



Legislative Assembly of Alberta

The 30th Legislature  
Third Session

Standing Committee  
on  
Resource Stewardship

Ministry of Transportation  
Consideration of Main Estimates

Tuesday, March 15, 2022  
9 a.m.

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**Legislative Assembly of Alberta  
The 30th Legislature  
Third Session**

**Standing Committee on Resource Stewardship**

Hanson, David B., Bonnyville-Cold Lake-St. Paul (UC), Chair  
Ceci, Joe, Calgary-Buffalo (NDP), Deputy Chair  
Sabir, Irfan, Calgary-Bhullar-McCall (NDP),\* Acting Deputy Chair

Dach, Lorne, Edmonton-McClung (NDP)  
Feehan, Richard, Edmonton-Rutherford (NDP)  
Ganley, Kathleen T., Calgary-Mountain View (NDP)  
Getson, Shane C., Lac Ste. Anne-Parkland (UC)  
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Nixon, Jeremy P., Calgary-Klein (UC)\*\*  
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Singh, Peter, Calgary-East (UC)  
Turton, Searle, Spruce Grove-Stony Plain (UC)  
Yao, Tany, Fort McMurray-Wood Buffalo (UC)

\* substitution for Joe Ceci

\*\* substitution for Jackie Lovely

**Also in Attendance**

Aheer, Leela Sharon, Chestermere-Strathmore (UC)  
Loewen, Todd, Central Peace-Notley (Ind)  
Sweet, Heather, Edmonton-Manning (NDP)

**Support Staff**

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Teri Cherkewich	Law Clerk
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**Standing Committee on Resource Stewardship**

**Participant**

Ministry of Transportation  
Hon. Rajan Sawhney, Minister



9 a.m.

Tuesday, March 15, 2022

[Mr. Hanson in the chair]

**Ministry of Transportation  
Consideration of Main Estimates**

**The Chair:** I'd like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Transportation for the fiscal year ending March 31, 2023.

I'd ask that we go around the table and have members introduce themselves for the record. Minister, when we get to you, please introduce the officials who are joining you at the table. My name is David Hanson. I am the MLA for Bonnyville-Cold Lake-St. Paul and the chair of this committee. We will begin, starting to my right.

**Mr. Getson:** I'm MLA Shane Getson from Lac Ste. Anne-Parkland, better known as God's country.

**Mr. Guthrie:** Pete Guthrie, Airdrie-Cochrane.

**Mr. Jeremy Nixon:** Jeremy Nixon, Calgary-Klein.

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

**Mr. Turton:** Good morning. Searle Turton, MLA for Spruce Grove-Stony Plain.

**Mr. Singh:** Good morning, everyone. Peter Singh, MLA, Calgary-East.

**Mr. Rehn:** Good morning. Pat Rehn, MLA, Lesser Slave Lake.

**Mrs. Sawhney:** Good morning, everyone. I'm Rajan Sawhney, MLA for Calgary-North East and the Minister of Transportation. To my left I have my deputy minister, Rae-Ann Lajeunesse, and to her left is Ranjit Tharmalingam. To my right is ADM Dale Fung and ADM Tom Loo.

**Mr. Dach:** Good morning. Lorne Dach, MLA, Edmonton-McClung.

**Mr. Sabir:** Good morning. Irfan Sabir, MLA, Calgary-Bhullar-McCall.

**Ms Sweet:** Good morning. Heather Sweet, Edmonton-Manning.

**Mr. Huffman:** Warren Huffman, committee clerk.

**The Chair:** Thank you.

We'll now go online. I see Member Aheer is online. Please unmute and introduce yourself.

**Mrs. Aheer:** Good morning. Leela Aheer, Chestermere-Strathmore.

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

I'd like to note the following substitutions for the record: Mr. Sabir for MLA Ceci as deputy chair, and MLA Nixon is here for MLA Lovely.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Legislative Assembly website. Members participating remotely are

encouraged to have their camera on while speaking and your microphone muted when not speaking.

Remote participants who wish to be placed on the speakers list are asked to e-mail or send a message in the group chat to the committee clerk, and members in the room are asked to please signal the chair. 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. A total of three hours has been scheduled for consideration of the estimates for the Ministry of Transportation. Standing Order 59.01(6) establishes the speaking rotation and speaking times.

In brief, the minister or member of Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of the minister's comments a 60-minute speaking block for the Official Opposition begins, followed by a 20-minute speaking block for independent members, if any, and then a 20-minute speaking block for the government caucus.

Individuals may only speak for up to 10 minutes at a time, but time may be combined with the minister and the member. After this, the rotation of speaking time will then follow the same rotation of the Official Opposition, independent members, and the government caucus. The member and the minister may each speak only once for a maximum of five minutes, or these times may be combined, making a 10-minute block. If members have any questions regarding speaking times or the rotation, please feel free to send an e-mail or message to the committee clerk about the process.

With the concurrence of the committee, I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? Seeing none, we will make that announcement at the time.

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 and are asked to please introduce themselves for the record prior to commenting.

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

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn.

Points of order will be dealt with as they arise, and individual speaking times will be paused; however, the speaking block time and the overall three-hour meeting 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 will occur in Committee of Supply on March 21, 2022. 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 with 20 hard copies. An electronic version of the signed original should be provided to the committee clerk for distribution to committee members.

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

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

**Mrs. Sawhney:** Thank you kindly. Once again, thank you, everybody, for joining today, and good morning. I am pleased to present Alberta Transportation's 2022-23 estimates. With me this morning, as I had mentioned earlier, is my deputy minister, Rae-Ann Lajeunesse, and I also have with me today ADMs Ranjit Tharmalingam, Dale Fung, and Tom Loo.

Moving forward is a theme of this year's budget, and it is perfectly suited to Alberta Transportation. One of the primary strategies is to get more Albertans working. We are making investments to grow and expand employment opportunities for all Albertans. Our driving back to work program has been an overwhelming success. This program offers grants to men and women who want to earn their class 1 commercial licence. We will invest \$10 million in grants each year for the next three years. The grant program makes it more affordable to take the mandatory entry-level training, or MELT, required to earn that class 1 commercial licence. The cost for MELT training for class 1 drivers is capped at \$10,000, and the driving back to work grant covers an estimated \$8,900, or about 90 per cent of the training costs. Not only does this program create jobs; it makes our highways safer.

The breakdown of funding for commercial driver grants includes \$6 million for the driving back to work program, \$3 million to support women returning to the workforce and underemployed Albertans – and I was thrilled to make this announcement on International Women's Day – and \$1 million towards developing online and virtual reality simulator training methods. This is a valuable program that deserves our ongoing support. It removes the financial barriers of getting trained, allowing more people to re-enter the workforce. Our mandate is also to keep Albertans moving forward on a safe, reliable, and efficient transportation network. And it's an impressive network, covering more than 31,000 kilometres, of which 28,000 kilometres are paved. We also have about 2,500 kilometres of four- and six-lane divided highways. Maintaining that network is a big job and is one of the priorities addressed in this budget. The budget includes an annual funding increase of \$30 million for general highway maintenance.

Albertans have been loud and clear, certainly in my constituency as well, and they expect highways to be well maintained. Highway maintenance activities include ongoing structural and operational maintenance such as pothole patching, crack sealing, grading, line painting, mowing and vegetation control, as well as the maintenance of highway lighting. We are also continuing our emphasis on capital maintenance and renewal, or CMR. Budget 2022 includes \$1.58 billion in funding over the next three years to upgrade and rehabilitate key highways to extend the life cycle of those highways. Investing in rehabilitation can extend the lifespan of a highway by about 20 years. CMR projects include bridge construction, road rehabilitation, pavement overlay, and bridge deck joint replacement. With this continuous level of investment, the highway conditions in 2022-23 are anticipated to improve to 84.5 per cent of highways in good and fair condition and 15.5 per cent of highways in poor condition. In 2020-21 Alberta had approximately 84.3 per cent of highways in good and fair condition and 15.7 per cent of highways in poor condition.

This CMR funding is part of the overall Budget 2022 investment of \$7.29 billion over three years in our capital plan. Maintaining and upgrading our highway network is only part of Alberta Transportation's story. The capital plan includes \$3.29 billion for municipal infrastructure support to assist the municipalities in building new required infrastructure.

#### **9:10**

I'm also very happy to report that one of our most popular grant programs will continue. Budget 2022 includes new funding of \$25

million in 2024-25 to maintain the strategic transportation infrastructure program, otherwise known as STIP. We know that funding through this program is critical to supporting municipalities in the development and maintenance of local transportation infrastructure. STIP funding allows smaller and rural municipalities to maintain and improve local roads, bridges, and other key infrastructure and to plan for the future knowing that the program will continue.

Alberta Transportation is also responsible for a number of other grants, all of which will continue to be funded in the capital plan. These grant programs include just over \$100 million for the Alberta municipal water/waste-water program, \$130 million for the water for life program, and more than \$30 million for the First Nations water tie-in program. We remain committed to light rail transit projects in both Edmonton and Calgary, which includes a total provincial commitment over multiple years of \$3 billion, of which \$1.53 billion is for Calgary and \$1.47 billion is for Edmonton. With this provincial commitment towards LRT, the two cities are also receiving matching federal funding. We are also assisting Edmonton with three of their critical infrastructure capital projects, including the 50th Street grade separation over the CPR tracks, Yellowhead Trail improvements, and the Terwillegar Drive expansion.

In other parts of Alberta we are partnering with the Red Deer regional airport by providing a \$7.5 million grant to help the airport attract new passenger and cargo services. This investment will open up new travel options to citizens of Red Deer and area and will increase tourism potential in central Alberta. Also, the town of Sundre will receive a grant for upgrades to its waste-water treatment plant using new and innovative technology. The new technology is anticipated to cost less than using traditional upgraded equipment and could be used by other municipalities for future upgrades.

Budget 2022 maintains our commitment to flood mitigation for the city of Calgary and surrounding communities. Construction will begin this year on the Springbank off-stream reservoir, or SR 1. This is great news. Alberta's government has committed to a total project cost of \$744.4 million, of which \$473.6 million is over the next three years. After the federal contribution of \$168.5 million, the provincial cost for this project is reduced. The project will help protect communities in Calgary and southern Alberta so that we don't see a repeat of the tragic flood of 2013. The total estimated provincial recovery and damage cost from the 2013 flood on the Bow and Elbow rivers was approximately \$5 billion, which also makes this project fiscally responsible.

While we are shifting our priorities to capital maintenance and renewal projects, we are committing \$1.84 billion for the planning, design, and construction of major highway and bridge projects. This includes the new cost-share agreement for construction of an interchange at Calgary Airport Trail and northeast Stoney Trail. A developer is planning to invest and develop a multi-use commercial and retail facility on the east side of Stoney Trail in Calgary. Enhancing the existing interchange will provide safe access to the new development.

Other investments in Calgary include the west Calgary ring road, highway 201, the Bow River Bridge on southeast Stoney Trail, and upgrades to Deerfoot Trail. Other provincial highway network projects across the province include highway 697, La Crête bridge, highway 3 twinning between Taber and Burdett, highway 11 twinning between Sylvan Lake and Rocky Mountain House, highway 40 twinning south of Grande Prairie, and the highway 2 and 40th Avenue interchange near Airdrie. We will continue to balance the need for new infrastructure while maintaining and upgrading our highway network. Doing this will make sure that Albertans can continue to move forward on a reliable and efficient

transportation network, not only to move people between communities but also to ensure the movement of goods to store shelves.

That's a brief snapshot of Budget 2022 for Alberta Transportation. I thank you all for your time this morning, and of course, as always, I'm happy to take any questions that you may have.

Thank you, Chair.

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

For the hour that follows, members of the Official Opposition and the minister may speak. Hon. members, you'll be able to see the timer for the speaking block both in the committee room, up on the wall there, and on Microsoft Teams.

My understanding, Minister, is that you'd like block times?

**Mrs. Sawhney:** That is correct.

**The Chair:** Okay. You'll have 10 minutes to speak, and then the minister will have 10 minutes to respond, for a total of an hour back and forth but in 10-minute blocks.

**Mr. Dach:** Thank you, Mr. Chair. First, may I ask if it is not protocol for the member of the government side who initially begins to question to ask the minister if indeed she wishes to go block or back and forth?

**The Chair:** You can go ahead and ask the minister that, sir.

**Mr. Dach:** I certainly would like to ask that, because I think it does offer better opportunity for dialogue if we are able to have an exchange back and forth. I understand that your preference is block, but I certainly wanted to express my preference that we do go back and forth and have a proper dialogue and receive the proper benefit of the communications that we can have so that Albertans get the most information possible and the most valuable information out of this exchange that we have this morning.

**Mrs. Sawhney:** I appreciate your comments, MLA Dach, and my preference would be to go with block time because, in my experience, it gives me the opportunity to more fully answer the questions that you may pose with more detail. So thank you.

**Mr. Dach:** All right. Well, thank you. The decision, of course, is not debatable. I'm aware of that.

Thank you for the opportunity, Chair, to have at least asked the question.

**The Chair:** I will try to remember to ask you that every time you get up to speak there, sir, and give you that option. Go ahead, Mr. Dach.

**Mr. Dach:** Thank you very much, Chair, and good morning, everyone. I look forward to a useful dialogue in block form this morning, a back and forth in an open, longer version.

I wanted to speak today about the very important issues in front of us with respect to the Transportation estimates 2022. The ministry is one that often gets glossed over and is seen as more of a junior portfolio, but it's certainly not my view. It's critically important and one that touches every Albertan right at home because, of course, our roadways and our irrigation systems do come right to people's doorsteps. As one will note and as I think the minister has already noted in her opening remarks, one of the things we hear about most often from our constituents is about the conditions of our roadways.

I note that the minister indicated that consistently 15.5 per cent to 15.7 per cent of our roadways are rated in poor condition, and I

think most Albertans would find that a bit shocking in this province, to know that that seems to be an acceptable number. Certainly, it is something that we should always be aiming to reduce to zero, because the people who are living with and using that 15.5 per cent of roads that are in poor condition certainly would like to be part of the 85 per cent that have roads that are in acceptable condition.

That's something that we can return to later on in my comments, but I wanted to first of all talk about the actual funding cuts to municipalities for capital projects. In your opening remarks, Minister, through the chair to you, indications were, of course, that the government was spending gobs of money on transportation and that things were going very well and, you know, that there weren't any issues. Of course, that litany of big numbers is not really where the details are, so we'll get down into more of the details and some of the actual things that the government has done that will affect municipalities quite greatly with respect to funding from the province.

Now, Budget 2022 enacts significant cuts to municipalities, of which many funding streams flow through the Ministry of Transportation. Of course, in your response I would like to have answers to questions about a few of these significant cuts. We see that the STIP, or strategic transportation infrastructure, program, that municipalities rely on, is getting cut once again. To listen to your opening remarks, one would have thought that that wasn't the case. However, that is the case. Relative to the spend projected in budget 2021-2022, it will be cut by \$18 million, or 40 per cent, through the fiscal plan. What do you say to municipalities, Minister, who are saying that you're crippling their ability to fund projects, to fund local projects? What do you say to municipalities who are saying that you're balancing the books by downloading the costs onto local property tax payers?

9:20

This is a consistent theme of this government, Mr. Chair, that costs are downloaded onto municipalities, and it's something that we heard very loudly and very clearly from our two major cities in particular, that their asks weren't responded to. Indeed, what was happening was that they were asked to shoulder a larger load of what many would say is provincial responsibility.

Now, page 211 of the estimates shows that last year you committed \$124 million in municipal waste-water infrastructure grants to municipalities. Now you're projecting to spend only \$73 million. Now, that's a 41 per cent decline. In contradiction to your opening remarks, where you were only talking about big numbers and that everything was fine, those numbers actually represent cuts and a significant decline in expenditures to municipalities, who are already suffering from much higher costs. Like I said, you're only projecting to spend \$73 million, a 41 per cent decline, and municipal leaders who can't get their projects funded under this government are saying that it's resulting in lost economic opportunities right across the province.

Are they just meant to increase their property taxes even more? Is that the message that this ministry and your government is sending to municipalities? It certainly seems to be a big, big downloading of a tax burden onto the municipalities that the province is off-loading. I'd like to hear your answer about that because it's certainly a very large question in this province, not only of the two larger centres, Edmonton and Calgary, but all of the smaller cities and municipalities. There are lots of different infrastructure projects that individual municipalities have got where they're wondering if indeed it's going to be up to them to shoulder a bigger burden to fix or remediate or improve them.

For example, we heard from the city of Wetaskiwin that their water treatment plant isn't up to standard. In fact, they're going to

start getting fined by the federal regulator in two years if they can't improve their systems. They've come to you to request matching funding but are not able or so far have not been able to get approvals. I'm wondering: what is your message to the city and the people of Wetaskiwin? Is it fair to say that their property taxes might go up to pay fines because your government is cutting funding for waste-water systems?

Similarly, I spoke just recently to the mayor of Sandy Beach, Denise Lambert, at the Alberta Municipalities leaders' caucus. She explained to me how right now the town lagoon is closed and that waste water must be trucked out at huge expense, and they, too, in that small community, are examining their options. They're looking for provincial help because these burdens for small communities are insurmountable in many cases, and provincial help is absolutely necessary, yet they're not getting the responses that they would hope. For example, with this Sandy Beach situation, you can only imagine what the expense is to that community for trucking out their sewage rather than being able to remediate their lagoon and properly treat it that way.

In the lead-up to the budget we spoke with municipal leaders such as Denise and the people from Wetaskiwin, and one of the worst decisions this government made, according to them, was to increase the borrowing rate for all new capital projects. At a time, Mr. Chair, when municipalities are suffering under rising costs, as everybody is right now with utility costs going up, with insurance costs going up, fuel costs going through the roof, now they have a further download, a further cost, a levy, a surcharge imposed upon the municipalities by the province at this point in time.

It doesn't seem to be any more than just a cash grab between .5 per cent and .75 per cent on their costs of capital. It's effectively a new tax on all municipal projects in which your ministry is directly involved. There hasn't been a default ever on a municipal loan in more than 50 years, since the system was set up. I'd like to ask the minister: what do you say to municipalities when you're cutting their funding and then increasing their borrowing costs? It's a double whammy. Ultimately, this hits property tax payers. Why balance the books on their backs? It's another example of this big download.

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

We'll now go to the minister for 10 minutes of response.

**Mrs. Sawhney:** Thank you, Chair, and thank you, Member Dach, for all your questions. Let me begin by saying that I certainly share your perspective that Transportation is by no means a junior portfolio. The work that we do in the ministry, in the Department of Transportation, is critical for the safety of Albertans and also for opening up economic potential as we invest in critical infrastructure. I do thank you for all your questions, and I'll just kind of go through them one by one.

First, in regard to the metrics around roads in poor condition, I do want to emphasize that poor does not mean unsafe. These roads are still very safe for Albertans to travel on. I think you had implied otherwise, but that is not the case, so we'll just start off there.

Now, let's go right into questions around the STIP grant. The funding for STIP was accelerated from the outward years into Budget 2020, and that was all due to stimulus. In regard to the \$10 million decrease from the 2022-23 budget to the 2023-24 budget, that is due to additional funding that was received from the Alberta recovery plan that was launched in 2020 and is now winding down in 2022-23. I did mention that we have invested an additional \$25 million in 2024-25 in STIP. In fact, I will say that when I've had conversations with municipal leaders across the province, they've indicated great happiness at the investments that we've made in

their communities. I remember that last year, when I was originally first sworn in, I was in Grande Prairie. There was much gratitude and happiness around the STIP funding that we had made at that time. I did want to emphasize that there is no cut, as you had mentioned, to STIP funding.

Now, in regard to the water grants you had mentioned page 211 of the estimates and a 41 per cent decline. The \$44.7 million decrease from the 2022-23 budget to the 2023-24 budget: it's again due to stimulus. It's additional funding received from Alberta's recovery plan that was launched in 2020 and is now winding down in 2022-23. It was funding that was accelerated into the 2020 budget, and that was done to ensure that these projects were more expediently tackled and also to create jobs. There has been tremendous success with the acceleration of these programs to ensure that we had more Albertans employed. I know, Member Dach, you had mentioned Wetaskiwin. We are in discussions with Wetaskiwin, and we are actually considering as well what their application is going to entail. So those discussions are under way.

Also, I do want to mention that for the Alberta municipal water/waste-water partnership, the AMWWP, this grant currently supports 83 projects in approximately 62 different rural municipalities in Alberta. New funding applications have been received from municipalities under this program, and funding for new projects will be announced in the new fiscal year. We have received tremendous positive feedback around this particular grant, and I know that there are other municipalities – you had mentioned Sandy Beach – who we have to do further engagement with, but overall I would say that this grant program is a success. If there are any other projects that are coming our way, we'd be happy to discuss.

All right. In regard to your question around the borrowing costs for municipalities, I will remind everyone that that function belongs with Treasury Board and Finance, who are actually responsible for all lending activity. The questions around borrowing costs would be more appropriately directed to that ministry.

**9:30**

But just going back to conversations with municipalities, I know that at RMA and Alberta Municipalities, our last meeting that we had with them, there was tremendous optimism around the investments that were made in communities all across the province. I think that even as I continue those conversations on a more informal basis, the notion and the messages that I am receiving as it pertains to transportation are one of, again, gratitude for the projects that have been undertaken and also a continuous dialogue and feedback around other projects that we might potentially look forward to in the future.

I just want to reiterate for everybody in this room, particularly for my colleagues, that I'm in continuous conversations with my federal counterpart, especially as it pertains to the national trade corridors fund, because I'm doing what I can to take some of these projects to the national level and advocate for those federal dollars to come into our province. It's important for our economic corridors, it's important for trade and activity in the local communities, and it's important for all of you, who represent diverse constituencies.

I do believe I have answered most of your questions. I guess I do have to emphasize this again in regard to STIP, that adding it to the third year also allows for early approval for municipalities. The fact that we have this additional funding envelope of \$25 million outwards is an indication to municipalities to start getting your paperwork together. Start understanding what projects you have in your regions and local areas and get that information together and submit your application.



Thank you, Member Dach. If I have missed anything, please do let me know. Once again, I think our conversations with the municipalities – we have a slightly different perspective as it pertains to transportation.

Thank you.

**The Chair:** Thank you.

Opposition members, you have 10 minutes. Go ahead, Mr. Dach.

**Mr. Dach:** Thank you, Mr. Chair. I'm pleased to continue. The minister raised some partial answers to some of my questions, but I did want to delve back a little bit into not necessarily the decision and the implementation of borrowing costs – the minister rightly indicates that it's TBF which has implemented them, but it's the result of and the effect of those borrowing costs on transportation projects and on the municipalities, who would look to their budgets to see if indeed they are able to go ahead with them based on the borrowing costs, which are now higher and so important, relating directly to Treasury Board and Finance. We'll stay within the transportation boundaries, but it's the effect of those borrowing costs, Mr. Chair, that indeed has created a disincentive for municipalities to go ahead with projects and significant projects.

It's really tough to see how municipalities will go ahead with certain projects when they see such a heavy burden being downloaded on the cost of capital. Now, consider a major project like an LRT. With the green line Calgary would borrow 1 and a half billion dollars to build the transit infrastructure and then pay it back over time. On a major project like that, the city would be paying a new \$10 million tax every year to the province just to cover the new interest rate surcharge. I'm not sure why that tax was slapped on major new infrastructure projects like the green line.

Has the ministry done any assessment on the cost of this new surcharge for rural municipalities and what it means for local road and bridge projects, on water system projects, basically across the board on projects that the Transportation ministry has on its books, on its construction program? It's a significant increase in borrowing costs, and it has a major impact on the decision-making process of municipalities as to whether they may go forward with a project or not. One would hope that the Transportation ministry has done some assessment on whether or not this disincentive that's been imposed by TBF will actually be halting projects that otherwise might go ahead.

Obviously, increasing the interest rate, Mr. Chair, on capital projects is a disincentive to invest, and it means fewer capital projects and fewer jobs. The minister, of course, was highlighting in her opening remarks that one of the major goals in the strategic plan and the business plan is to create employment by pursuing capital projects that are needed in the province with respect to transportation, but before this new charge was made and as a ministry deeply involved with funding projects province-wide – I was wondering what economic analysis on the incremental decline in investment per year over this three-year fiscal plan was done, and if so, what did the analysis show?

Surely the Transportation ministry will know that there's going to be a whole big pail of cold water thrown on projects that municipalities of various sizes would have had under consideration. It's a significant increase in their costs and will have probably tipped the balance in favour of not proceeding with some costs, and also indicated in that is that there'll be fewer jobs as a result that would be developed through going forward with transportation projects that otherwise would have been affordable. Did the ministry assess the differential geographic impact on the ability of municipalities to cost share projects after this increase in rates? Obviously, some municipalities are better off than others under this

new tax regime. Who wins and who loses? Were there synergies that have been developed or collaborations been developed because of these new costs that would allow projects to go ahead where otherwise they might not because of the tax increases reflected by this new borrowing rate?

Another one of the big losers with this new tax on capital projects is airports. Now, other ministers in estimates said that it wasn't their problem. Why ask them? We should ask you; you're the Transportation minister, after all. So I will. Both YEG and YYC borrow through the province, and now they'll be paying more, big time more. That means higher landing fees, higher surcharges, and this makes our airports less competitive. It makes Calgary less competitive. Can you please share, Minister, what analysis was done on the impact to our major airports as a result of this borrowing policy change? It's a significant download in cost.

Can you explain how this policy shift aligns with the government's stated goal of making Alberta more competitive in order to attract investment? Any time there's a policy which results in higher costs of borrowing across the board, of course, it will affect the Transportation ministry. It's something that was a bit of a shock to all the municipalities that I've spoken to, to know that they're going to end up having to reassess their transportation projects as a result of the new cost structures of borrowing that this government has put in place. I'm hoping that there's some analysis that the ministry has done to perhaps at least advise municipalities how they can absorb this or maybe have the province absorb some of this. It was a bit of a surprise, to say the least, to municipalities that their cost of borrowing capital is going up.

The Transportation ministry is one of those that really has a heavy reliance on borrowed capital, and municipalities don't expect this shock. Now they have to go ahead and reassess their projects, and I think that a lot of them are having some nightmares and sharpening their pencils to know if they're actually going to be able to go ahead with the projects that are often years and years in the making, as the minister is well aware, Mr. Chair. I'm wondering, you know, in a time like this, when many projects might be on shaky ground just because of the higher cost of fuel and insurance and construction materials and so forth, if this was the straw that breaks the camel's back and ends up being another delay in long-awaited projects in particularly the smaller municipalities that were contemplating being able to proceed.

**9:40**

Now, as you might know, I come from a smaller municipality, Thorhild, and my grandmother was a deputy mayor there for many years. Of course, the grants and borrowing cost to do things, whether it was sewer projects or the lagoon or water or well water or so forth, were always front and centre at their council meetings. I remember many times her speaking about how critically important it was to get monies through from the province in order to be able to proceed. This increase in borrowing costs, I can imagine, would have made her hair fall out as she was a deputy mayor back then, so I can only imagine what municipal councils of many different sizes are going through right now as they re-evaluate whether or not they can proceed with projects that their constituents were promised over the many years and many, many meetings that they might have had to put them onto the table. Now the rug has been pulled out from underneath them.

Let's come full circle again and try to dispel a bit more mythology, Minister, through the chair to you. Let's come full circle now. This government has in fact gutted MSI, which is hurting municipalities and downloading costs onto property taxpayers. Now, that's a big reason why property taxes are going

up. Compared to the 10-year average, Minister, MSI is being cut by a third.

**Mr. Turton:** Point of order.

**The Chair:** Go ahead. A point of order has been noted.

**Mr. Turton:** Yes. Yeah. Thank you very much, Mr. Chair. While I appreciate that the hon. member wants to talk about MSI, which is clearly under Municipal Affairs, I mean, I'm actually quite excited to listen to the minister's response about transportation items. Funding models for other ministries clearly belong in another room, and I would just hope that the hon. member can stick to the topic at hand.

Thank you.

**The Chair:** Thank you.

Would you like to interject, members?

**Mr. Dach:** Well, I can certainly say in my own defence that MSI is used for infrastructure projects, many of which are transportation, and is clearly pertinent and germane. There's no point of order here.

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

I'm prepared to rule on this. I actually agree that it isn't a point of order. The member's time is the member's time. You've got 46 seconds left. I was going to interject right after you spoke to advise you that you might want to change your line of questioning because you are kind of focusing on Municipal Affairs issues as well as Treasury Board and Finance, and the minister did remind you of that in her last responses. It is your time. You can ask the questions that you like. The minister is under no obligation to answer questions that don't pertain to her ministry, so if you'd like to continue with using your time in that manner, this is not a point of order. It is the member's time.

You have 46 more seconds, sir. Go ahead.

**Mr. Dach:** Thank you, Chair, for that direction. The point I'm trying to make, Mr. Chair, is that municipalities are facing a triple whammy of higher costs, higher taxes, and then cutting of government funding: their slashing of general funding, cuts to targeted programs like STIP and waste water, a new tax on all municipal projects, capital projects with the borrowing costs they're facing. I'm just wondering how the minister might explain how this policy trifecta of the government's stated goal and the government's strategic plan to create jobs and grow the economy align with that policy trifecta, because indeed it seems to fly in the face of it.

**The Chair:** Thank you.

Minister, you have 10 minutes to respond. Go ahead.

**Mrs. Sawhney:** Okay. Thank you, Chair, and thank you, Member Dach, for all your questions. It was fascinating to learn that your grandmother was a deputy mayor. Clearly, it runs in the family.

Let's go back to your very first question around borrowing costs. I had mentioned before that that is in the purview of Treasury Board and Finance, but I do understand the spirit of your question. In fact, we know that current economic conditions and our supply chain issues and inflation as well have resulted in many of these projects seeing a cost escalation. That is a reality, and that is something that we discuss quite regularly and rigorously within the Transportation department.

But I do want to be clear that when projects do come to Transportation, they are approved on a percentage basis, not on the absolute value of the cost itself of the project. Rising costs are implicitly built into that approval process. In fact, for STIP we tend

to fund 75 per cent of the costs, for the water for life program it's up to almost 90 per cent, and for the waste-water program it's almost up to 75 per cent. To reiterate, any cost escalations are built in because we approve on an approval basis as opposed to the absolute value of the dollar amount.

You had asked: what sort of economic analyses do we undertake within the Department of Transportation when we're looking at projects? I actually think that's a great question. I know that when anyone comes to me with any capital asks or any projects that they want to invest in in their areas, I always ask: "Show me your business case. Show me your rate of return. Let me know: what are the metrics? What are the socioeconomic metrics involved?" Certainly, the projects that we have approved in our budget's capital plan, like the Red Deer airport expansion, on which I'll expand a little bit further, the Airport Trail interchange expansion: those questions were asked. "Show us your value proposition. How is this going to create jobs? How is it going to unlock economic potential?"

I know that certain regions of our province have different considerations, different realities, and it's not an even or level playing field. I do take that into consideration when new applications do come forward, to see what is happening in that particular geographical location as it maybe relates to supply chain or the remoteness of the area that would impact their economics. We do do these assessments. The department is very robust about understanding all the dollars and cents and the rate of return and the safety considerations, most importantly, that are involved with each project.

Now, coming to airports, we did make an announcement recently, a \$7.5 million announcement to upgrade the terminal, to build a terminal, and to expand the runway at the Red Deer airport. That was extremely well received by Red Deer, Red Deer county, and the surrounding region. Again, the economic impacts and the potential for growth is quite significant. That is a direct contribution from the government of Alberta supporting our airports.

I know that I do have to also say that during the pandemic Alberta did advocate for the federal government to provide additional support. In fact, there was quite rigorous advocacy done to do that. Through that advocacy Calgary International Airport and Edmonton International Airport received funding through the federal airport critical infrastructure. In fact, Calgary received almost 57 and a half million dollars for runway rehabilitation, and Edmonton is receiving almost 18 and a half million dollars for runway upgrades and airfield lighting.

I also want to say that right now Treasury Board and Finance is actually working with the airports on the financing piece, and that work is under way. You had mentioned some of the borrowing costs associated with the airports. We are currently discussing that with Treasury Board and Finance, and that relationship is directly between them and the airports.

I also want to mention the strategic aviation council because that council was set up specifically to discuss some of the challenges that our airports are facing. There are some great, bright minds around that table that represent, obviously, the airlines. We've got technicians who've worked in industry. We've got academia represented through Mount Royal and SAIT. Their specific mandate is to understand: how can we assist the aviation industry? That also means liaising with the airports and understanding the issues that are there. How has the government supported airports in Alberta? Well, I just outlined several ways we've done that. I'm looking forward to hearing more from the aviation council to provide us with more direction on what we can further do to assist airports.

I also have to say that I've spent a significant amount of time on the phone and in person with the board of directors of almost all of the regional airports within our province. We've had some robust conversations around what they need to see and how we can partner together to ensure that we're aligned in terms of our priorities in boosting economic development within the aviation sector. Those relationships: although they're preliminary, I would have to say they're quite strong. The conversations and the feedback that I have received from them is not quite similar to what you are expressing today. In fact, there seems to be a lot of excitement around strengthening partnerships with the government of Alberta.

9:50

I do believe that I've answered most of your questions, and if I haven't, please do feel free to ask again, or if there's any additional detail that you want me to delve into, I'd be happy to.

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

Member, you have a 10-minute block.

**Mr. Dach:** Thank you, Mr. Chair. I'll be pleased to continue and, hopefully, elicit a greater response from the minister on the questions that I pose. I'll turn my attention now to something that was certainly a very difficult period for all Albertans and all Canadians recently, when our Coutts border crossing was blockaded by individuals who saw fit to do that as a means of protesting. The blockade of that critical infrastructure lasted a long time, and I'll get to some of the details of that.

But let me preface it by saying that Budget 2022 also includes the third-quarter update for fiscal year 2021-2022. I'd like to ask about some of the activities and the ministry response during that fiscal year. Now, outcome 3 of that business plan is all about supporting "an efficient transportation system." Obviously, the government failed to achieve that objective when that Coutts border crossing was closed. My first question, of course, is: do you have an estimate of the direct economic impact of that border closure, and what was the larger indirect cost of the border closure? It was Alberta's only 24/7 border crossing, open 24 hours, seven days a week, and the only one that was able to process live cattle. Truckers not only decided to end up lining up on either side of the border, but of course many companies decided not even to send their vehicles there. You had production problems as well, slowdowns as a result.

Now, I'm wondering if indeed the government, and your ministry in particular, has any numbers that they can provide to Albertans who are really wondering: what did this cost us, that border closure? What did this illegal action, this illegal blockade do to our economy, and what are the more indirect costs that you were able to tabulate or that your ministry has tabulated as a result of this closure? Many Albertans are still shaking their heads that indeed it went on as long as it did and wonder about the complete failure of your government and you as the Transportation ministry to take steps that you had at your disposal to end the blockade.

Now, outcome 2 of your business plan focuses on, quote, safety and security, unquote, of the regulatory system involving commercial drivers. During the Coutts blockade we saw stranded drivers, stranded cargo, but your government did very little. Albertans were once again wondering what in the world government was doing while our border was being blockaded by an illegal group of people who thought that was an appropriate measure to take to make their point. Now, as far as we can see, the only thing you did was ask Ottawa to intervene.

On day 13 of the blockade we called on you to suspend commercial operators' licences, which is in line with your government's stated goals. Why didn't you take this action or at

least announce that that was your resolute intention? I know that at the time, Minister, through the chair, you indicated that you had to await convictions before taking that action to suspend commercial operators' licences. Maybe expand a little bit on that and give us the detail to verify that that, in fact, was the case. But at the very least, Minister, you could have but failed to announce that your stated and resolute intention was to remove the commercial licences of those commercial drivers involved in the blockade, a very strong measure, saying that you were opposed to the blockade and that you were going to use the tools at your disposal to disperse that blockade and get our border open again and get our economic activity flowing through that border.

It was a huge, huge cost. I want to know exactly how much it cost the province of Alberta and our economy, the economic impact directly and indirectly, and of course why you didn't exercise your responsibility to keep that border open using the tools at hand that you could have used but failed to.

Now, obviously, Mr. Chair, responsibility for keeping our transportation corridors is a – it's a multiminsty affair to keep our transportation corridors open. Yet the minister, as I mentioned, declined to suspend commercial vehicle licences for those in the blockade, which was a decision that hurt a lot of people who saw this thing going on for days and days on end, and they couldn't make a living. The minister failed to even indicate and project that this was going to happen no matter what steps she had to take and to get those licence suspensions properly put in place to make a very clear indication to these truckers that they were going to lose their commercial drivers' licences if they continued with their blockade.

Now, clearly, the minister had a seat at the table during this affair, a seat at the table in cabinet, of course, as your ministry was very centrally involved. You're asking the Legislature to appropriate money, Minister, to keep our transportation network secure, but your track record in this case, one of the most severe cases of a debacle in our Transportation ministry, where we had a blockade of a major . . .

**Mr. Singh:** Point of order.

**The Chair:** A point of order has been noted.

Go ahead, Mr. Singh.

**Mr. Singh:** Thank you, Mr. Chair. The point of order relates to order 23(h) and (i) of the standing orders. The member "makes allegations against another Member" and "imputes false or unavowed motives to another Member." The member has made allegations detrimental to the person of the minister. The statement made by the member, though it may relate to the functions of the minister, also relates to personal matters, and this claim of the member is unacceptable.

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

Would you like to refute?

**Mr. Sabir:** I think that it's not a point of order. The member was asking about Coutts, which is an important transport corridor, and he was asking about the impact of that blockade on transportation. That's fairly within the ambit of this estimate.

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

I do agree that the member is walking a very, very fine line there. I would go into repetition more than inadequate comment. Those questions are definitely starting to drift before Justice and Solicitor General and Service Alberta rather than Transportation. I would caution the member to not get personal in his attacks on the minister. We won't accept that at all. You've asked that question. I

would suggest that you go on to another subject so that you're not repeating yourself, or I will call you to order.

**Mr. Dach:** Thank you for that direction, Mr. Chair. What I will do is ask perhaps one of my colleagues, the Member for Calgary-Bhullar-McCall, to perhaps drill down a little bit in a different direction on this topic of the blockade and the Transportation ministry's dereliction within it.

**Mr. Sabir:** If I may, Chair.

**The Chair:** You have three minutes, sir.

**Mr. Sabir:** I will have some questions about the blockade but only as it relates to the trucking business. In my constituency and in the minister's constituency there are many who are in this business, some of Alberta's biggest transportation companies. There are many who work in this, and they were impacted by the illegal blockade that lasted 21 days. Many businesses were impacted. But I will keep it short and only on how it impacted trucking. Certainly, that's our view, that it is the responsibility of the government to collaborate with each other and to make sure that these transportation corridors remain open for business. The minister also indicated in her opening remarks that it's a priority for Transportation to make sure that the economic corridors, transportation corridors, are available and that they are efficiently working.

**10:00**

In my riding during that blockade many trucking businesses were stranded there against their will. They lost business, and it was not their fault by any means. Clearly, the government failed to end the blockade in a reasonable time. There should have been no blockade at all. We also know that from Alberta that's our major trading route, so clearly truckers lost income. Their business was impacted. It was not their fault. I would suggest that it was the government who was responsible for keeping the highways open, and government clearly failed. That was the government's mistake. I would suggest that the truckers – the government owes them compensation for that loss, for their failure. If there is any money in this budget – have you assessed what those damages were, and will you be compensating those who lost income, who lost businesses due to the government's failure to end the illegal blockade?

Thank you.

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

We'll go to the minister.

Thank you very much. That's a perfect example of asking the question without taking a personal attack at the minister. I appreciate that.

Minister, you have 10 minutes to respond if you wish.

**Mrs. Sawhney:** Thank you, Chair. I'm actually very happy that this question came up because, as we're all aware, the Coutts border situation was very stressful for many of the government colleagues, for the residents who are out there, and for the trucking industry as well as those who were impacted by that border closure that was as a result of protesters impeding some of our critical infrastructure. There's so much that was happening behind the scenes that the public isn't aware of, so I'm happy to talk about that a bit more today. I will have to also express my gratitude to the mayor of Coutts, with whom I was in discussions on a daily basis, almost multiple times, to really go over all the things that Transportation was doing, and of course JEI and Justice were also playing a very important role in all of this.

Now, the first question was around the economic impact. There have been a number of numbers that have been thrown about, numbers that came from the federal government as well, and I hesitate to speculate on the exact quantification of the economic impacts because they certainly weren't as high as was suggested by some members of the federal government because we were very effectively diverting traffic to other border openings like Del Bonita and Carway. The assumptions made about the economic losses were based on the fact that there were no crossings happening whatsoever. I don't want to underestimate the impact on those companies like JBS who were impacted because the border was closed, but certainly we worked very hard in Transportation to mitigate that.

In terms of the stranded truck drivers, I was in contact with them. It was very unfortunate, and I do agree with Member Sabir that it was through no fault of their own. It was the fault of the individuals who were blocking the border. They are the only ones responsible for that particular outcome. In my conversations with these folks we offered supports, and we had civil society rise to the occasion, particularly faith-based organizations in northeast Calgary who delivered food to those who were on the other side of the border and assisted. Of course, when some of those stranded truck drivers, as I mentioned, who I was in contact with, did arrive safely home, I expressed my gratitude to them for their fortitude and their resilience during a very difficult time, and we continue to have those conversations.

I also wanted to say that as we were in discussions with stranded drivers and those in the trucking industry who were worried about, "Well, how do we cross the border now?" I actually did something that might seem innovative but something that a lot of us do. I created a WhatsApp group with a number of trucking companies, a number of owner-operator companies, and gave them personally – personally gave them – very regular briefings as to what was happening at the border and what the lineups looked like because, as you know, intermittently the border would open, the protesters would move aside and they would open up a lane and we could get traffic through, and then it would close again.

We also know that the situation there was very tenuous at times. There were public safety concerns, and this had a very significant impact on our response. It certainly was within the realm of law enforcement, and they had all the tools within their own tool box to be able to deal with the situation. Of course, over time the public became more aware of some very dangerous elements that were evident within that group of protesters.

Now, the question was: why didn't we suspend commercial licences? Well, why wouldn't we have done that if it was doable? Why wouldn't I have rushed to do that right away? There was a problem with that because in order to suspend commercial licences, there has to be a number of convictions associated with it, and the whole suspension also relies on progressive discipline as well. Ultimately, to make a long story short, suspending commercial licences of individuals and companies who didn't have convictions would not have withstood a legal challenge. It would have been just – we wouldn't have been able to do it, ultimately. We didn't have the body of convictions that we were looking for to be able to implement that particular policy, so it wasn't something that was feasible.

There were other items that we looked at, just for the member's awareness. We looked at safety fitness certificates, suspending drivers' licences, and a couple of other measures, but unfortunately all of those measures would have required an amendment to the Traffic Safety Act, which was not feasible given the time period that we were dealing with. So, as a result, those particular measures, which the member had publicly asked for us to implement, were

just not possible at the time. I do want to reiterate: if they were possible, obviously, why wouldn't I have rushed and jumped to that right away?

So those are the facts behind what was happening behind the scenes. I also want to say that we had regular daily briefings as to what was happening, several ministries and myself in addition to the Premier. Transportation, as part of our role in terms of trying to provide additional supports, allocated a portion of land near where the protest was taking place to ensure that we could move protesters off critical infrastructure, off the highway into an area that was more safe and was not impeding traffic. Unfortunately, the individuals who were engaged in the protest did not take us up on that offer. We also provided a gravel pit just west of Coutts, that was made available to the RCMP in case they needed to move any of the vehicles and they had a place to park that machinery and equipment.

Ultimately, there was a lot of work done behind the scenes, and we used every tool at our disposal. The critical infrastructure act: those provisions were also made available to the RCMP, and, you know, in our discussions with the RCMP we were made aware, as I'd mentioned earlier, about critically sensitive elements in the whole operation. It is not the role of government or legislators to intervene in a situation that could have been potentially deadly. Thank goodness nothing happened. Thank goodness everybody was safe. Thank goodness the situation was de-escalated and disbanded in a way where no one was hurt. That was always our number one consideration and our number one priority, to ensure the safety and well-being of Albertans.

Yes, there was an economic impact, and it was very unfortunate. The exact quantification of that impact really does reside within Jobs, Economy and Innovation. Again, I don't want to speculate on what those numbers could be, but I am very skeptical about the numbers that were provided by other orders of government.

**10:10**

I think lessons learned from the Coutts situation most certainly are that, definitely, when things are within the realm of law enforcement, we should leave things to the experts. Let the RCMP, let law enforcement do their job. I want to take this opportunity to commend them on their professionalism, on their discretion, on their compassion. Ultimately, it was their expertise that resulted in a de-escalation of the entire situation, ensuring that no one was hurt.

I had already mentioned the mayor of Coutts, Mr. Jim Willett. I'm also going to take this opportunity to extend to him my gratitude as well for the tremendous job that he did in engaging with local residents who were clearly very disturbed and very stressed out as a result of this situation. He held it together, and he wasn't feeling well throughout that time, and I applaud him for his leadership.

I do believe that I have answered most of the questions related to the Coutts border situation. I'll just conclude by saying that I'm still in contact with many of the truckers who were impacted. We do have a good relationship, and I've indicated that if they need any kind of support going forward or any other information, to please do stay in touch, but for the most part there's an understanding that this is something that is not anybody's fault and that unfortunately it was a difficult situation for many private companies. They did incur losses. It was very difficult for those individuals who were stuck at the border, away from their families. It was cold. But ultimately my conversations with them do indicate that they understand that this is one of those undesirable situations that happen, and there's no point in laying . . .

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

I would just ask committee members to keep your conversations down. It's getting a little distracting.

Opposition, you have just over three minutes. Go ahead.

**Ms Sweet:** Thank you, Mr. Chair, and thank you, Minister and all of your staff, for being here today. I do appreciate your comments around Coutts and the fact that the actual budget line item may sit with JEI in regard to the economic impact. I think my question to you would be: given the fact that you've had this WhatsApp group and this conversation happening with people who were directly impacted, are you able to table any idea of what the impact is that they provided to you, in the sense of those conversations that you were having with them, the fact that their fuel costs were going up, they were being redirected, and what that looked like? I do think that it's important that people understand the overall, the global reach of the impact on Coutts.

I do want to follow up a little bit around it as well, because, obviously, it had a significant impact on the agriculture industry. I appreciate your comments around redirecting to other border crossings. As I know you are aware, Coutts was the only border crossing where live animals were able to be off-loaded, inspected, and then unloaded again to meet the CFIA requirements for transporting of live animals. That cannot be done anywhere else in Alberta, so redirecting to another border would not have worked. There were conversations and there were asks around setting up infrastructure at other border crossings to allow that to happen. My understanding is that did not occur, so my question to the minister would be – that was in control of the ministry to be able to set up that infrastructure and to ensure that the ability to do that border crossing and that off-loading and onloading to meet those requirements could happen – what was the prevention and the inability for that to be able to occur given the length of this border crossing closure as well as the fact that it was being identified within the first few days of the border crossing that this was going to become an issue?

In addition to that, obviously, getting feed up for our beef producers has continued to have a long-term impact. We are seeing this even today, that being able to get the feed for livestock has been significantly impacted, to the point where there are concerns about the amount of feed being available in the province. Obviously, that has had some pretty serious impacts on the agriculture community. My question would be, again, similar to what my colleague was asking about. Is there a plan by this government to look at that overall economic impact and that compensation to the industries that were significantly impacted? It is unique in the sense that it is the only border crossing in Alberta that has that ability to manage the livestock components.

I would think that, as well, through you and your ministry, maybe you could also update us on what the costs would have been associated with developing that infrastructure required for the off-loading and onloading of animals and ensuring that we had the appropriate staff move from the Coutts border to another border crossing with CFIA and the other inspectors that would be required to be able to do that. Obviously, there was going to be a significant cost associated with having to basically build an additional border crossing and partner with the Montana state.

I will just move a little bit away from Coutts, and then I'll pass it again to my colleague. Just in regard to . . .

**The Chair:** I'm sorry to interrupt, member. That concludes the first portion of questions from the Official Opposition.

We'll now move on to an independent member for 20 minutes of questions. Would you like to combine your time with the minister?

**Mr. Loewen:** Yeah. Back and forth if we could.

**The Chair:** That's up to the minister. Do you agree?

**Mrs. Sawhney:** No.

**The Chair:** You want block time?

**Mrs. Sawhney:** Yeah. We'll do block time.

**Mr. Loewen:** Okay. No problem.

**The Chair:** You have 10 minutes.

**Mr. Loewen:** Okay. Sounds good. Thank you very much. Thanks, Minister, and thanks to the ministry staff for being here today to answer questions. I appreciate this opportunity. My questions are fairly brief, so I probably won't be using up all my time. I'll just run through them here. I'll go through them fairly slowly so you can make notes and be able to respond. I know that's not always the easiest to do in this type of process. Like I say, I'll just go through it here.

I'm going to start with page 167 of the capital plan. What I noticed – and I'm just going to use one line item in particular, the La Crête bridge. I think that several line items have the same situation. When I compared last year's budget, in the '22-23 column there was \$50 million allocated for the La Crête bridge. Then I look at this year's budget, and it's still the same amount of money. There's still \$50 million. When I look in last year's budget, the '23-24 allocation of \$70 million, and I look at this year's budget, it's still the same. My question is that obviously we've had some serious inflation happening here recently. I'm just wondering where the money is going to come from to make up for these differences with inflation increasing the cost of everything and if there should have been some adjustment in those line items for this year or if that money is going to come from another location.

My next question has to do with the fuel tax money that's going to be reduced starting April 1. I believe that's locked in for the first quarter of the fiscal year. Obviously, this fuel tax has traditionally been earmarked for Transportation, for highways and everything. Maybe I just need a little bit of an outline on how that process works. I'm guessing that that money just goes into general revenue, and then there's other money allocated to Transportation. I'm just wondering if that fuel tax money is going to affect the budget of Transportation.

I'll move on to page 203 in estimates, 7.2, water for life. What I'm wondering is – I guess maybe some of it's more of a comment. There are several municipalities in rural Alberta that don't have an opportunity to drill wells for farmers to get access to fresh water, so the systems that have started to take place, of course, are taking water from rivers, treating it, and then having pipeline systems to distribute it. I'm just wondering. I look at a municipality in my constituency, Smoky River, that has been having issues trying to get that distribution system set up to get water to the people within their jurisdiction. I'm wondering about that process and how we could streamline that process so that money would maybe become faster and easier to obtain for these municipalities that really need it. Again, some of these areas don't have the opportunity for their local farmers or whatever to drill a well, but these distribution systems have started when we probably need to maybe help accelerate some of those processes.

Then moving on to 7.3, with First Nations, again I see a commitment to work with First Nations to provide good water for First Nations. I know that there's probably some federal money involved in that, too, would be my guess. I'm not sure of that process, too, and I just wondered how many First Nations presently in Alberta don't have access to good, clean, fresh water.

**10:20**

I'll move on to page 165 of the capital plan, I guess, similar to my first question but this on the STIP funding. It has remained the

same year over year, with no inflation adjustment. I'm just wondering if there's another part of the budget that will be taken into consideration for inflation or if that'll just result in fewer projects that municipalities will be able to do with that funding.

Just a couple of last questions here. I'm still getting concerns, and I see that you've addressed some of these concerns, on class 1 licences and the costs to get class 1 licences. In particular, the concerns I'm hearing are from the agriculture industry, where they're not travelling great distances, but they do of course have to have the class 1 and, you know, just some of the timeline issues and some of the cost issues with attaining a licence that really is not used, you know, on long hauls or great distances or crossing borders.

The last question has to deal with foreign workers that are coming to work in the farm industry just being able to get just regular drivers' licences for regular pickups. It seems like there are some concerns on that, especially the temporary foreign workers. There are some issues there, and I'm just wondering if there's any work being done on addressing those issues there.

I'll turn the time over to you, Minister, to respond to those questions. If there's any back and forth, then I guess maybe I can come back to my time and then go back again. But I think that pretty well sums it up, anyway.

**The Chair:** Thank you.

Go ahead, Minister. You have 10 minutes.

**Mrs. Sawhney:** All right. Well, thank you very much for your questions. I'll just quickly go through them one by one. Certainly, we can reconnect afterwards as well if you would like more detail.

In regard to the funding for the La Crête bridge, as you know, this is a significant project, our first project under the FAST legislation. I know you had asked about the \$50 million that was allocated and if it's still the same, if that number is going to change. When we are dealing with multiyear projects, we know that there are going to be fluctuations, and they are built to withstand these fluctuations. Some of these numbers do have escalation built into them, but always we are monitoring the budget numbers for any extremes, so if there are any extreme escalations in supplies or services or things like that, that will be reflected as we move forward. Right now those numbers stand as they are, and escalation has been built into them, but we will adjust as the situation changes. It is early days, because we are still designing the project. We're still doing some stakeholder engagement. There are many things that need to be finalized, and as those elements come together, the numbers will be adjusted accordingly.

Now, in regard to the fuel tax, that was a good question. The funds will go to the general revenue fund. There is no impact on the Transportation budget as a result of those changes, particularly on the capital budget side.

I'm just going to jump over to the STIP funding. I had mentioned earlier that there is a \$25 million increase to the budget in 2024-25, and of course we know that inflation is a reality. Again, I had mentioned earlier as well that approvals are based on it as a percentage, not on the absolute dollar value for STIP projects, so if costs do go up, government funding approvals will also reflect accordingly as the percentage goes up.

I know that you had asked a number of questions around water projects and, in particular, water projects for First Nations communities. I do want to elaborate on that in more detail. We do have the First Nations water tie-in program. As you know and I think you had mentioned, Member Loewen, the federal government is responsible for funding water/waste-water systems within the First Nation boundaries. These are conversations that I continue to

have with the Minister of Indigenous Relations as well because, obviously, we hear from our stakeholders and we hear from Indigenous communities. They deserve to have a voice about some of their challenges as they relate to water. Certainly, a big component of that funding is within the purview of the federal government, but I will continue to advocate, as will my colleagues as well, and certainly have an open-door policy to discuss any of the issues around this program. I'm also in contact with my federal counterpart, the Minister of Transportation, to discuss some of these water issues as well.

I'm going to jump over to class 1 licences. We've had conversations in the past, and I know that there is a significant issue with a shortage of qualified truckers, particularly in our rural communities. That is why we had announced this grant funding, to help support those who are underemployed or collecting employment insurance to take advantage of some of this government funding to help them get through the class 1 training. We also are working on some virtual reality training. We have a virtual reality simulator project that we're working on right now, that will help those who live in rural and remote communities access training that potentially may be difficult to access otherwise. There are many issues, and I know that some people don't drive trucks for a living. They just need to be able to move their goods seasonally, and the cost of the program can be a barrier for many. That is the reason why we have this grant in place.

The question has arisen: "Well, what about those who aren't on EI? What about those who can't afford it? They're doing something else, but they want to get into the trucking industry." We are currently in the process of redesigning something that would be applicable to those who are underemployed so that they have the opportunity to obtain a class 1 licence.

I had mentioned a \$3 million grant targeted specifically for women. There are more women in the trucking industry than you think, and there are more women who want to enter the trucking industry than people realize. There's a whole program that is being developed right now to encourage women across the province to take advantage of this funding to help them obtain their licence as well.

I know that you had also mentioned temporary foreign workers. Right now we have a huge labour shortage, not just in the trucking industry but in the construction industry as well, so this question has been posed to me by other individuals. The question has always been around, like: what can we do to encourage more temporary foreign workers to take advantage of these opportunities? That, again, is within the federal realm. That whole program is, obviously, administered by the federal government.

I'm sorry. I apologize if I missed this. I know that with some of our temporary foreign workers who are working here, drivers' licences are issues. I'm not sure if that was one of your concerns. That is something that I'm going to be talking to the department about just to get a full-scale briefing on what is happening, what the gaps are, and what we can do from a policy perspective to fill those gaps, because we cannot afford to keep incurring these labour shortages. If we have qualified people out there who can take up these positions and there is a barrier to entry, whether it's not being able to obtain a driver's licence or whatever it might be, we need to address all of those issues.

I will come back to the water for life program. We are actually reviewing new applications right now, so if that is applicable to municipalities within your constituency, please do make your municipal leaders aware. New projects will be announced in the new fiscal year. This program is stable, it's resilient, and it's ongoing. I would encourage anybody who is seeking additional support for their water projects to please do read the parameters of the grants, reach out to my department or my ministry if any

assistance is required, and keep those lines of communication open. I think the name of water for life, the name of the grant, is so apt. Water is life. It's important that municipalities have the resources that they need.

**10:30**

I'm just looking at my notes here. Will there be any future administrative changes as a result of the Alberta municipalities waste-water task force? Thank you to my deputy minister for reminding me of this. This is very important work that is currently being undertaken by the government as well as our industry members. They are going to be coming to us, this particular task force, and providing us with recommendations around regulatory approvals, funding processes that are associated with water and waste-water projects by the end of March. This is important because this means that the system will only get better. We'll have better recommendations. We're certainly focused on innovation and new technology as it pertains to waste-water projects.

Member Loewen, I hope I was able to address the majority of your questions, but if not, I would be happy to discuss further.

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

Go ahead, Member.

**Mr. Loewen:** Yeah. Thanks. I just wanted to maybe clarify the temporary foreign worker issue that I became aware of. I think they're allowed to use their national licence or international licence for three months less a day in Alberta. In B.C. they're allowed to use them for six months less a day. That is what I understand. Of course, when they're coming and working for six months or something for a seasonal job on an agricultural farm, then that process has become a little more – well, it's been kind of complicated and not really that business friendly, I guess I would say. Obviously, a tourist can come to Alberta – actually, millions of tourists could come to Alberta – and use their licences for weeks at a time, and that isn't a problem, but when it comes to somebody that's going to come for months, then it might be something that we need to look into to just make it a little more effective and a little more free flowing for the businesses that have these temporary foreign workers for an entire season.

I'll leave my comments at that. Thank you.

**Mrs. Sawhney:** I'll just respond very quickly. My team assures me that those licences are applicable for one year.

**Mr. Loewen:** Oh, is it?

**Mrs. Sawhney:** Yeah. It's one year.

**Mr. Loewen:** Okay.

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

Are you going to cede the rest of your time, sir?

**Mr. Loewen:** Yes.

**The Chair:** We'll now move on to the 20-minute block for the government caucus. We'll have 10 minutes. Do you wish to go back and forth? I have to ask the question just to be polite. I understand that the minister may not agree.

**Mr. Getson:** At the minister's purview. If she wants back and forth or block time, I'm good either way.

**Mrs. Sawhney:** I would prefer block time. It allows me time to get all my information together so I can answer the questions thoroughly.

**The Chair:** Thank you very much.  
Go ahead, Mr. Getson.

**Mr. Getson:** Well, I appreciate it, Minister and your staff, and might I say that your technical background, being a professional engineer, shows on this file. When comments are made that Transportation is a junior file – yeah, I don't know how. You have road, rail, air, any linear infrastructure, and if we had a port, you'd probably have a navy out there as well. There are a lot of things.

My comments or, I guess, the questions in this format are going to concentrate predominantly on supply chain capacity, so page 36 of the fiscal plan and also page 106 of the business plan. I also want to jump into the MELT program a little bit. Obviously, we've touched on it, and if there are any repetitive items, I apologize in advance, Minister. You don't need to re-answer questions that have already been asked.

The first one that I want to jump into here is Yellowhead Trail. Again, you understand I'm kind of a one-track mind. We're already talking about corridors and those types of things and really opening up opportunities, movement of goods and services. We've seen the perfect storm both with, you know, a little bit of civil unrest showing the criticality of some of our border crossings. We've seen weather events coupled with that. We've seen backups and backlogs on the logistics and transport side. When it comes to rail capacities, we're seeing potentially strike conditions now with that. Again, in your portfolio it's very critical to make sure that goods and services are moving freely back and forth. The Yellowhead west of Edmonton: I just want to see if there was an update on expanding that and putting an additional third lane in.

The other one, too, that I want to talk about, if we can, is a little bit about the supply chain impacts, if we have a dollar value for that from what we've seen and how we can potentially alleviate that with some of the new projects you've been talking about. Logistics and short-line rail: through the study that I was working on, I know you're a big fan of that as well. What are some of the levers, the mechanisms that we can use? I'm thinking of the Battle River railroad as an example. We have Oyen and Foremost, which have stepped up there, as well as other economic corridors, potentially the line up to Alaska, potentially utilizing some of the underutilized infrastructure we have in northern Alberta to alleviate rail from heading all the way back to Edmonton and getting out to Alberta's port, which is Prince Rupert.

What else do we have here? The strategic aviation council. I'm a fan of that. Actually, I'm one of the advisers on that group. Minister, thank you again for attending the Alberta International Airshow, at which we showcased aerospace and aviation in the province, had a bunch of like-minded folks get together, and, quite frankly, had attention globally brought to our little neck of the woods. As well, we kicked off the strategic aviation council. If you could maybe advise a little bit more on some of the inner workings of that and how it's literally going to grow and enhance and bring Alberta up into a place to be for a logistics hub, not to mention just tourist travel, those types of things.

Highway 60: Minister, the previous government had a big, splashy announcement out in my area. The cameras were there. It just happened to be pre-election. The mayor of Parkland was there. Everybody would have thought that there would have been monies allocated to it. Unfortunately, when we got into these rooms, we found out it was just smoke and mirrors. Now, that is a key element to that area and the region. Parkland county took an exorbitant hit when coal mining stopped. They lost about 25 per cent of their income and revenues from it. They have been growing the Acheson industrial park, which is a major hub. We talk about the Amazon investments. We have Champion Petfoods over there plus all the

other groups and organizations flocking to that area, quite frankly, because it's a better jurisdiction for tax value. It sits right on the hub of Edmonton and literally is at the heart of that area. We also have the CN Rail line, which is there, and we have fire services on one side of it.

Minister, I'm sure you're aware that this has been on the books for a long time. Coming from the Acheson Business Association, a recent meeting out there of their town hall with the county, this was the number one thing. We really need a line of sight, and I'm hoping you can give us some good news here and say that there have been monies allocated and that we will be proceeding on construction work, not just the engineering studies, and an update on the acquisition of the lands.

I think, with that, given that the other ones are just around the MELT program, I'll cede my time to the outstanding MLA from the Fort McMurray region, MLA Tany Yao.

**Mr. Yao:** Thank you so much, my friend, and thank you, Minister.

**The Chair:** This is block time, Tany, so you just have to ask your questions.

**Mr. Yao:** All right. Thank you very much, Minister and your team, for all of your hard work. My questions are pertaining to the region around Fort McMurray. My first question is around highway 686. In the northernmost overpass in the Fort McMurray region there's an overpass that leads to 686 which has all the great signage but is a dead end. Certainly, one of the desires of the region is to have a second exit out of the community after the 2016 fires. The 686 would lead to the Peace Country, which would enable access to an entirely new region that is undeveloped. It would help our forestry and lumber people have access to fibre. It would enable more access to some oil sands developments. It would really be a boon to the economy. As well, it would also provide support for a lot of the First Nations that live in that region, who tend to be somewhat isolated from the rest of the province. I wish to know if government officials have discussed this passage, if this is being discussed amongst the leadership, and if this is something that we can see in the near future, support by our government or a future government regarding this particular corridor.

My second question is regarding highway 63 north of Fort McMurray. This is the road that, again, accesses many of the oil sands operations. For decades it was a single-lane highway with high traffic that resulted in many accidents and many deaths. I, personally, can attest that some of my worst memories are of responding to incidents on there. In order to enable growth up in that region as well as enable people to travel from Fort McMurray to these sites in a way that is expeditious, that allows them to travel a little bit faster so that the commute is a little bit more tolerable, I understand that the minister has looked at and is investing some money into the continued twinning of this highway. I was just wondering if the minister could provide more details on highway 63 north of Fort McMurray.

**10:40**

My third question pertains to the passage between Fort McMurray and Edmonton. Unlike, say, Grande Prairie and the Peace Country, where we can travel on a twinned highway for five hours for 500 kilometres, the road to Fort McMurray is not in that stage yet. There are still 190 kilometres of single-lane highway that I travel. The excuse I've been given by previous administrations has been that there are multiple routes that people can take to get up to the twinned portion.

That said, I don't accept that answer, considering that the region provides billions of dollars in revenues for the province and for the



nation. There continue to be a lot of large vessels as Edmonton is a large manufacturer of a lot of the components that the oil sands need to operate. Thereby, it does support Edmonton and the surrounding areas and their industries to provide Fort McMurray with much-needed infrastructure. That is a boon to our economy. My question is: is that on the government's radar at all, to consider twinning the highway, finishing that twinning, that extra 190 kilometres between Fort McMurray and Edmonton?

Again, considering the contributions of the region, my region with the chair's region of Bonnyville-Cold Lake-St. Paul, northeastern Alberta has contributed a lot. There are a lot of jobs that are created. There are over 20,000 people that commute within Alberta to the northeast region; 20,000 is a substantial number of people traversing those single-lane highways. They fly as well, but these things would certainly make things a bit more bearable on those roads. As well, it might actually promote some of the people from out of province – there are over 10,000 people that commute from out of province, from across the nation, to the oil sands to work. If they certainly saw better amenities within the region, perhaps those are some of the things that might contribute to them choosing to live in Alberta as well as choosing to pay taxes and contributing to our Alberta economy.

Thank you so much, Minister, to you and your team.

**The Chair:** Thank you.

Minister, you have 10 minutes to respond.

**Mrs. Sawhney:** Thank you, Member Getson and Member Yao, for your questions, and thank you for your advocacy as well. I know how passionate you are about representing your individual constituencies, and I greatly appreciate it.

Member Getson, I'll begin with your questions. I know we had started with Yellowhead Trail, but I'm going to talk about the supply chain first. You may be aware that I am the co-chair of the council of ministers, and just recently we had a meeting – I think it was two weeks ago – discussing supply chain issues. There does need to be a national response, because there are things that we can control and, obviously, there are things that are out of our hands: extreme weather events such as what we saw with the B.C. storms and the wiping away of highways and bridges. Luckily, that infrastructure was repaired more quickly than any of us endeavoured to expect. Labour shortages, obviously, play into supply chain issues. There is some great conversation at the national level to see how we can address these issues more holistically. I'm also the chair of Westac, and I was actually in B.C. shortly after the B.C. storms, and again these same topics were top of mind.

In regard to what we are doing within the government of Alberta – and I alluded to what we can control and what we can't – what I can control is to try to fill that gap in labour shortages in commercial trucking. I've already spoken about the driving back to work grant, that will make an impact on the labour shortage piece. I had also mentioned that I'm working with my federal counterpart to really advocate for more federal dollars to create more resiliency in our infrastructure, particularly for highway 3. During the B.C. storms a lot of the traffic was diverted down south to highway 3, and it became really apparent how critically important that piece of infrastructure is. I'm in discussions with the federal government to try to get the entire portion twinned. Wish me luck. Those discussions are ongoing, and of course we have other conversations as well.

When I speak about redundancy, I'll come back to Member Yao's question as we talk about 63.

Going back to Yellowhead Trail, let me provide an update. Yellowhead west of Edmonton to highway 16: functional design is

under way for the widening of highway 16 from Anthony Henday to highway 779 to six or eight lanes, and the project will identify and recommend short- and long-term improvements to highway 16 from highway 779 to Anthony Henday Drive that maintain the efficient movement of traffic along the main line and at interchanges. Now, the planned next steps are: develop improvement options, selection of the preferred options – and that'll happen this fall – and public engagement, which is phase 3, and that will happen in the spring of 2023. The functional planning study is expected to be complete by the end of 2023. So that's an update for you.

Just going back to supply chain, I had mentioned the work that we're doing in terms of tackling the labour shortage. Your question was around: what is the role of aviation logistics and short-line railways in our discussions around supply chains? Clearly, railways operating in Alberta also play an important role in supporting Alberta's economic development through their network. We've had conversations about this. We've discussed how the economic corridor development should have been – we should have been working on this a while back, but we're going to start working on it now, particularly in light of everything we're seeing around the fragility around our supply chain as a result of the pandemic, as a result of B.C.'s storms, and now we've had this issue at the Coutts border, which has also highlighted the need for more redundancy.

Strategic aviation council: what is their role? Their role – and you are an advising member of that council – is to help advise government as to how we can better support the aviation sector in terms of economic recovery and unlocking additional opportunities for development. As I'd mentioned before, it is very robust, and there are a very distinguished number of individuals that comprise council, so I'm looking forward to hearing more about how they can advise us on how the government can support economic growth and beyond postpandemic recovery. The council will consider air cargo services along with other aspects of aviation as it develops these recommendations.

Now moving on to Member Yao's questions. I know we've had conversations on highway 686 from Fort McMurray west to Peace Country, and I had just talked about redundancy in infrastructure. We have seen that not only do we need to enhance resiliency; we do need to have redundant infrastructure. I use the word "redundant" in quotes because I think opening up that corridor in the north would be incredible for economic activity and for providing additional infrastructure to move goods and people along that corridor. Now, in 2011, you may be aware, Stantec consulting completed a functional planning study for a new 218-kilometre highway link between highway 88 and Fort McMurray that would create that east-west northern corridor. Recently I had asked my department to validate the planning assumptions of this 2011 study and to update the cost estimate, so we are working on this. It's very early days to comment beyond what I've just said, as of yet, but your vision is very compelling, and I'm in alignment with it, and I would love to share more information as we progress.

All right. Yes. My deputy minister is reminding me – and it's a great reminder, because I do want to emphasize that we work with an oil sands engagement committee that has representatives from municipalities and industry stakeholders as well in terms of priorities.

What you were saying about the northeast being a significant contributor to the province and to our provincial revenues, et cetera: I mean, that is an apt statement. You can't disagree with that. I know that the question was: have we considered twinning all of highway 63 from Fort Mac to Edmonton? We've completed plans to upgrade highway 63 from Atmore to highway 28, but currently there is no intention at this point to consider twinning highway 63 from Fort

McMurray to Edmonton, and the reason is that the traffic volumes don't warrant twinning at this time. However, having said that, I do want to have further conversations in light of your comments about the importance of the region to the entire province and the need for better infrastructure for that travel, so we will revisit this conversation.

**10:50**

An update on twinning project north of Fort Mac on highway 63: this project is in design phase and is expected to be completed by summer of 2022. I know that we have to have more conversations on these particular projects, and I'm happy to do so, but hopefully the update that I've provided up until now will be sufficient to garner more conversation around it.

Thank you.

**The Chair:** Members, you have one minute and 37 seconds to continue your questioning.

**Mr. Yao:** I'd like to pass the time on to my co-worker Mr. Getson, please.

**The Chair:** Go ahead, Mr. Getson.

**Mr. Getson:** Perfect. Thanks, Minister. You know, as an MLA representing one area, it's always fun, but the biggest challenge was to try to weigh that against the benefits and the advantages overall in the province on that corridor task force. Again, I can't emphasize enough that northern area. It was one of those elements of criticality, when we look at the overall supply chain, where everything seems to be pushing south and into those, quite frankly, pinch points. You know, my constituents will understand when I fully support 683 up north and decoupling that to make sure that we can move those products and materials. Not only was it of significant importance socially and the impact up there for First Nations communities and otherwise, but literally it starts to garner us capital that you wouldn't believe that could potentially have an overall impact of about 17 per cent GDP for the overall province.

Again, when you start looking at the backups of what took place not only in Canada but in the United States, with the port of Long Beach, port of Los Angeles, then having impacts on what was taking place up in the port of Vancouver and our northern communities having issues double handling pulp and paper products and the additional transport and wear and tear, literally: the rail capacity can't emphasize that enough. We need to look at those short-line rails. Everything in that northern area you're talking about, Minister: you're spot on. I really appreciate your advocacy on that.

**The Chair:** All right. Thank you, members. We will now take a five-minute break, followed by a 10-minute block with the Official Opposition. Please be in your seats.

[The committee adjourned from 10:53 a.m. to 10:58 a.m.]

**The Chair:** Thank you very much, members. Please take your seats.

We will now move on to a 10-minute block for the Official Opposition. I will ask the question: do you wish to go back and forth with the minister? You can ask.

**Ms Sweet:** Well, ideally, I'd like to go back and forth with the minister, but I will respect her decision.

I appreciate your comments around the supply chain. I'm wondering also, because I was cut off in our last block, if you'd be able to maybe answer those questions when it's your opportunity to

do that, just in regard to the cost analysis for infrastructure for Coutts.

I would like to continue on with looking at the supply chain. Obviously, we're hearing that there is a potential rail strike that may be happening, which is already starting to raise concerns in the agriculture sector on access to getting to the border. What is the government's position on the rail strike, and what is the position on advocacy to the federal government to ensure that we continue to have that rail access if there is some form of strike?

In addition, have you been working with the federal government in regard to trying to get more railcars being available? We heard over the winter that pulp being able to access the port was being limited due to rail access, and the hope is that some of that has been dealt with or that conversations have been happening with the federal government around that.

The piece that I'd also like to focus on is, of course, the Vancouver gateway. Obviously, there was support to renew federal funding for investment in the Vancouver gateway in regard to priority roads, rails, and port infrastructure projects that were supposed to go to 2030. That was to address the bottleneck and the congestion that was happening around that area. Obviously, with the B.C. floods and the disruption with rail my question would be: are we still on target for that 2030 tying, or has that been shifted? Obviously, that does impact the resiliency of the supply chain and moving Alberta agriculture and forest products to the Asia Pacific region.

In addition to that, the Vancouver port currently has about 250,000 pounds of honey which is headed for Japan, and it's been sitting at the Vancouver port for about three months. The value of the honey is approximately \$800,000. Japan is Alberta's honey industry's largest market, obviously outside of the United States, and it seems to be a large problem for the Alberta beekeepers to be able to get their export out of the Vancouver port. It's also been identified that this issue is happening in Manitoba, so what they've had to do is that they've actually had to start using air to get their product out. I'm just wondering if the minister would be able to comment on some of those supply chain issues, specifically about what solutions are being brought up to address those specific concerns.

I will pass it to my colleague for Calgary-Bhullar-McCall.

**The Chair:** You have about two minutes left.

**Mr. Sabir:** Thank you. I will be really quick. Minister, you're responsible for transportation overall, and that includes different modes. It's outlined in your outcome 1 of the business plan, and key objective 3.1 says that you work with partners to support innovative, cost-effective transportation mobility options for Albertans. I'm sure this includes ride-share modes of transportation, including cabs. Again, there are many in my riding, in Calgary-North East, your riding who rely on that to earn their living. I think there are a few things that are impacting them quite heavily. One is fuel costs; another is insurance costs. I do understand that they do fall outside your purview, but because of these policies they are becoming less competitive. They are being hit really hard, and I think they want to know what Transportation can do to help them remain competitive. I think with cabs insurance is dealt differently. With ride-share arrangements insurance is more within the provincial purview, so there are questions around that, too, and if there are any plans that can help reduce the costs for those operators in the cab industry. I think that with respect to insurance I fully understand that that's within Treasury Board and Finance. The question I have: what conversations have you had with that ministry?

**The Chair:** Thank you, Member. That'll have to wait until the next round.

Minister, you have 10 minutes to respond.

**Mrs. Sawhney:** Okay. Thank you to Member Sweet and Member Sabir for their questions. I just want to go back to Member Sweet's questions around the Coutts border and what was done to ensure that we could get some of those cattle loads across the border. Now, we had diverted to Del Bonita, and there was a system set up so that livestock could go through Del Bonita and then get rerouted to Sweet Grass for inspection. I mean, obviously, we would have preferred to have all of that infrastructure built in at Del Bonita, and this is actually within the realm and purview of the federal government. We did work with the Canada Border Services Agency as well as the U.S. border agency, and we requested this of them in the early days as well because we knew that there was going to be a significant impact on those who had live cattle and couldn't get across the border. Certainly, we did a workaround, a very quick workaround, working with both of these service agencies to make sure that they could get through Del Bonita and through the inspection facilities there.

I understand that there was then an impact particularly on the companies, particularly on the beef industry, but I think the workaround that we did put in place – and it was very quick – certainly mitigated the impact. I know it's not perfection, but a lot of this was out of our control. I was very vocal about asking for additional infrastructure, and unfortunately it's not that easy to create. We didn't really know when the conclusion of the situation at the Coutts border would happen, but ultimately please know that there was strong advocacy on our side because it's our province. These are our industries that were impacted, and we were very motivated and invested in a positive outcome for them.

**11:05**

In regard to the Vancouver port, I know that there were a number of questions asked there. I'm also familiar with the situation with the load of honey that has been sitting there at the Vancouver port for months on end. This situation: the supply chain issues are very real. Again, there are many aspects that are really outside of our control, but certainly folks there heard from me when I was out there in Vancouver in December of last year. As chair of WESTAC I had posed a number of questions: what are the issues, what can we proactively do, and how can we influence the movement of these goods? There isn't a lot that we can directly control, but I do understand that it is an issue, and I've certainly written letters to members at the port authority and had conversations with them to ask if there's any way that I could assist or advocate. I know that they had also applied for some funding under the national trade corridors fund and were successful recipients of it to increase their capacity. I think it's their capacity for storage containers. I may be incorrect on that, but hopefully that will enhance their ability to get things moving forward.

Now, going on to the potential of a CP strike, I'm deeply concerned about this, and I've had conversations with my cabinet colleagues, particularly with the minister of agriculture and forestry, and we've had conversations with stakeholders recently. I think we probably chatted to the same stakeholders at the same event about the terrible consequences of a CP strike as it pertains to feed for cattle in particular. I know that some cattle feed organizations have indicated that they maybe had a week's supply of feedstock available. This is deeply concerning, so I do have a letter that I have drafted that I will be sending to the federal Minister of Transport. He is also well aware of my concern. We certainly know that inaction by the federal government is going to lead to

devastating negative economic consequences for Alberta and for Canada as a whole because the whole nation relies on our beef industry to move forward, and railways are a crucial transportation link in Canada's trade-dependent economy.

There was a question around additional railcars, discussing that with the federal government. I do believe my colleague has had that conversation.

**The Chair:** Thank you very much, Minister. We can catch up with that at the next round.

We'll now move to a 10-minute block, five minutes of speaking time for each of you. Do you wish to go back and forth with the minister? I'll ask the question. It's up to the minister.

**Mr. Turton:** No. I prefer blocks, actually.

**The Chair:** Awesome.

**Mr. Turton:** Perfect. Excellent. Well, thank you very much, Minister, for being here this morning and providing answers to this committee. I have a number of questions I want to ask. Specifically, I'm going to start off with a couple of projects in my neck of the woods, and that's specifically highway 628. As mentioned by the Member for Lac Ste. Anne-Parkland, you know, this project was also one of the projects that the previous government had a lot of fanfare about in terms of supporting. I was the deputy mayor for the city of Spruce Grove and was in the meeting when I heard first-hand how it was funded and was going through just before the election. Obviously, the change of government happened. We found out that no funding existed for this project.

For the benefit of the hundreds of people that are probably watching this morning, highway 628 is actually an extension of the Whitemud freeway. It runs all the way from Edmonton past Enoch First Nation and connects directly to Stony Plain and is a key priority and key transportation arterial west of the city, obviously, and services all the residents of Parkland county, Spruce Grove, and Stony Plain. I guess my question to you, Minister, is: does this budget actually support any of those expansions for the Whitemud extension?

Another project I just want to talk about and ask specifically about is a highway 19 project between Devon and the international airport. This is another key arterial here in the Edmonton area. It serves as an outer, outer ring road past the Anthony Henday. Every day there are thousands of people that take that key arterial both to the airport as well as to work at Nisku. I mean, in the late '90s I used to actually take that road when I was working in the fabrication sites in Nisku, and in 20 years I've seen the traffic on that road just continue to grow. Now, I know that in the budget it does talk about the east and west sides being expanded, but there's nothing about the middle portion, so I was just hoping that perhaps you can touch base a little bit about that.

As well, I just want to talk a little bit about some other key priorities in the capital region, specifically the city of Edmonton's 50th Street project. Now, obviously, this is good news for Edmonton, and I guess I was just wondering if the minister could maybe highlight some of the other key municipal grants funded under Budget 2022 for the city of Edmonton. I know 50th Street quite well both from taking my own family to soccer games there on the south side as well as going down to Beaumont.

Also, another key priority in the province, the highway 3 twinning project between Taber and Burdett. Now, obviously, highway 3 is as well another key arterial here in the province, and it serves many value-add agricultural products and manufacturing sites down in southern Alberta. I know that there are a lot of residents in that part of the province that are obviously concerned

about that, so I was just wondering if you can provide an update to the status of highway 3.

Also, another: to kind of go about five, six hours north, I was wondering, Minister, if you can provide an update on highway 28 to Cold Lake and any work being done on 881. Obviously, that is a key part of the province. It services a lot of oil sands projects in northeastern Alberta, and I know that many residents across the province will be very anxious to hear about any potential upgrades on that project.

I just want to touch base a little bit about transportation. I've been very entrenched in transportation and especially on public transit over the last 12 years with my municipal background. In one of the key objectives outlined in your business plan on page 108 it talks about GreenTRIP and STIP: you know, \$52.9 million for GreenTRIP and about \$149.7 million for water infrastructure grants. I guess my question is: how many projects does this funding actually support, and what is Transportation doing to ensure that funding continues to be provided to municipalities under the STIP program?

My last question. I know I'm talking quick. I know that recently the ministry matched some federal funding which is providing operational support for municipalities and public transit. This is obviously a huge interest in my riding and to the thousands of people that ride on public transit from Spruce Grove and Stony Plain into Edmonton as well as the city of Edmonton. I know this was a key ask by Mayor Sohi in Edmonton. I'm just wondering if you could talk about: why is this so important for the province and for the ministry to match that federal funding?

Thank you very much.

**The Chair:** Thank you.

Minister, you have five minutes to respond.

**Mrs. Sawhney:** Thank you, Member Turton, for your questions. Maybe I'll just start with your last question first or your comments as well, because it's very fresh and it's incredibly good news. The province is matching the federal funding that was announced by the deputy minister back in mid-February in regard to providing additional operational funding for transit systems. It was announced in mid-February. We received the term sheet in the beginning of March, and I'm very pleased to say that we very quickly went through the analysis and came together, got Treasury Board approval, and we are committed to matching that federal funding to provide more funds to transit systems across our province that are basically based on population and ridership, the funding allocation.

Now, of course, this is contingent on federal approval, and I do expect it to be forthcoming as this with their announcement. It was very important for us to ensure that we could provide this additional funding because, number one, it's never a good idea to leave even a dime on the table when it comes to federal dollars. I'm a huge advocate in bringing back that money however we can, whenever we can, and in this particular case it's critically important.

**11:15**

I've always said that transportation is a social determinant of health, and there are many people who rely on public transportation. I certainly did when I was a student. I didn't even have my own car, actually, ironically, until I was in my early 30s. I relied on transportation to get to university, the circle route. I relied on transportation to get to work. Everyday Albertans, vulnerable Albertans, seniors, people that have disabilities: they rely on our transit services, and it's important that we as a provincial government do invest. So I was very pleased to make that announcement, and I

know that you also share a great passion for making sure that we invest in our public transit infrastructure.

I'm going to go back to your other questions around the secondary 628 Whitemud extension west from Edmonton to Stony Plain. Now, I'm just going to read some of this verbatim so that you have a very good, accurate update. The realignment for highway 628 west of highway 60 is not on the current provincial construction program, but it will continue to be considered as a priority as a construction program is developed. The new alignment will replace the existing gravel highway 628. It will be relocated on a new parallel alignment north of the existing highway 628, and a design consultant for this project will be selected in the future. The upgrade of the existing gravel portions of highway 628 will continue in 2022. Certainly, we can have some more conversations about this further.

There was another question, about the middle portion of highway 19 that's not being twinned. Just to backtrack, Budget 2022 includes \$43 million in 2022-23 for the west segment of the three-way highway 19 twinning project. The east segment, which is 2.4 kilometres between the QE II and range road 253, was completed in September 2019. Twinning of the west segment, three and a half kilometres of highway 19 between range road 261 and highway 60, commenced in 2021, and it's expected to be completed by the fall of 2022. Your question was around the middle segment. Phase 3 is the middle segment of highway 19 and could proceed when design is complete, all the required land is secured, utilities are relocated, environmental permits are obtained, and, of course, as provincial funding becomes available. I do want you to know that we did apply for federal funding under the revised criteria under the national trade corridors fund, and currently we are awaiting a federal decision for that.

I know you had some questions around Edmonton municipal grants, but I'm just going to jump to the highway 3 twinning project. As I had alluded to earlier, this project is becoming more and more critical as we talk about resiliency, particularly after observing the extreme weather events as a result of the B.C. storm. In terms of an update on the Taber to Burdett aspect, this was part of the stimulus economic recovery plan, and the preconstruction work is ongoing. We anticipate that a contractor will be procured by this fall. So things are moving quickly. Just to throw some numbers out at you . . .

**The Chair:** Sorry to interrupt, Minister.

We will now move to the Official Opposition for five minutes of questions and then five minutes of answers from the minister. Go ahead, Mr. Dach.

**Mr. Dach:** Thank you very much, Mr. Chair, and through you, sir, I would like to express the hope that the minister will take to heart something that she said earlier in her comments. It really made me perk up when she said that it was, quote, never a good idea to leave a dime of federal dollars on the table, unquote. I'm certainly hoping that that happens to be a crossministry mantra that is posted up in every minister's office, because it certainly doesn't seem to have been government policy throughout the term of this particular government. So we'll watch for that to become more of a policy that's actually invoked by other ministers throughout the government. That was something that struck me off the bat.

I also wanted to comment quickly on the minister responding about the new transit funding. We saw the announcements of matching funds for the federal initiative to support public transit. It's a different issue than STIP, but I would want to know exactly where in Budget '22 is the line item for provincial matching funds to that federal initiative. I don't see one.

I also wanted to move quickly, though, to other things and talk about some very important local projects that I have a few moments to discuss. Now, Mr. Chair, previously the Premier had promised the good people of Lethbridge a new bridge over the Oldman River. That's the highway 3 bridge. During Public Accounts with the Transportation ministry we heard that there were zero work plans by the ministry to replace the bridge last year. Now, that was a promise made and a promise broken. In the Budget '22 capital plan I'm wondering if there is funding for a replacement bridge over the Oldman River in Lethbridge. The Premier made a promise for this new bridge. Has that promise been rescinded? Why are the people of Lethbridge being left out? They are certainly wondering if they are not going to get a bridge, because it seems to be out of the plans of the government.

I'd like to ask about some other projects that are possibly being funded, and I want to know if they are actually being funded. Now, Strathcona county is looking for an interchange overpass for highway 15/830. That's been the county's top priority for years. I'm wondering where it sits on your priority list. If it's not there, what does it say to the doughnut communities around Edmonton?

Secondly, I know the town of Canmore is looking for a pedestrian bridge over highway 1 as a priority. It would help with safety, tourism, and it has real value. Now, is that project funded in your budget? If not, why not?

Now, Mr. Turton mentioned highway 628 from 231st Street to Edmonton city limits. Once again, this project was announced in 2019. What happened, though, was that the previous government, the NDP government, had approved the funding, but your government yanked it. Indeed, the project is, I agree, a very, very important one and is an economic driver. It used to be my commuting route because I lived on an acreage not too far off highway 628. It's a public safety issue. It relieves congestion on highways 16 and 16A. The roadbed is soft, and it's been difficult to maintain for many years even at lower traffic volume. It's a project whose time is past; it's long since past the time since that project should have been started. I think you should take our lead and actually continue on with the funding to get that project ongoing. It's a huge economic development driver for the area west of Edmonton, and it should be undertaken. Hopefully, you will be planning to do that.

Also, you spoke earlier about how important it was to make sure that those roads in poor conditions throughout the province were maintained, and you indicated that poor condition didn't mean unsafe. Well, I beg to differ in some of the cases, Madam Minister. I know that the roads that I've driven, particularly highway 55 east of Athabasca to highway 63, are in terrible condition. They've been begging and whining and trying to get the ministry to repair to a safe condition that highway but to no avail so far. There have been some attempts, but it's really still – and I've driven it. There's a big rut down the centre line. It really is unsafe for commuters as well as for commercial drivers.

There's highway 881, the Keyera project, traffic concerns. They're developing the south end rather than the north end of highway 881. With the additional traffic load the commuters . . .

**The Chair:** Thank you very much. I would encourage the member to direct your questions through the chair at all times, please.

Minister, you have five minutes to respond.

**Mrs. Sawhney:** Okay. Thank you, Chair. I'm just going to go back to answer a question that I didn't get an opportunity to answer that was posed by Member Sabir, and that was around the ride-share industry and some of the insurance issues that are experienced by our taxi drivers. I do want to reassure the member – and he knows

– that I've had much engagement with industry members and drivers. More recently I took their concerns directly to the Minister of Finance. We were at the McDougall Centre. I had invited a number of individuals representing different companies to come to directly express their concerns. As you're aware, insurance is also under the purview of Treasury Board and Finance. We had a very articulate group of people who expressed their concerns directly as it pertains to no-fault insurance.

11:25

They also provided some innovative recommendations that are with the minister right now. I do understand that these issues are real, and they impact the ability to earn what these drivers had earned before because of insurance costs, but rest assured, to anybody who may be listening, that these concerns have been relayed directly to the minister who is responsible for the insurance file. I just wanted to make sure I get an opportunity to address that question.

Now, Member Dach, you had asked questions about the Oldman River bridge. Actually, before that, you had asked a question about public transit: where in Budget 2022 is this additional operational funding included? As a matter of fact, it is not in the budget. I had mentioned that the Deputy Prime Minister had announced the additional funding for operational dollars for transit infrastructure in mid-February, February 17 to be exact, and we had already developed our budget, so obviously there was no opportunity or even possibility to add this in the budget at that time. So you won't find this funding, the \$79 million, in budget documents everywhere. However, they will be included in the budget, and they will be included in the current year's budget. That is the answer to that question.

The highway 3 Oldman River bridge replacement in Lethbridge. Just to backtrack again and provide some history, in 2017 Alberta Transportation did undertake \$4 million rehabilitation work on the bridge to extend the life of the existing bridge structure for another 10 to 13 years. Now, right now, if we were to replace that bridge, the highway 3 bridge over the Oldman River, the current estimate is at \$107 million, and right now it is considered a future project, outside the three-year construction program. That is the update on this project, and if we have any other developments that will take place on this particular piece of infrastructure, I will surely inform you.

There was also a question around: what is being done at the intersection of highway 16 and highway 830, range road 214? We all know – we all know – that Alberta's Industrial Heartland is a major economic driver for both this region and, in fact, the entire province, and I'm very pleased and happy that we are seeing additional investments come through to the heartland area. I could rattle them off, but you all know them, and certainly Dow Chemical is one that stands out. The advent of these recent energy development projects that have been announced means that we're going to see increased growth in the region, and that's going to obviously affect current road and bridge infrastructure.

In 2017 a highway 15 functional planning study identified that an interchange and grade separation of the intersection with the Canadian National, or CN, rail line would be needed in the long term – we know that this study has indicated that – and when warranted, based on development and rail traffic. Constructing an interchange at the highway 15 and highway 830 intersection will take six years, from engineering to construction completion, at an estimated cost of \$164 million. The engineering could begin in 2022-23, and construction funding would need to be requested in a future capital plan submission. We know, as I'd mentioned before, that the Industrial Heartland is very critical to Alberta's economic growth.

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

We'll now move on to block time with the government caucus. Go ahead, Mr. Rehn.

**Mr. Rehn:** Thank you, Chair, and thank you, Minister, for coming here today, and thanks to all your other department members who accompanied you to help us out.

I wanted to talk about safe roads. Budget 2022 reflects the continued implementation of SafeRoads Alberta, with \$9.3 million allocated in 2022-23, as seen on page 205 of the estimates. Objective 2.3 also states: "implement... safety strategies... [to] promote traffic safety and prevent transportation-related deaths and serious injuries." The ministry fact sheet describes SafeRoads Alberta as the new adjudication branch to address impaired driving violations, allow drivers to pay fees online, request more time to pay, or dispute their sanction or vehicle seizure. My question is: did the shift to an administrative model mean that Alberta is not taking a tough enough stance on impaired driving? Also, is the ministry seeing success with SafeRoads Alberta in reducing impaired driving on the roads?

Also, on December 1, 2020, changes to impaired driving related contraventions under the Traffic Safety Act were transferred from the courts to SafeRoads Alberta. On page 105 of the business plan it also says that "SafeRoads Alberta ensures Albertans have quick access to a fair and efficient process." Has the new model actually resulted in an improved access for Albertans? On the other hand, what impact has there been to justice system capacity?

I'd like to talk a little bit about red tape reduction. It is good to see on page 106 of the business plan that the ministry is on track to meet its red tape reduction target of 33 per cent well in advance of the government of Alberta's 2023 deadline. What are some examples of red tape reduction that have come from the ministry specific to commercial carriers? Objective 3.4 says, "Reduce red tape and regulatory burden for Albertans." I know from my constituents that they are very disappointed in a former government getting more and more red tape involved in many of the departments, and I commend you and your department for doing a great job on reducing it. I recall that one of the regulations the government has cut out was a regulation that prohibited the transportation of eggs on provincial highways. Are there any other regulations that may have at one time made sense but today seem utterly silly?

I'd also like to talk a little bit about highways in my constituency. We have a number of highways that need repair. I know that the former Transportation minister committed to paving on highway 2 two summers ago. Last summer we talked to your department, and you guys also were talking about that it would happen last year. Lo and behold, it didn't get done by the contractor. There were some delays in things. Many of my constituents are concerned and upset about what went on. I understand that there are some clauses in the contracts that state that there are penalties and different things like that. My question to you and your department is: is there anything under way to hopefully ratchet up the seriousness of not completing contracts on time to try to make sure that this stuff doesn't happen? Like I say, we have people that are concerned and inquiring to my office still to this day on a regular basis.

I'd also like to talk about wildlife crossings. We know that roads attract wildlife and that wildlife crossings are important to ensure the safety of both drivers and animals. On page 105 of the business plan it states that "the ministry develops and implements safety strategies and improvements to infrastructure to build safer roads and reduce collisions." I know that many people up in my constituency – we're a northern area with lots of bush, and we have

quite a few accidents. I want to know: what are you doing to protect wildlife crossing Alberta highways now and in the future?

With that, Minister, I will hand the time to you.

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

Minister, you have five minutes to respond.

**Mrs. Sawhney:** Okay. Thank you, Member Rehn, for your series of questions. Let's begin with SafeRoads Alberta phase 1 for impaired driving, which is our administrative model. The question was: did the shift to the administrative model mean that Alberta is not taking a tough stance on impaired driving? Of course, we're taking a tough stance on impaired driving. We recognize that impaired driving is one of the leading causes of serious injuries or death as a result of collisions. We do take this very seriously, because safety is our number one priority in our mandate.

This program was launched in December of 2020, and it's been a resounding success. Along with the new administrative model, the immediate roadside sanctions program was also introduced at the time to provide a very comprehensive array of serious, immediate, and escalating consequences for impaired drivers. This has proven to reduce impaired driving significantly in other jurisdictions, most notably in B.C. That is the jurisdiction that we emulated when we put this program together. In fact, the issuance of immediate roadside sanctions has increased by almost 47 per cent since December 1, 2020, to December 1, 2021. What that really means is that we have had more offenders who have been detected, sanctioned, and deterred since the implementation of SafeRoads, which ultimately improves the safety for all Albertans.

**11:35**

Again, it was a resounding success. Just another metric I'll share when you pose the question: is the ministry seeing success with SafeRoads Alberta in reducing impaired driving on the roads? Another metric is that in the year between December 1, 2020, and December 31, 2021, approximately 89 per cent of impaired driving cases have been diverted from the courts to SafeRoads Alberta. That is successful because we are freeing up resources in the court system and in police services so that they can focus on more serious matters. This was one of the reasons that SafeRoads was conceptualized and ultimately implemented. I think I have answered your questions around the success of the program, the efficacy of the program, and certainly we will have more to share as we get more metrics put together.

I'm just going to jump into – I know you had other questions – the question around delays on construction projects for infrastructure that is really important to your constituency in particular. I know we've had multiple conversations, and there have been delays. Again, some of these delays are really outside of the control of the government of Alberta. Certainly, we do have penalties in place. Many of you are aware that when contractors and consultants go past the timeline of completion, they are subject to significant penalties. It's in the order of magnitude of over \$3,000 per day for late completion, and there is also \$500 per day for taking too long on a site. These penalties are in place to incentivize these workers to complete the projects. As to the reasons why these delays happen, it's usually project specific and contractor specific, so I wouldn't be able to comment on the whys. I do appreciate that this is a very important project in your constituency, so this is what I want you to know, that we do have safeguards in place to incentivize consultants to get their projects done on time.

I'm going to, if you don't mind, skip over some of the red tape questions you had because there are lots of silly things that we have looked at and time is precious. So I'm just going to skip over into

the wildlife crossing question. Great question. What are we doing to protect wildlife crossing on Alberta highways? Well, we're continuing to support and work towards implementing infrastructure that will allow safe highways and allow wildlife to flourish, especially in the natural park areas of the foothills and Rocky Mountains. That's very important to all of us in this room.

The government of Alberta is constructing a wildlife overpass right now on highway 1 near Dead Man's Flats west of Calgary. Sorry. It's not right now, but we've decided to do this, so it's happening soon. It will be the first wildlife overpass on the provincial highway system. The 17 and a half million dollar contract has been awarded to PME contractors, and the project is anticipated to be . . .

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

We will now move on to a 10-minute block for the Official Opposition. Again, I'd just remind the members to please direct your questions through the chair.

**Mr. Dach:** Thank you, Mr. Chair. Through you, sir, I have a number of questions, and I'll be fairly rapid fire since time is getting short in our meeting. Through you, Chair, two days ago Global News ran a piece about decreasing rural bus service due to rising costs. Now, during the pandemic and as it's ongoing, routes have been cut or reduced in service, and the ministry has done nothing to help, unlike the B.C. government, which reached out to actually help an Alberta company continue to serve B.C. routes. There have been layered on costs for insurance, for fuel prices, and now, of course, it's a triple whammy.

I've been in discussion with the minister over the last months about rural bus service. Since the demise of Greyhound in 2021 there have been, I would say, a hodgepodge of routes that have surfaced, but they have left very many communities in Alberta underserved or not served at all by bus service. It's something that is a very critical public safety issue for people needing to get transportation from their community to other places so they don't end up hitchhiking. It's also a medical issue – many people rely on the bus service for medical transportation – and an economic driver as far as being able to take small parcels back and forth using the small bus services. I know it may not be a sexy issue, but it's really, really important, Mr. Chair, to small communities that rural bus transportation is supported by this province.

Also, the province should be engaged nationally, with the federal government and other provinces, so that we, after the demise of Greyhound, reconstruct a workable network of rural bus transportation so that it can serve properly, using a business model that works and is supported by the provincial government where indeed it needs that support to get off the ground. I was wondering what indeed the provincial government is doing, Mr. Chair, to build out that network and support and allow our small rural bus operators to survive through this pandemic period to profitability in the near future. I'll leave it at that. It's a big issue, and I think it's really, really important to a lot of Albertans and has not been very much highlighted by this minister.

Secondly, a very basic, basic issue, Mr. Chair, to Albertans is the safety of our roads, particularly in the wintertime. Winter road safety is one of the basic responsibilities of the ministry. The estimates on page 207, inventory acquisition, line 5.3, indicate that salt, sand, and gravel have an expenditure of \$57 million, but there is nothing for calcium chloride de-icer or anti-icer on Alberta highways. Indeed, that is something that has been piloted. The city of Edmonton and Calgary use the inhibited calcium chloride de-icer in light of the number of freeze-thaw incidents we've had over the past few years due to climate change. We have had road conditions

that have been increasingly hazardous due to ice conditions, and this is a situation which seems to beg for a potential calcium chloride solution. I really want to know what the minister has in mind as far as seriously collaborating with the suppliers of this material to at least pilot it on a wide scale and perhaps implement the use of inhibited calcium chloride to make our roads safer during the winter months with increasing ice conditions.

Next, with respect to construction of projects that may be ongoing or planned. Of course, during the world event of the Russian invasion of Ukraine we've seen lots of different materials either increase in cost or become unavailable. One of those materials is nickel, Mr. Chair. Nickel, of course, is used to stainless steel coat rebar, which is used in bridge construction. I'm wondering if indeed this either high cost or lack of availability of stainless steel coated rebar is going to actually delay or stall bridge projects, in particular, in the province.

Next, I'd like to ask about electric vehicle charging stations, Mr. Chair. We are looking at a federal government supported program to increase the number of electric vehicles on our roads by 2030, yet there's no support by the province. The infrastructure support is also required, and that is building out a network of electric vehicle charging stations.

**The Chair:** Thank you, Member. The minister will now have five minutes to respond to your questions.

Go ahead, Minister.

**Mrs. Sawhney:** Okay. Thank you, Chair. Thank you, Member Dach, for your questions. Now, as it comes to intercity bus services – I know we've had conversations about this before – I do want everyone to know that the government of Alberta has supported intercity bus operators with the small and medium enterprise relaunch grant. There were a number of organizations that did benefit from this funding. I have also been in conversations with the federal government. In fact, I do have a letter that has been sent or is in the process of being sent to ask for additional federal support the same way that they have provided transit support for operational funding for transit infrastructure. So that is under way.

**11:45**

I also want to say that I've been speaking to some private bus operators, and in fact Red Arrow just recently announced expansion of their operations in the central Alberta area. My colleague MLA Nixon had a lovely quote in that press release, and I was also pleased to be able to provide a quote as well. That is good news. That means we are seeing more transit services being made available to those who live in remote and rural communities. It's important, and that is just the private sector stepping up to meet a demand.

I also made an announcement last summer, shortly after being sworn in as Transportation minister, for a company called Canada Bus. They had just started operations. I met him last night at an event and was very happy to hear that he is expanding his operations as well, and he has won several awards for the work that he is doing. I do believe that as we navigate further into economic recovery, the private sector will step in and meet that demand. Will it be perfect? Absolutely not. So I will keep a close eye on it and will continue to talk to my federal counterparts to see if any funding will be forthcoming for intercity bus services.

All right. Now I'm just going to jump over into highway maintenance, and I do appreciate the member's questions on safety and maintenance, particularly during the winter months. I do want to emphasize that in addition to the \$345 million that has been already allocated, the department has a \$57 million budget under

the financial transaction vote for the purchase of salt, sand, and gravel to maintain the roads and keep them safe in the wintertime. We do continue to look at various different materials in terms of safety.

I do have to mention that I had a meeting with a Korean-based company at Edmonton International Airport. They had a very innovative product that they had presented. It's using star-fish by-products. It's a starfish, ecofriendly de-icer and perhaps something that could be used on the roads as well to provide safety. Currently Edmonton International is some piloting this, testing it out as a de-icing mechanism. This company is new. It's actually run by some very young individuals, and they were very interested in coming to Alberta and testing out their product. As you can imagine, it's a by-product of starfish, so very environmentally friendly. It is processed in such a way that it would be biodegradable. I do have to mention that because, as we talk about highway safety and as we talk about innovation, there are lots of exciting things on the horizon. I mention that for your interest.

Again, highway maintenance and safety – I've already mentioned safety – is a number one priority of the Department of Transportation. We're always looking at different techniques, different ways to ensure that our highways are as safe as possible. We've had some unexpected, unanticipated weather events this year. Particularly, just about a month ago the city of Edmonton was almost seized because we had a terrible snowfall, and then it melted, and then it froze again. The provincial highways were also very icy at that time. These are things that we just haven't seen very often in recent years, so they're learning opportunities for us as to how to improve our processes, but ultimately I'm proud of the work that the Department of Transportation does in keeping our highways safe for Albertans. I look forward to saying more in the future.

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

We will now move on to a 10-minute block for the government caucus. Mr. Singh, go ahead.

**Mr. Singh:** Thank you, Mr. Chair. Good morning, Minister, and thank you for being with us today. I appreciate you and the ministry for the work being done to support Alberta's economic, social, and environmental success by building and maintaining a safe and efficient transportation system. My question is on the Springbank off-stream reservoir. Objective 1.2 says, "Develop and maintain critical infrastructure to enhance resilience, such as the Springbank Off-Stream Reservoir." The provincial and federal regulatory approval of the project was one of your first achievements after you took over the portfolio. Congratulations for shepherding this much-delayed project through increasingly complex review processes. When can Albertans expect construction to conclude on the SR 1 project?

Some criticism about the SR 1 project has been that it is in place solely for the benefit of Calgary. Is SR 1 one of the supports of objective 1.2? To my understanding, SR 1 is a reaction to the 2013 floods in southern Alberta, which affected communities upstream from the Elbow River, like Bragg Creek and Redwood Meadows, but also communities downstream as far as Medicine Hat. Given that the government is planning on spending \$208.6 million on SR 1 projects in this budget, could you please describe how SR 1 fits into the program plan for flood resiliency in southern Alberta? The 2013 floods in Calgary were caused by flooding on both the Elbow and Bow rivers. Is there a plan to support flood resiliency on the Bow River?

Now I will move on to – my question will be on Deerfoot Trail improvements. Deerfoot Trail is the busiest road in Alberta. I see a planned investment of \$72.7 million for improvements to the

highway on page 206 of the government estimates. What is Alberta Transportation doing to improve the major highway, and will there be a toll on Deerfoot Trail after the improvements are complete?

Calgary Airport Trail, Stoney Trail NE on page 159 of the fiscal plan. It talks about how the new interchange on the northeast Stoney Trail and Airport Trail will drive economic growth in the area and help create jobs. Can you please expand on how this interchange supports the priorities of the government?

Also, the west Calgary ring road, WCRR. When you look at page 109 of the business plan, there is still funding of the ring roads in 2024 and '25. Can you provide an update on when the WCRR will be completed?

With that, I will turn my time over to MLA Turton.

**The Chair:** Mr. Turton, you have one minute and 20 seconds.

**Mr. Turton:** Excellent. Well, obviously, thank you very much to my good friend Mr. Singh. I guess just a couple of additional questions I just want to ask when it comes to critical infrastructure projects around the province. I know, Minister, that you were talking a little bit about some specific Edmonton capital region projects, but I also was just wanting to get a little bit more detail about the Red Deer airport expansion. I'm very happy to see, obviously, that the government continues to support communities in central Alberta.

I know that on page 157 of the fiscal plan I see that \$7.5 million is being provided to the Red Deer regional expansion. I was just wondering if perhaps you can tell me a little bit more about that project. I also know in that neck of the woods – the talks about the Sundre waste-water treatment plant. I know that is of huge interest to many residents in that neck of the woods. On page 157 it shows that \$7.5 million will be invested in the Sundre waste-water treatment plant. Coming from a municipal background, I know the importance, obviously, of these types of projects to make sure that basic utilities that residents depend on will be there when they need it the most.

At that point I'd like to turn it over to you, Minister, for your answers. Thank you very much.

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

Minister, you have five minutes to respond.

**Mrs. Sawhney:** Okay. Thank you kindly, MLA Singh and MLA Turton, for your questions. Let's begin with Springbank, the SR 1 project. I'm just going to just step back a little bit and just remind everybody that following a public hearing in the spring of 2021, the Natural Resources Conservation Board did approve SR 1 in June 2021. It's not too long ago, and they did deem that this project is indeed in the public interest.

On July 8, 2021, the Impact Assessment Agency of Canada determined that SR 1 is not likely to cause significant adverse environmental effects, and an approved budget of \$432 million was established in July 2017. Keep in mind that was more than several years ago.

**11:55**

So in Budget 2022 Treasury Board approved an increase of \$312.4 million, resulting in a new total project budget of \$744 million. This is a good-news story because we know that the 2013 floods were devastating to residents of Calgary and surrounding areas as well, and this flood mitigation project is vital to ensure that we have the appropriate infrastructure in place should such an incident ever happen again.

I also do have to take a moment to say that we're very, very pleased that we achieved voluntary negotiated settlements with all



of the landowners. We never did have to consider expropriation. I do have to give a shout-out to my department for that work, because it was a contentious file for many years and we weren't really sure what it would look like at the end of the day, but it's a phenomenal success story when you reach a voluntary negotiated settlement. So I just wanted to emphasize that now.

In answer to your question specifically, Mr. Singh, the construction of SR 1 commenced in February, actually, last month. Tree clearing began in February 2022. Utility relocations to accommodate construction also began in February 2022. Earthwork construction of the dam will begin in spring of this year, and diversion structure construction will begin in summer of this year. It will take two years to build to a functional 1 in a 100-year flood capacity in 2024. It'll be fully operational in 2025 and be able to handle a similar event to the 2013 flood. Once operational we will turn it over to Alberta Environment and Parks, who will assume responsibility for managing and operating the facility. So that is the update.

You did have a question around criticism of the project in the sense that it has been put in place solely for the benefit of Calgary. Well, we know that with continuous funding for the Springbank off-stream reservoir project in Budget 2022 and future years, our government is clearly expressing its commitment to this project, not only for Calgary but for surrounding areas. It will provide flood protection along the Elbow River in Calgary and other downstream communities as part of the overall flood mitigation system. It will protect Albertans in communities in Calgary and southern Alberta, again, so we don't see a repeat of what happened in 2013. So in answer to your question, it's not only for Calgary; it's for surrounding areas as well.

There was a question around how SR 1 fits into the broader plan for flood resiliency in southern Alberta. The SR 1 project has been designed to work in tandem with the Glenmore Reservoir in Calgary to accommodate water volumes equal to the 2013 flood on

the Elbow River. SR 1 is a significant element of the flood management strategy within the Bow River basin.

There was another question around: is there a plan to support flood resiliency on the Bow River? I can tell you that Alberta Environment and Parks continues to explore options to build additional flood and drought storage capacity on the Bow River, that work is ongoing to reduce the impacts of severe weather events on Albertans and on the economy, because clearly we have seen severe weather events. So Alberta Environment and Parks is leading the assessment of options for flood mitigation for the Bow River.

Okay. I'm just going to quickly jump to the west Calgary ring road question. This might be the last question I can answer – my apologies – given the time. But this is a very exciting project, and I spent a lot of time visiting on-site and asking a lot of questions. So the update is this.

**The Chair:** Sorry, Minister, but we ran out of time there.

The opposition has about thirty seconds.

**Mr. Dach:** Thank you, Chair. Quickly, to the minister, through you: will the minister give equal time at least to consideration of Alberta-based companies when she's looking at brine solutions to de-ice our roads? I know that the minister is supposed to meet with the CEO of Tiger Calcium to talk about de-icing roads with their product, that uses a foundation in Lesser Slave Lake to get the brine . . .

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

I would like to remind committee members that we are scheduled to meet tomorrow, March 16, 2022, at 9 a.m. to consider the estimates of the Ministry of Indigenous Relations.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 12 p.m.]





