



Legislative Assembly of Alberta

The 30th Legislature
Fourth Session

Standing Committee
on
Resource Stewardship

Ministry of Transportation and Economic Corridors
Consideration of Main Estimates

Wednesday, March 8, 2023
10:15 a.m.

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Fourth Session**

Standing Committee on Resource Stewardship

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Feehan, Richard, Edmonton-Rutherford (NDP), Deputy Chair
Loyola, Rod, Edmonton-Ellerslie (NDP),* Acting Deputy Chair

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Orr, Ronald, Lacombe-Ponoka (UC)
Sigurdson, R.J., Highwood (UC)
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Standing Committee on Resource Stewardship

Participant

Ministry of Transportation and Economic Corridors
Hon. Devin Dreeshen, Minister

10:15 a.m.

Wednesday, March 8, 2023

[Mr. Hanson in the chair]

**Ministry of Transportation and Economic Corridors
Consideration of Main Estimates**

The Chair: Good morning. 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 and Economic Corridors for the fiscal year ending March 31, 2024.

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'm the MLA for Bonnyville-Cold Lake-St. Paul and the chair of this committee. We'll begin, starting to my right.

Mr. Getson: Sure. Shane Getson, MLA, Lac Ste. Anne-Parkland.

Ms Issik: Good morning, and happy International Women's Day. I am Whitney Issik, Member for Calgary-Glenmore.

Mr. Orr: Good morning. Ron Orr, Lacombe-Ponoka.

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

Mr. Sigurdson: Good morning. R.J. Sigurdson, Highwood.

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

Mr. Dreeshen: Good morning. I'm Devin Dreeshen, Minister of Transportation and Economic Corridors as well as the MLA for Innisfail-Sylvan Lake, and beside me is Bryce Stewart, my deputy minister; Dale Fung, the assistant deputy minister of finance; to my left, Tom Loo, the assistant deputy minister of construction and maintenance division; and Ranjit Tharmalingam, the assistant deputy minister of capital planning, grants, and engineering services division and all-around good guy.

Mr. Dach: Good morning. Lorne Dach, MLA for Edmonton-McClung and critic for transportation.

Mr. Nielsen: Good morning, everyone. Also, happy International Women's Day. I'm Chris Nielsen, MLA for Edmonton-Decore.

Mr. Huffman: Good morning. Warren Huffman, committee clerk.

The Chair: Thank you.

Now we'll go to members participating remotely. When I call your name, please introduce yourself for the record. I see Member Aheer.

Mrs. Aheer: Good morning, everyone. Happy International Women's Day. Leela Aheer, Chestermere-Strathmore.

The Chair: I'd also like to note the following substitution for the record: Mr. Rod Loyola for hon. Richard Feehan, and Mr. Loyola will be sitting as deputy chair.

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 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 turn your camera on while speaking and to mute your

microphone when not speaking. Remote participants who wish to be placed on the speakers list are asked to e-mail or message the committee clerk, and members in the room should signal to 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 two hours has been scheduled for consideration of the estimates for the Ministry of Transportation and Economic Corridors. Standing Order 59.01(7) 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 50-minute speaking block for the Official Opposition begins, followed by a 20-minute speaking block for the 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 speaking times may be combined between the member and the minister.

After this, speaking times will follow the same rotation of the Official Opposition, independent member, and the government caucus. The member and the minister may each speak 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 send an e-mail or message to the committee clerk about the process.

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 two 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 two-hour meeting clock will remain running.

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 16, 2023. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they will 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 debate. 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 and Economic Corridors to begin with your opening remarks. You have 10 minutes, sir.

Mr. Dreeshen: Thank you very much. I'm pleased to present Alberta Transportation and Economic Corridors' 2023-24 estimates, but before I start, I just wanted to thank my team here with me, beside me, also the team behind me, and everybody from the department that put in a lot of work and time to prepare these

estimates and to get ready for Budget '23, which I think is a fantastic budget. The theme of this year's budget, in 2023, was Securing Alberta's Future, and it's perfectly aligned with Alberta Transportation and Economic Corridors because in Budget 2023 we are making strategic investments to support employment opportunities for Albertans and to foster economic growth across the province now and in years to come.

Our department's three-year capital plan totals \$8 billion. Of this, \$2 billion over three years is for capital investment and for planning, design, and construction of major provincial highways and bridge projects. Approximately 75 per cent of this funding is for existing or planned new economic corridors. We are investing in improvements that provide vital links to markets in and out of Alberta, supporting economic, social, and environmental activity. Most highway improvements were identified by industry partners to improve the movement of goods and services.

Major projects include \$60 million over three years for the replacement of the Vinca Bridge on highway 38 in the Industrial Heartland area. The new bridge will be upgraded to carry heavy and oversized loads, creating a critical link in Alberta's high-load corridor, saving loaded trucks about 200 kilometres on a round trip.

In northern Alberta we are allocating \$117 million for the twinning of highway 63 north of Fort McMurray. Twinning this highway will improve efficiency and safety for both commercial drivers and for families in northern Alberta.

Projects along other economic corridors in the province include more than \$60 million to highway 60 through Acheson, a critical trade route with significant heavy and high-load truck traffic. I know we have the MLA from that region sitting with us today.

Further south we are investing \$51 million over three years towards the replacement of the highway 2 and highway 566 interchange at Balzac to accommodate increasing commuter traffic in the area and support logistics and distribution facilities and development in Rocky View county.

Other highway network projects over the province, totalling \$279 million over three years, include highway 3 twinning between Taber and Burdett, highway 11 twinning between Sylvan Lake and Rocky Mountain House, and highway 40 twinning south of Grande Prairie.

We've also allocated \$75 million over three years for 23 engineering or planning projects to address known future needs and to progress on design and refine cost estimates to support future funding requests. Many of these projects are located along economic corridors such as additional twinning between highway 3 between the British Columbia border and Medicine Hat.

In Calgary we are investing over \$2 billion; however, listening to question period, you may not think that the opposition read that part of the budget. Within that \$2 billion, Deerfoot is going to have 180,000 vehicles per day, making it one of the busiest in Alberta, and this budget includes \$430 million for Deerfoot improvements over the next three years.

As well, we are investing in the completion of the west Calgary ring road, which will be open in fall of 2024. Budget '23 includes \$134 million over two years for this project alone. When the west segment is complete, it will complete, finally, the Calgary ring road, providing 101 kilometres of free-flowing traffic around the Calgary region. This ring road investment will support key sectors in Calgary, including aerospace, logistics, financial, energy, agribusiness, technology, and tourism by improving access and reducing travel time for families and for businesses getting goods to market.

Our total capital investment also includes \$380 million over three years for water management and flood mitigation, including the Springbank off-stream reservoir project. Construction has been

under way for about a year for this project, and it will help protect Calgary and other communities in southern Alberta, so we won't see a repeat of the 2013 Calgary flood.

In addition to capital investments in new infrastructure, we are continuing our work to preserve and extend the life of provincial roads and bridges all across the province. Our extensive highway network includes more than 31,000 kilometres, of which 28,000 kilometres are paved. We also have about 4,600 bridges and bridge-sized culverts within our network. Budget '23 includes \$1.7 billion in capital maintenance and renewal, or CMR, funding over the next three years to rehabilitate key highways. Investing in pavement rehabilitation can extend the lifespan of highways by about 20 years.

10:25

With this significant investment the annual average spending over the next three years is \$565 million, which is an \$80 million increase above the historical average. CMR projects include bridge construction, road rehabilitation, pavement overlays, slide repairs, and bridge deck replacements. With this continuous level of investment we are able to maintain the highway condition in '23-24 with an 84 per cent of highways in good and fair condition across the province. This CMR funding is part of the overall budget investment of nearly \$8 billion over three years within our capital plan.

For highway maintenance Budget '23 includes \$400 million in '23-24, and this is a \$57 million increase compared to just last year's budget and is the highest annual maintenance budget in recent memory. Approximately one-third of this budget is for winter maintenance activities, including snow and ice control on the highway network. The highway maintenance contractors have set time limits for when work must start and when the roads must be returned to good winter driving conditions. The department targets having storm response completed and highways returned to good winter driving conditions within 95 per cent or better of the contract requirements. Highway summer maintenance activities include ongoing structural and operation maintenance such as pothole patching, crack sealing, grading, line painting, mowing, and vegetation control as well as the maintenance of highway lighting. The department's annual target for asphalt treatment on paved roads is 85,000 tonnes to ensure safe and efficient travel across the province.

In addition to maintaining and improving our highway network, the department's mandate includes supporting municipalities in improving critical local infrastructure. The plan includes \$3.9 billion to help municipalities build much-needed local roads, bridges, water and waste-water and transit infrastructure. And I'm happy to share that we are maintaining our funding commitment to the strategic transportation infrastructure program, also known as STIP. Budget '23 invests \$93 million in STIP over three years, with \$25 million in new funding in '25-26. We've allocated \$25 million in ongoing annual funding for STIP, which will help rural municipalities deliver on local transportation infrastructure priorities. We know funding through this program is critical to support municipalities, and STIP funding allows smaller and rural municipalities under 45,000 to maintain and improve local roads, bridges, and other infrastructure and to plan for the future, knowing that this program will continue.

The department is also responsible for a number of other grants, all of which will continue to be funded through the capital plan. For the Alberta municipal water and waste-water program, Budget '23 allocates \$211 million, and this is \$120 million in new funding in this budget to fund priority projects on applications submitted by rural municipalities. As well, we've dedicated \$169 million for the

water for life program and nearly \$28 million for the First Nations water tie-in program.

We are also continuing our commitment to support light rail transit projects in Edmonton and in Calgary. Our total provincial commitment is \$3 billion over multiple years, of which \$5.3 billion is slated for Calgary and \$1.4 billion is slated for Edmonton, which is the province's investment in the LRT. The two cities are also receiving matching federal funding. In Budget '23 \$1.3 billion in provincial funding over three years is included for Edmonton and Calgary LRT projects, which is \$541 million for the Calgary green line project and \$780 million for Edmonton projects.

Budget '23 also provides \$5 million in a new grant for the city of Calgary to proceed with needed engineering work to extend the LRT blue line north to enable connection with the Calgary International Airport. This grant funding will also be used to determine the optimal connection to move passengers from the airport to downtown Calgary, including a people-mover LRT and heavy rail. And once the blue line engineering work and construction study is complete, further funds to this LRT project are anticipated in partnership with the city of Calgary and the federal government as well as the province.

In the Edmonton area we are continuing to provide \$256 million in capital grants over three years such as 50th Street grade separation over the CP tracks, Yellowhead Trail improvements, the Terwillegar Drive expansion, and the Ray Gibbon Drive project.

Now, our commercial trucking industry is critical for our economy to keep growing, and that's why we are funding to help reduce the labour shortage in this critical industry. Budget '23 includes \$10 million in commercial driver grants, and these grants will help remove the financial barriers of earning a commercial driver's licence. Together all of our investments in Budget '23 will allow us to maintain a safe and efficient transportation network to support our economy and our high quality of life now and in years to come.

Thank you for that, and happy taking questions.

The Chair: Thank you, Minister.

For the next 50 minutes members of the Official Opposition and the minister may speak. Hon. members, you will be able to see the timer for the speaking block both in the committee room and on Microsoft Teams. Members, would you like to combine your time with the minister if the minister is open to that?

Mr. Dreeshen: Whatever works for them.

Mr. Dach: I'm understanding we're going back and forth?

Mr. Dreeshen: Sounds good to me.

Mr. Dach: Sounds good. Thank you, Mr. Chair, and thank you, Minister and staff, for attending and for all your work and preparation for this meeting. I look forward to a productive interchange and securing information for the benefit of Albertans about our important Transportation and Economic Corridors ministry and the work that they're doing.

I wanted to start by asking about the comments and promises made, during the Premier's leadership run, on economic corridors. Of course, economic corridors have been added to the transportation ministry, emphasizing the importance to this government, and I'll quote by saying that the Premier, or the leadership candidate at the time, said: we'll start by partnering with First Nations, Saskatchewan, and Manitoba to establish a 10-kilometre-wide rail and economic corridor to Churchill, Manitoba. Now, I just noted that the foreseeable action items for this project were, quoting once again,

resolving environmental and First Nations concerns up front and building out infrastructure such as rail lines, roads, fibre optic transmission lines, water, and pipelines.

Now, those comments during that leadership run were made by the now Premier, and I'm just wondering if you could point to the budget for any of this project's funding, it being an economic corridor, a 10-kilometre-wide rail and economic corridor to Churchill, Manitoba.

Mr. Dreeshen: Great question. Actually, the parliamentary secretary for economic corridors is also in the room, and I wish I could share my time with him on this. But, no, I think the Premier's comments were important then and are critically important now, and when you look at the Department of Transportation and Economic Corridors, we are looking at leading the country. We are looking at building nation-building projects. I mean, Canada was built with a logistics problem. You had Atlantic Canada having to get their products into central Canada . . .

Mr. Dach: I'm aware of the geography, Minister. I just wanted to know if indeed it is a priority of this government to actually proceed on an economic corridor to Churchill, Manitoba, as the then leadership candidate suggested was a priority, and if there's anything in the budget that you can point to showing funding for the project.

Mr. Dreeshen: Yeah. I was just saying that it is vitally important to have these nation-building projects and to be able to get our products to market, because we have trillions of dollars' worth of resource wealth here in the province, and it's worthless if we can't get it to market.

Mr. Dach: A corridor to Churchill is one of the priorities?

Mr. Dreeshen: If you look at a compass, every direction is where we're looking for economic corridors, and I know . . .

Mr. Dach: So that's a yes?

Mr. Dreeshen: So, if I could, I would say that previous work has been done on an Economic Corridor Task Force, a report that we're going to be releasing soon, and we look at, obviously, south, which is our Canada-Mexico trade route through the U.S. It's a major artery. We look through the west, so the pipelines that go out to the west coast, whether it's A2A or going through Yukon or up through Alaska, and also east. So we are working with the province of Saskatchewan and Manitoba to work on an agreement so that we can take out the political instability.

And as I was mentioning before, Canada used to be a country of nation-building projects, and if we can get the politics out of nation-building projects and if we can have these economic corridors or rights-of-way, whatever you want to call it – we are able to actually take out that political instability and that political uncertainty so we can actually get the projects built in this province and this country, because the world needs them.

Mr. Dach: There are two other corridors, that were mentioned by the leadership candidate, promised to come to fruition, a corridor to Thunder Bay – I'm quoting – another corridor to Tuktoyaktuk, and another corridor to the port of Prince Rupert. Now, since you're the Minister of Transportation and Economic Corridors, where in the budget is the funding for these projects? What is the current state of these projects that are going to Tuktoyaktuk, Prince Rupert, Thunder Bay economic corridors? Can you give us an estimate on how many full-time equivalents are being dedicated to see these

corridors to fruition? What timeline have you for when these corridors will be completed?

10:35

Mr. Dreeshen: I wish we would've brought a map, because it probably would have helped everybody to show all the different directions of where we're looking at for economic corridors within Alberta and outside.

Sorry if I misconstrued your earlier comment and this comment. When we talk about economic corridors, these aren't government-built economic corridors; we're not having bureaucrats building projects. We don't need FTEs to actually build these. We just want to have government laying the foundation, laying the playing field so that businesses can invest. Whether that's . . .

Mr. Dach: Takes some budget, though, Minister.

Mr. Dreeshen: Well, and we do have a team. We have a parliamentary secretary of economic corridors, and we have a branch within the department that deals specifically with economic corridors. We have a newly minted ADM sitting over my left shoulder . . .

Mr. Dach: So is there somebody who could spell out perhaps what type of money is now dedicated to these economic corridors mentioned by the Premier?

Mr. Dreeshen: Sure. Again, if you look within the department and the group that has been working on this specifically, there are six FTEs within the department that are specifically tied to economic corridors.

But as I mentioned before, your question on these projects, "Where are they getting this government funding?" – we want private-sector funding. We want to be able to build that level playing field so that we do attract private-sector investment as global capital around the world is competing for places to go. We want to be competitive. That's the whole reason why we're doing this.

Mr. Dach: Presumably, though, Minister, because your ministry is actually called, partly, economic corridors, one is expecting there to be some leadership and organizational leadership from your ministry in the co-ordination of making sure these economic corridors that the then leadership candidate suggested were priorities, or would be her priorities if she were to become leader and Premier. Certainly, we would see that the private sector will be the ones rolling out, doing the construction, and so forth, but the leadership that one would expect coming from your ministry would have some budget attached to it to assist in the direction of these economic corridors and co-ordinate, would it not?

Mr. Dreeshen: Yeah. That's a great question. We were I think it was a couple of weeks ago in Ottawa at the – transportation ministers from all across the country gathered in Ottawa with the federal Transport minister at their federal-provincial-territorial meeting, and Alberta did take a leadership role to say that we should be a country that can build nation-building projects. I raised it and actually kind of started a hockey analogy going in the room of Alberta having nine applications through the federal national trade corridor program. We were 0 for 9, and I said that if we were a hockey team and that was our power play, that'd be a pretty bad power play. I think New Brunswick said, "Well, we're 0 for 4," and everybody started going around the room to say where they weren't getting some federal leadership and some federal funding on important trade corridors.

So that is something that Alberta is taking a leadership role on, working with other provinces, sharing ideas of how we can, again, take out that political uncertainty so that businesses know, private capital knows that they can invest within Canada and it's not going to get killed by decades of delay through regulatory process.

Mr. Dach: On kind of a related matter with respect to economic corridors, Minister, we've been talking about them on a sort of macro level and them having a national impact and the nation-building component to them. There's one other form of economic corridor that isn't getting a lot of attention in this province, and it's not an arterial economic corridor; think of it as more of a capillary. I'm speaking, Minister, about rural bus transportation in Alberta. And I'm not talking about charter buses; I'm talking about regularly scheduled bus service in Alberta, something that's super important to rural Alberta and as an economic driver and maintaining the economic health and well-being of many of our smaller communities.

You will know, Minister, that in 2018 Greyhound quit operating in western Canada. That's five years ago. As a result of that, 107 Alberta communities lost their bus service that was formerly provided by Greyhound. That's a huge hit to a small community, and these bus services were a lifeline. Now, we can debate about what happened with respect to Greyhound and whether their business model was still applicable or not – they obviously decided it wasn't – but what we're left with is a situation where multiple, over 100, Alberta communities that did have bus service no longer have bus service. And it was not only passengers that the Greyhound moved, Mr. Chair; it is also parcels as well. That was a big parcel business.

If one looks to the 511 Alberta provincial bus service map, which is part and parcel of documentation that your ministry is responsible for, you'll find it is quite outdated, which I believe is reflective of the lack of attention that your government and your ministry has paid to rural bus service in the province. Now, it may not be as exciting an issue as massive economic corridors, but to the 107 communities in rural Alberta that no longer have a bus serving their community, it was a big loss.

I held a Zoom consultation on February 22 on rural bus transportation and invited people from RMA, municipalities across the province, all the currently operating bus line operators, including the major one, Red Arrow and Ebus. I invited realtors from small towns in Alberta. It was pretty widely representative, and what it showed, of course, is that this map, that I'll table later – it's showing 2018 bus service – reflects more carriers than there currently are. There are only four smaller carriers: SunDog, J and L Shuttle, Canada Bus, and Rider Express. Of course, Red Arrow is a large carrier. The swath of rural Alberta that is not served by buses is huge. There are communities the size of Camrose, Wainwright that don't have a bus service, and I think this is a pretty fundamental concern in rural Alberta. For example, on the Zoom consultation we had people from High Level talking about having to hire taxis to get workers in and out of High Level at huge expense. Of course, they were formerly served by a bus. That's just one simple example. To get to and from a medical appointment from a smaller community, particularly elderly people not wanting to rely on their families would have taken the bus. Now they can't. As a result, they're looking maybe to move into a larger centre and abandon their homes in smaller centres and depopulate rural Alberta.

I think it's something that this government has failed to really pay a lot of attention to, and I found from the Zoom consultation, Minister, that there is really a thirst in rural Alberta to learn more about how the provincial government can play a leadership role in collaborating with small communities and the existing four struggling bus lines as well as Red Arrow to look at what business

model will work for rural Alberta and the whole province and also interprovincially to kind of re-create a network of bus transportation, regularly scheduled bus transportation, that will benefit small-town Alberta and also the whole province economically. It's something that really doesn't seem to be on the radar of the government, and I haven't seen anything in the budget with respect to rural bus transportation specifically. Now, could you please address this issue and just see? Let Albertans know if there is anything in the budget for rural bus transportation.

There was a federal government start-up program, restart grant, that was given. It was \$140 million, and I think it was matching with the province. It was in 2020. It went to public transit in the major centres, but nothing got dedicated to the small bus operators, many of whom are really struggling, especially now with inflation and the cost of fuel and the cost of drivers and everything gone up. We may lose some of the four who are still operating in the province. If that happens, trying to re-create those bus companies that are struggling to serve the public is going to be very difficult. So I'm really concerned that we don't have any policy or any dedication of resources to rural bus operation in Alberta from your ministry, and I'd like to see evidence of the leadership role that you plan to play to help out in rural Alberta in particular and small communities to survive.

Mr. Dreeshen: I commend you for your work that you did on February 22 and having that Zoom and reaching out to industry. That's great, and I'd love to hear more about it. I do feel like I'm at a disadvantage because I did not bring a map, so if you're tabling maps, that hurts. But, no, you're right. The outreach, talking to rural municipalities, is vitally important, but we as a government believe that the private sector is in the best position to address the demand for intercity bus services. You mentioned some, but there's Pacific Western Transportation, Red Arrow – and its sister company is Ebus, as you mentioned – Canada Bus, that serve Alberta's core routes. Then there's Cold Shot, J and L Shuttle, Northern Express, SunDog, as you mentioned, Prairie Sprinter, Rider Express. There are others as well. It is something that we are addressing, especially when we're seeing transit numbers going down post-COVID. We're just seeing the ridership and that demand for that type of transportation changing. So that is something that we're keenly aware of.

10:45

To your point on the federal rural transit solution fund, we did have an issue as a government with that because the federal program did restrict the eligibility to capital investments and planning studies, and it excluded the private intercity busing industry from being able to participate. We have actually asked for some changes to that program to help what we think will address the problem.

Another issue that we've seen and we're looking at is the licensing of class 2.

Mr. Dach: What about the provincial government actually coming up with some money to support these rural bus operators who are struggling? Cold Shot, for example, had 11 routes; they're down to six, and they may not be able to serve those six. Sure, there was some federal money, and you're asking the federal government to come up with some, but this begs the provincial government to look at these small economic corridors in rural Alberta and meet with all of the bus operators and find out what model will work, what they need to sustain themselves so that they can reach profitability, and what thing has to be done. It could be a co-operative model. It could be smaller rolling stock. There are lots of different ideas out there

that are used in other jurisdictions. Right now I don't know if you know how many of the 107 communities in Alberta that lost bus service actually have it back, but I can venture to say that most of them don't.

The private sector on its own, Minister, is not doing the job, and in many other sectors, whether it be oil and gas or agriculture or what have you, there are lots of examples where the government has come in and said: here's some seed money; let's sustain you until things settle out and we figure out a better model. Is there not a role, in your view, Minister, for the provincial government to create some type of a fund that will assist the rural bus operators to get going and stay on their feet, maybe look after some of their debt issues they have right now, and grow this industry so that we can have a network that serves the province and then also interprovincially? Even with tourism. Like, people travel. I bought an Ameripass when I was a young person and travelled right across Canada on a Greyhound bus. It was affordable transportation. That's gone, and I don't know where the leadership is from the province on it.

I think there's a role. Rather than saying, "We asked the federal government for money, but they didn't give it to us," what about the provincial government? I don't see anything in the budget to address this issue which rural Albertans are concerned about. They're throwing their hands up, not expecting any help from the province, and I don't think they should do that. They should be able to expect their province to come forward and look after the interests of their smaller communities.

Mr. Dreeshen: You know, as I was saying, when we've talked to these bus providers, profitability, as you mentioned, is obviously a big issue that they've raised with us, with driver shortage being the biggest thing. They just can't get enough, can't train enough drivers, class 2 drivers, to come out and work, and if they do, there's early retirement. They may have a class 2 licence, but they retire early. So that is something that we are looking at as a department: what can we do to try to incentivize people that have just recently retired to get back into busing or new people to get involved in the busing industry and to get that class 2 and to make sure that we have enough bus drivers to meet the demand that may be there across the province?

Mr. Dach: I'll venture to say that there would probably be about – what? – 400 former Greyhound drivers out there that might be looking for work if indeed there was a viable operation for them to go to work at.

Mr. Dreeshen: I know you will quote me, but I think there are about 500 or so class 2 in the shortage. That's what we've heard from industry estimates, that they are over 500 class 2 bus drivers short across the province, so that is something that seems like it's – yeah. I clarified that earlier. I think they are about 500 class 2 bus drivers short across the province. In trying to meet that demand so that we can have more buses, so that we can offer more services, I think that just having a licensed bus driver in the seat is kind of the first step to being able to expand bus services in the province.

Mr. Dach: Okay. We'll leave this topic, but my point is, of course, Minister, that I think we share the concern that rural Alberta is suffering from the lack of rural bus transportation that they had before, and they're looking for leadership from the province to assist with developing a model that's going to work. That may mean forking out some money, because some of the rural bus operations around the world, most of them, require some type of subsidization in order to properly function. That's not a foreign thing to rural economic development. Let's, hopefully, see some real investment from your ministry in the future. It's certainly not in this budget.

In the future I know that we certainly will be paying attention to it. We have our ears to the ground in rural Alberta, and we're looking to make sure we invest in these economic corridors that are vital to small-town Alberta, where I come from. I mean, the Greyhound bus used to come to my little village of Thorhild and blow the horn. It was part and parcel of daily life. It's missing now from many, many communities.

Anyway, let's move on. You were talking about the registration system and modernizing the motor vehicle registry system in your budget documents. I'm just wondering if you could talk about the costs involved, some of the timelines, when we will expect this to be completed. Is it in the planning stages right now? Where are we at? And, with respect to rural Alberta, will there be difficulties different from larger municipalities to implement a more digital-access type of motor vehicle registry system?

Mr. Dreeshen: Great questions. Within the department it's called MOVES, or the motor vehicle system, that we have. It is a very large IT system. It was originally built in the '80s, and it needs replacing. This whole MOVES system holds all the driver's licence and motor vehicle information for all Albertans. It's used by this department, Service Alberta and Red Tape Reduction, as well as registry agents across the province. It is an old system, so we are looking at how we can try to modernize it. It really just came at a – I'm not a coder. I know you have some in your caucus that were very into tech. It's something that is actually maxed out as a program or nearing maxing out as a program, so we want to make sure that we replace it with something that actually can handle the growth of Albertans, 4 and a half million of us. I think there are over 3 million drivers in the province.

It is nearing its capacity, so we are looking at replacing that system so that we don't – I'm not saying that we're going to have a crash, but we are close to getting there. That's why we want to make sure that we can proactively plan to make sure that we have a database system that can work for the entire province.

Mr. Dach: What about some of the costs and the timelines? Can you be more specific to let Albertans know when we can expect this to be rolled out and how it's moving along?

Mr. Dreeshen: It's not in our budget, but it is in a different ministry's budget. It's \$30 million or \$60 million. But it's in another department.

Mr. Dach: What's \$30 million, you know?

Mr. Dreeshen: Well, there are two registry upgrades. One was \$60 million, and one was \$30 million. I'm just going off the top of my head. But it's not within these estimates.

Mr. Dach: Thirty million dollars would go a long ways to help in the rural bus transportation if that's pocket change to you.

Mr. Dreeshen: I was just giving two registry update quotes, and I'm going off memory . . .

Mr. Dach: I understand. I understand. I'm being a little facetious, Minister.

However, let's move to specifics, all right? Talking about Edmonton-specific projects, Terwillegar Drive. You mentioned in your preamble that it's being upgraded to meet current and future needs. Construction started in 2021, will take about five years to complete. The estimates line 5.3 on page 227 shows that there was no work done on this project at all. Now, can you share why this

project has been delayed? What's the problem with it? What's the hassle?

Mr. Dreeshen: Stage 1 of the construction between Rabbit Hill Road and Whitemud started in spring 2021. Stage 2 – that's the upgrade to Whitemud Drive and Terwillegar Drive and the interchange – is part of the Terwillegar Drive expansion program. Overall, this project was \$120 million in the city of Edmonton for this expansion project. The city actually has indicated that it may require additional funding. But we are working with them to see the design of the next phase. What exactly does it look like? Do they need kind of the bigger, broader aspect of a bike bridge going across the Anthony Henday? What does it actually look like? We are seeing with this project and other transportation projects across the province a lot of escalation or inflation when it comes to projects, through no fault of anyone. But just as with the high inflation that we're seeing at the grocery stores of 6, 7 per cent or more on certain products, we're seeing that in the transportation industry as well.

10:55

Mr. Dach: Given that, as a ministry, as a government are you open, are you able to respond to those inflation pressures? With respect to this Terwillegar project, you say that the city has indicated they might need more injections of capital to complete the project. Are you open to those additional funding requests? How has the ministry been co-operating and collaborating with the city of Edmonton in advancing the project? It sounds like there is a level of co-operation that is mutually respectful. Is that appropriate? Is that an accurate description?

Mr. Dreeshen: Yes. We haven't gotten an official estimate from them yet on what that redesign would look like. That \$60 million was kind of just a thought that they had. We are willing to sit down with them to try to drill in deeper to figure out what exactly the new design could look like or what exactly the cost overrun would be, perhaps, on this phase 2 of Terwillegar. But a hundred per cent committed to making sure this project succeeds. The southwest part of Edmonton: there was huge population growth. It's important to this government, and we want to make sure that families can get home safely, that they're not stuck in their vehicle going to work. They can spend more time at home versus being stuck in traffic. So we're trying to help those families.

Mr. Dach: Maybe they'll also get a hospital down there, too. That's another ministry, though.

Mr. Dreeshen: I could throw you some numbers, but I'm sure you'd use them against me for the Edmonton hospital. It did seem like the initial plan, under your government, had a location where there was a pipeline underneath where you put the Edmonton south hospital. Obviously, redesign would have to go on that. But that is a different ministry.

Mr. Dach: It is a different ministry. You know, there are pipelines all over this province. We relocate highways and hospitals around them, not on top of them.

Through the chair, Minister, another project that is important to the city of Edmonton in particular is the 50th Street project. Delay after delay after delay. The government seems to have spent 58 per cent less than what you had budgeted for last year. Can you share more about the lack of work on this project? How has the ministry been supporting the city of Edmonton in advancing this project? What measures will you take as a government to ensure that the project stays on track this year? It's been a horrific, long-term delay on this project.

If you listen to traffic reports, historically the 50th Street bridge was needed for a long time because there would be long lines of traffic there. Now it's finally under way, but it just seems to be internally delayed. What are the difficulties you're running into with this project?

Mr. Dreeshen: Great question. I know that the government of Alberta is providing \$28.3 million into this very important project in the city of Edmonton; that's one-third of the overall cost. The city of Edmonton is putting in their third. The federal government, actually, is putting a third into this project.

For those not in Edmonton, this project actually includes grade separation at the CP tracks at 50th Street. That's north of the Sherwood Park freeway, and it includes widening 50th Street from four lanes to six within the city between the Sherwood Park freeway and 90th Avenue. Overall, when this is completed, the project will ease congestion in the area by separating commuter traffic from train traffic, so similar to the Acheson project on highway 60. It will eliminate delays and frustration from frequent train crossings in the area. It is actually being delivered by the city. The contractors are actually building it, but the city is the one that's actually overseeing the project. We as the funder for our third are just that, funders for the project.

Mr. Dach: All right. Thank you.

More specifically, looking at roads, in line 3.3 of the estimates, page 227, there was an almost 30 per cent decrease in the provincial spending on the SafeRoads Alberta program than what was budgeted for. I'm wanting to know what caused this decrease and if you would please share more about the average wait times for the review to dispute a vehicle seizure and review to dispute an immediate roadside sanctions notice, an IRS. This year there's a 36 per cent, \$5.9 million decrease in the budget as opposed to last year of \$9.6 million. Why is that, and how does this affect the program and its delivery? That's the SafeRoads Alberta program.

Mr. Dreeshen: Because we're backing away from that program. Initially it was announced, and we were going to move forward, but the government of the day decided to pull back that program. That's why we're seeing the reduction there, and there are FTE reductions going on there as well just because we're not going in that direction. To use a bad transportation pun, we're not going in that direction anymore.

Mr. Dach: All right. Why was that decision made?

Mr. Dreeshen: Through just further consultation and talking to folks to see that at that time it wasn't a good idea. Whether it gets readdressed, I couldn't say. We wanted to make sure that the public was onside, that we weren't making any mistakes as a government, and I just think it was a good example of taking a step and having to re-evaluate and to make decisions that weren't going to affect Albertans negatively.

Mr. Dach: Right. But you just indicated that you received information. You made a decision as a government. You must have decided to accept recommendations based on that information and made a determination that, for some reason, this was something you didn't want to go forward on. Now, what were the reasons?

Mr. Dreeshen: I think the intent of it was obviously just to clear up court times, to make sure we were – there were a growing number of issues in courts. A lot of, you know, lesser severe traffic incidents were being in court and were tying up court times, and we were seeing some horrible cases just timing out because there wasn't

enough court time to actually process them. So the intent behind it was to make sure that we could have a justice system where people have confidence that the real bad guys are actually getting processed in time and that they are having their day in court. That was the intent behind wanting to take traffic issues out of that.

But when we heard loud and clear from Albertans that their ability to be able to use the courts to fight their, yes, sure, maybe minor offences – to make sure that they have that ability and that right to do it: that was something that we didn't want to take away from them.

Mr. Dach: Okay. Thank you.

Let's move on to line 3.4 of the estimates, page 227, once again. You had mentioned commercial driver grants earlier. There's a decrease of 21 per cent from the amount spent in the third fiscal quarter and the amount budgeted for the commercial driver grants. Now, last November the government announced that it was expanding the eligibility of the program to allow more Albertans to take advantage of it. Can you share how many grants were given out last year, and how many of them covered at least 95 per cent of their training and testing costs? And how will this cut, this 21 per cent decrease, from the amount spent in the third fiscal quarter affect how many people can access the grants?

Mr. Dreeshen: It's, obviously, a demand-driven program, the driving back to work grant we started in 2020 to support unemployed Albertans and those wanting to get a commercial trucking licence. A thousand grants have actually been issued, and 73 per cent of those actually did get their licence, which is fantastic, and 41 per cent of grantees, folks that received the grant, self-reported that they were able to obtain employment within 90 days of completing this program. I know it was kind of the first of its kind in the province, but I think those are pretty good stats and numbers to show that, you know, people were using the program, and when you can see that amount of response time of being able to get a job following that, that's a great type of training.

Mr. Dach: So if I'm understanding this correctly, Minister, you're saying that there was a good uptake on the program. A thousand people took advantage of it, 73 per cent of them got employment as a result, but therefore you're decreasing the budget to that successful program? Would it not be more sensible to increase the program instead of decreasing the funding available? Isn't it a case of: if you build it, if you have the money available, people will come to use it? That's evidence that you're just talking about. People were taking it up and taking advantage of these grants. Why would you not expand it, if it is successful, to allow more people to come forward and then take advantage of these grants to satisfy the need, the high need, we have for truckers in this province?

Mr. Dreeshen: Again, I would reiterate that it is demand driven, so it ebbs and flows with the demand and the intake coming in. But the \$2.7 million decrease that you see and I think you had mentioned actually is due to no new funding from Transport Canada's enhanced road safety transfer payment program. That is something where that decreased. Just the flow through from the federal government stopped.

Mr. Dach: Right. Well, in a case like that, though, where you see an uptake of a program that is that successful where there's a high need in Alberta, if indeed the federal government, for whatever reasons, funding diminishes, wouldn't it behoove the province to say, "Look, we're going to backfill this and make sure that we satisfy the demand for truckers' education here and fill those dollars in to take advantage of the demand and the willingness of drivers to

come forward”? Would you not have thought that would be a better route to take rather than just say, “Well, it’s gone down, and we’re not going to do anything about it”?

11:05

Mr. Dreeshen: I’ll just say again that it is demand driven, but it has gone down because we were receiving less funding from the federal government.

Mr. Dach: Yeah. I heard that part. I’m just saying: why would you not have then backfilled that with provincial money to train more drivers?

Mr. Dreeshen: It is demand driven, and we’ll see if there’s a higher uptake, if we have more than 1,000 come into this year. I think that’s a very fair question to ask: how can we backfill where the federal government left?

Mr. Dach: All right. I’ll move on to other things. Now, one of the really important issues – and it may take a fair bit of time to cover this. One of the most common complaints that I receive and I’m sure that you, Minister, will receive from Albertans relates to deferred or neglected highway or bridge maintenance. We look at your maintenance targets that are in the strategic plan, I believe, and you even alluded to them in your opening comments where you suggested that I think it was 84 per cent of Alberta highways were in good or fair condition. If you look at the totality of those numbers – good, fair, poor – you can look at that another way, and you can say that if you add up the 25 per cent, roughly, that are in fair condition with the 15 or so per cent that are in poor condition, you would come up with a statement that says 42 per cent of Alberta’s highways are in fair or poor condition.

I and many Albertans across the province wonder aloud and scratch our heads as to why it’s acceptable that in this day and age 42 per cent of our highways being in fair or poor condition is an acceptable metric for Alberta Transportation and Economic Corridors. I think that if Albertans were to see a request from an airport in Alberta to have 42 per cent of its runways in fair or poor condition, they would be pretty alarmed. If a rail line put forward a proposal to say, “Look, Minister, we, an Alberta rail, want to have just 42 per cent of our rail lines in fair or poor condition and operate that way,” it would be highly unacceptable. Albertans are wondering why this metric is acceptable for Alberta highways.

I take it, sure, that these metrics were in place when we were in government as well, but it’s a long-standing metric, and it doesn’t seem to be changing. If you look at the targets that you’re estimating for going forward in the next two, three years, they’re unchanged. You’re accepting as a ministry that these targets are okay: 42 per cent fair or poor condition is an acceptable metric. Even the industry members who are responsible in large measure for maintaining highways are concerned about this because, of course, you end up having highway conditions deteriorate, and it’ll cost even more to fix those highways if they get beyond a certain level of deterioration. Governments typically are not the greatest at maintaining infrastructure, and this is one prime example of it: our roadway network deteriorates, and it doesn’t get the maintenance it requires.

I’m wondering how much you’ve been listening to the Alberta Roadbuilders & Heavy Construction Association’s plea for a different strategy to approach road maintenance in the province. Now, I first heard about their new strategy and proposal, a significant departure from where we are now in the relationship between the ministry and the road builders’ association, at one of their conferences late last year, I believe it was, and of course on their website you’ll see the case for an Alberta highway trust

company, which is an interesting proposal. I’m agnostic about it yet. I wanted to hear, though – I’m sure you’re familiar with it – how much of this have you adopted? How much of the case for an Alberta highway trust company, put forward by the Alberta Roadbuilders & Heavy Construction Association, do you accept? And do you believe that there is a need for much better communication between the industry members, the road builders’ association in particular, and government to make sure that the metrics don’t stay where they are, like, that the 42 per cent fair or poor condition of our highways does not remain an acceptable standard for us in the province and that we alter it?

I’m wondering: how much would it cost if indeed your ministry decided that you would adjust those by 5 per cent so that only 20 per cent of our roads were fair as a standard and perhaps only 10 per cent were poor? What would it cost if we set those standards so that 15 per cent were fair or 5 per cent were poor? This standard of road condition in 2023 is costing us money. It’s cost us money for decades.

The Roadbuilders & Heavy Construction Association lays out part of the reason why. Some of it is a budgeting cycle and a construction cycle and a financing cycle that kind of lost its way in the last 15 or 20 years in this province. There needs to be, I think, a better collaboration and perhaps a look at what is being proposed by the Alberta Roadbuilders & Heavy Construction Association to form a different relationship and allow for a better budgeting process so that we do approach remediation of our road surfaces on a more scheduled basis, which avoids the cyclical nature of budgeting in the transportation ministry and other ministries, which doesn’t respond to the needs of the actual infrastructure but, rather, to political needs of the day. Just trying to trying to iron out, trying to smooth out the political roller coaster that budget financing has with respect to our roads. What have you to say on this?

Mr. Dreeshen: Yeah. I thought we were going back and forth.

I think it was a very good question that you had in there on the dollar change of percentage of road condition, and that’s something that we will commit to getting back, if that’s okay with you, Chair, to table to the committee, because that is a very fair and good question.

To your point on the road builders, we’ve heard that as well when we met with them. They want to have that predictable funding. If you’re construction company X and you want to go buy equipment that’s going to last you 10-plus years, you want to have that predictable funding. If it’s year to year, it’s scary to go and invest that type of capital. To have that predictable funding is something that we’ve heard loud and clear from the industry, and we want to find ways that we can have lots of service providers because we know that there’s lots of work out there, so they can . . .

Mr. Dach: If I may, Minister, more than predictable funding; the Alberta road builders and construction association . . .

The Chair: It is a back and forth. You did take up some fairly substantial time asking a question. I would offer the opportunity to the minister to answer that. He was in full force. If you’d like to interrupt him, do it through the chair and not just speak directly to him.

Please go ahead, Minister.

Mr. Dreeshen: Two other points that you raised. The budget this year for highway maintenance has gone up \$72 million from the average of recent memory. I know you had mentioned in your remarks that that metric when the NDP, your party, was in power has been unchanged. This is a \$72 million increase in that capital maintenance budget, so it’s a total of \$402 million dollars for this,

and that is the highest annual budget that we've seen in over a decade. That is a \$72 million dollar increase by average. That's what's in the estimates, and I just wanted to make sure that I could make that clear.

Mr. Dach: Yeah. If I may, Mr. Chair, the long-term metrics that we're talking about, where 42 per cent of our roadways are in fair or poor condition, is something that I think Albertans are no longer willing to accept and are looking for leadership from this provincial government to address the conditions of our roads in a serious way by changing these metrics. I wanted to know how much it might cost if we were to do so in a way that was budgetarily possible over as short a period of time as possible.

When I mentioned the Alberta Roadbuilders & Heavy Construction Association's case for an Alberta highway trust company – and I'll table this document as well – you suggested that they were simply looking to get more stable, predictable funding. It indicates to me that perhaps you haven't read this document. It's pretty comprehensive, and it entails, Mr. Chair, a whole new restructuring of the relationship between business and government where there would be an injection of trustees to actually hold some sway within the ministry in a very tight, collaborative way. I would suggest that it's something that should be looked at. Beyond simply looking at more predictable funding, industry members are looking at a whole new restructuring of the relationship between industry members and the ministry as it relates to planning and building and funding and financing road construction in the province long term. It's a comprehensive document, and I think it deserves attention and comments, so I look forward to hearing more from you on that in the future.

11:15

Mr. Dreeshen: Yeah. I would say that I've read the reports. I've been briefed on the reports, met with the road builders, and discussed that report. It's not in the estimates, however, that we tabled or the budget that was tabled last week.

I would just again point out the metric that we are in this budget seeing a 22 per cent increase in the capital maintenance and renewal of our roadways, so \$402 million. I mean, yes, to try to catch up to make sure every road is in great condition, it would have to be more, but we are seeing at least a 22 per cent increase this year, and it's my hope that we could always try to catch up because we are seeing – we always had a reputation in the province of Alberta to have the best roads. Not to slag our friends to the east in Saskatchewan, but an Alberta road, Saskatchewan road – we always took that point of pride because we did historically keep up with our road maintenance. At least in this budget this 22 per cent increase, I hope, will go a long way to trying to make sure our roads are in good shape.

Mr. Dach: Well, through the chair, I might find some disagreement with that statement from the people of High Level, Minister, who contacted me after being dissatisfied with the response they were getting from your ministry on the condition of highway 58 after a washout outside of High Level took out a lane of their roadway. That was in the spring of 2022, and they suffered a one-lane highway for six months or so. It was controlled by a traffic light at either end of the washout in the dead of winter. Finally, after some advocacy by me and, hopefully, some response from your ministry, after six months it took one week of construction to get that washout repaired. I'm wondering why it would take six months for a ministry to perform a one-week repair on a highway which is the only road going into High Level in what turned out to be the

wintertime after a spring washout. Is that an acceptable metric for emergency repairs on a roadway like this?

Now, I'm sure you have contingency funding for emergency road repairs. Would it not alarm you or did it not alarm you that with this roadway these townspeople, the people of High Level, had to suffer through an unmanned temporary traffic light to go . . .

Mr. Getson: Point of order.

Mr. Dach: . . . to and from?

The Chair: A point of order has been noted.

Mr. Getson: Yeah. Under 29(b), I believe the item is, Chair, and if I'm misspeaking on that, I apologize. I've been very interested in some storytime. I've been very interested in documents that aren't part of the budget submission. I've been very interested in hearing all the relevance that comes back, but this is not question time in the context of question period. I'm really struggling. Maybe the member can find something on a page that's in the estimates that the minister can speak to. If I started tabling a bunch of other documents that weren't relevant here and if that member were the minister at the end of the table, I'm sure his patience would be wearing out at this point.

With that, Chair, I humbly submit, through you to the member, that we get back to the actual estimates rather than storytime of where we're heading down the road here. I'm struggling.

The Chair: Anyone else?

Mr. Dach: Thank you, Mr. Chair. I will speak to that because indeed I was clearly talking about the metrics that the ministry would be applying to road maintenance, and this was absolutely a continuation of my talk about the estimates percentages for road conditions. This is one example of those metrics that I wanted to highlight, to ask if indeed it was the standard that the government found acceptable, so I'm perfectly on topic, I believe.

The Chair: Okay. Thank you.

I'm prepared to rule. I will allow the question because it does have relevance to transportation and highways. However, I will speak after. I don't want to take up too much of your time here because you're almost out, but I will be talking about relevance after you're finished.

Go ahead.

Mr. Dach: Thank you.

Mr. Dreeshen: Thanks. I would just say, you know, that for this highway the department is in the process of engineering a new structure that would restore the highway to two-lane traffic. The new structure is targeted to be installed prior to spring runoff pending roadway safety and operational requirements. Once engineering is complete, the department will hire a contractor to repair the roadway and install the new culverts. But you're right that this is a very important, vital route between Rainbow Lake and folks in that area, so to make sure that – with this or any type of disaster or any type of failure of our road network due to very tough weather conditions, we can do our best to make sure it's resolved.

The Chair: Thank you.

At this point, just in between and before we move on, I'll make some comments. I've heard a couple of concerns about relevance coming from the government caucus as well, and we do have a fair bit of leniency in the time here. It is the members' time to ask questions if they – you know, the idea of budget estimates is to get

to the meat of the matter when it comes to what's in the documents that are provided. Although I do understand that there is a temptation to take political shots, I would caution members. You know, I'm going to give you the example of the south Edmonton hospital that was brought up by the members of the Official Opposition, and then it was pointed out by the minister that when that government was in power, they had actually planned to build that hospital over a live pipeline. So my caution to you is that if you want to chase down irrelevant rabbit holes, don't be surprised when you run into a rabbit.

With that, we'll move on to the government caucus for 20 minutes.

Mr. Getson: Sure. I'll take it there.

The Chair: Go ahead, Mr. Getson.

Mr. Getson: Thank you, Chair and to the minister. I was actually going to ask a bunch of items on highway maintenance and road repair, but given that the member opposite, even after Motion 501 was passed in the House and we debated it for hours on end, still doesn't understand the relevance or how economic corridors work, I might want to, if you're okay with it, Minister, go back and forth. Page 139 of the Transportation and Economic Corridors business plan and also some of the outcomes: we'll just loosely go back and forth on that, if you're okay, sir, to define what economic corridors are.

So a little background and edification on that. Again, I was very fortunate, as you had mentioned, Minister, to have that task force. When we had the task force put in place together, it was literally to look at some of the issues that we had with transportation logistics, short-line rail, and getting market access to salt water, quite frankly, with a lot of our goods and commerce. I guess the best context for folks that are on the phone or watching this or for the members opposite is to think planes, trains, and automobiles. Defining an economic corridor isn't necessarily building a brand new project. There's a combination that takes place of having an anchor tenant, one key piece of infrastructure that you can build a right-of-way or expand a right-of-way around, that mitigates a lot of the socioeconomic concerns that we have, to your point, Minister, that you made earlier, about regulatory compliance items.

Think of it as a line on a page. When the member was mentioning some of the key ports, Tuktoyaktuk is, for Canada, a very key port. Anchorage, Alaska, is a very key port both for our largest trading partner, remaining superpower, NATO partner, and our largest trading partner to the south and to the north of us. Prince Rupert is a massive port – it's often been called Alberta's port – which has 70 per cent more room to grow. We currently have connections and hard points to a bunch of these. Churchill, Manitoba, was mentioned as well, the strategic importance not only to our nation but to our province and our bordering provinces, as well as the Canamex corridor.

When we're looking at highway 2, when we're looking at highway 39, highway 22, highway 1, all of these other highways – 686 – that we're looking for construction, these are all segments of massive economic corridors that we oftentimes trip over, stumble by, take for granted. Hence, the report was put together to identify that.

Moreover, the report identified that there were three treaties – treaties 6, 7 and 8 – within our province that we had, and we had membership from each one of those treaties that were on these. They were overwhelmingly supportive of this concept, inasmuch as Chief Leonard Standingontheroad was one of my task force members. He is now the grand chief of Treaty Six and is going out

there and literally trying to stand up economic corridors. Treaty 8, Chief Isaac, and that group up there: they stood up an economic council to deal specifically with corridors.

So when the member opposite is trying to connect the dots – I know it's a little bit difficult for them because this is a nation-building project, as you put it, and if folks haven't worked around those sectors or those segments for massive linear projects and determining those points of interest, it's difficult for them.

I don't mean to ramble. I don't mean to have that one-track mind, Minister, but now that it's etched in your ministry door or on the wall, could you speak a little bit to that, of the concept and what your ministry has done to address economic corridors both with our trading partners, our provincial partners and what you're doing internally to look at that and how to meet that mandate?

11:25

Mr. Dreeshen: Great, great question. Again, I'd just like to state for the record that I do appreciate your work on this that you've done in the past and our work together that we've done on economic corridors.

You put it so well when it comes to just having that right-of-way, having that anchor tenant, having essentially all the politics taken out of a regulatory approval and to have all the work done beforehand. If you're a company around the world, you're looking at, "Hey, I could invest in this," and as we've talked about before, we're not inventing anything new here. You can look in Africa. You can look in Australia. There are lots of countries around the world that have economic corridors, treaties in some cases when it's between countries, where all that political instability is taken out, and that is something that we're trying to create here.

I think as Canadians we were always hopeful that we would have a federal government that was supportive of nation-building projects, that we'd have provinces that would see the importance of their neighbours to make sure that they can prosper and succeed as a society and as a people, and we haven't seen that over the last couple of decades. So that's why I think it is important to be etched in the walls of the Legislature so that there is a focus on economic corridors and how Alberta can lead. Not just even on lines on maps; you mentioned planes, trains, and automobiles.

Planes. When we look at our one and only neighbour, they have a very interesting airport model that is extremely competitive, and when we compete, especially for cargo flying into Canada, it's a night-and-day comparison. We are doing some policy work on our airports as well to see how we can try to compete with the Seattles of the world and others so that with flights coming in and cargo coming in, we here in Alberta can be that destination hub and branch out from there and have all the value-added of bringing in – essentially, they are called airports, and they are our ports. Alberta is not blessed with water ports, but we do have some amazing airports, and we are looking at ways of how we can try to improve our airport access and compete amongst our neighbours in North America.

Mr. Getson: Well, then, the other thing, Minister – I'm not sure if you found it as well, you know, through your mission statement and also some of the interactions you had. When we change the narrative – and I'm very glad that the vocabulary is out there. We're defining what "is" is, so to speak, when it comes to economic corridors, but when folks fixate on one asset or commodity type, then invariably they can get crossthreaded depending on the conjecture of the day. When you're looking at connecting regions and communities, whether it's through salt water or otherwise – and I honestly believe that we always should be cognizant of that, of what we have existing, how trade and commerce and goods and

services work. And to your point earlier you made, we're on the globe. We're not sitting on a flat page. When you start connecting these trading jurisdictions and regions, a lot of it comes down to timing and logistics as well.

I believe the ACT report that was put out by the feds had ranked, through their own independent findings, that the port of Vancouver was number 38 and 40 in the world. When I was on the task force and talking about the trade and commerce and goods and services movements, everything was backing up on the western seaboard for Long Beach and into the port of Los Angeles. We couldn't get our goods and commodities flowing out of the north, so we literally couldn't move our lumber out of northern Alberta because there wasn't the warehousing and storage availability. They couldn't get it on the boats. Literally, the ships were not coming into our ports because of being tied up, and they were paying demurrage.

So, Minister, with that, when you start talking about these economic corridors, is that also resonating with the port authorities? Is it also resonating with the other rail companies, the trucking companies, and also some of our major key economic drivers in the province, ag, forestry, et cetera?

Mr. Dreeshen: Yeah. I think we're starting to talk the language that they've always hoped and wanted governments to speak. When you look at Vancouver, obviously, the number one port in the country – Prince Rupert has now overtaken the second spot to be the second largest, and that is primarily thanks to Alberta, our products being able to ship through there – there's a long-standing issue that we've had with the federal government even for the port of Vancouver. Their board of directors is set up with only one representative from the prairie provinces, from Alberta, Saskatchewan, Manitoba, yet about, I think, 80-plus per cent of the exports from that port comes from these three provinces. An 11-person board only having one representative from 80-plus per cent of all exports is something that we've always fought, to say that we want to have more representation so there's a greater focus on it. So, yes, I think, especially on the port side, they are looking at the needs that we have because we bring them so much business, but I do think that there is more to go to try to make sure that our best interests as a province and our industry and our people are best served.

Mr. Getson: The other one, too, Minister: given some of our key drivers in our province, both with the agrifood sector and the actual production that we can get – and I know you're from a farming background as well as many of us here around the table – and understanding getting not only raw commodities but to be able to address some of the logistics and supply chain issues, I was very pleased to hear about the work that's taking place on highway 3. No, it's not in my own backyard, but this work is taking place on highway 3 and helping to grow out the agrifood corridor as well. Can you speak to some of the logistical challenges that you've heard there and how some of these twinning projects will improve that and also potentially – I know it's not your ministry directly – using the economic corridors to help facilitate the irrigation that's going to be taking place in those areas to help sustain it.

Mr. Dreeshen: Yeah. The first section of the highway 3 twinning project, between Taber and Burdett, is right in this budget. Construction is going to happen this spring. There are seven other sections that we're working on. They're at different stages of engineering design, planning. But that first phase will happen this spring. It is such a major economic corridor in the southern part of the province.

Irrigation down there: 800-plus million dollars in irrigation have been invested over the years. We're seeing about 200,000-plus new

acres of irrigated land. Even more exciting than that is to have value-added food processors looking at southern Alberta as a place to come and invest or expand their existing facilities. When you do look around the world at irrigation acres going down because of poor management, poor planning in other places around the world, we're actually, I think, one of the only jurisdictions that is growing and having more irrigated acres. That really does put us at a precipice of being able to have a lot more investment in our food industry.

Again, connecting to B.C., we're having talks with them to make sure, once it hits the B.C. border, it can be twinned. After the B.C. floods of 2021 I think the B.C. government is looking at kind of safety, egress, and the importance of highways and additional highways. Actually, coming around through highway 3, with British Columbians having to come around when highways were blocked in B.C., I do think that there is an appetite with the current B.C. government to be able to expand that.

Yeah, obviously, having more infrastructure in these key, vital areas is definitely important.

Mr. Getson: I really appreciate that, Minister. That's what we heard, too, in comments coming out, even from the mayor of Vancouver at the time. We're going from a just-in-time model to a just-in-case model, hence the redundancy in the system. That ACT report was, you know, showing about \$4.4 trillion being spent in infrastructure. Like, it was huge, from current time until 2070, just to reach, you know, growth of inflation and population growth, just to meet our needs.

One item here, sir, now that we're getting on to the back end of the clock: short-line rail. When we did the report and the study and the recommendations on that, it also showed a niche service or something that's been kind of pulled away from the mainline carriers, just through their business models over the year and consolidation of their lines and also being more fixated on delivery rather than first mile, last mile service.

We've also seen an uptick – and Saskatchewan did a great job. You know, it's been said a few times that they've been eating our lunch, and I love that. They're a great bunch of folks, the legislators I've met. They're very much in the common theme that we are and very much standing up for a lot of the same things that we do in our province. They do that as well in the country and are our allies, for sure.

But one thing they did honestly beat us to the punch on was making sure that they have short-line service. The western rail association, that they have out there – they have a number of members, I believe 14. We have two in Alberta. Some of the short-line rail difficulties and also some of those golden opportunities of how we look at that: could you maybe speak to how we integrate short-line service and potentially some co-operatives or new short-line rail services using old or existing beds and refurbishing them and how they integrate back into the main model and help facilitate the growth of our ag sector as well?

Mr. Dreeshen: Another great question. Yeah, our friends in Saskatchewan – we were blessed here in Alberta with not having decades of NDP government to slow down economic development and growth – have done some really innovative things recently, whether it's the value-added investment tax credit that they introduced, and they've even bumped it up since.

When it comes to short-line rail, yes, I think they have been – because, again, they're even farther away from tidewater than we are, they've done a lot of good work on short-line rail. That is something that we're looking at with policy development, how we can help the existing short-line rail operators within Alberta and

actually attract additional short-line rail operators. Unfortunately, in Canada it's Canadian Pacific and Canadian National. We have two essentially monopolistic rail companies that criss-cross the country and down into the United States. That's not good for our economy.

11:35

To have more competition, to make sure that we can have more rail lines, whether it be short lines or federally regulated class I: that's all music to economic growth and development. So that's something that we are working on with the industry and trying to come up with some policy proposals, again not reinventing the wheel, to see where we can go to try to help, whether a class I has vacated the space and there's some rail bed that's existing and is there, to be able to say: how can we incentivize to bring a short line into that area? Moving any commodity by rail is better than truck, and better than rail, if you can, is by pipeline. So as much as we can do moving in that direction is great.

Mr. Getson: Well, I appreciate that, Minister, and again, you know, to the point, the feedback that we received is from right across the province, and also the feedback that we've received is nation building. Literally, it's pulling our economies together and spanning electoral cycles.

One of the other items that we talk about as well – and, again, it relates to the economic corridors in your mandate. We haven't talked about those border crossings. Is there something that we're working on for flow of goods and services, getting us across that southern border, whether it's flexing the Can-Mex treaty, that you had spoken about before, leveraging that, whether it's looking at Coutts or Del Bonita or some of the other crossings, where we're looking at integrating to help that flow of goods and services, again as it relates to the economic corridors, sir?

Mr. Dreeshen: Yeah. That is something that I raised when I was in Ottawa with the federal government, an express lane at Coutts. Saskatchewan does have an express lane for goods going across into the United States, and to be able to have that here as well, just to help with commerce and all the truck traffic that we have going down to the United States, is important.

I should have mentioned, with your earlier question, that there are 359 provincially regulated rail sites that operate as either industrial, heritage, or public short-line railways within Alberta. Obviously, you know, the seven heritage railways and the three public short-line railways: as much as we can, again, work with them to make sure that we can see how we can expand their operation and get more trucks off the road, that's overall good for our capital maintenance and renewal budget as well.

Mr. Getson: And it bodes well for both CN and CP. I mean, sometimes we look at them disparagingly because they are big companies and they do those things, but from what I've found, it's quite the contrary. In a lot of regards they're very good at what they do, and when the companies look at the short-line rail and some of these intermodal transport facilities, just integrating into their model, it works well. Cando: I'm going to give, you know, a tip of the hat to them as well. They've worked with that model very well, where they can run on CN and CP lines. I think a lot of the short-line rail folks have figured that out in Saskatchewan as well that do this. I think we have some very golden opportunities, quite frankly, to build the farm team when it comes to rail transportation and logistics, to dovetail in there. We want to make sure – at least, I want to make sure – that we don't cast a disparaging eye against CN and CP. We obviously appreciate all

the goods and services they move for us. They are much of the lifeblood.

Also, when folks are thinking about economic corridors, when you look at binding the nation together first, it was literally that CP line that bound our country together, and it's not by chance that 90 per cent of our population kind of hovers around that one corridor. You know, this might sound self-fulfilling a bit, but I'm very excited about corridors and building our country again and jumping over that narrative and spanning the political scene by you looking at tying in some of these corridors not only in our province to make sure that we're building those segments out but literally building up northwest Canada. So I really appreciate that.

Mr. Dreeshen: Maybe that was the farmer in me, so I apologize.

Mr. Getson: No. It's okay.

There are some concerns, obviously, out there, but I think there's a way forward when we start talking about these corridors and the short-line rail service and how we decouple some of the congestive points and debottleneck.

One item I wouldn't mind asking or talking about again a bit, too, if you could: in my area we had an announcement a little while ago, but just again for the record if you could talk a little bit about some of the plans that will be taking place out on highway 16A and range road 20, again another major economic corridor, making sure that we don't slow that down but also addressing safety issues and concerns as well.

Mr. Dreeshen: Yeah. That was a very unsafe intersection, and I do appreciate you and MLA Mark Smith and others that raised that unsafe intersection. As traffic grew, as we had more and more, you know, different types of traffic flows of heavy trucks, big trucks in that area, it was becoming unsafe. I know there were fatalities, and it's something that needs to be fixed. We are, obviously, in the budget committed to making sure that that intersection is fixed. A complete redesign of it will happen so that it is safe. In the meantime we are looking at safety measures, whether it's additional signage or what we can do just to make sure the public awareness is there before we actually get shovels in the ground and physically improve that intersection.

Yeah, sometimes it's not just about traffic counts of how many Teslas, you know, tripped the count on a certain road but also the types of trucks and just kind of a broader scope view of what's happening in regions and how we can have a logical transportation network and do whatever we can to try to make sure that our road network is safe and that, at the end of the day, families can get home to their loved ones.

Mr. Getson: I appreciate that.

Then with highway 60, the overpass, just to make sure – I know there have been lots of splashes out there from prior administrations. We all saw the sound bites, and we got here with fairy tales and pixie dust in the budget; there was nothing there. So just to get you on record, we do have cash allocated for making that happen on that major corridor.

Mr. Dreeshen: You bet: \$60 million for highway 60. Glad it didn't have a higher provincial road number, but, yeah, the money is there.

Mr. Getson: Well, I know folks in my area appreciate you spending the dollars and cents prudently and also the grand strategy of these corridors tying it all together.

With that, Minister, thank you. I guess I'll give you back 15 seconds.

Mr. Dreeshen: Like I said previously, I appreciate all your help that you've done on economic corridors and leadership that you've done.

Just one last issue, if I can, before the time is out: another issue at the border is returning to pre-pandemic hours.

The Chair: Sorry to interrupt, but that concludes the government members' first block of questions.

Now we move to five minutes of questions from the Official Opposition, followed by five minutes of response from the minister. As mentioned, members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time. Is that something you'd like to do? You're amenable to that?

I would just encourage the member, if you're going to continue on, to use your time wisely and try to stick to the ministry business plan and budget documents that we're here for. But it is your time.

Mr. Dach: Thank you, Chair. Minister, we had talked about some other projects that were under way. One of them that's really important is the Vinca Bridge replacement, and it's something that we strongly support as the opposition. We actually, when we were in government, funded that in Budget 2018, and then it was cancelled, and now it's coming back. Why was there the gap there and now it's become a priority, the Vinca Bridge?

Mr. Dreeshen: I would assume it's similar to projects like the Red Deer regional hospital, in which you can make an announcement, but no money is actually tied to it, and it actually gets cancelled. The Vinca Bridge in this budget is fully funded; the \$60 million is committed there. It'll be a three-year project for bridge replacement, so we're essentially building a new bridge right beside the old, existing bridge. It will be a heavy-load bridge to be able to take all the big trucks that go in that area and, again, eliminate – and I said this in my opening remarks – a 200-kilometre loop that they currently have to go around on a round trip for large loads to be able to go through that area.

Mr. Dach: It is very much needed. Do you foresee any delays upcoming in this bridge replacement, or do you figure it's going to be full steam ahead, with no hurdles that should prevent its completion on time?

Mr. Dreeshen: We're confident that the engineering, the planning that we've done, working with the stakeholders, industry in the area, communities, counties in the area – I think everybody in the area wants this to happen. We'll do everything we can, but obviously it is a bridge. When you're dealing with rivers, it's navigable waters, and it's the federal government, but we are hopeful that that three-year time frame will happen.

Again, the design, the land, utilities: everything is locked in. I'd like to say that there are no hurdles. If it's on time, on budget three years from now, you can quote that, and if not, well, I guess I was wrong. No, it should be full steam ahead.

Mr. Dach: Thank you.

Through the chair, with respect to, once again, a delay in a project, the Calgary Deerfoot ring road was funded in Budget 2018 as well and cancelled and is now coming back. What was the reason for that delay? Now it's back on the table. What stalled that?

Mr. Dreeshen: Again, I will try not to get too political, Chair, but things that were announced in 2018 by your government and then

not coming to fruition right before an election – I don't want to go down that rabbit hole.

But there's significant investment in Deerfoot, and essentially once this is complete by 2024, it's going to be 101 kilometres of free-flowing traffic around the city of Calgary, which will, you know, go such a long way of cutting down travel time within the city of Calgary and . . .

11:45

Mr. Dach: Thank you for that answer, through the chair. If I may continue on to other topics.

I wanted to talk about rails now. We have long heard about the difficulties that Canadian and Albertan manufacturers, suppliers, foresters have had with respect to moving their commodities on CP, CN rail lines because of their monopoly position, and they're in a disadvantage in negotiating contracts and so forth. I know that one of the big concerns is rail capacity, and I'm wondering about the difficulties that you may be having in negotiating with CN, CP as a provincial government to assist our suppliers or commodity producers in making sure that there are adequate railcar capacities and scheduling to make sure that we get our products to market, to salt water. How would you describe the relationship that you have with CN, CP in terms of making sure that they don't abuse their monopoly position with respect to our suppliers?

Mr. Dreeshen: Just on the – I kind of got cut off there, Chair – previous question, the Deerfoot Trail: \$430 million going to Deerfoot in the capital plan and in these estimates over the next three years to be able to build the Deerfoot, to continue to complete that ring road on the west side of Calgary. Again, just important work.

When it comes to rail, there is a monitoring group that makes sure that for all railcars for grain, or what type of allocation there is for commodity, there is a monitoring system of it, which is great. And I would say whether our rail competition – I know I'd mentioned before about two monopolistic type railways depending on where they are. They do transport billions of dollars' worth of products, so they are still important. They are vitally important.

To your point of: how can we help make sure that we can have goods delivered to markets around the world? One of the biggest things is that it's a global market, and we compete globally, and things like the carbon tax or things that actually hurt our global competitiveness when we're going into markets where the Canada equivalent, the Alberta equivalents around the world, that don't have carbon taxes, that are selling their products into the exact same market we're trying to sell into – it's a competitive disadvantage. That's why things like the carbon tax or higher regulatory costs or higher taxes hurt our competitiveness to sell around the world. So that goes . . .

Mr. Dach: Thank you for that, Minister. If I may, Chair . . .

The Chair: Member, I chaired a meeting last night for three hours where the government minister refused to go back and forth because in previous meetings he'd been interrupted and not been able to give an answer, so in fairness if we're going to do the back-and-forth thing, give the minister an opportunity to answer the question. It's about trading information, and it's not just for us here in the room; it's for Albertans. So I would encourage you to avoid – you know, we've got 20-some hours of meetings coming up, and I really enjoy the back and forth much more than the block time, so I would encourage members to at least, if you're going to ask the question, give the minister an opportunity to answer it so that we can avoid going into the blocks. Okay?

Mr. Dach: Thank you, Mr. Chair, for that advice. I thought we had been going back and forth rather successfully and respectfully. Nonetheless, I'll take your advice.

What I wanted to do at this time, though, if I may, is to invite the Member for Edmonton-Manning to drill down on some specific questions on rail.

The Chair: Thank you.
Go ahead, Ms Sweet.

Ms Sweet: Thank you, Mr. Chair, and thank you, Minister. I think we'll continue to go back and forth? Yeah. Okay.

In your last comments to the hon. Member for Lac Ste. Anne-Parkland you made a comment about short-line rail and the relation to when we were in government. Now, I just want to remind you that the 40-mile rail actually became operating in 2016, when the NDP were in government. Can you let me know what type of new short rail has been developed since you formed government?

Mr. Dreeshen: Again, we're working on policy work to make sure that whether there are existing operators within Alberta or our new industry entrants that want to actually come into Alberta – it's something that we obviously want to have fewer trucks on the road where we can, to have more short-line rail, so it is something that we're working with the industry, we're working with the department to make sure that we can have a competitive process or a competitive industry so that – as I mentioned, as the Member for Lac Ste. Anne-Parkland mentioned, and the parliamentary secretary for economic corridors has said, Saskatchewan has done a lot of work in the past to make sure that they can try – if a class I railway does shut down its service or moves away from its railbed, that that is being picked up by short lines. I think that is something that we want to make sure that type of change can be here as well.

Ms Sweet: Well, thank you, Minister. Clearly, there's been no new short line developed under your current government.

Now, there is an alliance that's been developed in northern Alberta, the Community Rail Advocacy Alliance. The current members of that alliance are Grande Prairie, Alberta Wheat, Alberta Barley, Alberta forestry, Peace Region Economic Development, Northern Transportation Advisory Council, and the central Alberta economic committee. Now, part of their role is that they're trying to encourage the federal government – because I appreciate that the barriers that are being faced primarily are in federal jurisdiction – around the barriers that are impacting the northern economic potential for export but also the economic opportunities for expansion. My understanding is that you are probably aware of this advocacy alliance, and I'm wondering what role the province is taking in supporting the work that they're doing to try to work on some of those strategies that they've identified.

Mr. Dreeshen: Again, as I mentioned, we are doing the policy work of: how can we become more competitive in Alberta to attract more short-line rail investments? Working with them and other industry users of railway is obviously a good starting point to make sure that we are addressing the needs of the industry. Like I'd mentioned earlier, whether it's carbon tax, federal regulation, even provincial regulation that is holding back the development of some of these economic drivers that we really need as a province, it is something that we want to address and see if we can find ways to improve it.

Ms Sweet: Thank you, Minister.

The Chair: Thank you very much, Minister.

We'll now move on to a 10-minute segment for the government caucus. You choose to go back and forth with the minister? I'm seeing Mr. Singh. Go ahead, Mr. Singh.

Mr. Singh: Thank you, Mr. Chair. I would like to go back and forth with the minister.

Thank you, Minister, for being with us in the committee today. I appreciate your efforts and the good work being done in the ministry. On line 5.6, page 227 of the estimates, we see that \$213 million is being committed to Edmonton LRT projects, and this represents a massive 82 per cent increase from the \$117.1 million that had been allocated the previous year. Not only that, but funding for Calgary's LRT project is also increasing 42 per cent, from \$88.6 million to \$125.6 million. As the MLA for Calgary-East I know that both of these projects are extremely important as they provide more and more Calgarians and Edmontonians with access to affordable public transit. How do you expect this funding to be utilized to improve these projects?

Mr. Dreeshen: Great question. As you mentioned, and it's in these estimates, the provincial commitment of \$1.47 billion towards Edmonton LRT projects and \$1.5 billion towards Calgary LRT projects – and I know that wouldn't reflect their standings in the NHL if these were the Edmonton Oilers versus the Flames. There is more funding for Calgary on this. As a province when it comes to LRT projects, we're the funders. The city of Calgary, the city of Edmonton: you know, we work with them to help ridership studies and planning, but they're in the driver's seat of these projects. Actually, kudos to the city of Edmonton for their P3 project that actually had some construction issues. Because it was a P3, actually, the contractors themselves bore those costs of having to redo a bunch of base construction work on the Valley line in Edmonton. Otherwise, that would have been borne by taxpayers. The city of Edmonton, city of Calgary: they know what they're doing when it comes to building LRT projects, and we as a province are happy to fund them to make sure that people in Edmonton and Calgary can use transit safely and get to work and get home at the end of the day.

Mr. Singh: Thanks for the answer, Minister.

How will you evaluate the success of these projects?

11:55

Mr. Dreeshen: Essentially, on time and on budget is something that we look at. I know that when it comes to Calgary, the commitment that we gave was a long, long time ago, but it is something that we're seeing some initial dirt work happen now. We're hopeful that we'll see completion done soon. With Edmonton as well you'll see the expansion of the LRT system. It's been quite extensive. We always look at on time and on budget as a great barometer of how successful a project has been.

Mr. Singh: Thank you.

Outcome 3 on page 142 of the business plan states that "Alberta's transportation network and water management infrastructure [should be] maintained effectively and responsibly, [to ensure] long-term sustainability and affordability." Albertans are proud of the condition of their roads, and they have also noticed neglect in the care of certain highways. Please, Minister, can you tell us how the budget will maintain a sustainable transportation network?

Mr. Dreeshen: Yeah. In Alberta we have the most amount of pavement per person and per kilometre: 31,400 kilometres of highways, over 4,800 bridges within the province. Yeah. Budget

2023 does have \$1.7 billion over three years for capital maintenance and renewal, and specifically just for this budget year alone is \$727 million. Again, as I mentioned before, that's a 22 per cent increase from historical averages, but it is something that we're trying to trying to catch up, trying to make sure that our road network is in good condition so people can drive home and drive to work safely. At the end of the day, we can take pride in a fantastic asset that we have here in Alberta, which is our road network.

Mr. Singh: Thanks for the answer.

Industry has also made it clear that they would like to see a highway connecting Fort McMurray and Peace River. Can the minister provide the community with an update on this important economic corridor and detail any funding that is in the budget for this project?

Mr. Dreeshen: We are working on the existing 686 road as well to be able to expand that. The funding is actually in the budget already, but the total 218-kilometre link between Fort McMurray and to the southeastern part of the province is a great economic corridor project. Obviously, it takes work with First Nations and counties within that area to make sure we find the right route.

But it's not just even an economic corridor argument; it's also a personal argument, a people argument, because when we see forest fires, that happen every year, up on our western border and in the northern part of the province, having an additional egress, having an additional way out of certain communities is so important. So 686, Fort McMurray: everybody always remembers the images of the Fort McMurray fire. To be able to have another escape route out of Fort McMurray and communities in northern Alberta is important not just because we have trillions of dollars' worth of resources up in northern Alberta that we need to get to market but because we have families up there, and we need to make sure that they can be evacuated safely and get home safely.

Mr. Singh: Thank you for the answer, Minister.

With that, Mr. Chair, I would cede the rest of my time to MLA Issik.

The Chair: Go ahead, Member.

Ms Issik: Thanks, Mr. Chair. I'll be really quick. As a Calgary MLA I'm keenly interested in what the plans are for Deerfoot Trail. It is an incredibly busy corridor not only for goods and services but as a huge people mover in the city of Calgary, and I'd like to know what the ministry is planning to do with Deerfoot to improve it.

Mr. Dreeshen: Yeah. A lot. For Deerfoot, actually, the first announcement we made was that the bottom seven kilometres of Deerfoot within the city of Calgary is getting improved. That'd be seven new bridges, but the seven-kilometre stretch of road is going to start this spring. Obviously, 180,000 vehicles a day going up and down Deerfoot in Calgary: it's the busiest road we have, and to make sure that we can grow and expand the Deerfoot is important, in addition to the Calgary ring road, which eventually will be fully completed by 2024, for next year. Over about \$2 billion of investments and capital planning investment from Transportation and Economic Corridors alone are going into Calgary, and the Deerfoot and LRT and the ring road are the three big, massive projects going into Calgary. So this is a good-news budget for the city of Calgary.

Ms Issik: That's great news, Minister.

I also just wanted to have you turn to page 227, line 6.2. It refers to the water for life program, and that line item: we're seeing a 300

per cent increase. It's \$69.3 million, and it is for the water for life program. Can you just, for the benefit of the viewers, let everybody know what that is all about and also explain, please, the 300 per cent, incredibly huge increase on that line item?

Mr. Dreeshen: Yeah. The 300 per cent increase is aligned with the anticipated cash-flow requirements from this program, so municipalities for their water infrastructure projects. The department received seven applications requesting \$75 million in funding. Overall, the water for life program is to help waste-water commissions and communities to be able to tie into regional water networks, so it really does have a cost-savings effect. This is essentially trying to catch up with pent-up demand that has been growing across the province. That's why we saw the increase in that granting program.

Ms Issik: Thanks for that information.

I'm going to, on the same topic, I think, cede my time to MLA Orr.

Mr. Orr: Okay. Thank you. Well, we're going to be real quick here to get going. Yeah. Municipal water/waste-water partnership: I do have a couple of questions there. It's 139 of the business plan. Is this funding put out through grants? If so, is there a backlog for those? Particularly I raise that because I know the village of Alix has tried a couple of times to get their waste-water ponds upgraded. Engineering reports have indicated that it's leaking, it's overfull, it's close to bursting. So that's an important thing, I think, for us to understand if this is . . .

The Chair: Sorry to interrupt.

We'll now move on to a 10-minute block with the Official Opposition. I see Mr. Nielsen. You'd like to go back and forth with the minister?

Mr. Nielsen: If the minister wouldn't mind doing that, that would be fantastic. Thank you, Mr. Chair. Actually, my question is going to be pretty specific here, Minister. As a north Edmonton MLA one of the organizations there is the North Edmonton Business Association, of which the town of Gibbons is actually a member. My question, of course, would fall under the estimates on page 226, under section 9, provincial highway construction projects, specifically 28A. I know the town of Gibbons has been advocating for this for years, to have the highway twinned. It's a 16-kilometre stretch from the Manning freeway to the town of Gibbons, and of course there is the bit of the spinoff highway there, 643, which heads to the Redwater plant that's out there. They've asked for years for this highway to be twinned. It's actually slowing down their ability to develop their industrial area there. So I'm wondering if in the budget there is some money for that project to get started. If so, what's the status on it, and when would the projected completion date be?

Mr. Dreeshen: In this budget; not at this time. But I agree with you that that is an important area. As much as there is \$8 billion in capital planning over three years in the province, there's obviously a greater need than \$8 billion. I think this, unfortunately, falls into that category of a twinning project that isn't in this capital plan, but hopefully going forward we can make sure that it becomes a priority. But not at this time.

Mr. Nielsen: Thanks.

Mr. Chair, I'll pass the rest of the time over to Mr. Dach.

The Chair: Go ahead, Mr. Dach.

Mr. Dach: Thank you very much, Mr. Chair. Minister, in the interests of time I'll be brief with my questions, but I do have four or five quick issues I want to get on the record. I think that you'll be interested in doing so as well, so if we could respond quickly back and forth, that would be good.

Minister, with respect to Banff townsites and traffic in Banff the federal government recently banned some traffic going up to major Banff attractions, private vehicle traffic. In the interests of public safety your business plan, outcome 2, emphasizes traffic safety promotion on page 142. But in response to that, the Minister of Forestry, Parks and Tourism opposed this ban on private vehicle traffic. Now, on that roadway the traffic was bumper to bumper, as you well know, and it was banned.

12:05

So I'm wondering if indeed you have been in touch with your federal counterparts to look at solutions to vehicular traffic in the town of Banff as well as major park attractions so that the economic capacity of the town and the park is not diminished by the traffic jams that people are seeing on a regular basis. What conversations have you had with respect to diminishing the traffic problems that we see in Banff town and attractions, and what solutions are you looking at? I know there have been many solutions brought forward, whether it involved potentially bus or rail. Where are you on this? In a short answer if you could.

Mr. Dreeshen: It is a federal road within the national park, and it's not our road.

Mr. Dach: Okay. So no discussions that you've had with the federal government, then, with respect to the matter? All right. Thank you for that.

We'll move on. Something that I think all members will be very interested in is, of course, the safety of our roads in the wintertime. We all know that we suffered the loss of a colleague, Manmeet Bhullar, a few years ago, icy winter roads being a contributing factor. I know a constituent of mine, Sana Ghani, a teacher up in Cadotte Lake, died as a result of a single-vehicle accident on icy roads. All Albertans, you know, fear – and we fear for each other – as we drive our Alberta highways in wintertime.

There have been some solutions that have been brought forward, no pun intended, regarding liquid products that are sprayed onto roadways like liquid calcium chloride or phosphate chloride. In some places they're still used right now, like, I believe, on our ring roads, which are provincial highways. There are some where the contractors will use a spray-on chloride-based solution. I'm wondering if indeed we're really studying this well because if indeed the solution that's put on is successful, the roads don't get icy in the first place. Albertans are looking towards much safer roads, particularly as we become more accustomed to the possibility of autonomous vehicles and the like on our highways. In your business plan, outcome 2, page 142, safe road services, what investments are you making in really examining these de-icing solutions that might make our highways safer?

Mr. Dreeshen: We are open to new technologies. We constantly look at, you know, best practices and what works in other jurisdictions and then even test it on our own roads. Unfortunately, there isn't a one-size-fits-all because, depending on the weather condition, what you put on it won't necessarily work. An example: if you sand a road that you would normally just plow and it's extremely windy conditions, the sand just blows off the road. So it is something where, whether it's liquids or certain types of products, we constantly are looking at how we can be innovative and use new technologies. Obviously, there's a balance of cost

versus acceptable level of service. We want to make sure that all roads are safe going forward, but we also want to make sure that the practices that we're using to try to make inclement, bad winter weather – to make sure that our roads are as safe as possible.

Mr. Dach: Okay. Sounds good.

Mr. Chair, through you, with respect to safe driving conditions and working conditions for commercial drivers, since the implementation of the mandatory electronic logging devices for commercial drivers, Minister, what data can the department point to to demonstrate that the goal of improved driver working conditions and public safety has improved as a direct result?

Mr. Dreeshen: Well, it's something that the federal mandate of the electronic logs – we are looking into that exact question of: what improvements are we seeing? Saskatchewan and other provinces have some tweaks to that program. We are currently reviewing that question to see if there are any changes that we need to make that ultimately make the roads safe but also realize and understand the realities of our trucking industry and the needs of our trucking industry, because sometimes if you're stuck or if you're in a long distance and you have nowhere to go but you're timed out, there needs to be some variances given in certain situations. So we are currently reviewing that to see if any changes need to be made.

Mr. Dach: All right. Then maybe a bit longer question. There have been a number of high-speed rail proposals brought forward. I've seen a couple of them in some detail, and I'm sure your ministry has been in receipt and has met with some of the proponents for high-speed rail, particularly between Edmonton and Calgary. There are a number of different technologies that are being suggested, and all of them suggest that they're viable and economically feasible and so forth. I'd like to hear from you what plans your ministry is favouring if indeed you are at that point yet. Where are you at with respect to support in any budgetary way for high-speed rail connections between Edmonton and Calgary in particular? Some have even said Banff, Canmore, Calgary as well. Please comment on any financial commitments that you've been asked to make or that you contemplate making in this budget with respect to high-speed rail proposals.

Mr. Dreeshen: Sure. There are two proponents. Transpod and Prairie Link have proposed projects to build that high-speed transportation system between Calgary and Edmonton. Prairie Link, a partnership between EllisDon and AECOM, is proposing to build a high-speed rail between Calgary and Edmonton. Transpod, a Canadian start-up company based in Toronto, is focused on commercializing an ultra high-speed tube transportation system that we put forward. These are not government of Alberta projects. We are currently working with both companies on the feasibility studies and the feasibility assessments that they put in to be able to have these two projects go forward. The biggest thing that they've asked for us is essentially the right-of-way, obviously, being a major issue, where exactly it could be built. That's something that – we're still early, early days of talking with them, trying to figure out how best these projects – if they are feasible and profitable to go forward, how best we can partner as a province with them.

The Chair: Thank you very much, Minister.

We'll now move over to the government caucus. Mr. Orr, you have just over two minutes.

Mr. Orr: Yeah. Thank you. I'll go back to the municipal water/waste-water partnership program. Is this all funded through

grants? Is there a backlog, and can you make any comment on the Alix ponds that engineering has said are at risk?

Mr. Dreeshen: I saved my notes from your question, so I'm glad you got some time back. Yeah. Budget 2023 includes \$211 million over three years for the water/waste-water program, and that is \$120 million of new funding. So that's \$40 million additional every year on top of the existing program. That's, again, just trying to catch up with backlog. There's a greater backlog even than that to try to catch up with demand, but we are hopeful that this will go a long way in trying to catch up to where we need to be.

Mr. Orr: Lastly, on the First Nations water tie-in program there are concerns with the water commissions that some of them tie in to, a fear of – well, clearly, the federal government has been negligent in delivering services to First Nations until they get forced to by the courts. But the water commissions are concerned about fear of downloading, risk of nonpayment, treaty rights. Are the water commissions going to be saved whole in these situations where really these are treaty obligations?

Mr. Dreeshen: You're absolutely right. The \$110 million for the First Nation water tie-in program, where essentially the province would bring any water, any pipeline to a reserve and then from there

the federal government buys in and helps build the infrastructure – yeah. It's something that we – to your point, it's obviously federal responsibility as well. We want to work with the federal government ongoing to see how we can better integrate because of the 14 First Nations that are involved in our provincial program. We want to make sure you can finally go that final mile. That's why the federal government coming to the table is important. That's reflected in this budget, and we're going to continue to work with the federal government on it.

Mr. Orr: Okay. Thank you.

Well, six seconds left. I think that's it for me.

The Chair: Oh, come on. You can try harder than that.

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 this very afternoon at 3:30 to consider the estimates of the Ministry of Agriculture and Irrigation.

Thank you, everyone, for your participation. This meeting is adjourned.

[The committee adjourned at 12:15 p.m.]

