know if they have acquired it all but most of it. That was the next project that was supposed to move ahead. I just want to make sure that it's – just because we're way up there in the northwest, don't forget about us, I guess.

Mr. Mason: No. You know, it's interesting what you said about the risk that they would move some of their operations to the B.C. side of the border. I think that's something that . . .

Mr. Drysdale: That's real serious stuff.

Mr. Mason: . . . may be worth doing a little bit of consultation on as we move towards the next capital budget.

Mr. Drysdale: Those big convoys of trucks have to slow down to go through all those little towns as well. It's not safe, and, you know, it's a lot slower for them because it's down to 50 kilometres through there. They make that trip every day. Anyway, my area and constituents wouldn't be happy if I didn't push it.

Mr. Mason: I appreciate that very much.

Mr. Drysdale: Okay. That brings us to the next one, that's a similar one, the highway 40 twinning. Hopefully, you've heard about that by now. It's another one of those areas that brings a lot of economic

development to Grande Prairie. There's lots of activity down there. I have to drive the first part of that road every day when I come to town.

Mr. Mason: Well, as you know, we're doing quite a bit of work on that, and there's additional work that's on the unfunded list. It's an important priority. There are safety issues on the road, of course, which we're trying to address. As money is available, we're going to try to continue to do the different stages.

I can just let you know a little bit about this. There's grade widening on 104 kilometres of highway between 16 and Grande Cache. It includes a number of bridge and culvert improvements, a new bridge over the Berland River, safety rest areas, intersection improvements, and passing lanes. The first project is just south of Grande Cache and was awarded in fall 2007, and completion is expected by fall 2018. Then we're going to tender the remaining work in stages over the next few years to avoid just a very big, long construction zone.

Mr. Drysdale: Minister, that's really good. You announced it last fall. Don't get me wrong. I appreciate it. It's good. That helps from Grande Cache. That road is narrow and needs widening, and that's good work, but it doesn't help the industry south of Grande Prairie, where the real danger and traffic volume are.

Mr. Mason: Yeah. Well, we're currently in design for 18 kilometres of twinning between Grande Prairie and the Norbord plant south of the Wapiti. You probably know that better than me.

Mr. Drysdale: That would be really good, but the design doesn't help the safety. I get it. You have to do it first, and I appreciate that.

Mr. Mason: You have to do it first, yeah.

Mr. Drysdale: Just so you know, to that large oil patch down there it should be less than an hour in a big truck, probably an hour's drive. This winter it was three hours one way, so trucks are on the road six hours. Oil companies are paying those people and truckers for six hours without doing any work in the patch, so it's a real cost to the industry and for safety. With 1,900 vehicles a day, there were many, many days when the road was shut down because of an accident.

Luckily, this winter there were only a couple of deaths. I mean, we've had up to eight or nine deaths on that road in one winter. The accidents didn't kill many this winter, but the trucks would be actually stopped on the highway for up to six hours. I've seen them and drivers having coffee in the ditch because they're just not moving. It's a real impact, and I can't stress enough how it's a safety thing. I know they're designing and planning it, and that'll all come up very quickly because it's a new field, but there's lots of development. The tri-muni partnership with the three municipalities is wanting to build a mini Industrial Heartland there, so it's only going to get worse. It's not going to get better.

I'll quit harping about that. I think you got the message.

Mr. Mason: I got the message.

Mr. Drysdale: Thank you for listening.

One of the ones that was a bit older – it's probably easy for you – is highway 28. There have been concerns. I know there's been a lot of work done on that in the last few years to make it smoother but not really improving, you know, the widening or anything like that. I think we all know that eventually the twinning from 63 has to hook up with 15 so that it's twinned all the way to Fort Mac, and

28 is a big chunk of that. You've made the surface a lot better and the drive better, but any plans there?

Mr. Mason: Yeah. Well, there's a roundabout on highway 28 on the unfunded capital list, and that's a priority that will move forward as funding becomes available.

With respect to the intersection of 28 and 63 we're developing an interim improvement strategy to address this area as it has a number of collisions. We think at this stage, although it's not approved, that an interchange may be required in the future. We're planning improvements at highways 37 and 28 and 37 and 28A. Those will both proceed at the same time, but we don't know what the construction timelines are right now. We're still finalizing land negotiations with respect to that.

Mr. Drysdale: I think most of the highway was overlaid or at least made smoother. It was in pretty bad shape a while ago. I haven't been up there for a couple of years, but I think there were some improvements. We do have that intersection, like you said, at 28 and 63, so keep it on the radar. There's lots of activity there, so thanks for that.

Maybe I'll move on a bit to roads and bridges. The government capital plan has \$2.3 billion for roads and bridges over five years on page 61 of the fiscal capital plan. What are some of the priority projects in bridges and roads under that line, you know, where you committed the \$2.3 billion?

4:20

Mr. Mason: Yeah. Okay. We have a new project with the city of Edmonton on 50th Street. It includes a railway grade separation on the CP Rail line just north of Sherwood Park Freeway, widening 50th Street to a six-lane, providing a cross-section between Sherwood Park Freeway and 90th. That was approved last year, but no funding was provided. The project cost is \$28.3 million. There's the Calgary ring road, the Edmonton ring road, Gaetz Avenue. We've covered 43. We've covered the 19. We've covered highway 63, replacing the Grassland to Fort McMurray. We're replacing the Hangingstone bridge there. Of course, the Peace River Bridge, which you're aware of, will be completed in '21-22, and the replacement bridge in Athabasca is in design.

Mr. Drysdale: Okay. I mean, it's different than we used to do it. We used to have this three-year plan, and it's either on the three-year plan or not. Now you have this unfunded capital plan list, which I find interesting. It went from a sunshine list to an unfunded list. I'm not quite sure. It's not really even close to what you used to ask about.

Mr. Mason: Well, now, I don't really agree with you. I mean, this was mostly a dispute between the two legacy parties of the UCP, as I recall, back in the good old days when the Wildrose was convinced that they were being discriminated against by the PC government in terms of capital planning, especially with respect to schools. They called for the creation of a sunshine list based on the assumption that there was a secret list of projects and that the government was cherry-picking from that list. Well, when we looked at it, we realized that there wasn't really a secret list.

It also made sense to me that there were projects that we have studied, that we think are good projects and that we want to build, but we just don't have the money for them in the budget, in the current capital plan. What it evolved into, hon. member, was the creation of a list of projects that we want to do but don't have money in the capital plan for. We called it the unfunded capital list instead of calling it a sunshine list because the sunshine list is actually the

public disclosure of public salaries, right? So they stole the name. That's why.

Mr. Drysdale: That's fine. I mean, so what happens to the projects that aren't on the three-year capital plan?

Mr. Mason: Well, hopefully, they get moved up when the money is available.

Mr. Drysdale: But they're not on the unfunded list. You know, some of the projects on the unfunded list: I would think, in my opinion, that there are other priorities better than them. But I get it. I'm sure, Minister, I can find quotes of you asking for a sunshine list as well – I won't go there, but I know I can – asking about what year you can expect this project to be built and five years from now. Now you know what it's like sitting there.

Mr. Mason: Yes, I do. I do, hon. member.

Mr. Drysdale: I'm good with it. I just couldn't resist getting a shot in because I used to get lots of them.

Mr. Mason: I get used to it every year. It comes around every year.

The Chair: Your last 20 minutes, Mr. Drysdale.

Mr. Drysdale: Thank you. We'll just keep going if everybody is good.

Highway maintenance. Page 263 of the main estimates notes \$1 billion for provincial highway maintenance and preservation. You know, I was paying attention and got the answer, but I'm going to ask you anyway even if you said it in your opening remarks: how many kilometres of rehab or overlay will you actually get down this year, in '18-19?

Mr. Mason: We're expecting about a thousand, and that's down from 1,500.

Mr. Drysdale: From 1,500. Yeah. As we said before, Minister, we were down around 900 and were always told it had to be 1,300 to maintain, which is great. So thanks for the 1,500 the last few years. It's a noticeable difference I see, with huge improvements on the highways.

Mr. Mason: I think so, too. It's been quite a difference. There's been sort of a steady decline in the condition of the roads, particularly class 3 and 4 roads. This has arrested that, and we got a bit of a bump there. It comes back to the Dodge report and the recommendations we had in terms of countercyclical capital spending. You know, he recommended that at a certain point, based on where the debt is, what oil revenues are, and so on, we'd need to dial back again. That's what we've done.

We were originally going to apply about a 15 per cent increase in the capital plan over the previous capital plan. The previous capital plan was not bad. It was not like the Klein years, when the capital plan was really, really ratcheted back. It was a reasonable capital spend by the previous government. We decided to raise it by about 15 per cent over that for a five-year period. Actually, because of oil prices and where we're at in the debt, we've dialed it back after four years. That's where we're at.

Mr. Drysdale: I mean, like I said, good work. It just makes me nervous when it gets down to a thousand. You know, once we get below that 1,300, we're slipping again. But thanks for that.

Mr. Mason: Hopefully, things will improve, and we'll be able to get it back up a bit.

Mr. Drysdale: I noticed last year in *Hansard* in some of the quotes that you had hoped to get 1,200 done, and you did 1,500, so that's actually great. You know, even with a thousand we'll see improvements this year, so that's good.

The next question. I know it's not just because of this, but because of Carillion it even makes this more important going forward, and it's taken a lot of years to get to this point. I know a lot of the maintenance contracts are going to come up for renewal. There are some, anyway, besides Carillion. What we found in the past was that the secondaries and the rurals weren't getting looked after as well as they should have, and I know why. In the tenders, I mean, they do the primaries first, and secondaries are secondary, and they don't get there. If you get lots of days in a row with snow, they just never get to the secondaries. So we've had some bad roads.

But we had municipalities and we worked with one in particular that I can think of, the MD of Greenview, or the municipality, that tried to make a deal with the contractor that they would do the secondaries in their area if the contractor was behind. If there was too much going on, they would take over some of that work on the secondaries. It has taken a couple of years, but I can tell you that this winter I saw that work very well, where municipalities actually did the work and improved it, and where they weren't doing the work, there was a big difference in the service. It also leads into some of the gravel highways, like secondaries, that aren't paved, that are gravel and don't get maintained. It's not just the winter maintenance.

[Mr. Hanson in the chair]

I guess that in a roundabout way what I'm trying to get to is that when you start renegotiating these tenders for these maintenance contracts, check with the municipalities, because once you sign the contract with the maintenance provider, it's hard to get that out of there. That's where the problem was. So when you retender these, can you check with the municipalities? If they want to do the maintenance on the secondaries, then take them out of the tender. Then it's not a concern, and I think we'd get a better service.

4:30

Mr. Mason: Well, it's interesting that you raise that issue. About a year, maybe a year and a half ago, I directed the department to do a complete review of how we provide roadway maintenance in the province as a whole and whether we were getting the best value for the tax dollars by doing it the way we are. There was a cost-benefit analysis of contracting out the work as opposed to doing it in-house. As you know, under the previous government the direction was to move completely out of the business, so it's all contracted now to these fairly large companies, of which Carillion had the biggest share of the pie. So that was one thing.

Then the roadway maintenance areas, that we use the right ones now, was the second piece. So that's all been reviewed.

Then the last piece. I've had meetings with rural municipalities at RMA now, AAMD and C then, with regard to their participation in these contracts. So when the new – and this report hasn't been finalized yet, but as I've been briefed on it, I can tell you a little bit about it. The intention is that the tenders will provide for a significant degree of municipal participation, at their discretion, on portions of these larger contract areas and will require the companies bidding to seek to find areas of co-operation. It doesn't make sense – and you know this as well as I do – you know, when there are rural roads and then there are provincial roads and they cross like that that when our snowplow comes along to a rural road, it lifts the blade, crosses

the road, and puts it back down. They do the same thing. It doesn't make sense. You've got two entities doing the same work in exactly the same area.

[Loyola in the chair]

We are looking for ways that we can incorporate municipal, you know, within their capacity. One of the things you need to keep in mind is that some of them really would like to do a lot more and some of them don't have the capacity or don't have interest. It's not a compulsory thing at all. But it is a requirement in the tender, or it will be, that these large companies that do the provincial highway maintenance incorporate municipal participation in the portions where it makes the most sense.

Mr. Drysdale: Well, that sounds good. I'm just a little bit nervous because we dealt with that before, where the contractor said that, yeah, they would like to work with the municipality, but it never happened. Once it's in their contract, they want to do it.

Mr. Mason: It's at their discretion, completely at their discretion, yes.

Mr. Drysdale: Yeah. You know, when you're retendering it, if they're not going to co-operate, just take it out of their tender, and then they don't have control, whether they work with the municipality or not. I guess if it's strong enough language in there – and I'll have to leave that to you. But I know three years went by where they said that they would, but they wouldn't.

Mr. Mason: That's right.

Mr. Drysdale: So just be careful of that. I think it would improve the roads, better service.

Mr. Mason: It will be baked into the contracts now.

Mr. Drysdale: Okay. It might be a little early to ask the question about the whole Carillion thing. I know it's going to work itself through and, you know, credit to you if they get through this winter with what was going on there. I mean, hopefully, we're past some of the biggest blizzards now and we've got time to sort it out. To retender that whole chunk at once will probably not be the right thing to do either because you get some pretty high bids.

Mr. Mason: Yeah.

Mr. Drysdale: I mean, I think some of Carillion's was due to be retendered anyway this year.

Mr. Mason: Yes. Yeah.

Mr. Drysdale: I think. So that takes some away. But, you know, it all depends on what happens there with the creditors.

Mr. Mason: Yeah. It's a challenging situation because their strategy – and they got three large areas, which gives them about 42 per cent of the provincial highway network that they are responsible for. They did that by coming in low – right? – and some of the other companies were not very happy about it. They were being supported by the British company that owned them, and that is, of course, now clearly not available. So we had to step in to make sure that they could finish the work.

Now, the bulk of the work, as you know, is the winter maintenance, so this gets them through to the end of this month. Right, Barry? The end of April? We were hoping we'd be in spring

by now. Hopefully, in May we'll be in spring. That takes the pressure off.

Now, you know, they're still talking to potential purchasers and so on, but we have contingency plans, and we've certainly been talking to other people that have the neighbouring contracts. We're pretty confident. We have contingency plans. Should it go fully into receivership and we're dealing with a receiver instead of the company, we have a plan B.

Mr. Drysdale: Okay. Well, that's good. I guess, obviously, the taxpayers were getting a good, cheap deal because they went broke trying to do it.

Mr. Mason: I think they had similar deals in England that really caused it.

Mr. Drysdale: You know, it's just that I'm a little bit nervous when that big chunk could have to get retendered all of a sudden.

Mr. Mason: Yes. I agree with you.

Mr. Drysdale: Hopefully, somehow you can make it so that that doesn't happen.

Mr. Mason: I want to make sure that that situation doesn't arise again where one company has on the basis of low bids been – you know, I hate to use the term “lowball” but under cost acquired such a large proportion of our work.

Mr. Drysdale: I know it was pointed out to me by somebody before, and I don't know if you've changed the way in Alberta Transportation that you do your tendering. I know that when I was there, basically we had to take the lowest bidder on that, and the fellow that was talking to me, I think, was more out of engineering. He says that now it's not always the lowest bidder, that you look at past performance and how . . .

Mr. Mason: Yeah. You have to evaluate their capacity to actually do the work that they bid on, you know. I think that's an important piece.

Mr. Drysdale: So have you actually changed the way you bid?

Mr. Mason: We are. We are changing the way it's done.

Mr. Drysdale: So you don't necessarily take the lowest tender anymore?

Mr. Mason: I think it's the lowest evaluated bid. Yeah. At the time of tender contractors will be evaluated based on past and present performance in addition to price, with a higher weighting placed on performance than there has been in the past. So it'll be about 40 per cent performance, 60 per cent price as opposed to what it was before, which was 5 per cent performance and 95 per cent price. So we've made a significant shift there.

Mr. Drysdale: Well, that's good. I appreciate that because I know that we were giving jobs to contractors that continually performed poorly, but we had no choice because our policy was to take the lower bid.

Mr. Mason: Well, you know, we've had complaints from municipalities about some of those performances as well, right? Obviously, if you're losing money on your contracts, you're not going to go the extra mile to do your job.

Mr. Drysdale: You just raised it a little bit subject to interpretation on past performance or not, but that's okay.

Mr. Mason: Well, you have to trust your officials on those matters.

Mr. Drysdale: Okay. Hopefully, we've got time to get into this one. We've done this every year and it probably won't be much different, but the 50-year strategic plan or the 50-year plan for transportation. We spent a lot of time and money doing it. We pretty much had it done, and now it was dropped. I think it was almost hinted that it was going to disappear, but sometimes you say that you're working on it. Is there anything happening on some kind of a strategy?

Mr. Mason: Yes, there is.

Mr. Drysdale: Is it 100 years now or what?

Mr. Mason: When the department brought to me the draft of the 50-year plan, the 50-year plan was, you know, based on traditional engineering and traditional transportation planning. It assumed that in 50 years, we would just need some more lanes and some more overpasses and maybe some more ring roads and all of that sort of thing. I basically asked, after this excellent presentation that I got: in 50 years how do you know if people will still be driving cars, right? How do you know in 50 years, with technology changing so quickly? But the traditional engineering model that has been used for transportation planning just cannot be extrapolated 50 years out, so we went back to the drawing board.

4:40

One of the issues we're dealing with is disruptive technologies. We've seen it just a little bit with Uber – right? – as to how that's affected the way people get around and how it's affected the traditional taxi industry and that sort of thing. As technology develops and we're beginning to move now into the era of automated vehicles, autonomous vehicles, within 20 years I would expect that we're going to see a considerable increase in that type of vehicle on our roads. So you can't even see 20 years down the road, hon. member, you know, much less 50 years down the road with disruptive technologies.

Beyond automated vehicles are drones, and they're already testing in Dubai and China drones that carry passengers. They, of course, will also be married with automated vehicle technology. We don't know when they're coming or in what form, but at some point they're going to be carrying passengers, and we may in fact have the QE II with 12 lanes and six of them will be vertical. You know, you don't know. So how do you cope with that when you can't see down the road?

The department has gone back and relooked at how we do long-range transportation planning, but it's my view that the 50-year transportation plan that was developed was obsolete before it was even brought to me.

Mr. Drysdale: Okay. I agree. I'm sure there are some officials that think they wasted a lot of time.

Mr. Mason: I'm sure they did, but that was not on my watch.

Mr. Drysdale: Yeah. I agree with you that we don't know what we don't know and that in 50 years it's going to be a lot different, but I still think we're going to need some roads.

Mr. Mason: Oh, there's no question, and I don't want to pretend that we don't.

Mr. Drysdale: Hopefully, we have something better than asphalt, but who knows what that's going to be? Anyway, I just wanted an update. So there is a new plan coming?

Mr. Mason: I understand that it is coming.

Mr. Drysdale: Is it a new 50-year strategic plan?

Mr. Mason: Isn't it, Mr. Deputy?

Mr. Day: Yes, it is.

Mr. Drysdale: Okay. When do you expect to have that finished?

Mr. Mason: This summer.

Mr. Drysdale: This summer. So a year from now I'll be able to see the new 50-year strategic plan.

Mr. Mason: It won't be a 50-year plan.

Mr. Drysdale: Oh. How many years will it be?

Mr. Mason: Well, I don't know. Maybe 10, maybe 20. I don't know. There's no sense trying to plan 50 years out. That's what I'm saying.

Mr. Drysdale: Okay.

Mr. Mason: It's called the long-term strategic plan now.

Mr. Drysdale: Okay. Because I know that the department went around and did 50- and 80-year plans on interchanges on highways out in rural that probably will never see the . . .

Mr. Mason: Oh, yeah. No.

Mr. Drysdale: I wish they wouldn't have done that.

Mr. Mason: Every little road in this province has a long-range plan to be a six-lane divided road with an interchange, and you can't build a gas station on the corner because . . .

Mr. Drysdale: Yeah, they're restricted development.

Mr. Mason: Yeah.

Mr. Drysdale: I wish they would have thought of that when they did those plans.

Mr. Mason: They're thinking that way now.

Mr. Drysdale: Yeah. Then that brought me to the automated vehicles, and we've already touched on that a little bit. You know, I guess, do you have any idea when we're going to see some of the first automated vehicles? I know there are some tests already being done.

Mr. Mason: Yes. Well, there is the project, of course, with the city of Edmonton to talk about connected vehicles. One of the things that I'm concerned about is that we're not really taking into account how this rapid development of technology is going to affect people and our planning process. You know, for example, will we design parking and urban transportation systems in the same way? You're not necessarily going to need a lot of parking garages downtown because when you go to the theatre with your wife, you can send the car home.

The Chair: On that nice thought, we'll move on to the member from the third party. Mr. Clark, over to you.

Mr. Clark: Thank you, Mr. Chair. If the minister is amenable, I'd like to go back and forth.

Mr. Mason: You bet.

Mr. Clark: Thank you very much. Thank you for being here, and thank you to your officials for joining us.

I am going to start with the Springbank off-stream reservoir, SR1. I see that there is funding in the budget, and you talked earlier today about the fact that this project continues to be a priority for your ministry, and I'm very glad to hear that. But I want to report to you on behalf of my constituents and also folks I've talked with in the broader business community in downtown Calgary and also people downstream who will very much take an interest in the pace at which this project is moving ahead. There's a lot of frustration about the fact that this is now going on five years from one of the largest natural disasters in our province's history. Every spring people cast their eyes to the mountains and see the snowpack, this year in particular, and they are concerned about the risk of flooding every year. The project does remain on the books, but can you just confirm for us in as simple terms as possible: what's the timeline? When is this project going to be complete?

Mr. Mason: Well, as I mentioned earlier in answer to Grande Prairie-Wapiti, I've asked the department to conduct a detailed analysis of the timelines to ensure that our timelines are current and accurate and take into account all of the potential factors that may lead to delay. I should say that, you know, ultimately, given the level of opposition from the landowners and from the Tsuut'ina, court challenges are likely, which are beyond our control and could potentially add to the timelines in terms of getting the project under way.

That being said, I want the latest information in terms of what all of the potential risks are, and I want to be able to share that publicly.

Mr. Clark: Do you have a timeline as to when we're going to see that analysis?

Mr. Mason: I think within a couple of – well, I hate to say for sure because it has to be something that I'm satisfied has covered the waterfront, if you know what I mean, but it should be months.

Mr. Clark: So you remain committed to this project. I mean, earlier on you compared it to McLean Creek in particular, the McLean Creek project being further upstream and therefore less effective with more of an impact in a provincial park and other more sensitive environmental areas and, as a result of both of those things and just the design of it, also more expensive. I was pleased to see my colleague from the UCP agreeing with that perspective as well.

I guess I would just like to dive in, then, to where we are in the regulatory approval process. I understand that recently your ministry filed an updated environmental impact assessment in response to the questions that CEAA had asked. Are you confident that this filing is accurate? Do we expect more information requests back from CEAA?

Mr. Mason: I'm hoping that if there are any, they're relatively minor in nature. We've comprehensively reviewed the comments that CEAA made with respect to the first filing. We've added a very well-respected environmental consulting company, Golder Associates, to oversee the work of Stantec in terms of the preparation and filing of the recent resubmission, which has now

occurred. We've done a number of things on the government side to ensure that the management and oversight of this project are first rate. We've established a deputy ministers' committee to provide additional oversight from across ministries.

4:50

I've mentioned Golder Associates. We've established an expert technical team that will be positioned to rapidly respond to any further requests for information that CEAA might have, and we're prepared to prequalify contractors to ensure that the project can be tendered immediately following regulatory approval. We are actively considering other alternatives that would increase the assurance that the project will be approved. Also, we're looking for ways to find improvements on the timeline to make sure that it proceeds as quickly as possible.

Mr. Clark: Okay. It sounds encouraging, so I'll just go down that path. You say that it's a DMs' committee. I assume that that means it's deputy ministers. Mr. Day, I assume, is part of that committee.

Mr. Mason: Yeah. Absolutely.

Mr. Clark: Are they deputy ministers from a variety of departments?

Mr. Mason: Yes. I think Environment and Parks, Justice, and Treasury Board are all represented on that committee.

Mr. Clark: Okay. Well, that's encouraging.

Can you speak at all about – and I recognize some of this may be either in development or just sensitive or something you perhaps can't share. To the degree you can, I'd like to know more about some of the specific actions you feel you can take to compress the timeline.

Mr. Mason: Well, you know, I'm waiting to get recommendations with that. Normally you will require regulatory approval before proceeding with expropriation, which is one of the things, so if there are alternatives to that, that's something that we would be prepared to consider. Obviously, I've asked the Justice department for a detailed analysis of the potential legal risks that we might run from opponents to the project as well.

Mr. Clark: That's fair. You know, one thing I want to state as clearly as I can is that I'm very sensitive to the concerns of landowners in the Springbank area that will be directly impacted. I sincerely wish that there was another way that we could move forward with this particular project or a project that is as effective, timely, cost-effective. But, unfortunately, when the broader public interest is at stake, that sometimes means that the government needs to acquire private property either through negotiation or at times through expropriation, and that process needs to be fair and in accordance with the law. Certainly, everything I've seen so far tells me that this project absolutely meets the public interest because it addresses the economic well-being of probably a million Calgarians and perhaps beyond, including residents both within Calgary and downstream. Unfortunately, that means that sometimes the government needs to acquire some private property.

You've somewhat answered my question, but it sounds like you are considering options around expropriation that would not perhaps mean we need to wait for the regulatory process.

Mr. Mason: I don't really feel comfortable commenting on that because I haven't received the advice yet.

Mr. Clark: Okay. That's fair.

Mr. Mason: I should say that I met with, of course, certainly, the mayor quite a while ago, I've met with the Tsuut'ina on this matter, but I've also met with the Calgary Chamber of commerce, Calgary Economic Development, the Stampede, all of whom are vitally interested in this. This is not just affecting a handful of wealthy homeowners, which I think is how it's been kind of prepared, as wealthy landowners. It actually has an impact on the entire city of Calgary and the downtown of Calgary, which is the economic . . .

Mr. Clark: Engine of southern Alberta.

Mr. Mason: Engine? I don't want to disparage our oil sands.

Mr. Clark: They work hand in hand.

Mr. Mason: You know what I'm saying. That's where the financial and business decisions are made for the province, and much of that area of downtown Calgary is on a flood plain and is at risk, billions and billions of dollars' worth of investment that is there, and the impact that it could have on the Alberta economy is critical.

I've been working to try and mobilize the business community, particularly in Calgary, around this so that it's not just, you know, the good people of Elbow Park that are fighting to get this project built. We need to work to build broad support across the city of Calgary for this project to go ahead.

Mr. Clark: Yeah. Are you finding that support from Calgary's business community?

Mr. Mason: Absolutely.

Mr. Clark: Good. In terms of acquiring the parcels of land that are required, my recollection from our previous discussions is that there were three parcels of land that were acquired previously.

Mr. Mason: Three quarter sections.

Mr. Clark: Three quarter sections. Is that still the current status of land that's been acquired, or have you acquired more land?

Mr. Mason: I don't think there's any new.

Mr. Clark: All right. In the filing submitted to CEAA, the most recent documents that I was able to download, the project timeline that's part of that figure 317 in those documents has environmental assessments and engineering through calendar 2017 – of course, it's now into the second quarter of 2018 – and then land acquisition running from the first quarter of 2017 through the first quarter of 2019, with the regulatory process running through calendar 2018. Can you comment at all on whether you feel – ultimately, this timeline has us functionally operational in the first quarter of 2021. What matters, of course, is whether there's protection in the springtime. There'd be some functionality to a 1 in 100 flood level by the spring of 2021 and a fully final completion, able to accommodate water volumes equal to the 2013 flood, by the first quarter of 2022. Is that still our timeline?

Mr. Mason: Well, as I said, hon. member, I've requested the department evaluate those timelines to make sure that they're still current and still valid, and when I have that information, I'm going to make it available.

Mr. Clark: Okay. I look forward to seeing that as soon as possible, and I know everyone else does. I have to say that I am concerned about the timeline.

We haven't talked much about the provincial regulatory process. There's a federal process through CEAA and then the provincial

process through the National Resources Conservation Board, or NRCB. I understand that they have also asked for a supplementary information request and sent your department a letter, I believe, on the 21st of February. Can you comment on where you are in terms of responding to this provincial information request and what impact that may have on the timeline?

Mr. Mason: There are ongoing discussions with the NRCB in terms of the information that they've asked for through Alberta Environment. There has not been a formal response to their letter, but there has been discussion. We're waiting for our colleagues in Environment and Parks with respect to direction there, and that has all been included in the updated environmental assessment as well.

Mr. Clark: So the information requested from NRCB was included in the updated environmental assessment that was submitted to CEAA? Is that correct?

Mr. Mason: Yes.

Mr. Clark: Okay. Is there more information, then, to be submitted to the NRCB before – I guess what I'm asking, really, is: what is the trigger point at which we can expect to see public regulatory hearings on this project?

Mr. Mason: My deputy will respond to that.

Mr. Day: We've submitted the revised environmental impact assessment report to both CEAA and to Alberta Environment and Parks, who review the report and the material on behalf of the NRCB. Both Environment and Parks and CEAA have committed to doing those reviews within one month following the time of submission, so by the end of April we should have back any comments from both agencies on the resubmitted environmental impact assessment.

5:00

Mr. Clark: Then, from there, I guess I'm curious where things stand in terms of the CEAA. They've got their 365-day clock that they must do the review within. I know that that clock is not ticking now because they've requested supplementary information, but once they've accepted the revised filings, does that clock start ticking?

Mr. Mason: Well, there's the one-month period that they take to examine the material for its completeness and so on, and then provided that that's satisfactory, this clock starts again. There are 315 days to go.

Mr. Clark: Three hundred and fifteen?

Mr. Mason: Yeah.

Mr. Clark: Okay. Good.

Mr. Mason: But, you know, it's a bit like the clock at the end of a hockey game.

Mr. Clark: It doesn't go as quickly as you might like, depending on the score?

Mr. Mason: It stops from time to time.

Mr. Clark: I'm glad you spelled that out for me. Thank you.

In terms of anticipated costs, then, just again to clarify, there's \$130 million in the budget this year. That is for land acquisition exclusively, or are there other things?

Mr. Mason: There are some engineering costs as well. The total project cost is \$432 million. Of that, construction and engineering is \$292 million, and land purchases are \$140 million. Now, we've offered, at the landowners' request, to buy entire parcels of land. Some of the land that we need only takes up a small fraction of a quarter section, and they were crying foul about that, so we offered, then, to sweeten the offer and buy all parcels of land. The imprint of the project itself requires 3,600 acres, but entire parcels take that up to 6,800. If that was accepted by the landowners, we would hope to recoup \$60 million of that from selling remnant parcels.

However, we haven't seen any movement on an agreement to purchase on that basis. If we go to expropriation, we only expropriate the land that we actually need for the project, so additional funding for entire parcels would no longer be on the table. That's up to the landowners to decide.

Mr. Clark: Okay. Is there a timeline on that decision?

Mr. Mason: On what decision?

Mr. Clark: Have you sort of said that it's an offer that's on the table until a certain point in time?

Mr. Mason: Well, to the point where we have to begin expropriation. Then it's not on the table anymore.

Mr. Clark: Okay. Good. Thank you.

The relations with Tsuut'ina Nation are obviously very important in ensuring that they have been properly and fully consulted and allowed input into this project. You alluded earlier to some of that consultation. Can you give us an update on what specifically you're doing to ensure that the Tsuut'ina Nation is being fully and properly consulted as part of this project?

Mr. Mason: Well, there was extensive consultation with the Tsuut'ina over the course of this project, and we've had some open houses and so on subsequently. They have indicated that they oppose the project. They've indicated that they are working on some alternatives for flood mitigation that might take place on their existing land. We have not seen that, and we're not sure where that's at. But we've funded a study for them to look at their traditional land use. They've walked the land on several occasions looking for artifacts, looking for traditional sites and so on. We've funded that, and I think that's been submitted to the CEAA.

The Chair: Thank you, Minister.

We'll now move on to the private members of the government caucus. Please go ahead, Mr. Dang.

Mr. Dang: Thank you, Mr. Chair. I'd like to share my 20 minutes with the minister and the member to my left here, Ms Kazim, if that's okay.

The Chair: Sure, as long as it goes through the chair.

Mr. Dang: Thank you.

I'd like to start, Minister, with highway 43. I guess: what is being done to improve the quality of highway 43? I see in the estimates on page 255, under line 11, there are provincial highway construction projects.

Mr. Mason: Okay. Just give me a minute.

Mr. Dang: Sure. I guess that while you're finding your stuff, I do want to thank you and all of your officials for joining us today. It really is valuable, I think, for us to be able to ask these questions

and get information on the status of projects in constituencies around the province.

Mr. Mason: Sorry, hon. member. The question again?

Mr. Dang: I was just wondering: what's being done to improve the quality of highway 43?

Mr. Mason: Okay. We're building the highway 43X bypass around the city of Grande Prairie. Budget 2018 allocates about \$32 million towards the project in '18-19, and the overall investment will support economic development across the Grande Prairie region. Construction began in the winter of 2016, and major work started in the spring of 2017. We're expecting that it will be completed late this year. The investment is about 99 direct jobs.

It will increase safety on local roads by moving industrial traffic, including dangerous goods, away from the places where people actually work and where they live – so that's, you know, an important thing – and will help improve connections to key resource sectors, including forestry and agriculture. It will improve access to and from the city and should help to reduce congestion in the core of the city as a result. We've also identified the highway 43X and highway 43 interchange at Grande Prairie on the 2018 unfunded capital list, formerly called the sunshine list, I guess. We're moving ahead with planning and design so that we can move that project into the capital plan in the future.

Mr. Dang: Thank you.

I guess my next question is about ongoing bridge construction projects. What's being done to improve the conditions on the McLeod River bridge?

Mr. Mason: It's going to get an overlay, which is tentatively scheduled for 2021, so it's a little bit down the road. Bridge deck work is also scheduled to provide structural stability for the structure and to enhance the ride quality and address the roughness of the pavement on the deck. We'll continue to perform regular maintenance on, you know, potholes and surfaces, that sort of thing. The pavement condition on the deck is currently in fair condition, and there's not really any urgent work that's needed at the present time.

Mr. Dang: Thank you. That's good to hear.

Now another question here: how are we ensuring transportation network companies are compliant with Alberta Transportation's regulations?

Mr. Mason: Transportation network companies are things like Uber. There was a real big push a couple of years ago from Uber and the city of Edmonton, and there was quite a bit of conflict with the traditional taxi industry at city council and so on. There's a provincial role, you know, in ensuring safety. We wanted to, as much as possible, make sure that people are safe when they get into an Uber vehicle – right? – that the driver is capable, the vehicle is safe, and there are not any security issues around people that are actually employed in that activity of driving for a company like Uber or any of the others.

5:10

We wanted to make sure there was a level playing field as well with the taxi industry. It wasn't, in my view, fair that there was a higher level of standard expected for taxis and taxi drivers than there was for Uber drivers, so we worked as much as possible to place it on an even level. We didn't make any decisions about, you know, which form of transportation was preferred – that was something for the public to decide – but we wanted to make sure

that they were on the same playing field and that people are safe when they get a taxi, when they get an Uber vehicle or any other, TappCar, whatever it is.

We're going to audit everybody this year to determine their overall level of compliance with our regulation. As part of the process the public safety investigators will ask the TNCs to produce evidence showing that they meet all record retention requirements that are set out in section 4 of the regulation. That includes maintaining documents and records for a minimum of five years for every transportation network driver, including ensuring that they have a valid and subsisting class 1, 2, or 4 operator's licence, that there's a vulnerable sector search reviewed by and acceptable to the TNC prior to authorizing the person providing their services, that there's a police information check within the previous 12 months, and that a motor vehicle liability policy and transportation network automobile insurance policy is in place. You know, we need to make sure these vehicles are insured and that, if there's an accident, the passenger is covered.

Our highest priority when developing the regulatory framework was to ensure passenger safety and a level playing field. I guess I've said that. That included three primary concerns, including making sure the insurance coverage was adequate, that the driver requirements were in place, including a 1, 2, or 4 licence. We were under a lot of pressure to allow drivers to operate with just the standard class 5. We decided that that was not the case. We require a higher level of training and licence consistent with the taxi industry. As well, as I mentioned, the vulnerable sector and police searches needed to be in place. We also require TNC vehicles to be registered commercially and have a commercial class licence plate.

You know, those are the factors that we're doing. I think that was actually a very positive step because it did allow the transportation network companies to operate in Alberta and at the same time, I think, secured the two objectives of a high level of safety for the public and a level playing field with the traditional taxi industry.

Mr. Dang: For sure. Thank you, Minister. It's good to hear because I think my constituents and I know my colleague from Edmonton-Decore's constituents all agree that having a high level of safety is a big concern that people have when they enter any type of vehicle for hire, so it's good to hear. Thank you.

Now I have a question a little bit closer to my home, anyways. Residents who live along the Anthony Henday here in Edmonton have expressed concerns to me and my colleagues about sound levels due to increased traffic on the freeway. Could you please provide an update on the sound levels in that area and on what's being done to ensure comfort for those who live along that large corridor?

Mr. Mason: Sure. Along the Henday we've completed a noise study for that section of the road, and that report should be released soon. You know, that's a first step. You have to take the measurements and so on, and then that gives you the data with which to approach. We have certain standards for noise mitigation, and we need to see whether or not those are being exceeded in this case.

Mr. Dang: Thank you. I'm sure we're all looking forward to that.

In the same vein with Anthony Henday Drive, I drive it every day, Minister, so I know that Edmonton drivers continue to face significant congestion, especially on the southwest leg of the Anthony Henday. Is there funding for the Anthony Henday Drive given that the fiscal plan refers to the Edmonton and Calgary ring roads? If so, can you tell me for which projects and when?

Mr. Mason: Well, we'll be moving ahead with design for that. We recognize that there is a very serious problem with congestion on that section of the ring road, that it affects people's commute times and so on. I've been stuck there, too, actually, when I venture down to the deep southwest of the city.

An Hon. Member: The nicest part of Edmonton.

Mr. Mason: Yeah.

So we include \$2.1 billion for the ring roads. We don't particularly put price tags on projects that haven't been tendered yet because it tends to set the floor price for the bids, you know, with a view to making sure that taxpayers are there. But, you know, we understand that it's a critical priority for Edmontonians in that part of the city. We're working on design and tender packages, and we're hoping to make announcements not too far in the future, so you'll have to stay tuned.

Mr. Dang: Thank you, Minister. I think some of my constituents will be eagerly awaiting those announcements.

Now, moving a little bit to a different part of the province, I have one more question, and then I'll kick it over to my colleague here, Ms Kazim. There seems to be some confusion amongst some parties in Cochrane regarding the status of highway 22 and the 1A interchange.

Mr. Mason: Yeah.

Mr. Dang: Could you provide some details on that project and what the current timelines for the project are?

Mr. Mason: Yeah. We can do that. I think there is a bit of confusion there. We have announced the interchange on highway 22 and 1A. The MLA has been an advocate there as well as the previous mayor and the council. There is quite a bit of confusion that's been raised. This particular individual is a councillor with the town but also has declared that he's seeking a nomination for the UCP in the election, so he's got a bit of a point of view with respect to that.

Because the project is in the design phase, the money for the design phase is in the construction plan and is in the budget. The money for the construction is not. Based on that, this councillor has claimed that we have abandoned the project. That is not true. This project is very much in the process of being designed and will be moving toward construction in a timely fashion. We're not going to delay. There's no change in the intention with respect to that project. It is going ahead, it has received budgetary approval, and we will build it.

Mr. Dang: Thank you, Minister. I think that's very clear.

The Chair: Ms Kazim.

Ms Kazim: Yes. Thank you, Mr. Chair. Thank you very much, hon. minister, for your time today. I would like to begin with a major project that is happening in my riding of Calgary-Glenmore, and that is the Calgary southwest ring road. I would like to hear an update on the Calgary ring road. What is the current status of that project, and what work will be happening in the southwest over the coming construction season?

Mr. Mason: I don't know what it is about MLAs and ring roads. They just seem to really like them.

Ms Kazim: Yeah. I mean, in the estimates there has been some discussion about it on page 255, line 9.2.

Mr. Mason: Yeah. Okay. Let me just find that, Member.

In the 2018 construction season we've worked to increase the length of all three Elbow River bridges from 93 to 157 to accommodate three wildlife passages at each location. We've done bioengineering work to stabilize the banks of the channel that will be built as a result. We've provided 2 and a half million dollars in financial compensation to Ducks Unlimited to create wetlands for the ones that we remove. We are funding \$4 million for the relocation of the city of Calgary's existing 69th Street and to construct wetlands south of Glenmore Trail and east of 69th Street S.W.

5:20

We're building a green wall to avoid any impact to the beaver pond that exists there at about a million dollar cost. In the 2019 season we're installing wildlife fencing at the Elbow River and Fish Creek valley to mitigate wildlife-related collisions. We're developing a planting design to assist in wildlife and songbird passage that will include many trees and additional vegetation planted over a kilometre section of the ring road. We're developing a 10-year program to monitor water quality and quantity in the beaver pond. Alberta Transportation has also agreed to develop a monitoring program for possible impacts to riverbanks and riparian health from the southwest Calgary ring road-Elbow River bridge crossing and channel realignment. As well, we are limiting construction work hours in the environmentally sensitive areas and extensively monitoring to ensure a minimum of environmental disruption.

Ms Kazim: That's excellent. Thank you very much.

To further get into the details about the beaver pond specifically, how much from the budget has been allocated towards environmental mitigation plans while building the Calgary southwest ring road? It will be good to know the dollars allocated specifically towards protecting the beaver pond in Weaselhead-Glenmore preservation park.

Mr. Mason: Okay. Isn't that what I just answered?

Ms Kazim: Yes. I just thought if there was anything else that you would like to add to it in terms of dollars. That's good.

Mr. Mason: That's all I've got. Sorry.

Ms Kazim: Okay. No problem. Yeah. That's good. Thank you.

Would there be additional funding towards sustainability measures on the southwest ring road – for example, installation of LED lights, future provisions for BRT on the road, and other safety measures – to make driving safe on that road?

Mr. Mason: Okay. The southwest ring road, the LED lights: the contract includes associated costs with reducing light pollution, glare, greenhouse gas emissions, and all safety elements. A stringent lighting design for the southwest Calgary project is developed. It includes cut-off fixtures and the use of LED lights. The project is designed and constructed to current national and provincial standards, specifications, and guidelines for safety in operations. It's a requirement under the terms and conditions of the contract, and costs are also included in the bid price. It's designed for public traffic, but it does not include provision for dedicated BRT lanes at this time.

Ms Kazim: Okay. That's good. Thank you so much.

My next question: when it comes to performance measure 2(a) in the ministry business plan on page 148, how is the ministry going about maintaining the overall quality of Alberta's highways?

Mr. Mason: Okay. In terms of performance measure 2(a), which relates to the physical condition of provincial highway surfaces, the measure is based on the international roughness index. I didn't even know there was such a thing, but apparently there is. In previous ministry business plans the measure was reported in terms of being in good, fair, or poor condition and is now reported by category to ensure the results are more easily understood. Targets reflect the anticipated condition of provincial highways based on approved program funding. Roads that are in category 3 are still safe to travel. That's an important distinction. They're rough, but they are maintained in a safe way.

The challenges we have include maintaining an aging infrastructure. You know, that condition can suddenly deteriorate, and we need to manage changes in project tendering targets, which means that sometimes we need to carry over the projects into the next year.

Alberta has approximately 31,400 kilometres of roads, with over 28,200 kilometres being paved. That is the greatest number of provincial highway amounts of any province, including Ontario. The previous government sometime in the past, you know, basically took over a whole bunch of secondary roads from rural municipalities, and we just got a whole bunch of roads to look after. It's really hard to keep them all in good shape. I'm just saying.

Okay. In recent years . . .

The Chair: Thank you very much, Minister.

As previously agreed, we'll take our break now. We'll come back and reconvene at 5:30.

[The committee adjourned from 5:25 p.m. to 5:31 p.m.]

The Chair: Okay. Gentlemen, please take your seats so we can get started again.

We'll go back now to the Official Opposition. Mr. Drysdale, over to you, sir. Just a friendly reminder that it's five minutes, or 10 minutes back and forth with the minister. Would you like to go back and forth?

Mr. Drysdale: Yes, I'd like to go back and forth if we can.

Mr. Mason: Absolutely.

The Chair: Go ahead.

Mr. Drysdale: I'm afraid I'm going to have to speed it up a bit. I'm really not even halfway done, and we've done two hours. Sorry about that. We'll have to go a little faster.

Mr. Mason: Okay.

Mr. Drysdale: Just where we left off at automated vehicles, I was going to leave it at that, but if I could just ask a couple of real quick questions. You know, have you got any plans to adapt the roads to allow for fully automated vehicles? Are you considering any legislation or regulation changes to permit automated vehicles on Alberta's roads even if it's for experimental purposes? Is there anything in this budget to reflect the plans to do that? Sorry. It's kind of all related.

Mr. Mason: Okay. No. That's fine. The expectation is that automated vehicles will come in in various stages, and already we're seeing the first stage, which is, you know, the automatic braking and so on that you see on many of the new vehicles. It will then move to a technology where in normal conditions the vehicle can drive itself, but the driver has to be present and able to take over

at any time. Then it will progress in stages towards a fully automated system.

We have no idea what infrastructure improvements to the network will be necessary to support a fully automated vehicle, but obviously there's going to have to be some technology in the road. Some of that's being tested now with the ACTIVE-AURORA project with the U of A. We're testing that. We also had some conversations with some of the trucking companies who were interested in, you know, experimenting with some convoy types of things.

At the present time the future is still quite cloudy in terms of where this is all going to go, but there is interest in both Edmonton and Calgary in attracting some experimental automated vehicles. Google, for example, has some and so on. There may be interest in the next few years on the part of some of those companies to do some winter testing.

Mr. Drysdale: But no regulations or budget at this time?

Mr. Mason: No. I don't think we've got enough information to do that.

We are planning a conference this summer in conjunction with the Conference Board of Canada on the future of automated vehicles. In particular, we're looking not at the technology – like, there are lots of conferences and lots of information about, you know, technology and what the technologies are and what they're going to become – but the social impact of this is something that we're quite interested in. There are tens of thousands of Albertans that make their living driving. What is the impact, then, going to be as we move into the trucking sector or transportation, taxis and so on? We'll look at that.

I think I was just finishing, when I got cut off, talking about, you know, changes to how you do transportation design and planning with automated vehicles. It can change how you lay out your cities. We also have to explore how the automated vehicles will interact with our transit and the very large-scale transit investments we're making. This is another thing that needs to be studied.

Mr. Drysdale: Okay. I'll move on. It seems like it's a little way out yet. Thanks for updating us.

Mr. Mason: We've got our eye on it.

Mr. Drysdale: Yeah. Okay. I'll just move to LED lights for a minute. Performance measure 5(a) under outcome 5 on page 150 is specific to LED lighting on provincial highways. I just like to reference it once in a while so that we're talking about the budget or whatever.

Mr. Mason: Could you give me the page again?

Mr. Drysdale: Page 150. You know, the target for '18-19 is 10,100, but the numbers installed for 2017-18 aren't included. The question is: how many were installed in '17-18, and what does that bring the total of installed lights to? What about solar power on these LED lights, especially when you're out in rural Alberta? I mean, that technology should be good, and I think all of our street lights should be LED and solar powered going forward. I'm not sure where you're at on that.

Mr. Mason: Well, we're certainly moving towards upgrading all of our highway lighting to LEDs.

Mr. Drysdale: But are they solar?

Mr. Mason: No.

Mr. Drysdale: That would be a great project for you to bring forward. The technology is there.

Mr. Mason: That's a good suggestion.

Mr. Drysdale: Yeah. Okay. You don't have the numbers, though, that were installed to date, how many in '17-18?

Mr. Mason: We'll provide that to you and all members of the committee.

Mr. Drysdale: But you want to put 10,100 in this year?

Mr. Mason: Yeah.

Mr. Drysdale: Okay. If we could get the numbers, that would be great.

Okay. I'll just move on to wide-base tires for a bit. You know, it's related to LED light installation because of low energy consumption, supporting reduced energy costs and greenhouse gas emissions. The department has been discussing with the trucking industry for a few years wide-base tires and these fuel-efficient tires, low emissions, reduced costs, which are especially important to the industry as it attempts to absorb the carbon tax. What is the status of the wide-base pilot project which ended in December?

Mr. Mason: I can tell you that we're supportive of wide-base tires. One of the difficulties we've been dealing with is certain municipalities. As you know, our highways go through cities, and it's convincing everybody to get onboard with that, and I think the last issue was with the city of Calgary. I think that that's been resolved now, has it not? Oh. I guess it's not. Well, it's in the process. Once a vehicle gets to its destination, which is usually an urban centre, then it has to be able to operate on their roads, so we need to work and we're going to continue to work to get uniformity.

You know, initially the concern was that there would be increased wear on the roads as a result of these. The engineers were concerned about that. We actually did take a look at it and found that the impact on roads was marginal. So as far as we're concerned, wide-base tires are approved for operating on Alberta highways, but we are working with other transportation departments in municipalities to see if we can get a uniform policy.

Mr. Drysdale: So they are approved on provincial highways with full weight?

Mr. Mason: Yeah.

Mr. Drysdale: So it's just the municipalities?

Mr. Mason: Yeah.

Mr. Drysdale: Have any of the municipalities agreed or signed on?

Mr. Mason: Oh, yeah, I think most of them. Most of them are agreeable, right? There are a few holdouts, and they tend to occupy very large tracts of the province.

Mr. Drysdale: Yeah. So it's more a municipal than a provincial issue.

Mr. Mason: Well, our department is working with them. We're trying to get, you know, a consistent policy to support the trucking industry.

Mr. Drysdale: So the AMTA should probably lobby municipalities.

Mr. Mason: I think they are.

5:40

Mr. Drysdale: Okay. All right. Thank you for that.

I'll just move on quickly to highway line paint. Outcome 4 in the business plan, on page 149, includes key strategy 4.1: "Continue to implement transportation safety strategies to prevent transportation-related deaths and serious injuries." You don't really have to look there. I just quote it so I don't get in trouble for not talking about the business plan or something.

Mr. Mason: Okay. And then on to something else. I remember that.

Mr. Drysdale: I've seen it happen before.

We went away from the oil-based paint. I can tell you that on some of the rural highways it's brutal out there. They paint them in October, and by December you can't see the line anymore. It's caused safety – you know, I would hope we'd put human lives ahead of a little lead paint in the ditch. I mean, environmental rules are important, and we need to do it, but I think human lives mean more than a little bit of environmental stuff. I know the department has been working on new products to improve it. I just haven't seen anything. I know of exactly a highway that was painted in I think it was May or June and again in October, and you can't see the lines in two months.

Mr. Mason: Tom, did you want to address it?

Mr. Loo: We continue to look at different and innovative products. You mentioned that there was a change in the environmental . . .

The Chair: Thank you, Mr. Loo.

We'll now move on to Mr. Clark. Please go ahead.

Mr. Clark: Thank you very much, Mr. Chair. I just want to pick up on a couple of wrap-up questions on the Springbank SR1 project. You talked earlier about the deputy ministers' committee: Environment and Parks, Justice, Treasury Board, Finance as well as yourselves in Transportation. I'm curious if those conversations are limited only to the Springbank project itself or if you're having broader discussions about things like flood mapping work.

Mr. Mason: Yeah, it's just Springbank at this point.

Mr. Clark: It's just Springbank.

Mr. Mason: Yeah. We're very targeted on, you know, that. There's obviously a lot more that needs to be done in terms of flood mitigation in a number of communities and Calgary as well. There are a number of projects – and these are in the Environment and Parks budget, not in mine – of flood mitigation on the Bow River, which is potentially even a greater threat than the Elbow River is. Those are being addressed by that department.

Mr. Clark: Good. I look forward to asking your colleagues in Environment and Parks about that next week.

I'll move on to a couple of other topics, then. One of the questions – and I think it was touched on a little bit earlier – relates to lighting on highways and ring roads in particular. I know there's quite a bit of concern from Foothills county about the dark skies initiative. If you could just talk a little bit, please, about whether you're aware of those concerns . . .

Mr. Mason: Yes.

Mr. Clark: . . . and as you look to do lighting design, (a) is the lighting design already completed for the southwest ring road, or, if

not, will you consider lighting that will be low intensity to maintain as dark a sky as possible while also maintaining safety?

Mr. Mason: Well, safety is, of course, really important. I'm aware that there is, you know, an observatory where there are some concerns. We've certainly had communications from the astronomical community with regard to this. I've asked the department to take a look and come back to me with some kind of report indicating what the lighting looks like. I don't know if my deputy or my assistant deputy minister can add more on that. It is very much something that we're considering. The baseline, of course, is providing enough light that the road is safe, first of all, and then, to the degree we can, do the other things without compromising that. That's how we hope to approach it.

Mr. Clark: Okay. Thank you very much.

On behalf of my colleague – the MLA for Calgary-Mackay-Nose Hill has asked that I ask you – I understand that there's an LED lighting project under way at Deerfoot and Stoney in northeast, northwest Calgary. Can you update us on the status of that project?

Mr. Mason: No, but maybe one of my officials can.

Mr. Clark: All right. Let's see.

Mr. Day: This is maybe not on the exact status of that project, but as Minister Mason indicated earlier, we have a program in place to install LED lighting in all of our lighting across Alberta over the next five years. That's probably the larger project.

Mr. Clark: Okay. Do you happen to know whether there's a schedule for Deerfoot and Stoney in Calgary?

Mr. Day: I don't.

Mr. Mason: We will get you that information and provide that in writing to you and all members of the committee.

Mr. Clark: Thank you. I very much appreciate that.

Your business plan, page 145, the ministry overview, lists one of your key activities as "expanding and enhancing a multi-modal transportation system and enabling market access." Are you working with producers and federal authorities to help address the grain transportation glut? Is that something that's in your purview at all?

Mr. Mason: Well, of course, railways are a federal government responsibility. We certainly do communicate with the federal Transport ministry with respect to regulation for the operation of the railways in terms of that. I have met as well with not only the grain producers – and that was a while ago – but also with officials of the railways with respect to that matter and making sure that that's on their radar.

You may know, hon. member, that the closest thing in this country to a sovereign country is the railways, and they don't need our permission to do much. You know, they carry themselves with a certain level of assurance as a result of that.

Mr. Clark: That's obviously an important one that we hear from a lot of farmers having great frustration getting their grain to market. Whatever you can do to help that I'm sure would be . . .

Mr. Mason: Well, a pipeline would help.

Mr. Clark: I'm in favour.

Mr. Mason: Yeah.

Mr. Clark: I'm in favour very much.

I'm interested just that you've talked a little bit about some of the innovation. I actually have to say that I'm fascinated and encouraged by your approach, actually, and, frankly, your candour on the difficulty of predicting the future as it relates to autonomous vehicles and what the impact of that may be. It's actually refreshing to hear a minister of the Crown suggest that perhaps you don't have all the answers right now.

Mr. Mason: Well, nobody does, so I'm in good company.

Mr. Clark: I'm going to remind you of that in the House one day perhaps.

Mr. Mason: I would expect no less.

Mr. Clark: Yeah. I am interested, as we start to move down that path, whether – let's talk about Uber, I guess. That rollout, with the new regulations, especially as it relates to legalizing and ensuring those services: what lessons have you learned? I mean, are there any concerns that you've identified as it relates to the insurance?

Mr. Mason: The insurance was actually done by Treasury Board and Finance and the superintendent of insurance. There was some delay in getting Uber approved until an appropriate insurance product could be developed that fits their business model. My understanding is that that's now done, so I don't particularly have a lesson learned from that. It took a while to get that response from the insurance industry, but my understanding is that there's a suitable product now.

Mr. Clark: Okay. That's good.

I want to turn now to the southwest ring road. I've heard from several of my constituents and others who have a great deal of concern about the bridge span over the Elbow River. They're quite interested in seeing that be a single span as opposed to the design that exists today. Can you comment on that and whether you would consider their requests for that single-span bridge and, if not, on what the rationale is for proceeding as you have planned?

Mr. Mason: Well, if we went for a single-span bridge, it would seriously put in jeopardy the path to balance because, you know, that's a really, really expensive thing. We've widened the passage so that there are wildlife corridors that are provided for now. It's more than enough to handle the water flow of a 2013-level flood on the Elbow River.

We've taken new steps to mitigate any loss of wetlands according to the latest standards, which we didn't have to do, the 2013 standards. So it does comply with all federal and provincial legislation, and we've had it reviewed and accepted by third-party consultants retained by the city of Calgary. I think that's what we can afford to do. It meets all the needs. I know that there are people in that community and people that are environmentally concerned that would like a single span that would not disrupt things, but that's not the plan. As I mentioned earlier, we are constrained by timelines that we've been locked into, so a complete redesign is not only expensive but jeopardizes the time frame.

5:50

Mr. Clark: So you're comfortable that the bridge that you're designing and will build would not be at risk of failure if in a 2013-level flood?

Mr. Mason: That's specifically been looked at by engineers and, I think, also by the outside consultant of the city of Calgary. Am I correct about that? Yeah. Best advice. You know, best advice.

Mr. Clark: Are you confident that the design does not further exacerbate the flood risk downstream in Calgary?

Mr. Mason: Well, downstream is less of a concern than upstream, but my understanding is that the upstream is satisfactory to a 2013-level flood.

Mr. Clark: Thank you.

The Chair: Thank you, Minister.

Dr. Starke, always a pleasure to see you.

Dr. Starke: Well, thank you, Chair. If it's all right with the minister, I'd like to go back and forth for the short time that we have to go through this. Minister, I apologize for not being here at the earlier slot, but I'll hopefully get through as much as I can and not repeat what has previously been asked of you.

I'll start with some things that I'm sure weren't asked earlier. They're very specifically constituency related. Minister, the interchange of Yellowhead highway 16 and secondary highway 897, also known as the Kitscoty corner, remains a huge concern for constituents in Vermilion-Lloydminster. I know that the Transportation department a few years ago began the process of doing the design and has already had some public meetings in the community of Kitscoty, and I know that there was some concern with regard to some well abandonment that had to do with the area of the intersection, in order to provide a proper alignment for the interchange. I'd just very much appreciate an update from some of your officials with regard to where things sit.

Mr. Mason: Okay. I'll see if anyone can provide that, and if not, we'll provide an answer in writing to you and other members of the committee.

Dr. Starke: Okay. Sure.

Mr. Mason: It's coming in writing.

Dr. Starke: Okay. That's just fine. Thank you. I appreciate that. Certainly, I mean, I know that it wasn't in the budget or it wasn't identified as an unfunded project, but I also know that there's, like, a \$2.3 billion line item for maintenance and renewal although that probably wouldn't fall under that. The roads and bridges part of the capital budget is significant, and I appreciate that.

Two other areas of concern within the constituency, Minister. You and I have talked, certainly, about one of them before, and I'd appreciate, actually, an answer from someone in the ministry that can explain this to me a little bit better. Secondary highway 870, south of Innisfree to the community of Kinsella, is paved until it reaches the Beaver county line and then is unpaved and extends down to Kinsella, including the Roy Berg experimental farm and several gravel pits in the Kinsella area. This is a project that I've requested on a number of occasions be considered with regard to paving.

The other one, while you're looking, is secondary highway 631, which sort of cuts across the top part of the Vermilion-Lloydminster constituency and is shared with Lac La Biche-St. Paul-Two Hills. These are two roads I hear about regularly from constituents in terms of needed maintenance work. Specifically with 870, though, the request has been to partner with Beaver county to look at getting this road paved.

Now, Minister, I know that you and I have discussed before that the traffic counts don't justify pavement, and I've argued back in return that if we rely only on traffic counts, it becomes a self-fulfilling prophecy. If a road gets lousy enough, people will stop using it. I can tell you that this road is a road that would be used considerably if it was in better condition. I can't help but think that the cost of maintaining the gravel road as it exists today, with the kinds of heavy loads, especially hauling gravel out of the Kinsella gravel pits, is significant. You know, it's one that I would really like the department to take another look at, the possibility of paving that road, because it is just about the only north-south roadway in that whole area that isn't paved and, in fact, starts out as being paved and then goes to gravel sort of with no real explanation why.

Mr. Mason: I don't think it's alone in that respect, in my experience. I don't know. I doubt that we've got an answer here, so we'll provide the answer to you as well.

Dr. Starke: Okay. Thanks, Minister.

Then I'm going to move to something within the business plan. Now, I pulled out last year's business plan. I appreciate that you probably don't have it with you today, but key strategy 6.1 in last year's Transportation business plan, on page 145, reads: "Create and implement a transparent asset management plan in partnership with municipalities, other governments and industry and examine the long-term sustainability of the network." It seems like a very good strategy. And then this year on page 148 of the business plan key strategy 2.1 is identical, verbatim, the same strategy. I can understand that this is an ongoing project, that it can't maybe all be accomplished in one year, but I'm just wondering. Last year the goal was to create this asset management plan. Did it not get created last year? Is this something that is still on the to-do list? Or, if it was created, where are things at, you know, and what sort of progress has been made?

Mr. Mason: Can you help with that?

Mr. Day: Thank you for the question. That's something that is a work-in-progress. As you can appreciate, with the significant highway network that exists in the province, we need to take a look at, you know, a number of factors, including the condition of the roads, the available funding, and the partnerships that we can create with both industry and local and municipal governments. We don't have a strategy today, but it's something that we continue to acknowledge.

Dr. Starke: Is there a target date for having that process completed? I mean, I know that once it's in place, it's going to be an ongoing thing and a living, breathing entity. But I guess I'm just wondering. You know, you mention that some progress has been made, and I recognize that the transportation network is huge.

Mr. Day: We don't have a date, no.

Dr. Starke: You don't have a date. Okay.

Another topic, then, Minister, I just wanted to follow up on – and this was brought up, actually, in question period today – and that is, you know, that we all share in Alberta the concern with regard to the Trans Mountain expansion and where that's going. Last fall I attended a meeting in High Level that involved municipal leaders from that area that talked about the proposal for a railway to Alaska, essentially. Interestingly, what I didn't know at that time was that they told me that that's been something that's been talked about in northern Alberta for as long as folks have been in northern Alberta.

I think this current dispute that we're having with British Columbia brings into sharp focus the need for another alternative.

The Van Horne Institute did a study, that was sponsored by the government of Alberta, that has demonstrated that it is a feasible project and is a project that has capacity to transport commodities other than just bitumen, so forest products and mineral products. Certainly, Yukon and the Northwest Territories are extremely interested in the possibility of spurring off that line.

Minister, I understand that the Economic Development and Trade minister has met with the proponents, so I guess my question is: have you? If not, have they at least connected with you with regard to, you know, the potential for this project?

Mr. Mason: They have connected with the Minister of Economic Development and Trade on this matter. I've had just a very brief discussion with him. I also had a discussion with several municipal officials at the RMA conference as well that are very interested in this. I have to say that it's fairly new to me. I was just made aware of it in the last – well, I think the conversation we had during the 15-minute-bell break was probably the first that I'd really heard of it. I have asked for more information with respect to that. I think that it's an interesting project. I haven't seen this, but my understanding is that there was a major announcement about the capital that they'd raised fairly recently. I'm not seeing that in my clips, but my understanding is that they have actually raised a considerable amount of private capital.

6:00

Dr. Starke: Well, they're seeking actually zero dollars from governments, and much of the capital that they've raised is offshore. But what's intriguing about the project is that the equity is eventually going to shift over to the First Nations along the route, that are going to take an equity share in the project, which I think is a positive thing. The rolling stock and specifically the engines are going to be electrically powered with power from wind turbines located along the route. The potential for carrying multiple commodities is intriguing.

Mr. Mason: I understand that at the terminal where it would arrive, there is an existing grain terminal.

Dr. Starke: At Delta in Alaska, and the line could be extended to Valdez. That's an option. The other advantage of Valdez, of course, is that it's four days closer to China and completely eliminates the problem with the tanker ban on the west coast and has much larger capacity tankers going into Valdez than are currently able to go into Burnaby. I just say that, you know, we should keep our options open.

Finally, a very short period of time – I know we've only got 30 seconds. Minister, what can you tell us, flesh out a little bit about the rural bus pilot project? I mean, I was glad to hear that. It's a small amount of money that's been designated. Who is going to be involved, and how are you going to evaluate the projects?

Mr. Mason: We received applications. It's designed for municipalities to work together. Let's see. Medicine Hat and surrounding communities both urban and rural, Lethbridge, Red Deer, Athabasca, Camrose.

The Chair: We'll move on now to the private members of the government caucus, please. Ms Kazim, please go ahead.

Ms Kazim: Yes. Thank you.

The Chair: You'll be going back and forth with the minister?

Ms Kazim: I will be, yes, taking the time. Thank you.

I would like to discuss performance measure 6(a), the reduction in greenhouse gas emissions, in the ministry business plan. Can the minister provide the committee with some information on how these reductions will be achieved, and can he explain the variance between the latest actuals and the projections going forward?

Mr. Mason: So you're asking about performance measure 5(a)?

Ms Kazim: It's 6(a).

Mr. Mason: Okay. All right. Right now this measure will reduce greenhouse gas emissions as a result of conversion to LED highway lighting on provincial highways. The annual greenhouse gas savings by 2021 will be equal to taking 1,632 passenger vehicles off Alberta roads, provided none of them are electric.

Installing energy efficient LED highway lighting will save money by reducing electricity use and maintenance costs since they have a longer lifespan than the high-pressure sodium lights do. Retrofitting all provincial highway lighting also makes highway driving safer because there's less glare. Right now we're focused on major urban roads that have a lot of lights like southwest Anthony Henday, Deerfoot, northwest Stoney Trail, and highways 1 and 3 in Medicine Hat. To date the government has invested nearly \$7 million in replacing lights on our provincial highways and is developing plans to retrofit lights on all provincial highways.

Ms Kazim: That's very good. Thank you very much.

Budget 2018 shows investments in the Alberta community transit fund, or the ACT fund. Can the minister please provide any information on this program? When will the program criteria become public? And when can municipalities start applying to the fund? It's in the business plan on page 146.

Mr. Mason: Okay. Thanks very much for the question. Budget 2018 invests more than \$1.5 billion in grants for transit initiatives to improve urban, rural, and regional transit systems to connect communities and help Albertans access transportation. The bulk of that, which is more than \$1.4 billion, is from carbon revenues under the climate leadership plan, support that might not otherwise be available. When making budget decisions, we have to consider the overall needs of the province, and we're working with municipalities to ensure they are able to fully leverage federal transit funding.

In terms of the new program it's just going through the final approval process, and I'm hoping it will be announced within a fairly short period of time. It is seen as a successor program to the GreenTRIP. It will not be as ambitious in terms of the available financing as that program is, but the GreenTRIP was very much a capital-focused program that encouraged, in my opinion, smaller municipalities to get into the transit business, you know, small communities buying one bus or four buses and so on, which is not an efficient use of public money for them.

The program has two main focuses. One is a regional approach, so communities that work together in their applications will have a higher score in terms of the funding criteria. As well, zero emission and lower emission vehicles will be prioritized in this program. I can tell you that much about the new program.

Ms Kazim: That's very good. Yes. The surrounding communities are very important, and having such a program being introduced in the near future would definitely be very helpful for our communities.

On page 152 of the business plan, under capital investments, the ministry identifies a decrease of over \$100 million in provincial highway construction projects. This follows increases in the previous years. Can the minister please explain why the budget has

fluctuated and why we see a decrease in spending this year? Will this have an impact on the quality of Alberta roads?

Mr. Mason: Well, we have to consider the overall infrastructure needs of the entire province. Of course, as you know, the taxpayers' funds are limited, and we have to ensure that we spend them wisely and that we prioritize the projects. So we've reduced spending on capital construction projects by approximately 12 per cent over five years. Now, that is after an increase of 15 per cent over the base level.

The base level, as I mentioned earlier, of the capital plan by the previous government was a very adequate level, but because of the economic conditions, Dodge recommended increasing spending to create jobs and to take advantage of low prices as a result of the difficult economic circumstances. We certainly have been able to realize that. We got a lot of infrastructure done at very good prices, and we kept people working that might otherwise not have been able to maintain their employment. We certainly could never completely compensate for the drop in investment income in the oil sector that took place at that time, but we did, I think, what we could.

Now that the private sector is coming back stronger and the economy is recovering, we're dialing it back a little bit, so there'll be fewer projects, quite frankly, but it's still going to be a very robust capital plan, and it's still going to build the infrastructure that Alberta needs, and I think we're going to continue to get good value for our investment.

Ms Kazim: Okay. That's good.

Over the next five years Transportation has been allocated roughly \$2.3 billion for capital maintenance and renewal. Can the minister provide some examples of what this funding covers, and does the minister have an estimate of how many jobs will be created through this spending to ensure the economic recovery under way in Alberta continues based on the estimates on page 253?

Mr. Mason: Our capital maintenance and renewal budget of \$2.3 billion over five years will support nearly 7,000 jobs and include smaller bridge construction projects and major highway and bridge rehabilitation projects and slide repairs. It consists of bridge construction, which is \$420 million over five years for projects such as the highway 27 bridge replacement over the Red Deer River and the highway 40 bridge replacement over the Smoky River. Highway rehabilitation, \$1.9 billion, includes \$75 million for slide repairs over five years for provincial highway network rehabilitation work such as repaving, grade widening, LED retrofit program, the cable barrier program, wildlife program and safety improvements right across the province.

6:10

We're planning the following slide repairs – I'll just mention those – in this season: the Shaftesbury slide on highway 740, Brick's Hill slide on highway 684, and the Brocket slide on highway 3. I did not know that the slides were all named, but apparently they are. You learn something in this job every day.

All the work, whether it's construction, repaving, slide repairs extends the life of our infrastructure, enhances safety, and it minimizes traffic delays.

Ms Kazim: Thank you very much.

My next question is about the Peace River Bridge that was promised for years to the community by the previous government. Back in 2015 you stepped in and are funding that bridge. Can you please provide the committee with an update on the project? Where

are we on design and building? What is the latest update on when the bridge will be operational?

Mr. Mason: Okay. Thanks very much for that question. Budget 2018 allocates approximately \$146 million to the twinning of the Peace River Bridge. The project will reduce congestion; improve traffic flow, access, and safety for travellers and local residents and businesses; and create hundreds of employment opportunities for the region. So it's going to be a major boost, you know, in terms of potential investment in the area.

Construction began in the fall of 2017, and we're anticipating completion in the fall of 2020. Preliminary work started last year with demolition and remediation of the town's former maintenance shop and the public works site. After a public procurement the work was completed by a local Peace River company for \$2 million.

Ms Kazim: Perfect. Thank you.

The Chair: Thank you, Minister.

Back over to the Official Opposition. Please go ahead, Mr. Loewen.

Mr. Loewen: Thank you very much. Thank you, Minister, for being here tonight and to your folks behind you there that are helping out. I appreciate that, too.

I just wanted to talk about outcome 1, competitiveness, market access, and economic growth. I just want to bring your attention to a situation south of Valleyview on highway 43. There's a secondary highway that goes off to the east about five miles south of town. Just a few miles down that is the Little Smoky River Bridge. They're going to be doing some resurfacing on it, I guess, this summer, and of course that's good to see, that kind of progress being made.

They're going to start in early spring and end in late fall. That's an agriculture area where farmers require that bridge to move their equipment across. Going around that bridge would be an 80-kilometre trip for farmers to take. I'm just wondering if there is any kind of consideration in situations like that where a bridge is important, and specifically at certain times of the year, if there can be any accommodations made for that sort of situation.

Mr. Mason: Tom, do you want to try that?

Mr. Loo: Tom Loo, assistant deputy minister, delivery services. Absolutely, we would be working with the contractor. The intent during that work is to minimize impacts to the travelling public, and that would include the movement of oversized, overdimension vehicles. With the rehabilitation on the bridge deck we can work with the contractor to use lower barriers and those types of things to just maximize the clearance for those oversized vehicles. That doesn't necessarily guarantee that we can accommodate everything through that site, but that absolutely is something that we take into account and try to minimize impacts to the public.

Mr. Loewen: Perfect. Thank you very much.

Then I just wanted to touch on outcome 3, connected and active communities. I know that in Transportation there's a lot of money being spent on the cities, you know, for transportation and that sort of thing. I just want to bring your attention to a community up in northern Alberta called Fox Lake that doesn't have a year-round road system to it. I wonder if you've given any consideration to that. I know, obviously, that the cost of putting a bridge across the Peace River is extremely expensive, but there might be some access . . .

Mr. Mason: It tends to be one of our biggest rivers.

Mr. Loewen: Yes. Exactly. I understand that. I just wanted to know if you had considered at all coming in from the Fort Vermilion area and coming across on the south side of the river, on that community, if you'd given any consideration to that at all.

Mr. Mason: I don't know. Has the municipality communicated to us with respect to that?

Mr. Loewen: I'm not sure, actually.

Mr. Mason: What is the municipality up there?

Mr. Loewen: It is Mackenzie county.

Mr. Mason: Mackenzie county.

Mr. Loewen: Yeah. Of course, part of this would be beyond the reserve itself, too.

Mr. Mason: I think we can probably get you an answer in writing.

Mr. Loewen: Yeah. That's fine. I just wanted to mention it, anyway.

Mr. Mason: Yeah. Okay.

Mr. Loewen: Sounds good. Thank you.

Mr. Drysdale: I'll try to get through a few more quick ones. You know, I understand that part of the Gaetz Avenue-highway 2 project is going to be shutting down the rest area there permanently in the spring of 2018. Is that correct? When is this occurring, and what will be the replacement for this busy, important rest area? I've heard that it might be at Penhold. Is that occurring?

Mr. Mason: I think so. You're talking about Gasoline Alley? Yeah. Okay. Well, as a result of the work that we're doing there, that won't be there anymore. I think we're in contact with the rural municipality about moving that. But it's also fair to say that there won't be anything for a couple of years. You know, that's a challenge, but there are plans to provide an alternative farther north on the QE II.

Mr. Drysdale: You know, I just think it's important to have these rest areas with the rules now about logbooks and drivers. You see them pulled over at intersections. Some of the rest stops we have are full, and they can't get off the road.

Mr. Mason: We are looking at the whole issue of providing rest areas for truckers, you know, where they're required. It takes a while to get everything funded and everything, but that is certainly an important consideration. Whatever comes out, they're not going to be able to go across the street to the Tim Hortons, like they do now. The county kind of tolerates the illegal parking right there of the trucks at the present time.

Mr. Drysdale: But, you know, with the new gender-based rules and women drivers, which are very good – you know, men can pull over at the intersection. Anyway, I won't go there.

Mr. Mason: Please don't.

Mr. Drysdale: How many rest areas were in operation in 2015, how many are there now, and does the ministry have a plan for rest areas?

Mr. Mason: We do have a plan, but I don't know what the number is. We'll get you that, hon. member.

Mr. Drysdale: Okay. Before I run out of time, I've got to get a plug in. Well, I'd better reference page 146, the business plan, where it notes the importance of enhancing safety on Alberta's roads. As you know, last fall I had a private member's bill for blue and white lights on tow trucks. It died on the Order Paper. I still want to get a push in to have that done because it does affect safety on the road. It's all about visibility and safety, not just for the tow truck drivers. Any chances you might be looking at doing something there?

Mr. Mason: Is that you, Shaun, the lights for tow trucks?

Mr. Hammond: Yes. We're looking at that, and the work is being done in terms of the policy development. We have a lot of pressure from the tow truck industry, and we'll continue to work with them on this.

Mr. Drysdale: So you are actually moving it along? Do I have to do another private member's bill, or will you do it for me, please?

Mr. Mason: I don't think you're going to need a bill.

Mr. Drysdale: As long as you're making progress. The AMA, the Alberta Motor Association, supported the tow truck industry. As long as you're doing more than looking at it, just move it along, please.

Mr. Mason: It's a good reminder. I'll ask the department to give me an update, for sure.

Mr. Drysdale: Just quickly I'll mention STIP. When I was there, it was unfunded on the budget line. Thanks for bringing that back and funding it for municipalities. It did some good work, but unfortunately I see now where it's going backwards and it's losing. You know, what are your plans? To further cut that? Hopefully not. You brag about what you did – and good for you – but if you do it for a year or two and pull it again, then we're back to where we were.

6:20

Mr. Mason: Yeah. Well, we're spreading out a little farther. As you know, hon. member, it's a time-honoured strategy. It's not original to us. But it's not at zero. You know, the need is there, and just the rural bridges alone could eat up the whole budget. It's not adequate. There's a pittance in there for local airports. There's some in there for resource roads and for the bridges and so on. As Al Kemmere from the RMA says, it's never going to be enough, but I'm certainly going to push to maintain at least some level of funding on this program going forward because I'm convinced of the importance of it to our rural municipalities and of the real need that they have for a program like this. I wish it was more, I wish oil was \$100 a barrel, and I wish a lot of things. But we'll do our best to try and keep it going.

Mr. Drysdale: Well, you had better luck with Treasury Board and Finance than I did. I never got funded, so thanks for that one.

Mr. Mason: I sit on Treasury Board.

Mr. Drysdale: So did I.

Just quickly, a couple of projects that my colleague to the right mentioned but didn't quite finish on. The rural busing pilot project.

Mr. Mason: Yeah.

Mr. Drysdale: I think: good. I was surprised when you announced it at the RMA. Pretty short timelines, by the end of March. You got going down your list, but I never heard Grande Prairie. Maybe you

weren't finished. There were only a couple of weeks there to actually apply for the thing, and that's a pretty short turnaround.

Mr. Mason: Well, to be honest, we had actually contacted the municipalities and got them working on it before it was announced. I just thought it was really important to get me to announce it because it had been discussed and debated in a number of municipal councils and reported in local weekly papers. The six are Red Deer, Medicine Hat, Lethbridge, Camrose, Grande Prairie, and Athabasca.

Mr. Drysdale: Good.

Mr. Mason: You know, we've asked the municipalities to collaborate. You know, we've kind of focused on sort of medium-sized urban centres and then the surrounding municipalities, both rural and urban.

The Chair: Thank you, Minister.

Dr. Starke, take us home.

Dr. Starke: Thank you, Chair. I'll go back and forth with the minister just on a few very brief things.

Thanks for the additional information with regard to the rural bus service pilot project. I think it's very positive. The one thing I'll also mention is that when we did the rural health review a couple of years ago, the largest barrier affecting rural residents in terms of access to health care in rural Alberta is not wait times, and it's not hospital waits. It's transportation. So, you know, good for you for looking at this. I'm curious to know how you're going to collect the feedback from the communities and how you're going to evaluate the program. I mean, clearly, this is just sort of a first effort.

Mr. Mason: Yes.

Dr. Starke: You know, I encourage you to certainly follow up with it. We know which communities are involved. I think it's a very positive thing, and I was glad to hear it announced. I know it was one of your election commitments, so it's good to know.

Mr. Mason: Well, it's been an interesting journey, and we've had a great deal of consultation with municipalities on this. I've met with them on a number of occasions as we tried to figure out what we were going to do. Originally this came about as a result of the cancellation of a number of routes by Greyhound. So at first the thinking was: well, we'll just subsidize Greyhound to put those routes back. But then we looked at their load factors, and they're, like, four people a day.

Dr. Starke: Brutally low, yeah.

Mr. Mason: I don't know why Greyhound kept them going as long as they did, to be really honest.

Then we tried to figure it out, and we went through several iterations. Finally, we decided that the best thing is to let the municipalities design their own program, to encourage it on a collaborative basis. Originally it was in the budget and it got cut, so we found internally \$2 million to do a couple of pilots, you know, to do two years of pilots. I'm very hopeful that if it's successful, we will be able to fund it on a more general basis across the province. But we will certainly be following up with municipalities in terms of an evaluation of this program, absolutely.

Dr. Starke: Okay. Thanks, Minister.

Minister, I wanted to just make a couple of comments with regard to page 145. I'll also just comment really briefly. I appreciate the

brevity of your business plan. It is unique in its lack of flowery language and excessive verbiage.

Mr. Mason: You're welcome.

Dr. Starke: I'm sure you wrote it, and that's exactly why it is so brief and to the point.

Mr. Mason: No, but I had it rewritten.

Dr. Starke: Minister, the second bullet on page 145 says that the ministry undertakes the following key activity: "supporting municipalities with public transportation and water/waste-water facilities." I'm not sure if that's been highlighted by my colleagues here earlier, but I do want to make sure I'm on public record thanking you and the ministry for your assistance with both the communities of Vermilion and Lloydminster with regard to their needs on the waste-water treatment plants that are going ahead, on both of those. I should just let you know that the cow that accosted you at the dairy barn in Vermilion is very sorry. She told me.

Minister, as the final area, as we run out of time here, probably mercifully, I just wanted to ask with regard to multimodal transportation processes, air transport and air cargo, which fall under your purview as well. Our airport system in Canada has long been identified as being one of the least competitive airport systems in the world. In a study that was done I think by the C.D. Howe Institute, we came in 136 out of 140 countries, and the four that we beat were nothing to write home about. What are you and your other ministerial colleagues across the country doing to try to address Canada's lack of competitiveness in the airport business?

Mr. Mason: Well, I can't really speak about across the country. I know that Minister Garneau has addressed this when we've had our federal-provincial-territorial meetings. But I know that we are as a department very attuned to the efforts both of the Calgary Airport Authority and the Edmonton airport authority. I've also met with, you know, Fort McMurray and so on, and we've given some funding to Red Deer as well. We're considering a request from Lethbridge as well, not necessarily in my department. Particularly the economic development hubs at Edmonton and Calgary are something we're supporting. I mentioned highway 19. We've also approved another overpass. What's the avenue?

Mr. Day: It's 65th Avenue.

Mr. Mason: Yeah, 65th. We're in design there.

I do meet with the airport authorities in terms of the infrastructure support that we can deliver to their airports. There is probably going to be another announcement before very long in terms of supporting one of the major airport's plans.

Dr. Starke: Okay. I mean, one component and one of the things that has consistently helped the competitiveness of our manufacturing sector, especially centred out in Nisku, is the close proximity of those plants to the Edmonton International Airport and the air cargo traffic that goes through there. I think that quite often when we think of airports, we think primarily of the passenger traffic that goes on, but of course air cargo is extremely important.

Mr. Mason: It's very important, yeah.

Dr. Starke: I appreciate your efforts at increasing that. I notice from the actuals in the business plan that we did have a dip that, again, corresponded with the decrease in economic activity that we've gone through the last couple of years, but it's good to see those return.

Chair, I think that's it for everything I had wanted to ask the minister, and I think we're pretty close to our time in any case.

The Chair: Are you sure? Now I'm forced to ask the private members of the government caucus if they want to speak.

Mr. Mason: I could give a more expansive answer.

The Chair: Okay. Seeing none and pursuant to Standing Order 59.01(8) the estimates of the Ministry of Transportation . . .

Mr. Drysdale: I wasn't done, if we're going to give out time.

The Chair: Pardon me. I'm sorry. Please go ahead, Mr. Drysdale.

Mr. Drysdale: Well, I know we're probably down to seconds, so I'll let it go at that, but I don't want to ever say that we didn't run out the clock.

To your deputy and to you: don't take the regional director in northwestern Grande Prairie, Ryan Konowalyk, to Edmonton. Leave him in our region.

Mr. Mason: We've heard that. We might comply, but you never know.

The Chair: Well, I hesitate to interrupt, but I must advise the committee that the time allotted for this item of business has now concluded.

I would like to remind committee members that we are scheduled to meet next on Tuesday, April 17, 2018, at 3:30 p.m. to consider the estimates of the Ministry of Environment and Parks.

Thank you, everyone. The meeting is adjourned.

[The committee adjourned at 6:30 p.m.]

