

Legislative Assembly of Alberta

Title: **Wednesday, March 20, 2002**

8:00 p.m.

Date: 02/03/20

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: Please be seated.

head: Committee of Supply

[Mr. Tannas in the chair]

THE CHAIR: I'll call the Committee of Supply to order.

head: Main Estimates 2002-03

Transportation

THE CHAIR: Comments or questions to be offered? The hon. Minister of Transportation.

MR. STELMACH: Well, thank you, Mr. Chairman, and good evening to everyone. Before we get into this year's estimates, I'd like to introduce our department staff who are with me this evening seated in the members' gallery and publicly thank them for the excellent work that they've done this past year. With us tonight is our deputy minister, Jay Ramotar; our assistant deputy minister of transportation and civil engineering, Mr. Rob Penny . . .

DR. TAYLOR: I don't have that many people in my whole department.

MR. STELMACH: Yeah, because you gave us all the responsibility without any money; that's why.

. . . Brian Marcotte, the assistant deputy minister of transportation policy and planning. Seated next to him is Mr. Gregg Hook, who is the ADM of transportation safety services. Next to him is Mr. Mitch Fuhr, who is the director of driver records. Next is Gary Boddez, who is chair of the Transportation Safety Board; Cheryl Mackenzie, the acting director of communications. Someone that's been very busy the last few days putting numbers together, our executive director of finance, Winnie Yiu-Yeung. Seated next to Winnie is someone who is familiar to many people in the Assembly, Mr. Tom Hong, who is the executive director of business management, and hiding behind him is my executive assistant, Ron Glen.

It is both a privilege and a pleasure to serve as Alberta's Transportation minister, even though many members of the media still refer to me as the Infrastructure minister, a portfolio that I haven't had for about a year. Hopefully, our media friends will get it straightened out before the next shuffle. I hope our Minister of Infrastructure, Ty Lund, hasn't minded me speaking on his behalf on a number of occasions. Seriously, I'm proud to serve as Transportation minister because transportation is so vital to Alberta's economy and quality of life.

I'd like to share a few facts about transportation and the department with you. Over 60 percent of Alberta's economy involves export trade, so a safe, efficient, and effective transportation network is essential if the province is to remain competitive. On average, transportation makes up about 16 percent of the final selling price of all goods and services and reaches 50 percent for some commodities. The province's rapid economic growth, of course, is accompanied by a significant population growth, and this growth means more traffic and more pressure on Alberta's highways.

With the transfer of responsibility for former secondary highways

and key primary trade highways through our cities the department now looks after approximately 30,000 kilometres of roads and about 4,000 bridges along the highway network system. The network has a total replacement value of about \$19.2 billion. Hence, transportation safety and transportation infrastructure are the ministry's main businesses. Alberta Transportation is committed to enhancing traffic safety, improving the province's highway network, and protecting Albertans' investment in the network.

Another core business involves supporting municipal transportation and water/wastewater infrastructure through grant programs. Alberta contains close to 135,000 kilometres of rural roads and about another 8,800 bridges, along with urban streets worth approximately \$17.7 billion.

A third core business involves managing the design, construction, and rehabilitation of major water infrastructure such as dams and canals.

To do all this, we employ roughly 820 people and have a total budget of just over \$893 million for 2002-03. The 820 people is a significant reduction, Mr. Chairman, from approximately 2,800 people in 1994.

The year 2001-02 was a very trying year for the department, and the upcoming year appears to have some challenges as well. I thanked the staff here with me tonight in my opening remarks, Mr. Chairman, and this is not just a mere courtesy. They have done an incredible job considering what has happened to the department over the last couple of years, especially this past year.

Alberta Transportation deferred roughly \$290 million in spending, which represents about 20 percent of the total 2001-02 department budget. When I appeared before you last year, I talked about a \$1.5 billion budget. A few moments ago I mentioned an \$893 million budget figure, which is about 40 percent less than 2001-02. But the department has a job to do, and we'll work hard to accomplish its goals with what's given.

Safety is Alberta Transportation's number one priority and a factor in everything the department does. To further this goal, the new Traffic Safety Act will be proclaimed into law during this fiscal year. The new act amalgamates four existing acts into one and will introduce the province's graduated driver's licence system. Graduated licensing puts restrictions on new drivers regardless of age to give them more experience in less demanding situations before giving them unrestricted driving privileges. Graduated licensing has significantly reduced collision rates for new drivers in those jurisdictions which have it. I'm confident the same will be true in Alberta. I believe that in Ontario the reduction is close to 30 percent, so that's a significant improvement. The department and our traffic safety partners are currently reviewing fines and penalties for various offences, some of which haven't been revised in over a decade, and this is the last piece of the puzzle in terms of developing the act's new regulations.

Staying with safety, the department will evaluate the fatigue management pilot program for commercial drivers and recommend further actions in this regard. Another initiative involves standardizing the process to license the inspection and repair of out-of-province and written-off vehicles by private-sector mechanics and facilities. Overall the department will spend \$24 million on transportation safety services.

Improving highway infrastructure and increasing safety go hand in hand. For example, an interchange reduces collision rates at an intersection by 45 percent on average, and twinning a highway reduces collisions almost 50 percent. Unfortunately, we won't be doing as much construction in the coming year. The department will spend approximately \$455 million on construction, rehab, and maintenance of highway infrastructure.

Now, about \$91 million of this will be spent on further developing the north/south trade corridor. That's about half of the 2001-02 total. The corridor will be a continuous four-lane link running from the U.S. border at Coutts to the Alberta/B.C. border west of Grande Prairie. We had hoped to finish the corridor by 2007, but the deferrals will push the completion closer to 2011. Since 1993 Alberta's trade with the United States and Mexico is up 300 percent and 400 percent respectively, and there's no doubt that there is need to complete this corridor.

8:10

The department also is implementing the strategic highway infrastructure program, or SHIP for short. SHIP is a cost-shared program equally with the federal government and will inject \$92 million over the next four years. Our share is around \$46 million, and that's into projects along Alberta's portions of the national highway system. That would be highway 16 and highway 1. The program agreement was signed in August, and the first project approved under SHIP is an interchange at Campsite Road and highway 16, near Spruce Grove. This is one of the most collision-prone intersections in the province, and we're confident the new interchange will reduce collisions significantly. Further projects under this program, SHIP, will be announced as they're approved, and again this is a partnership program with the federal government.

The upcoming year marks the first full year of responsibility for building and maintaining former secondary highways and key trade corridors through cities. Assuming responsibility for secondary highways essentially doubles our highway network system from about 15,000 to 30,000 kilometres. We will spend a hundred million dollars on these activities in 2002-03.

Now, the department also supports municipal transportation infrastructure and water/wastewater systems. The year 2002-03 is going to be a bit difficult for our municipal partners. We are reducing municipal grant programs to approximately \$114 million, and this will affect the cities transportation fund with Edmonton and Calgary; the basic capital grant for smaller cities; the SIP, or street improvement program, for towns and villages; the RTG, which is rural transportation grants; and the resource roads new industry program.

The wastewater partnership is not affected by these reductions. We will continue to administer the infrastructure Canada/Alberta program, or ICAP for short. It's again another program that's cost shared equally with federal and municipal governments and targeted to green municipal infrastructure programs such as water/wastewater treatment upgrades and improving energy efficiencies in municipal buildings.

The province of Alberta is the only province that has municipalities at the table to make decisions as to where this money will be invested, and we're very, very proud of that fact. Every other province has excluded municipalities in the decision-making process, and the provincial governments themselves were making decisions on where they wanted to see their money invested. In this province our municipalities are equal partners, and as a result our contribution is \$171 million over the next six years, but collectively with the two other levels of government we'll have invested \$573 million into green projects in the province of Alberta.

Now, we had hoped to advance most of our share over the first two years to encourage municipalities to undertake their projects sooner, but due to October's spending adjustments, projects will be funded on a progress payment basis similar to what the federal government is doing, and in this year for ICAP we'll provide \$32 million.

As I mentioned earlier, the department is responsible for the

design, construction, and rehab of major water management infrastructure such as dams and canals. We undertook that responsibility from Environment. We will spend approximately \$29 million on major water infrastructure during 2002-2003, but we will adjust our budgets to reflect need and emergency. So if there are some communities in the province of Alberta that don't have any water, especially the small towns and rural municipalities, we will certainly prioritize those projects as to the quality of the drinking water.

The final highlight is proclaiming the Railway Act and its regulations during 2002. This act and its regulations really mirror federal safety standards and will help to ensure the safe movement of products and people in Alberta's short line, industrial, and amusement rail systems. Even the small rail lines in Fort Edmonton Park and Heritage Park in Calgary are all regulated by the province for safety.

Now, Albertans have told us in the past that they don't want to see deficit budgets, and that is a challenge, especially in times of significant revenue drops. I believe that our department is doing its share to keep the province's books balanced. Many of the budget decisions mentioned will be painful, especially for municipal partners and partners in the road building and consulting and engineering industries. My hope is that revenues can rebound and that the department can get back to making an excellent highway system even better. After all, transportation is a huge part of Alberta's advantage.

That brings my comments to a conclusion, and I'd certainly be happy to answer any questions that you may have. For those that I can't answer this evening or if they're very detailed questions, we'll respond to the hon. members either in a written or verbal form at a later date.

Thank you so much, Mr. Chairman.

THE CHAIR: Hon. Minister of Transportation, one of the other ministers seems to be wanting to supplement your comments, and that's not allowed in supply. So we'll take the hon. Member for Edmonton-Gold Bar . . .

DR. TAYLOR: I'm just trying to help.

THE CHAIR: . . . without interruption, hon. minister.

MR. MacDONALD: Thank you very much, Mr. Chairman. I would like to at this time express my gratitude to the Transportation minister for the work that has been done to not only maintain but to try to improve the safety of Alberta's highways. However, it is unfortunate, I think, for public safety that the Transportation department had to take such a major hit on budget day, whether it's municipalities, whether it's the big cities of Calgary and Edmonton that were planning on expanding their LRT systems, or whether it be a rural area that is not getting road upgrades. I think that at this time we have to recognize that we have perhaps some of the best highway and road systems in Canada, but we also have to recognize that there is strain on the system, particularly in the cities. Now, as I understand it, the mayor of Calgary has been quoted as saying that it's a cannibalizing of city finances. That's the mayor's description.

MR. MASON: But he's a Liberal.

8:20

MR. MacDONALD: Not only that, hon. Member for Edmonton-Highlands, but he's very disappointed in this budget. This gentleman had plans to improve the infrastructure of his city, and it's not going to happen.

Now, we know what was promised earlier with gasoline taxes.

Both Calgary and Edmonton at one time were going to get 5 cents off the 9-cent-a-litre gasoline taxes. That was adjusted as a result of funding cuts. That was to be adjusted by 1.2 cents a litre, but now the rebate has been cut. That's a loss of millions of dollars that both Edmonton and Calgary were counting on. To just get the 1.2 cents now is a significant loss, and it is almost a social contract, I'm afraid, that has been broken. It wasn't a good budget for the motoring public.

Unfortunately, we have to consider what will happen in Calgary. First, let's take Calgary and the LRT extensions north and south. Well, certainly there are questions as to whether those projects can proceed, and Glenmore Trail and 18th Street S.E., Crowchild Trail and 50th Avenue S.W., and the Deerfoot Trail extension. Some people when I go to Calgary call it the Deerfoot 500, and I can see why. There's a story that is shared that a gentleman was visiting Calgary, and he was actually overtaken on the Deerfoot by a cement truck. This gentleman was doing 120 kilometres an hour, and the cement truck – voom. So the cement truck must have been very anxious to get to the construction site. Surely it must have been a house that they were building and they really needed that load of cement, but one would have to question public safety there. But the Fish Creek Bridge, the Elbow Drive and Glenmore Trail interchange: these are all projects where funding is now in jeopardy.

In Edmonton there are any number of projects that are in jeopardy. We need to consider that just on Monday city council here was going to go ahead with a \$109 million LRT extension, and the city of Edmonton was relying on \$75 million in gasoline tax rebate to fund the bulk of that extension. The city of Edmonton is very well managed. It's been very well managed for a number of years now, and there was no plan to borrow money or raise taxes or find private-sector partners. This arrangement of the 5-cent gasoline tax going to the municipalities was a sound arrangement, and I would encourage the department to restore that funding. Now, the hon. Member for Edmonton-Glengarry was questioning the Premier today regarding this issue specifically. As I understand it, there's to be an announcement maybe as soon as tomorrow, and hopefully the hon. member is going to get some answers to his questions. Also, whenever we think of Edmonton, I would actively encourage the minister to consider the Yellowhead freeway and accept full responsibility for the access to the city off the Yellowhead. That would be excellent for the city of Edmonton, and it's also an issue of public safety. There is need of extensive upgrades to that road through the city, and I would encourage, at this time, the province to have a good look at this.

Now, the department has taken significant hits, as I've mentioned, but when we look at the cuts to the roads not only in Edmonton and Calgary – we look at this budget that is close to \$900 million, and last year, in the election year, it was at \$1.24 billion dollars. I understand that all these projects are going to be deferred, and hopefully they're not going to be deferred until the next election year. There's the election season, and then there's the paving season. I hope this is not a trend that this government develops.

Mr. Chairman, over the next three years municipal transportation grants will decrease by 70 percent. Funding for local bridges is to be cut to \$9 million from \$14 million. There will be a \$7 million reduction in funding for repairs to provincial highways. The highway construction program will see a 53 percent cut, to \$99 million from \$212 million. The hon. minister was discussing the north/south trade corridor, and there will be a funding reduction, as I understand it, of close to 50 percent; that's almost another \$100 million decrease. So this means rural portions of the corridor won't be completed until at least 2011, and that is, I think, four years from the date that was indicated in last year's budget.

Onetime spending of \$631 million planned for 2002-2003 has been deferred. With these deferrals I certainly hope there's not going to be massive spending all of a sudden whenever the next election is on. It could be that we are lacking stability. I know the Alberta road construction companies have a considerable coalition developed. They're very concerned about this stop-and-start construction, and they would like to see it proceed in a smooth and orderly fashion so that not only can the government and the department plan, but they can plan as well, whether it be the acquisition of expensive machinery or whether it be planning their labour force. The availability of labour is always an issue, but it is an issue that I think we are blessed in having to deal with. It's a pleasant problem, if I could use that term, to have to deal with that, because it means that everyone who is willing and able can seek and find employment.

Mr. Chairman, I have a couple of questions before I sit down and cede the floor to another hon. member. One is in regards to the water management infrastructure. I believe the hon. minister noted that it was \$29 million. Is that for the next stage of the Little Bow project? If the hon. minister could answer that; it's referenced on line 2.4. I'm sure that is correct, but if you could confirm that, I would at this time be very grateful.

At this time I will cede the floor to a colleague.

8:30

THE CHAIR: Hon. Minister of Transportation, do you wish to respond to each member as it goes?

MR. STELMACH: I'm making notes right now, Mr. Chairman.

THE CHAIR: Okay. Thank you.

The chair would apologize to the hon. Member for Edmonton-Glengarry that he didn't call him first. That was my mistake. You are the critic for the Official Opposition, so I'll call you now, and following that, Edmonton-Highlands.

MR. BONNER: Thank you very much, Mr. Chairman. I would certainly apologize for being a little bit late for the minister's opening remarks, but I'd like to thank him for being present here this evening with all of his staff who have joined us to provide answers to the many questions that we do have in regards to Transportation. In light of the budget, he and his department face many challenges, and we certainly wish him the best, because of all the departments Transportation was one of the departments that was hardest hit by the cuts.

The reason I was late tonight, Mr. Chairman, was that I was at a DARE graduation, and it was at one of the schools in the northern-most part of my constituency. It's so far north that I was almost in the constituency of Redwater tonight. It was a beautiful program, and it continued for quite some time, so by the time I got out of there, I didn't have much time to get down here. I wasn't certain if the new fines were in effect yet, and I didn't want to test that, even though I know the department needs some extra money. So my apologies.

I'm moving along here, I can assure you of that. [interjection] No, they don't pay us enough. Actually, I'll retract that.

Moving right along here, Mr. Chairman, my questions to the minister on the first go-round will be on the business plan and the number of goals that have been set out. The first one of course is to "improve transportation safety." Certainly we all want to see safe highways. We want our families and friends and all others that leave home to return safely. I know that in his planning he has a number of objectives, this being one of them. So my first question would be that we are moving towards a graduated licence program, and I

realize that there have been problems in regards to graduated licences in other jurisdictions, primarily in the area of not having enough qualified people available to do the testing. I would like to know how this department is going to address that issue. As well, as we start a new program, certainly there is an education component that goes along with any new program. If he could outline to us just how that is going to be implemented and what the cost would be of the implementation and the education portion of the new program.

Mr. Chairman, in regards to safety, I know that the minister did do a study on fatigue management. He did it as a pilot program. If he could give us some indication as to when we can expect to see the results of that particular program.

Now, then, another situation has arisen in my constituency, and part of that is because we are fortunate enough to have two high schools in Edmonton-Glengarry, and of course with the number of students who become of age to drive, we have a number of driving schools in Edmonton-Glengarry. Some of the questions they pose to me are: how does the department audit these various schools to determine the quality of program that these driving schools have? As well, when it comes to testing drivers, are there any sorts of checks and balances that are incorporated as a follow-up on people that test for driver's licences now?

Part of my constituency of Edmonton-Glengarry is separated from Edmonton-Castle Downs by 97th Street, which is a major artery to the north through our constituencies and divides our constituencies, and certainly we do have a lot of traffic through there. As well, just to the south of my constituency we have the Yellowhead Trail, and certainly we get a tremendous amount of east-west traffic in that regard. When we are looking at this particular situation, Mr. Chairman, what we would like to know – there have been problems identified with trucks from other provinces entering the province, and when an inspection takes place and they are in need of repair, if the minister could give us some type of breakdown as to how many of these vehicles require repairs, what is done in regards to this. Do we have to take court action to deal with this problem, or is it dealt with on a compliance type of nature? People want to know and we always hear stories of just how unsafe our roads are, and we hear rumours about how unsafe our roads are. So, again, we would like to know from the department what they have found out about the condition of the trucks on our highways.

Now, as well, in regards to goal 1 in the business plan it has been indicated that just over 80 percent of occupants in vehicles are wearing seat belts. If we could get some sort of a breakdown as to the percentage of drivers wearing seat belts in urban areas as compared to rural.

Goal 2 in the business plan is to “improve planning of the provincial highway network.” Last year one of the goals of the department was to

evaluate long-term funding requirements for municipal infrastructure in conjunction with the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties.

If the minister could please provide us with the recommendations from this evaluation. I'm certain that it wasn't the major cuts that we saw today, but I know that those will be taken care of down the road.

Goal 3 is to “enhance operation and management of the provincial highway network”. I know the minister would like to get these projects back on course as quickly as he can. Are there any contingency plans as to, if there is surplus money, whether any, first of all, will be allotted to the projects that have been deferred? For example, a rumour that was floating around today was: if the Alberta heritage savings trust fund is liquidated to pay off the debt, there will still be in the neighbourhood of between \$6 billion to \$7 billion, I

would guess. Could any of that, would any of that, has any of that been designated towards our provincial highway network?

Goal 4 in the business plan is to “work with partners to provide quality transportation and water infrastructure.” The hon. Member for Edmonton-Gold Bar has certainly talked already about the drastic cut to the fuel tax-sharing rebate program. I know that we will have certainly in regards to this a lot more feedback from the various communities which were hit by this. So I will look forward to those answers and those that the hon. Member for Edmonton-Gold Bar has asked, as well as more information I know other stakeholders are asking the minister.

8:40

Now, last year the minister undertook to evaluate trends in rural transportation. If he could please share the results of those evaluations and let us know what type of action he'll be taking there.

Goal 5 was to “improve access to increase competitiveness in global markets.” I know that we want to promote the establishment of an efficient grain-handling and transportation system that is based on commercial principles. If he could please enlighten us as to how this particular plan is moving along. What objectives and targets has he specifically set for this project this year, and how much money is directed towards this project this year?

Goal 6, of course, is to “continue to develop organizational and service excellence.” If the minister could please inform us what competency model is going to be implemented for managers. Would this be on the bonus system? Would the minister please table a report showing all performance bonuses paid in his department and the criteria for these bonuses?

Now, then, Mr. Chairman, at this time I will take my seat and cede the floor to other hon. members. I will have some more questions later. Thank you very much for this opportunity.

THE CHAIR: Okay. The hon. minister is going to pass, so I'd call on the hon. Member for Edmonton-Highlands.

MR. MASON: Thank you very much, Mr. Chairman. I appreciate the opportunity to rise and address the Transportation budget estimates for the year 2002-2003. I want to start with a few general comments about the budget, and I will elaborate more on this when I have an opportunity to respond to the budget in general.

I think that the difficulty we see in the Transportation department budget is, of course, connected to various financial matters that have transpired over the past several years with respect to the policy of the government, generally, towards revenue and expenses. I see that the reduction in the Transportation budget is severe and will have the effect of severely impacting the partners of the province. Those are in this case the municipalities, and I'll deal a little bit later with the question of the municipalities.

Mr. Chairman, I want to put on the record our concern with the dramatic reductions in this department's budget and the reductions in some other ones. We need to look at the causes of this a little bit before we can go on to talk about the estimates more specifically. One of the things that the government has been doing is spending the surplus in different ways. Following the program reductions in the mid-1990s, it created a lower level of expenditure, and the way the resulting sort of conceptual surplus has been dealt with was to invest those savings in various tax cuts. In particular, we have been on record as being opposed to the flat tax and to the significant decreases in the corporate income tax. What that's done is seriously erode the revenue capacity of the government and make it more dependent on oil and gas revenues than it was previously. We know that those revenues are volatile, and the result has been as we

predicted, but contrary to what was said by the minister at the time, Dr. West, the government cannot sustain program spending on a stable basis as a result of the erosion of its tax base. We've seen it in everything from highways to children's services. The results are very serious.

The other problem, Mr. Chairman, is that when the provincial government does get a windfall, as it did last year in oil and gas revenues, instead of putting it into some sort of stabilization fund, the government is putting it towards the debt, and 75 percent of the surplus goes towards the debt. That's part of the reason we're in the mess we're in today. The government is proceeding along a dogmatic path rather than a practical and enlightened financial path, and the result has been that that money is no longer available. That amounts to literally billions of dollars that is not available to meet the current demand because it has been applied excessively towards the debt. It's a little bit like doubling up your house payments on your mortgage and failing to fix your roof. You pay down your mortgage, but when it rains, the damage reduces the overall value of your investment. So you're paying off an investment, but at the same time that investment drops in value. We see the same kind of situation here. It's a one-sided approach to looking after the financial assets of the citizens.

Of course, the third issue, besides the taxes and the money going towards the debt, is the massive expenditure before the last election on various energy rebate programs. That amounts to, if you include the money that was raised on the auction for the PPAs, about \$4 billion of money that is also not available now when we need it.

So, Mr. Chairman, if you take all of those things together, you see a pattern of mismanagement of the province's finances in the billions and billions of dollars. That is one of the reasons why today, with a booming economy, with the most rapid growth and the lowest unemployment in the country, we have a budget like we have. There is no other reason why a province in this economic position should have a budget like the one that was presented yesterday, if it hadn't been for a very, very serious mess created by the stewards of our financial house.

Mr. Chairman, with those general comments on the state of affairs, I'd like to raise a few questions related to this budget. The first one is the reduction in the fuel tax revenue to municipalities. Now, it's not often that the current mayor of Edmonton threatens the government. He's not known for getting his back up. He likes to get along with this government, and I was very, very surprised to see Mayor Smith of the city of Edmonton actually threatening to sue the province of Alberta. That would be, I guess, a very unique situation. The fact is that up to \$115 million over the next three years intended for roads and light-rail transit won't be there. I appreciate the minister's wish to have a kind of transportation system that he can plan and sustain and is stable, but unless other people in the government and in the government caucus make the right decisions on an ongoing basis, this minister and every other minister will be unable to do that.

8:50

Now, we've already seen that in 2000 the provincial government pledged that both Edmonton and Calgary would receive 5 cents of the 9 cents per litre of provincial tax that's charged on gasoline sold within the borders of those two cities. For Edmonton it amounted to about \$68 million annually to spend on transportation projects of their choice, but last October the province announced a reduction to 4.25 cents per litre beginning in April, and that was going to cost Edmonton about \$10 million. In Tuesday's budget the government again reduced the city's portion of the tax further, this time all the way down to 1.2 cents per litre, and that will cost the city of

Edmonton, according to city officials, \$52 million annually. So it threatens things like the completion of Anthony Henday Drive – that's been delayed – delaying the outer ring road beyond 2006, and the plans to expand the Quesnell Bridge to six lanes. We all know, at least those of us who represent the city of Edmonton and, I'm sure, particularly those MLAs in the west end, the great problems that people have on the Quesnell Bridge and the traffic jams that apply there.

Now, the mayor of Calgary has also gotten into the act. He's not necessarily as close a friend of the provincial government as Mayor Smith is, but I think he's a prudent gentleman as well. He is also complaining very, very strongly.

I know that expansion of the LRT is threatened. As well, I know that for those MLAs in the northwest part of the city of Edmonton, including the Member for Edmonton-Calder and the Member for Edmonton-Castle Downs, I'm sure that they will be as concerned as I am that the new \$56 million interchange at 184th Street and Yellowhead Trail is likely to be significantly delayed. That, I'm sure, is going to create significant concern for the constituents of MLAs in the west end and the northwest part of the city, because we all know the traffic problems and the delays that are engendered because of the lack of a proper interchange at that location.

Mr. Chairman, I just have a few questions as well. One is that I'm curious about the Premier's statement today in question period that the mayors will be pleasantly surprised tomorrow. My question is: if there's a major financial announcement that's going to be made tomorrow to the mayors or at a news conference at Government House, why has that announcement not been included in this budget? That would be very, very curious and, I think, quite improper. If the government doesn't include major financial elements – all major financial elements – in the budget that's presented to this House, then I think there would be a very, very strong case for contempt of the Assembly.

So I'm very curious about the Premier's statement and curious to see what tomorrow will bring, because certainly if there's good financial news for the municipalities from the government that involves any degree of government expenditure, it ought to be included in this budget. I would appreciate the minister, if he's able, shedding a little bit more light on that mysterious utterance of the Premier. I think that there is quite a bit of confusion on the part of municipalities. I know that the mayors of the two major cities were contacted by the minister by telephone, but I think there's some confusion about the effective date of the reductions, and I'd be curious to have the minister clarify when the effective date of the reductions is going to be.

Mr. Chairman, I just want to close with some comments that, overall, the expenditure for transportation projects, both in the cities and in rural areas, is a problem. When the province and its economy is growing, to suddenly jam on the brakes on transportation when we already have serious transportation problems throughout the province and serious delays, serious congestion, and serious safety issues doesn't make any sense. It doesn't make any sense. It's counterintuitive to jam on the brakes on the spending for transportation infrastructure when the province is growing rapidly. It's less than farsighted. It is severely shortsighted, almost, you might say, willfully blind. I don't hold this particular minister responsible for this state of affairs, but I do hold the government over the past several years and its financial policies responsible for the state of affairs, and I look forward to the minister's response. I'd like to hear his point of view on how Alberta is going to manage with a booming economy and a shrinking Transportation budget.

Thank you, Mr. Chairman.

THE CHAIR: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I have a few comments tonight on the Transportation estimates as we see them before us. As I begin those comments, though, I would like to first acknowledge in appreciation the staff that's here this evening. It's nice to know that the department takes what we have to say quite seriously even if the government doesn't often do so. So thank you for that.

DR. TAYLOR: We do, Debby. We do.

MS CARLSON: I know particularly that you don't.

DR. TAYLOR: Oh, but I do. I can't believe you said that, Debby.

MS CARLSON: Well, I'll say it again if it would make any difference, but I doubt very much that it would, Mr. Chairman.

Transportation is an interesting study in terms of where it's going in terms of priorities with this government over the past few years. It's quite horrible, actually, to see the kinds of decreases that we've seen here in the last couple of years. There's no doubt that this government is quite happy to move forward with deferrals in significant areas to meet their long-term objectives, which seem to be solely focused on debt repayment. The problem with that, Mr. Chairman, is that we create a huge infrastructure deficit, which is not the kind of legacy that I think we should be leaving for this province, and is, in fact, very short-sighted in terms of the kinds of dollars we'll have to spend down the road in order to build the infrastructure back up to a manner that is sustainable and that will actually help support economic growth.

9:00

So I am wondering why it is that we don't hear some of the other ministers who will face the consequences in the longer term of not having proper infrastructure funding, like the Minister of Economic Development. He's happy to talk about all of the trade that we're experiencing outside of the province and the kind of growth in our economy, but that is greatly dependent on the kind of infrastructure we have built in Transportation and our ability to get our product somewhere else. We don't have any ports. We're a long way away from the major trading regions. We are in a central corridor for the north to the south, and that requires support. It requires infrastructure support, and we aren't getting it and won't be getting it. A 42 percent decrease is what we're seeing for the upcoming year, and we saw a decrease in the budget before that.

So it greatly concerns me, Mr. Chairman, that we are seeing the Premier meet his mandate of early debt retirement on the back of infrastructure funding in this province, and I would hope that we see a few ministers in his cabinet having the backbone and resolve to stand up and say that if we don't properly fund some of the basic services in this province now, we'll be facing huge problems in the future.

I have a couple of questions for the minister that I would hope we can get answers to in writing, because I think that they require some detail in terms of the response. We'd like to see him on the record and his department on the record in terms of how they feel about the fuel tax cuts to municipalities. We've heard quite a bit of dust being kicked up in the last 24 hours about this issue. It is a significant downloading of costs in my mind, and I would like to hear how the minister justifies it or, if he can't justify it, how he defended municipalities in terms of the kinds of dollars that they should be getting from the fuel tax cuts.

In addition to that, I'd like to hear the minister's position on the

fuel rebate cuts. We've had quite a few letters and meetings with operators throughout the province who depend on those fuel tax rebates in order to be able to make a profit, not a gouging kind of profit, but a minimal kind of return on their investment that is now in jeopardy. Some of these haulers – particularly I'm thinking of those in the forestry industry – are facing serious concerns about the future of their business and how they'll be able to support their business in the future. We know that what happens is that they have to cut back their bottom line to where their profit margin is reduced. They'll start looking for cuts in other areas.

So what does that mean? Do we start to look at more potential safety risks? Do we start to look at lower paid operators in the vehicles themselves, which generates a whole series of other problems? Lower pay generally means lesser trained, less experience. The potential for other kinds of costs to accumulate is huge, and potential disasters as well. Anybody who has watched some of those logging trucks roar up and down those hills and across bridges knows that we want those vehicles to be meeting the highest degree of safety standards and that we want really well-experienced, well-trained operators in those vehicles. I don't want to see anything jeopardizing that and particularly not the downloading effect of cost-cutting measures. So if we could get the minister to take a look at that.

When we see such significant cuts in a ministry, we have to wonder what it is that justified them. My question to the minister is: have they ever done efficiency audits within the department to see whether or not these particular cost-cutting measures actually meet their long-term criteria and the kind of benchmarking that they're doing in the business plans? It seems to me that you can't possibly cut 42 percent out of a budget in any given year and be meeting any kind of benchmarks or any efficiencies. There's a point of no return when you cut back in a particular area where you spiral down into inefficiencies and mismanagement through no fault of the staff, and we have seen examples of that in areas like Children's Services, where the cutbacks have created unbelievable kinds of problems in delivering services. My concern is that this could happen here as well, Mr. Chairman. So if the minister could address that, I would appreciate it.

I was interested to hear his comments stating that Transportation supports wastewater systems in the province, and I would like him to expand on this. I didn't actually realize this, and now that I know this, I will be paying a little closer attention to this from an environmental perspective.

He talked about a mandate of the department being improving energy efficiency and upgrades to buildings, and he stated in his comments that none of these kinds of programs will be affected by these cuts. It seems impossible to believe that that's true, Mr. Chairman, because in a department whose main focus is transportation and who is facing a 42 percent cut, it seems that something in this regard would be in jeopardy. So if we could get some information on that, on the programs themselves, on what it is they expect to be doing and how it is that these particular systems won't be affected by the cutbacks.

Also, if we could have a list of the green projects that they're looking at and what it was they were anticipating doing at the beginning of the year, before the beginning of January or last fall when they started the budget planning, as compared to what they're doing now given the direction they were given by the Premier to look at cutbacks in the department. He made some comments about that being stretched a little bit over time, so we would like some information on the justification for why those payments will be interim now and why they thought in the first place that the dollars up front would have been a really good idea. So if we could get that information, I would certainly appreciate it.

Mr. Chairman, I would like to refer back to a question that we heard in the House earlier this week. In fact, it was one of the silliest questions I've ever heard in this particular House, and it was certainly the biggest puffball of this session so far. That was the question that came from the Member for Drayton Valley-Calmar when he asked the minister if the minister could explain who is responsible for the plowing of snow on highways. The question itself was a very silly question, but the concern that I'm sure . . .

MR. MacDONALD: Snowplow know-how.

MS CARLSON: That's right.

. . . the member was getting at is a relevant one and something that we have discussed before in this House and that I have had a number of concerns about. The Member for Drayton Valley-Calmar should know very well that this government decided some years ago in cost-cutting measures to contract out the plowing of snow on highways. That contracting out itself was an area of contention at the time and, I believe, still continues to be an area of contention. In spite of what this government happens to believe, there are some things that government can deliver more efficiently, effectively, and cheaply in the long run, and it could be that this is one of those areas. We haven't seen any definitive numbers come out in terms of the cost savings related to customer satisfaction. I'm wondering if the minister can outline for us the number of complaints they get on the snowplowing and how the highways are maintained now since it has been contracted out.

9:10

There have certainly been many complaints coming to my constituency. My constituency borders Calgary Trail, which turns into highway 2, and it is an area of concern for many of the people who travel throughout this city. We get complaints from all over the place. I myself have seen on highway 2 snowplows driving in the wrong direction on the highway and in unsafe manners many times in the course of my travels. We hear all kinds of concerns from some of the outlying areas, particularly with regard to the timeliness of how often the snow is plowed.

The minister, in responding to the question, talked about the contractors having to be out there immediately after a snowfall and to monitor, as well, snow removal and ice patches that may result from inclement weather. So I guess the question here is: what does immediately after a snowfall mean, and how long do they have to clear off patches of the road? Certainly. . .

MR. MacDONALD: What happens if it's overtime on the day the snow falls?

MS CARLSON: That's right. Who pays for that? It's a very good question.

So the problem seems to be that there's a different interpretation of "immediately after a snowfall." There must be some sort of a framework that these contractors work within, and we would like to see that particular criteria that's given out to them. The minister talked about the contracts, that the companies who won the contracts are held up to the same provisions that we had when the government itself used to snowplow and maintain the highways. That may be what's written on the paper, Mr. Chairman, but it doesn't seem to be the actual practice. So if we could get some information on that.

Compliance, I think, is an issue here, so who monitors compliance? Who monitors the complaints, and what kind of standards do they really actually maintain as compared to what it was when the government was running that particular show?

The minister talked in his answer about the cost savings. He said

roughly 20 percent over the last number of years. So is that a 20 percent saving per year? Is that a cumulative effect? If we could get that information, I would appreciate it. He then went on to say that all those dollars are reinvested into the provincial highway system, but we know that isn't accurate, Mr. Chairman, because of the kinds of budget cutbacks here. So what actually happened to those dollars? Were those the savings that the government was looking for when they shrunk this department's budget? I don't think those dollars were reinvested. If they were, we'd like to see where, and I hope it's true that that's where the money went, because definitely road maintenance is a very big issue and is something that we hear a great deal about.

I know that a number of my colleagues have some other questions, so I will cut my remarks short now. Thank you, Mr. Chairman.

THE CHAIR: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Chairman. I have a few additional questions for the minister at this time, and I'll start with the government and lottery fund estimates again for the Transportation department. I have a couple of questions. The first one is regarding line item 2.7.2, consumption of inventories. It's listed as a \$15.5 million amount. If the hon. minister could answer in writing, I would be grateful. Is that consumption of inventories only salt, sand, and gravel? [interjection] Okay. That's exclusive. That's the entire amount: just salt, sand, and gravel? [interjection] I'm sorry. Okay. Thank you very much, Mr. Minister.

If we could please get a breakdown on the premiums, fees, and licences. There is targeted, to be precise, \$14.46 million. What are all these premiums, fees, and licences that are collected as revenue by the department? I see a slight decrease from past years, and in light of what has gone on with Government Services and the skyrocketing fees or taxes that have occurred in that department, it's odd that one department would have less revenue from premiums, fees, and licences.

Now, Mr. Chairman, I have some questions regarding the Driver Control Board. I understand that there were 7,335 cases involving drivers applying to have their suspended licences reinstated. Is the minister anticipating an increase in the caseload for this year? Also, in regards to the Motor Transport Board there were heard before that board 8,981 cases with respect to commercial carriers not meeting Alberta safety fitness standards. If there are close to 9,000 semis in this province that are not meeting our safety fitness standards, if I am interpreting this right, what number is the minister anticipating for this year? Certainly I hope to hear back that it will be a decrease.

Now, I have some questions regarding the performance measure on the "mechanical safety of commercial vehicles." I understand that there are two parts to this. There is a vehicle that is inspected if it requires the attention of a licensed mechanic. I don't see the word "licensed" in there, and I would really like to see that next year in the hon. minister's report: licensed mechanic. These are big, complex machines, and I don't think just anyone should be working on them. Also, the "percentage of inspected vehicles." As I understand it, in the last recorded fiscal year that this occurred, 2000-2001, there were 447 inspections. It is noted that there were "nationally recognized criteria" to perform these inspections. Could the minister please share with members on this side of the House those nationally recognized criteria and why there were 64 sites across the province used to conduct these 447 inspections?

I'm curious to know why only between the months of June and November. Those are the good driving months in this province, and I would like to know why there would be no inspections – and please don't tell me that it's because the weather is cold and the inspectors

are delicate, because there are a lot of people in this province, whether they're farmers or working in the oil patch, conducting business between November through the winter months until the following June. I would be of the view that perhaps this inspection process is not really thorough if it's not done 12 months of the year.

Now, the next traffic safety measure that I would like to discuss this evening in budget estimates is the "involvement of drinking drivers in casualty collisions" in Alberta. I certainly hope, Mr. Chairman, that after the budget yesterday the minister is not relying on high liquor costs to deter and reduce drunk driving, because it is unfortunate. There has been a slight improvement in the number of fatal collisions that have occurred because of alcohol that has been consumed by the operator of the vehicle. Now, this has dropped slightly, but I think there can be significant improvement here. I would like to know what the hon. minister has planned to reduce this collision rate involving drunk drivers. Is it going to be a better driver education program or maybe new legislation that's tougher respecting impaired drivers? I think there can be significant improvement made to reduce the involvement of drunk drivers in fatal and injury collisions in this province. There seems to be modest progress, but I think that through work there can be more than modest progress made.

9:20

Now, Mr. Chairman, I have a few more questions. As I understand it – and I've been looking in the budget estimates, and perhaps I can be guided – there was an agreement for the infrastructure Canada/ Alberta program, called ICAP. This program was signed a year and a half ago, in October of the year 2000, and the program announced \$513 million to enhance the infrastructure in not only rural but urban municipalities in Alberta over the next six years. This is a program that is in effect, I believe, until 2005, our centennial year. Projects eligible under ICAP include green municipal infrastructure or water supply and treatment reservoirs and wastewater treatment facilities as well as infrastructure supporting transportation. Projects will be funded on a cost-shared basis that's one-third, one-third, and one-third. That's respective levels of government: federal, provincial, and municipal. I understand our contribution to this entire project was to be \$171 million. Can the minister explain, considering the tremendous hit that the department took with this budget, how much if any of that \$171 million budget will be jeopardized because of this boom/bust, binge-and-singe budgeting that we have experienced in this province?

This hon. minister may not be involved in this program, but I have a strong suspicion that the department is. Under the authority of the Government Organization Act the hon. minister is responsible for assisting in the provision of municipal water supply and wastewater facilities. I am curious as to what initiatives, in light of what happened in Walkerton, Ontario, the department is taking to protect our drinking water not only in Edmonton but across the province. It's very important, and we seem to forget very quickly just what a benefit a source of clean drinking water is, and we have such clean, affordable, accessible water in this province. In that way, too, we are blessed.

Now, my final question at this time for the Minister of Transportation. There are to be secondary highways, two-lane highways, to be acquired by the province. As I understand it, in this calendar year, in the fiscal year of 2002, Mr. Chairman, there are to be 11.12 kilometres of road acquired and to be maintained as well by the province. The province through the Ministry of Transportation assumed responsibility for the construction and maintenance. Now, where is this 11.12 kilometres of highway located, and is this deal going through?

Again, in conclusion, I would like to encourage the minister that now is the time to please the mayor and the councillors of this city, including a couple of former members of this side of the House, and help out with the management of the Yellowhead. Also, Mr. Chairman, I would urge – and it's only a little over a year ago that a new financing model was heralded for transportation for the cities of Edmonton and Calgary, and of course what was implemented was the policy of 5 cents per litre for all taxable gasoline and diesel fuel delivered for sale in both Edmonton and Calgary. This was to be provided to those two cities respectively in the form of grant funding. To provide this funding and then take it away is simply not fair after they had decided how they would like to spend it over a period of time. It's just not fair, and it is unfortunate that one level of government would have to go to court against another in this province. Hopefully it won't come to that. That was a program that everyone agreed on, and I think it should be reinstated.

With those questions, I will eagerly await written responses from the minister. Thank you, Mr. Chairman.

THE CHAIR: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you, Mr. Chairman. I just have a few more questions here for the minister. Local governments were very pleased when the province assumed responsibility for secondary highways. I think it was a good idea. The problem we now hear, as has been expressed by municipalities, is that they put in their priority list as to which roads they would like to see paved, yet when the approval comes, their priorities are not being granted in the same order that they prioritized their wish list. So if you could please give us some insight into what happens once they have prioritized which roads they would like paved. What happens when those requests go to your department and then come back out to them?

Now, as well, I have just a few questions here that I'd like to ask tonight, particularly on program 2, construction, upgrading, and operation of transportation infrastructure. On line item 2.1, transportation safety services, how many cases were heard before the Transportation Safety Board in 2001-2002? Do you have any forecast as to whether the caseload is going to remain the same, increase, or decrease in the year 2002-2003? As well, I see that the Traffic Safety Board is getting a fairly good boost, from \$557,000 to \$785,000. If we could get some type of breakdown as to where these extra dollars are going to be spent by the Transportation Safety Board.

As well, we've been hearing more and more talk about requiring the use of electronic on-board recorders for commercial vehicles. Has any more thought been given to the use of electronic on-board recorders? We also think that this would be a great asset in encouraging the safe conduct of commercial carriers and drivers.

9:30

As well, if the minister could please also give us an update as to where we are in regards to the number of hours that can be driven by drivers per day and per week. Are these going to be increased? And what are the new regulations in regards to weight restrictions? What changes are going to occur in this regard?

Now, then, on line item 2.2, could the minister provide us with an update on the accident statistics on the north/south trade corridor?

One of the questions that I was very interested in today that I heard asked of the minister was this whole idea of toll roads. I'm wondering if this big announcement that cities are going to get tomorrow is going to include allowing them or forcing them to implement toll roads.

For line item 2.3 I just have a few questions. One of those, of

course, is that I see that – and I believe this is the first time that roads are being funded with lottery dollars. This seems quite ironic to me when we just saw in this budget that the community lottery boards were abolished – \$50 million that went directly into communities, where they have priority over how that money is going to be spent – and here we see in this year's budget \$15 million of new lottery money going into roads. Again, this reminds me of the onetime funding, part of the reason why we are in the situation we're in today.

Another area of concern is that when we look in the budget for resource roads, we see that the amount is going to be decreased from \$33 million to \$14 million. If the minister could provide us with a list of which projects are going to be cut and what industries these will affect. As well, have there been any negotiations and deals made with companies to have them build their own roads and perhaps get a tax break somewhere else?

Certainly, destroying the Alberta cities transportation partnerships by cutting it from \$125,600,000 to \$16,100,000 is totally unfair. The municipalities have been responsible and drafted long-term transportation plans. Now the government has put those in the shredder. Along with other tax increases this government has implemented, I think what the result of this is going to be is that certainly municipalities are going to face increased taxes.

I think with those and with the questions the other hon. members have asked of the minister this evening, Mr. Chairman, that concludes the questions that I have for the minister. Thank you.

THE CHAIR: I guess we'll call on the hon. minister for summation.

MR. STELMACH: Certainly. Having listened to all of the good questions from the hon. members and having heard that our members would like all of their questions responded to in writing, I will undertake to do that, Mr. Chairman, and will do it, of course, as expeditiously as possible.

I would suggest that we go to the vote. Thank you.

THE CHAIR: After considering the business plan and proposed estimates for the Department of Transportation, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:

Operating Expense and Capital Investment	\$893,282,000
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THE CHAIR: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIR: Opposed? Carried.

The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Chairman. I would move that the Committee rise and report progress and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

MR. LOUGHEED: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2003, for the following department.

Transportation: operating expense and capital investment,	\$893,282,000.
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THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

MR. HANCOCK: Mr. Speaker, in light of the fact that this is our first day in Committee of Supply and we've made marvelous progress, I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:38 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

