



Legislative Assembly of Alberta

The 27th Legislature
Fifth Session

Standing Committee
on
Finance

Department of Transportation
Consideration of Main Estimates

Monday, March 12, 2012
6:30 p.m.

Transcript No. 27-5-4

**Legislative Assembly of Alberta
The 27th Legislature
Fifth Session**

Standing Committee on Finance

Renner, Rob, Medicine Hat (PC), Chair
Kang, Darshan S., Calgary-McCall (AL), Deputy Chair

Allred, Ken, St. Albert (PC)
Anderson, Rob, Airdrie-Chestermere (W)
DeLong, Alana, Calgary-Bow (PC)*
Drysdale, Wayne, Grande Prairie-Wapiti (PC)
Fawcett, Kyle, Calgary-North Hill (PC)
Hinman, Paul, Calgary-Glenmore (W)**
Knight, Mel, Grande Prairie-Smoky (PC)
Mitzel, Len, Cypress-Medicine Hat (PC)
Prins, Ray, Lacombe-Ponoka (PC)
Sandhu, Peter, Edmonton-Manning (PC)
Taft, Dr. Kevin, Edmonton-Riverview (AL)
Taylor, Dave, Calgary-Currie (AB)

* substitution for Mel Knight
** substitution for Rob Anderson

Department of Transportation Participant

Hon. Ray Danyluk Minister

Also in Attendance

Boutilier, Guy C., Fort McMurray-Wood Buffalo (W)

Support Staff

W.J. David McNeil	Clerk
Shannon Dean	Senior Parliamentary Counsel/ Director of House Services
Robert H. Reynolds, QC	Law Clerk/Director of Interparliamentary Relations
Giovana Bianchi	Committee Clerk
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Melanie Friesacher	Communications Consultant
Tracey Sales	Communications Consultant
Philip Massolin	Committee Research Co-ordinator
Stephanie LeBlanc	Legal Research Officer
Rachel Stein	Research Officer
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

6:30 p.m.

Monday, March 12, 2012

[Mr. Renner in the chair]

**Department of Transportation
Consideration of Main Estimates**

The Chair: Committee members, I will call this meeting to order, please. It's 6:30, and the meeting will have a duration of three hours. Having started on time, we will adjourn at 9:30 or earlier if there are no further questions or comments from the members.

I want to note for the record that this committee has under consideration the estimates of the Department of Transportation for the fiscal year ending March 31, 2013.

I don't know that I have to remind everyone – most have been around this table a number of times before – but for the minister and his staff I will point out that the microphones are operated by *Hansard*. There's no need to turn them on or off. In fact, it will hamper their operation if you do.

I also want to point out that only the minister and members of the committee are permitted to speak, although we have a number of staff members that are at the table with us.

I'm going to ask everyone around the table to introduce themselves. But before I do that, I think I'll turn it over to the minister so that you can introduce your staff that are with you this evening.

Mr. Danyluk: Well, thank you very much, Chair. First of all, I'd like to introduce, to my right, Tim Grant, the deputy minister; Ranjit Tharmalingam from the program management branch; on my left, Dale Fung from our finance branch. Sitting behind me are Rod Skura – there he is right there – the senior financial officer; Gordon Zack, the acting assistant deputy minister of transportation and civil engineering. We have Shaun Hammond, who's the assistant deputy minister of transportation safety services; Alan Humphries, who's the assistant deputy minister of policy and corporate services. We also have Donna Babchishin, who is the director of communication; Ethan Bayne, my executive assistant; plus some associated support for those individuals.

The Chair: Great. Thank you very much.

Just before I have the committee members introduce themselves, I want to note for the record that pursuant to Standing Orders 56(2.1) to (2.3) Ms DeLong is substituting for Mr. Knight and Mr. Hinman is substituting for Mr. Anderson.

With that, we'll start with Mr. Allred and go around and have self-introductions.

Mr. Allred: Ken Allred, St. Albert.

Mr. Prins: Ray Prins, Lacombe-Ponoka.

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

Mr. Sandhu: Peter Sandhu, Edmonton-Manning.

Ms DeLong: Alana DeLong, Calgary-Bow.

Mr. Fawcett: Kyle Fawcett, Calgary-North Hill.

Mr. Mitzel: Len Mitzel, Cypress-Medicine Hat.

Mr. Kang: Darshan Kang, Calgary-McCall.

Mr. Hinman: Paul Hinman, Calgary-Glenmore.

The Chair: Thank you very much.

I just want to also read into the record the rules of engagement. I think most have heard them before, but just to be very clear. According to Government Motion 6 and Standing Order 59.01(4) the following is the sequence that we'll be following tonight: the minister will make opening comments not to exceed 10 minutes; for the hour that follows, the Official Opposition and the minister will speak; for the next 20 minutes the members of the third party, in this case the Wildrose, and the minister will speak; the next 20 minutes are for the fourth party, the New Democrats; followed by 20 minutes for members of other opposition parties and/or independent members; then following that any member may speak, and it's been the tradition of the chair to alternate between government members and opposition members at that point.

Committee members, ministers, and other members who are not committee members may also participate.

Department officials and members' staff may be present but may not address the committee.

Members may speak more than once; however, speaking time is limited to 10 minutes at a time.

A minister and a member may combine their time for a total of 20 minutes. Members are asked to advise the chair at the beginning of their speech if they plan to combine their time with the minister.

Three hours have been scheduled under estimates. If the debate is exhausted prior to three hours, the estimates are deemed to have been considered for the time allotted in the schedule and we will adjourn; otherwise, we will adjourn at 9:30 p.m.

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

The vote on the estimates is deferred until consideration of all department estimates has concluded and will occur in Committee of Supply tomorrow, March 13, 2012.

With that, I will turn the floor over to the minister. Minister, you have 10 minutes.

Mr. Danyluk: Well, thank you very much, Chair. I very much appreciate being here and am pleased to present on behalf of the ministry the estimates for 2012-13. As acknowledged previously, I would like to reintroduce Len Mitzel, who is also my parliamentary assistant for Transportation.

Mr. Chair, after many presentations you have probably heard just about enough about figures and financial information by now, but I will begin my presentation with just a few significant numbers. Transportation's budget is \$3.3 billion, which is made up of two components: \$500 million is nonvoted, and the ministry's voted estimate is \$2.8 billion, which includes \$1.3 billion in capital investment, \$0.6 billion in expenses, and \$0.9 billion in capital grant programs.

So what benefits do Albertans see for this significant investment? Albertans depend on our roads to get them safely to school, to work, to family and friends as well as for access to health care and to enjoy recreation and tourism. Transportation is not just about asphalt and aggregate; it is about people. We are building roads to high standards of engineering, design, and construction, roads that last longer, improve safety, have less impact on the environment. The interchanges we build also support safety for Albertans with different configurations to accommodate the different needs of specific areas. We install things like cable barriers on Alberta's highways to prevent rollovers and head-on collisions. We are also building passing lanes to allow people to pass big trucks and heavy loads safely.

Everyone has the right to come home safely to their loved ones at the end of the day. This is what the Alberta traffic safety plan is all about. Our traffic safety partners throughout the province are

helping us implement the plan. The plan addresses all aspects of traffic safety, with initiatives to help reduce collisions, build safer roads, enforce traffic laws, and better educate Albertans about traffic safety.

Since our plan was implemented in 2007, we have reduced fatal collisions on Alberta roads. We've reversed the trend. In 2010 we had the lowest number of fatalities in 45 years, since 1965. For young drivers, commercial drivers, and Albertans in general, casualty rates are down. Based on the national cost model, we are reducing social costs. And we are getting quite a return on our investment in traffic safety, between \$40 and \$100 for every dollar that we invest in the plan.

As the ministry's work on the plan moves forward, we continue to look at ways to improve driver behaviour and attitudes, such as the distracted driving legislation that came into force last fall. This legislation puts us at the forefront nationally in terms of addressing this major traffic safety issue. We have gone beyond just dealing with cellular phones and texting. We are also increasing penalties to help deter impaired driving with our new legislation that will be implemented this summer. We must change the culture when it comes to drinking and driving.

6:40

The ministry also promotes safety and economic prosperity in the commercial trucking sector. We are a commodity-based province. Can I say that again? We are a commodity-based province. The trucking industry literally keeps our economy moving. Supporting a safe industry means ensuring both mechanical fitness and driver safety through efforts such as highway weight thresholds and hours of service regulation. To support those employed in the industry, we are looking at a plan for building new highway turnouts, and we are working with other western provinces through the New West Partnership to harmonize trucking regulations and reduce barriers to interprovincial transportation.

Transportation is critical to facilitating Alberta's trade with other provinces and countries. This province is blessed with natural resources and commodities. We need to be able to move these commodities to market in an efficient way. Our transportation network links producers, industries, and businesses to global markets. Our roads keep Alberta's economy moving. They help get workers to their jobs, food to grocery stores, equipment to drilling sites, and agricultural and forestry products to market.

This is why one of our main priorities is continuing work on the ring roads in Edmonton and Calgary. Anthony Henday Drive and Stoney Trail take big trucks off the roads of our large cities and help everyone get where they are going faster. The opening of the northwest leg of the Henday last fall marked the completion of 90 per cent of the distance of Edmonton's ring road. Other major road construction projects include the twinning of highway 63 to Fort McMurray as part of the northeast trade corridor; twinning highway 43 as part of our continuing work on a north-south trade corridor, which brings us closer to our goal of more than 1,150 kilometres of free-flow traffic from Coutts to the B.C. border; and completing the paving of highway 88.

We know that our investment in municipalities is critical to their sustainability. I would like to take a minute to highlight the GreenTRIP program in particular. This multiyear program is providing \$2 billion in capital funding for public transit projects. Over the duration of GreenTRIP \$800 million is available for transit projects in the capital region, \$800 million in Calgary and area, and \$400 million for the rest of the province. So far we have announced 11 transit projects in communities large and small.

To give you some examples, GreenTRIP is growing Edmonton's LRT network capacity by 13,200 weekday riders based on the expansion of Edmonton's LRT line to NAIT, linking Banff and Canmore to meet resident needs and improve visitor experiences, and making public transit affordable and accessible for workers and youth and families in Fort McMurray. Going forward, the program will support the expansion of Calgary's west LRT line and help the city purchase additional LRT cars.

Looking at another key program, many Albertans benefit from the support we provide for the municipal waste-water projects. Our investment through the water for life program helps provide a safe, reliable supply of water for communities throughout the province. Regional pipelines are lifelines to small communities, supporting both economic development and safe drinking water for residents. Without water for life and the waste-water partnership, the cost of supplying these services in smaller centres would simply be unaffordable.

Alberta's communities are key to our economic growth. That is why our municipal grant programs, including the basic municipal transportation grant and the strategic transportation infrastructure program, have been fully funded in this year's budget.

In closing, I would like to say that our ministry's work is a reflection of the needs of communities and Albertans. Just as Premier Redford's agenda supports the people of Alberta, our ministry's budget also supports that focus on people. We are working to ensure a safe movement of Albertans, promoting commercial transportation safety, supporting Alberta's economy so that it can compete in the global marketplace, and supporting communities through GreenTRIP and water for life as well as other municipal grant programs.

At the end of the day what are we about? We are about people and about safety. Through our programs and projects we are enhancing Alberta's quality of life now and in the future. I appreciate the opportunity today to highlight how our work benefits Albertans.

Now I will be pleased to begin answering your questions.

How's that for perfect?

The Chair: It doesn't come any better.

According to the outline that I went through earlier, the next 60 minutes will be under the control of the Official Opposition. Mr. Kang, I assume that's you.

Just for the minister's information, then – Mr. Kang has been through it before – we'll set the clock for 20 minutes. It'll go off at the end of 20 minutes, and then we'll go for another 20, followed by a third 20 minutes.

Mr. Kang, is it your intention to combine your time or to speak for 10 minutes?

Mr. Kang: No. Combine the time, go back and forth.

The Chair: Okay. We'll combine the time. We'll set the clock for 20 minutes, then.

Thank you.

Mr. Kang: Do I get a little breather at the end of 20 minutes because he's a big guy and I'm a small guy?

The Chair: I guess that's my job.

Mr. Kang: Thank you, sir. Thank you, Mr. Minister, for the opening remarks. You tried to be very, very informative as always, and I appreciate your remarks about the overview of things to come.

I'll start right off the bat with budget comparisons, you know, from 2011-12 and 2012-13. As we see, the total program spending is down 5 per cent, and capital investment is down 17 per cent. So total program spending is going to be \$1.5 billion, you say, and capital investment, \$1.3 million.

When we look at the program spending and this breakdown here, we've got provincial highways, the municipal water/waste water program, and the GreenTRIP initiative. That's on page 294. Looking over this year's projected program spending, ministry support services are up \$1 million – that's lines 1.1 to 1.4 – and highway spending, lines 2.1 to 2.3, is stable at \$404 million. That's in the estimates. Will the minister tell me why highway maintenance, line 2.1, went up almost exactly \$50 million in last year's budget and now it's down about \$6 million this year?

Mr. Danyluk: Well, I mean, first of all, highway maintenance has some fluctuation, as you know, depending on the weather, depending on the circumstances, depending, I want to say, on rain in the spring and some of the maintenance that's necessary. I'm not sure where you got the higher difference. The provincial highway maintenance decreased by 1.7 per cent. Yeah, if I look at it, what happened is that it did go up from '10-11 from \$273 million to \$323 million.

Mr. Kang: Yeah.

Mr. Danyluk: Mr. Chairman, I guess I can just say that, in a nutshell, it's very much dependent on the winter weather, if I can answer it that way.

Mr. Kang: That was \$50 million. That's a big variation.

6:50

Mr. Danyluk: You know, hon. member, if I can talk a little bit about the effects of snow and the effects of clearing snow, if you remember last year the amount of snow that we had and the amount of times that it had to be cleaned and cleared and if you look at this last year what happened, that is a major difference. I mean, in our neck of the woods last year we had the plows on the road the whole time. I hate to say this, but this year I can only remember seeing them once, and that's just because we have absolutely no snow. We haven't put sand on the road, and we haven't put salt on the road because it wasn't necessary.

Mr. Kang: There's the forecast. It's up \$50 million. You're estimating \$317 million for the coming year.

Mr. Danyluk: Well, I mean, we're going from \$323 million to \$317 million.

Mr. Kang: Yeah. You're coming down here a bit. Is that your actual that will be spent, or is that just the forecast, \$323 million?

Mr. Danyluk: Well, I mean, the \$317 million, of course, is the budget.

Mr. Kang: No. It just says that \$323 million is the forecast.

Mr. Danyluk: Well, I mean, our budget was \$323 million. We're looking at that number. That's where we are right now because we still have a little time left.

Mr. Kang: Okay. All righty.

Mr. Danyluk: Did you want me to go back to '10-11? The actual for the regular provincial highway maintenance contracts we had at \$248 million and budgeted for \$277 million in '11-12. The

estimate for '12-13 is \$271 million. Now, I want to say that the estimate increased by \$44 million compared to the '10-11 actual primarily due to the inclusion also, if I can say, of the addition of the P3 maintenance contracts related to the Anthony Henday.

Mr. Kang: We will get to that later.

Mr. Danyluk: I mean, I'm trying to answer your question if you don't mind, hon. member.

Mr. Kang: Thank you.

I know that the highway maintenance has been contracted out since 1996, and you shed a little bit of light there, but can the minister tell me why there is such a large difference in costs from year to year and what the department has done to make sure that Albertans are still receiving value for the money from private contracts, especially compared to other provinces?

Mr. Danyluk: Well, I want to say that some of the other provinces have their own equipment, right? That basically stabilizes costs, but it may stabilize costs at a higher level. When we look at Transportation and we look at the work that Transportation is doing, you know, we have a base that we have to pay the contracting companies, but at the same time what does take place is that there are additions: you know, how many times they go out, what they have to do, how much sand they have to put out. I mean, we try to do the best guess that we can, and that's kind of where we are. One-third of the costs are fixed, one-third of it is also summer paving and repair, and approximately one-third of it is winter operations.

If I could just go through the detailed aspects of all of that, when we talk about the fixed costs, I mean, we have what you call a standby. A standby is basically that we have the equipment in place. We have the individual companies that are servicing our roads, are clearing our roads. The second part is summer paving and repair. Well, we can't really guess. You know, we always want to make sure that our roads are up to shape, and we continue to fix those roads.

At the same time, I can say to you that if you have a situation where you have a rain and then it freezes and then a crack forms and then you have another rain and it fills up with water and it freezes and those cracks get bigger, those costs are higher. We look at the damage that was probably done the year before, looking at what's necessary, and that's how we do estimations. From the previous year, as you can see, where we had the maintenance part and where we were, there wasn't that big a difference. We said that, no, under these costs we could handle it.

The other one, of course, is the one-third winter operations. How does that work? It's exactly directly related to how much work is being done in the wintertime.

Mr. Kang: When we've got less snow, less maintenance, does that save us money?

Mr. Danyluk: Of course it does. Oh, yeah, very much. I mean, you have the fixed costs – right? – because you have to pay a base.

Mr. Kang: I understand that. Yeah.

Mr. Danyluk: Do we have fewer costs? Without a doubt. All our vehicles I believe are GPSed, and we are paying on how much extra time for them being out in the field, whether it's clearing snow or whatever they're doing.

As far as weed control and as far as fixing the guard rails and as far as damages that might be done to the road – you know, the

savings basically come at the end of the year when we see where we're at. It's kind of hard to forecast as all I can tell you, but there are some things we can forecast. I would say the crack filling we can forecast because we can see what's happening. We can see what happened the year before. If we had rain, let's say, in the fall and we start getting cracks, we know we're going to get some deterioration of the road, and we have to fix them.

Mr. Kang: So we are getting value for the money.

Mr. Danyluk: I would say very much, and I would say that our contracts on a continual basis are changing and more reflective of the amount of work that is taking place on those roads. It isn't a situation where we give a contractor an X amount of dollars and say: "Okay. Here you go. Whether it snows or doesn't snow, this is what we're going to pay you." Well, a contractor in that situation would very much say, "Well, I have to take the top end instead of the lower end because at the end of the day I have to cover my expenses." That's why we've developed contracts that are more cognizant of the challenges of the day. I mean, it is a competitive contract for seven years, and we pay for hours of work.

Mr. Kang: Okay. Moving on, the basic municipal transportation grant, page 294, line 6, is up 10 per cent, or \$20 million, to almost \$334 million.

Mr. Danyluk: That's what I have.

Mr. Kang: Basic municipal transportation grant.

Mr. Danyluk: Well, I mean, the basic transportation grant, the way that I'm reading it, primarily meets the municipal grant commitments.

Mr. Kang: It's just up 10 per cent, about \$29 million. Why is there a 10 per cent jump there? The budget was \$304 million.

Mr. Danyluk: The budget was for \$304 million.

Mr. Kang: And the forecast was down, and now from the budgeted amount it's up. There is a big fluctuation.

7:00

Mr. Danyluk: Okay. The '12 budget is estimated to have an Edmonton entitlement of about \$97 million and approximately \$114 million for Calgary. For 2012 15 cities and two urban centres are entitled to receive \$40 million. I want to say that most of it is due to population.

Mr. Kang: Mr. Minister, there was a \$304 million budget, and the estimate is \$265 million. Now it's going to be almost \$300 million.

Mr. Danyluk: What happened is that you had an estimate of \$304 million.

Mr. Kang: No. That was budget.

Mr. Danyluk: Yes. I mean, a budget is an estimate, right?

Mr. Kang: Then you've got a forecast.

Mr. Danyluk: We're forecasting it'll be \$265 million.

Mr. Kang: Then what happens with that money? Will that money, you know, whatever is left over from the estimate, be carried over?

Mr. Danyluk: Well, I mean, we look at an average over three years. It is approximately \$300 million per year, and it's very dependent on the work that's being done.

Mr. Kang: What work didn't get done, you know, for it to drop down to \$265 million?

Mr. Danyluk: The municipalities completed the work. Some of the municipalities weren't, if I could say, set to set the project approval process. Some of that money wasn't spent, and we just carry it over to the next year. I mean, some of the things are like, let's say, getting permits in place. Their intention was to do the projects, but the permits weren't in place.

Mr. Kang: Okay. Coming to municipal water/wastewater program and water for life, line 8, it's down \$87 million, or 34 per cent, to \$170 million. Can the minister tell us why we're spending \$87 million less on this program this year?

Mr. Danyluk: I think that if you look back to the combinations in 2010, it would probably get you a fairly realistic number. In '11-12 we had a spike, if you can say that, and that was for projects in Fort McMurray, the water treatment plant. Also in Fort McMurray was the Fort McMurray community development plan that cost more money. What happened is that it's fairly level except for last year in addressing the Fort McMurray spike. The community development plan really had a lot to do with the Parsons Creek project and also with the Saline Creek projects, putting the infrastructure in place.

Mr. Kang: Coming to GreenTRIP, line 9, the GreenTRIP funding is down about \$27 million, or 22 per cent, to \$93 million for 2012-13. I know you talked a little bit about GreenTRIP in your opening remarks. Can the minister tell me how much of the \$2 billion that was originally promised has been spent already and how much more is yet to come?

Mr. Danyluk: First of all, as you know, the GreenTRIP program is a \$2 billion program: \$800 million to Calgary, \$800 million to Edmonton, and \$400 million for rural. Our capital plan has \$540 million that has already been spent. I do have to also say to you that Calgary just before Christmas had brought forward their application. Their application involves approximately \$473 million. For that project we have been continually discussing the payments for what they are building right now. I will say to you that in what they're doing, we very much approve of the focus and direction, and the payment will be based on progressive work that is being done in Calgary. If I could just say to you that, you know, they're starting the project. The approval was for \$473 million. That's on top of the \$540 million that has been spent already, mostly in Edmonton.

Mr. Kang: Are there any strings attached to that funding?

Mr. Danyluk: Of course, there are strings attached to funding. I don't want to call it strings, but there are criteria for the funding. One of the criteria, of course, is that it has to reduce carbon and that it's for the transportation of people. However that works, you know, I think it has a lot of opportunities.

I want to say that in this project the province of Alberta is supporting two-thirds of the capital costs, and the cities or the communities in rural Alberta have to pay one-third.

Mr. Kang: Okay. Will the government seriously consider giving more money for mass transit in Calgary and in Edmonton? Will it support Calgary's needs for . . . [A timer sounded]

The Chair: That's the indication of the first 20 minutes. Just before we reset the clock, I want to remind both Mr. Kang and the minister that I've made a point of staying out of the conversation rather than, you know, introducing the speaker each time. For the benefit of *Hansard* in particular, can both try to avoid interrupting each other? Full question, full answer. That will make it much easier when they're trying to record the conversation for posterity purposes.

Mr. Danyluk: I'm not sure who just got their hand slapped. It's only the two of us that have been talking, so I gather you were talking to both of us.

Mr. Kang: Both of us, yeah.

Okay. Will the government seriously consider giving more money for mass transit in Calgary and Edmonton, and will it support Calgary's needs for the southeast LRT line, the LRT to the Calgary International Airport, or for Edmonton's west to southeast 27-kilometre LRT line? Like I said, my pet project, the Airport Trail tunnel, should be built, too, by 2014.

Mr. Danyluk: Let me say to you that this is the decision of the municipalities, the decision of the cities, what they feel is necessary for their projects. Right now we have designated \$800 million for each one of the cities. I will also say that the first go-around – I call it the first go-around, but it's the first application of funding – we have basically approved. It's up to the cities, and it's up to the region.

When we talk about \$800 million, it is about transportation. It is about the opportunity for the city to work with, let's say, for an example, Airdrie and how they can utilize that funding, the region. That's where the difference is. It's not just for the city; it's \$800 million designated for the region of both large centres. They decide. They decide what they're going to use it for. In Calgary it's the funding for the west LRT. The funding is also going to cover 50 LRT cars for the southeast transitway and for a study. I mean, it's really guided by them as long as it fits the criteria. The criteria are very simple. It has to reduce carbon – any type of transit system reduces carbon – and also it's for the transportation of people.

7:10

Mr. Kang: That's why I was bringing up the Airport Trail tunnel, because that was to fight carbon, too.

Do you think the money allotted for the regional plan – now we're talking about the Calgary regional plan – will be enough?

Mr. Danyluk: Well, hon. member, I would suggest to you that there's never enough money. Let's say that this is an opportunity for municipalities, which they've never had before, to look at ways that they can, you know, provide for fast transit or light rail transit. Both municipalities are using it, what I would call, very effectively and efficiently.

Mr. Kang: My question is: you know, once everything is approved, will it get done in one shot, or will it be staged?

Mr. Danyluk: Sure. We pay according to progress. I just say to you again that, you know, the municipality applied for a project, that project very much fit the criteria, and as they're building, we'll make progressive payments.

Mr. Kang: Thank you.

Going back to debt servicing, ring roads, line 18, it is up \$22 million, or 55 per cent, to \$62 million.

Mr. Danyluk: The increase of \$22 million is primarily for interest payments related to the Anthony Henday P3 project, which was opened to the public in 2011. You know, that particular northeast end was completed. This is an additional debt servicing cost.

Mr. Kang: Is it a yearly payment for the P3 construction of the ring roads?

Mr. Danyluk: Yes, it is.

Mr. Kang: Okay. Where, if anywhere, is the full cost of the P3 program over 30 years? Where does that line appear?

Mr. Danyluk: We have an estimated cost of what the costs of the projects are. I could go through and say to you that we have – and I'm just going to go through the Anthony Henday southeast. This is the servicing cost. I'm going to go back to January 2005. The total capital cost of the project, that was jointly funded by the federal government and the ministry, was \$431 million. In February we entered into a contract for the financing and operation of the Stoney Trail northeast. In November the capital cost of the P3 was \$456 million.

I'm just going to give you a ballpark, okay? I'm reading the exact contracts, and I wanted to get it right. Let's just say that when we're looking at the Anthony Henday, there's an investment of \$2.5 billion right now, and on the Stoney Trail it's about \$1.95 billion, \$1.97 billion, something like that. It's just about \$2 billion on the Stoney Trail so far. I will say to you also that with this amount of money the Stoney Trail will be approximately 70 per cent done. With the amount of \$2.5 billion we're 90 per cent done on the Anthony Henday. We have one last segment to do – and that's from the Manning freeway to, really, the Yellowhead – and some upgrades south of that, which is very close to finding the right proposal.

Mr. Kang: So is that the upfront cost, or is that over the lifespan?

Mr. Danyluk: Well, that's really the cost of the project. It's the total cost of construction.

Mr. Kang: That's for the maintenance and everything over the lifespan of the project?

Mr. Danyluk: That does not include the servicing costs of the project when I talk about the interest costs, but it is the construction costs.

Mr. Kang: Is it possible to get something in writing about the 30-year costs, what it will cost the province?

Mr. Danyluk: Yeah. I mean, that's not a problem whatsoever. Yes. Just so I understand it clearly, you want the cost of the project to date, right? Because we can't tell you exactly what that cost is going to be on the last leg, and of course we can't tell you the cost of the last leg going through the Tsuu T'ina, right? But what we've done so far, the cost, and what type of servicing costs that we have on it as well: that's easy to do.

Mr. Kang: Okay. So in a year it will be cheaper to go to a P3 project than just . . .

Mr. Danyluk: Oh, I very much believe that these projects are more beneficial to be done with a P3, and I very much appreciate the responsibility for 30 years of maintenance.

Just one thing that I need to add to that. Please understand that when we look at a P3 project, we need to ensure that that is the

best possible avenue of selection. Before the final P3 projects are opened up, we basically put a bid in with Justice, which is kept with Justice, on what we think the project costs should be. If those project costs come in above, we are committed to do the project in a different way and not a P3.

Mr. Kang: In the future there will be no toll on those P3 projects on the highways?

Mr. Danyluk: No, we would never put a toll on.

Mr. Kang: So that's the pledge?

Mr. Danyluk: No tolls. I wanted to make sure that there was no question about how that was going to be answered.

Okay. I may be answering your question and not having to answer it later. All of the total costs that we have and the total costs at the end of 30 years would be a cost of \$5,955,000,000. I can break that down into maybe a better number if you want, but I do have the summary of the . . .

Mr. Kang: Mr. Minister, I prefer it in writing.

Mr. Danyluk: Okay. That's not a problem whatsoever. Yeah. We have it here.

Mr. Kang: Is there anything else you want to add to that?

Mr. Danyluk: No. I'm just trying to clarify the numbers that I had in my head.

Mr. Kang: Okay. Business plan, page 86. I see the debt services are expected to increase by another \$5 million over 2013-14.

Mr. Danyluk: Could you repeat where? Sorry.

Mr. Kang: Business plan, page 86, statement of operations, fiscal plan.

Mr. Danyluk: Okay. You're asking about debt servicing?

Mr. Kang: Yeah. Ring roads. This is expected to increase by about another \$5 million over 2013-14 and 2014-15.

7:20

Mr. Danyluk: First of all, the last leg being built of the Stoney Trail should be complete, I believe, in 2014.

The increase in interest relates to the northwest ring of the P3 project in Edmonton.

Mr. Kang: How much will the cost be at its peak?

Mr. Danyluk: Sorry. I said 2014. It should be done in 2013.

Mr. Kang: Okay. But we are targeting 2014-15 as well?

Mr. Danyluk: It's just what I said before, that we finished the Anthony Henday and we have to work on a start to pay the debt cost.

Mr. Kang: So they are going to peak at that . . .

Mr. Danyluk: That's at the most. The other part is that particular line, or that figure, will go up when we finish the last leg that goes from the Manning to the Yellowhead.

Mr. Kang: Okay. Thank you.
Coming to highway 63.

Mr. Danyluk: Oh, your favourite highway.

Mr. Kang: Well, you know, last year I was told by everybody that I had tunnel vision over that Calgary airport tunnel. But the truth is that I'm just passionate about building priority infrastructure that Albertans really need, so this year I have been talking a lot about the twinning of highway 63 for the hard-working people who travel to and from Fort Mac.

The oil sands is the third-largest source of proven crude oil reserves in the world, yet this government is taking its sweet time twinning the highway to it. Can the minister tell me exactly how much of the \$152 million in capital spending for the northeast Alberta transportation corridor – line 19, page 295 – is going directly to twinning highway 63?

Mr. Danyluk: Well, in fact, I would say that we are not taking our sweet time; we're trying to do as much as we possibly can.

We're working also with the federal government on highway 63 – and I mean highway 63 coming all the way from Grassland through Fort McMurray – and the highway 881 system. We've probably spent in the neighbourhood of \$1 billion. We've committed to \$150 million this year to keep moving ahead with the construction. There's no doubt that safety and efficient movement of people and commodities are our main focus. We have consistently been spending money – substantive money – on that highway.

I know that you're very familiar with the Athabasca bridge, that I think is the size of three football fields and will have five-lane traffic on it when it's complete. We are also doing the Steinhauer Bridge and the Grant MacEwan Bridge, that we're now fixing up; that's all on highway 63.

You know that we're about to announce the Parsons Creek interchange. We've done the two other interchanges. I will find that for you in about two seconds. There are two other interchanges that are being worked on right now, Thickwood Boulevard and Confederation Way. They should be opening in 2012; that whole system should be done. I'm not saying that Parsons Creek will be done, but that should be done.

We paved from Fort McMurray, I believe, to the 881 turnoff. We've twinned that part. We've done the construction from the south end of highway 63 where we're twinning it, and we're hoping to pave this year. The forecast in regard to 63 and 881 is, I think – we look here and I say a billion dollars according to the chart I have – \$940 million to date.

Mr. Kang: So, Minister, we are still proceeding at kind of a snail's pace. We should be doing a much better job.

Mr. Danyluk: Well, you know, this province is very big, hon. member. You know, you talk to me about the importance of Stoney Trail, and you talk to me about the importance of Anthony Henday, and I'm sure in a couple of minutes you'll be talking to me about the importance of the Calgary-Edmonton trade corridor.

Mr. Kang: How do you know? You saw my notes?

Mr. Danyluk: I didn't see your notes, but I just have an idea that you'll be talking about it because being the Transportation critic, it is your responsibility, and you do a good job of ensuring that all of those areas get attention because this province grows by approximately a hundred thousand people a year.

Highway 63 is no doubt one of our major challenges. We're building roads through muskeg; we're building roads that have what I call conservation area concerns that we're dealing with, caribou and other challenges. We have, as I said before, an

estimate of \$150 million forecast to spend in that direction, and if you look at the three-year plan, we're definitely looking at \$126 million and \$107 million.

Mr. Kang: Well, we can agree to disagree on this because we're not proceeding at a pace we should be.

We'll move on to my next question.

Mr. Danyluk: Okay. Sorry. Maybe that's what you call, Mr. Chairman, your duplication of speakers, but I think the same question has been asked on a regular . . .

The Chair: That's the second 20 minutes.

Well, it's not the responsibility of the chair to decide what questions to ask. I'm just here to make sure that the questions that are asked are actually on topic.

Yeah, that's what I was referring to, answering questions in mid-sentence or interrupting answers in mid-sentence. I'm just hoping that everyone will abide a little bit by the direction of the chair and just hold off the urge to jump in there with something to say.

With that, I'm going to start the clock for the final 20 minutes.

Mr. Kang: Sorry about that, Mr. Chair. It's just the heat of the moment getting in the way here.

Last year the government hired for-pay rescue workers to be based in Wandering River to improve response times for accidents on highway 63. The real reason they were needed was because the local volunteer fire department was tired of going out and, I quote, scraping people off the highway every week after horrific accidents and had announced that it was not going to do it anymore.

Now, I know that the government is working on twinning the 40 or so kilometres of the highway directly around Wandering River, but would it not be cheaper to fast-track the entire highway and save lives – coming back to the highway again – instead of just hiring people to clean up the mess on the road?

Mr. Danyluk: Well, I want to start off by saying that . . .

Mr. Kang: You know, I . . .

Mr. Danyluk: Okay. I thought you'd finished, and I just . . .

Mr. Kang: This is very sad when we have to make these comments about cleaning up the mess and all that. You know, my heart goes out to those people who have died on that highway. It's not politicizing the situation, Mr. Minister, it's just concern about the safety of Albertans traveling on that highway.

7:30

Mr. Danyluk: Well, as you heard in my opening speech, the safety of our highways is one of our primary concerns as a government. Also, when we look at the safety of our highways and the growth of our province, there are areas that have an extensive amount of traffic. If I can, Mr. Chairman, let me refer to the Airdrie-Calgary corridor, that has approximately 130,000 vehicles per day. Going south of Edmonton to the International Airport, we're looking at over a hundred thousand vehicles a day. I also want to stress to you that we don't have anywhere close to that number on highway 63, but it's the type of vehicles and it's the time that those vehicles predominantly go. So the safety of those roads, because of the traffic that they encompass, is a great concern for us, and that's why we've made those commitments.

Mr. Chairman, I want to say to you that volunteers are a commodity that needs to be respected more in this province. When

you do have volunteers that all of a sudden are working on what I call a full-time basis – and I'll just use your example, I believe, in the Wandering River area – where all of a sudden the volunteer job is made a full-time job, it provides some challenges.

We are spending a substantive amount of money. It is about balance. It is about trying to, you know, put forward the Stoney Trail, the ring road around Calgary. At the same time you're looking at Calgary and the Deerfoot and the amount of traffic it has and the amount of work that's necessary to make that into a safer highway.

Mr. Chairman, I will say the same about the Anthony Henday. With the Anthony Henday and through to Calgary, as I said in my opening speech, we are looking at a 1,150-kilometre road that is going to be stop-free. That's what we're trying to achieve. That will be from Coutts all the way to the B.C. border.

When you say to me that, you know, there are too many accidents that happen on highway 63, well, you know what? One accident, one life is too many. It doesn't matter where it is in Alberta. I mean, this government has looked at distracted driving and looked at the stats that have caused the accidents. We've looked at impaired driving to try to contain and lower and prevent the number of accidents. Mr. Chairman, this government is doing a lot of work to ensure that the highways that we're building are highways that are safer for the traffic that is taking place.

There's no doubt that, you know, Fort McMurray is the hub of our energy. We have two accesses. On the one side we have what I would call the mining oil sands, that mostly go up 63, and the SAGD development that's taking place on 881. So, Mr. Chairman, we are trying to ensure that the roads we do have in those areas are addressed. It's very important for us to make sure that those roads are in the best shape that they can be in. We've made some passing lanes on the highway. Our goal, of course, is to have the whole thing twinned as soon as possible, but it's going to take time, sir.

Mr. Kang: That was my next question, about passing lanes. I mean, if that is what it takes to save lives on the highway, maybe we should have more passing lanes.

Mr. Danyluk: Well, I want to say to you that we've done things that I believe have supported the safety aspect. I was just to a meeting where there were 41 out of the 43 main carriers that are on our highways, and we talked very much about ensuring that we have truck turnoffs, that we have the ability for a trucker to have a rest period. You know, we're doing some of that by way of having our truck pullouts, especially for our wide and high loads. You know, we're doing some work on highway 881 so that we can also encourage easier access for high loads.

Mr. Kang: Okay. In question period, sir, you said: I would say yes to any necessary highway. Well, of course, if a highway is a necessity, then it needs to be built. Can you tell me what criteria the department uses to decide if a highway is a necessity, and if it is a necessity, then why don't you build it as soon as possible? Wouldn't that be in line with results-based budgeting, the results being saving lives instead of just complaining that there isn't enough money in the budget every year?

Mr. Danyluk: I'm not sure what complaining you're talking about because I'm only hearing it from your aspect, hon. member.

I want to say to you that what we try to do is that we access and we look at the priorities and the data. You know, the first thing that has to happen is that we have to look at the deficiencies. We have to look at the cost-effectiveness, and that's basically what

you talked about. What does that mean? That means: how much usage do we have on the roads? I want to say to you very clearly that a road that has 3,800 vehicles per day sometimes, and in this particular case, could be more dangerous than a road that has a hundred thousand vehicles a day. It's just the way that road is configured and what the safety is.

I mean, we look at all aspects to try to make it as safe as possible. You know, when we talk about 3,800 vehicles a day, part of that 3,800 vehicles, a major part I can say to you, is the big vehicles, big trucks that are carrying big loads or wide loads or high loads. That produces a concern. That's why we look at passing lanes.

Also, I think one of the more important points is that the municipal concerns are identified by the field staff because they very much have an input into where they believe the major challenges are. When we talk about highway 63, I mean, we're dealing with the municipality of Wood Buffalo on a regular basis. When we talk about highway 63, one of the things that we have done is brought forward the oil sands transportation co-ordinating committee, which consists of municipal representation, you know, both DMs from Transportation and Infrastructure. We also have the airport commission as well as industry that's involved in that committee. That's to make sure that the priorities that we believe are the direction are the same ones that they believe are the direction, and I'm very open to their input.

Mr. Kang: Okay. I'll still stick to highway 63. How ridiculous is it that the highway to the third-largest proven oil reserves in the world isn't called by Albertans the highway to our prosperity or the gateway to the north? It is called highway of death, and we have referenced this so many times. Lots of people are dying on the highway unnecessarily. Can you tell me, sir, how much it would cost to get this project done by the year 2015 for the residents of northeast Alberta and the oil sands industry, that is paying a big part of this government's bill, and stop telling us how much has been spent this year, last year, or next year? You know, get serious about telling us the result that we all want, which is actually getting it twinned by 2015 and saving lives.

7:40

Mr. Danyluk: Well, I mean, it's probably a billion-dollar project. You know, let's just say that it's between \$800 million and a billion dollars.

Now, if you want to try to shorten that time span for when it gets done, remember that we're dealing with muskeg, and we're dealing with what I would consider unfavourable conditions. Going from highway 55 to highway 881, as I said before, in the longer duration is probably an \$800 million to a billion-dollar project. To shorten it up, I mean, maybe you have to add another 50 per cent. I don't know, but that's where I'm coming from.

Let me say this to you as a representative of, you know, one of the large centres: that provides a challenge for us, to build that particular ring road or some of the artery roads that are important to the larger centres. I mean, can it be done? Sure. We can bring crews in from the United States and Saskatchewan and Manitoba. All that is going to do is that you add a billion plus dollars to the funding, and I suppose anything can be done. But I guess I'm telling you that we're trying to have a very balanced approach. We're working on highway 63. We're putting funding into highway 63. We're working with the municipality. We're working with the Transportation co-ordinating group, looking at what they feel the priorities should be. We're trying to focus on the best possible direction.

I will tell you that we're buying the land, and we're doing the design work, and we're getting the environmental permit. So, I mean, we're moving ahead. Some of that takes time.

Mr. Kang: About a year or two ago we were talking about that, you know, that we could build it 40 per cent cheaper now than in the boom times. I still believe that we should have pushed for highway 63, to build it. Then we could have saved megabucks.

Mr. Danyluk: It's kind of interesting, hon. member. If I can get this straight, you somehow want us to do highway 63 and borrow a billion dollars or somehow make it into a different project. You know, I have a feeling that the hon. member who is going to speak after you is going to tell me that he wants to cut infrastructure by \$2.4 billion or \$1.6 billion. I guess what happens, very interestingly enough, is that I'm someplace in the middle. I mean, we're trying to have a balance.

Mr. Kang: What I'm going to say is that this was going to create jobs, very badly needed jobs, too, during the recession. That's where I'm coming from. We could have been building cheaper. On one hand, sir, you've been saying that we've got money saved in the sustainability fund, you know, and that we want to keep our economy rolling here, right? I mean, one time before the idea was that it's cheaper to borrow money now and build these projects when they're planned. I mean, your government floated all kinds of ideas. They were talking about floating this bond so that we could build infrastructure, and this could have been done then. So there you go.

Mr. Danyluk: Well, Mr. Chairman, you definitely got me on that one because as soon as the discussion came around to the sustainability fund and the misinterpretation of exactly what the purpose of that fund was, I think it got me a little excited. I will say to you that the sustainability fund was to ensure that there was some equity between years, that we would ensure that we didn't try to spend it all on one year and then have a kind of feast or famine type of focus and direction.

The sustainability fund is exactly that. It's taking out the hills and the valleys. The sustainability fund has been used for infrastructure. I have to say to you that if we had taken the \$17 billion and spent it in the first year, everybody would've gone out and bought a whole bunch of equipment and brought equipment in from different provinces, and then the next year we wouldn't have had anything.

What we have done is ensured that there is growth that takes place in this province where it's necessary. Mr. Chairman, I need to reiterate that we have spent \$1 billion already on highway 63 and also going through the community of Fort McMurray. I go to the just about \$2 billion on the Stoney Trail, the \$2.5 billion for the Anthony Henday. This is about balance, and this is about ensuring that we move our commodities to an international market.

Do I agree with you about the importance of the jobs and the potential in the Wood Buffalo area? Yes. But if my memory serves me right, hon. member, if I can just recall for a second, I remember your party being very clear that we should slow down the operations, that the work that was taking place in the Wood Buffalo area was happening too fast. [interjection] Now, Mr. Chairman, the hon. member is saying that we need to, you know, capture this prosperity and spend, spend, spend.

Mr. Kang: We talked about . . .

Mr. Danyluk: I'm feeling like I'm close to the members in the third party, all of a sudden.

The Chair: I'm going to interject because this is exactly the kind of situation I was referring to earlier. There has to be an opportunity for someone to answer.

Mr. Danyluk: That's what I was trying to do, sir.

The Chair: I was admonishing the minister before, and this time I'm admonishing the member.

Mr. Kang: But, Mr. Chair, the answers are getting a little bit too long. I raised my hand, so the minister should let me come in.

Mr. Danyluk: The truth hurts, sir.

Mr. Kang: My party was talking about managed growth, sir. Even Premier Lougheed said that we should have managed growth. You know, that's Premier Lougheed, so there you go about the growth.

My next question . . .

The Chair: That's it. Time's up. That concludes the time allotted for the Official Opposition.

We now will move for the next 20 minutes to the third party. Mr. Hinman is the representative. I will turn the floor over to you, Mr. Hinman. Do you wish 20 minutes to and fro or 10 minutes in continuous speaking?

Mr. Hinman: Well, I'm always disappointed on how fast the clock flies. Ten minutes is going to go by like that, so I will take the 10 minutes, and then let the minister answer.

The Chair: If you take the first 10 minutes, he gets the second 10 minutes.

Mr. Hinman: Correct. Then what he doesn't get answered, hopefully he'll put in written submissions.

Mr. Danyluk: I would be very glad to answer all of his questions in the second part of 10 minutes.

The Chair: All right. We will set the clock for 10 minutes, then.

Mr. Hinman: Well, wow. Infrastructure and transportation: split the portfolio, and now we've got a lot more questions that kind of overlap back and forth. I must say that I was extremely pleased with your 10-minute presentation at the start. If only our transportation projects would come in on time and as precise as that. That was impressive.

7:50

You've gone on at length on highway 63, which is certainly something that's near and dear to many, many people who work, back and forth, up in Fort McMurray. I guess I just have to ask the question that – you know, a progress report would show very little, and perhaps you need to go back and ask the people who built the first highway how they got it done. Please answer: how many kilometres of actual road has been opened up and paved over the last five years probably? I don't know when the last time was that you've done more than 16 kilometres. Hopefully, you can inform us a little bit different on that.

The ring road. It's been great what we've gotten done, but again the people in my constituency are very frustrated. Could you please tell us what the government's plan is? I guess when you had your leadership race, that got sidestepped, saying: well, we're

going to stop the open forums that we're having, discussing one of the five government plans. Now we have a Premier, but we've heard nothing from Transportation on what progress is really being made. An update would be greatly appreciated on the southwest through the Tsuu T'ina reserve. That would really be great.

The strategic transportation grant. On page 294, line 7, you've got \$84 million last year. Can you tell us exactly what you've got budgeted going forward?

On your website – I think I want to jump over to this because the 10 minutes always goes so fast – you have 21 pages of tentative government-owned transportation projects near completion, under way, or scheduled. When you go through those 21 pages, I think there are three pages on highway 63 alone. But it doesn't really say anywhere on your website, and I don't have the opportunity to drive up there and to check out each of these multiple construction projects that you have under way – if you could provide in writing what actually is near completion, what's under way, and most importantly, what is actually scheduled. It seems like we have 21 pages of a lot of scheduled things but not too many that are actually under way or near completion. Especially since, like I say, highway 63 is a real concern.

I was flattered that you were able to bring us up to date, during the opposition party's time, about where we would spend the budget and the cuts that we would make, but it's always amazing to me how the different ministers always somehow seem to be able to understand the priorities of cutting priority projects when you cut dollars but never the less important ones or ones that, you know, maybe perhaps we could put off for a few years.

The amount of money that we're spending on carbon capture and storage and the amount of money spent on GreenTRIP is truly concerning to many Albertans and especially those that are travelling highway 63. In GreenTRIP you mention that, you know, this is all about reduced carbon. Is there a percentage that you're looking for before you approve a different program or you get intrigued, like the double-decker buses coming into Edmonton. You talk about the parameters on what you're trying to achieve, but what are the parameters for GreenTRIP? Is a 1 per cent reduction in carbon good enough for you to go ahead with that? How do you decide on those things instead of perhaps letting the open market go where it needs to?

The program that I'm referring to, when I talk about the open market, is the one where the government saw fit to spend \$300 million for ethanol, decided that that's what we should be putting into our fuel to reduce carbon, when there has been an uproar around the world about food for fuel. Now you've tweaked that, and you're going to use fibre and waste to produce ethanol. Have you done any strategic tests or studies that would actually show how much carbon would be reduced if we were to actually switch to natural gas or propane-powered vehicles? It would be interesting to know what projects you seem to have picked and, when you're looking at carbon reduction, why you're not going for maximum benefits or, like I say, how you possibly strategically decide those.

The infrastructure projects again, jumping back to the 21 pages there. I would really appreciate it if you could also add where the dollars are beside each of those. You have all these projects listed – and there are literally, I think, hundreds of them – but there are never any dollar values attached. I think that's critical if you want the opposition to be able to assist you in prioritizing and, more importantly, in justifying to Albertans where you are spending the money. Dollars being attached is very helpful, and too often we just don't see it on a project-by-project basis.

What is the time frame for the Calgary southwest ring road? I mean, you haven't shared any information, to my knowledge, on it. Do you have any deadlines that you're trying to negotiate, or do you have a plan B that we're going to swing back to if you're unable to achieve a deal? Like I said, before the new Premier got elected, there were five routes that had been picked and were being talked about, but they weren't acceptable to any of the Calgarians that I've spoken with. Very precious few would say that those would be a ring road. The problem, even if we go down 37th Street, is that we just have a new blockage there because there's nothing going forward from 37th Street.

I want to switch base a little bit and touch on your waste-water management. In your capital plan, page 104: "Water is a precious commodity, and the effective management of it is vital in order to provide reliable, good quality supplies for communities, ecosystems." You kind of went on at length in your intro, and I think with the other member, about how important water is. I guess my first question to you is: do you have any numbers in southern Alberta to know what percentage of the water flow is lost each year?

I always continue to marvel that we talk about how precious it is, yet we never store it. I'm not even sure what year the Oldman River dam was built. Maybe it was '95. I've forgotten now. But anyway, that's been the last major project. We've been under great strain in southern Alberta, from Red Deer south. To me the most important thing to do is to realize: let's capture the water that we have. We talk about reduced usage, and that's great. We can work on that. But do you know what percentage of our water flow we're losing each year because we don't have the storage capacity to capture that water, to be able to have industry and municipalities grow and actually have that water? It's just a critical opportunity that we seem to miss year after year. I would think that that should be a high priority.

Going back, another interesting one is that you have housing – I guess I just need to make a brief remark; the time flies way too fast – with your accounting system, which I understand is the normal way for accounting, but you still need to clarify it. This year the numbers, I believe, are \$3.1 billion of cash deficit spending, and you can always rightly justify: "Oh, no. That comes, you know, on the capital side, and we have an asset for that, so it's okay to spend that money." The way you continue to explain the benefit of spending more money than we have coming in and not doing a good job of prioritizing is because you actually have infrastructure that has value.

I've always kind of been intrigued that you don't get into the housing side. At least in housing, if you were to build these 2,000 affordable housing units, that is something that you could, on an asset basis, actually sell, whereas it seems like it's bridges and roads and hospitals and other things, that really are not something that you'd be able to sell and raise any capital on. So how you have that on that side of your balance sheet always kind of intrigues me, like I say, that you don't spend more money on that.

I'm afraid I'm out of time already. It just goes by too quick.

The Chair: That's almost as good as the minister, but you cheated. You had your own clock.

Minister, you have 10 minutes to respond.

Mr. Danyluk: Well, thank you very much, Mr. Chairman. I'm going to leave the housing one to the end because that's not my ministry, but I would be glad to try to answer it after.

8:00

First of all, I want to say that I'm hoping that I can do this fast enough so that I don't need to send you anything because I have the information here. Progress report on highway 63: \$80 million, Athabasca bridge, opened in 2011; \$220 million, Thickwood intersection and Confederation Way, should be open in 2012; \$51.7 million, Steinhauer bridge rebuilt, opening in fall 2013; \$23 million for Grant MacEwan bridge, rebuilt, opening in 2014. The twinning of highway 63: \$80 million, 17 kilometres north of Fort McMurray, opened in 2008; \$53 million, 16 kilometres south of Fort McMurray, opened in 2008; \$84 million for 36 kilometres north of Wandering River, will be open in 2013. In addition to that, as I said before, highway 881: \$64 million, paving from Lac La Biche to south of Fort McMurray. Please understand that when you talk about 63 you also have to talk about 881 because it is a double access, and that's important.

Talking about the southwest ring road progress, I want to say that the three parties are engaged, and we're satisfied with the progress. We have been having ongoing discussions since the Premier was elected. There were some challenges previously with the city of Calgary. We've dealt with those issues. We have been talking with the Tsuu T'ina Nation, of course, and the city of Calgary. The consultation has been very much a two-way dialogue. I can't predict when the agreement will be finalized, but you also have to know that the agreement has to be approved by two different bodies, the Tsuu T'ina Nation and the federal government. In regard to the proposal itself and dealing with Tsuu T'ina, we are very close to what we think is the right focus and the right direction.

I think you were asking about the strategic transportation infrastructure program. That's basically about local roads and bridges, \$26 million; local municipal initiatives, \$26.1 million; community airport program, \$2 million; resource road grant, \$31 million; and Fort McMurray community development, \$14 million. Twenty-one pages of the progress report near completion.

Where are the dollars? The three-year construction plan is a forecast until the budget is passed. The dollar value has to wait until the tenders are out. We don't have the exact tenders out, but we have the projects that we are working on, and that's available online. So you can find all of those figures, and as soon as the other ones are there, we'll put them up. I think that's what you're asking for.

You talked about GreenTRIP and how GreenTRIP's benefit is maximized. You know, this is the beauty of politics because everyone in every area has a different idea of what the priority is and the amount of money that should be spent there. You made allusion to the GreenTRIP program, that especially in the cities it's not utilized, and why aren't we doing something with highway 63 or doing 63 sooner. I want to say that when you're looking at the cost benefits of having GreenTRIP and the number of people that it carries, it is a tremendous benefit. I mean, it does save carbon. It saves a lot of carbon, and it does carry a lot of people. It basically boils down to areas.

What's more important? Well, I'll tell you. The number of people that light rail transit brings into the centre of Edmonton and Calgary and allows that flexibility: we could not have all of those highways or all of those roads in place. Otherwise, we'd be in such a tremendous traffic jam that we would never survive. The intent of GreenTRIP, of course, is to reduce traffic – I've talked about that and the congestion – and to get the people onto buses or onto light rail transit. I want to say that the regional boards, you know, are recovering the projects in the transit capital. You know,

with the two-thirds that we put into capital and the work that the municipalities are doing, this has been very much a cost benefit.

The parameters of GreenTRIP and how much less carbon: who's got an answer for me on exactly how much less carbon? Somebody will come up with it in a second.

You talked about ethanol reduction and the strategic tests. I want to make it very clear that when you talk about the strategic tests, the strategic tests are very much, when we look at ethanol, about the importance of how that would reduce carbon and what they were doing. So that's always balanced into where we're going.

I think I told you the time frame on the Calgary ring road. Any plans for an alternate plan? We did have the four or five different routes that were possible. I want to say to you that from my perspective at this time I don't see any of the other routes as being an alternate route. I think that the route through the Tsuu T'ina is the favourable route. I think it'll be a benefit not only to the people of Calgary but the people that travel through the surrounding area and the Tsuu T'ina. I know that I am putting my efforts in that direction. That's where I'm at.

Waste water management. There are a lot of commissions that are working very hard to try to reduce the water loss. Some commissions are piping. You know, it's very interesting. Hon. member, you talked about funding. Well, you know, building a dam and building water storage is probably one of the highest cost projects that we do have. You're right. I think that for 20 years we haven't built more storage. Do we need to look at it? Are we having more people? Do we need to try to utilize more the percentage of water that we have? The percentage of water flow lost from dams is the responsibility of Alberta Environment and Water. I mean, we build the structures. At the same time, I say to you that water is probably the most important commodity we have in this province. When we talked about looking at the seven regions, one of the priorities – and it was a priority – was looking at water. Now it's changed to everything else, but that's approximately where it's at.

I believe I might have about a minute left. Is that right?

The Chair: No. You've got 20 seconds.

Mr. Danyluk: Twenty seconds left. Okay.

There are no targets for greenhouse gas emissions, but they must be included in the business case. As I said at the beginning, that's all part of it.

The Chair: Okay. Thank you very much.

Committee members, we have a three-hour scheduled meeting this evening. Looking at the clock, we've just gone past 8 o'clock, which is half way. The chair does have the discretion to call a brief break for everyone to stretch their legs, so I'm going to do that. The clock on this wall says about 11 minutes past 8. We'll use that clock, and we will reconvene at precisely and no later than 8:20. That will give us about a nine-minute break.

Thank you.

[The committee adjourned from 8:10 p.m. to 8:18 p.m.]

The Chair: I suggest that we reconvene the meeting and get started. The procedure would next have 20 minutes allocated to the NDs. Not seeing any representatives at the table, we would move to independents and other parties. Again none at the table; therefore, I will move to government members.

First on the list is Mr. Prins, and then Mr. Boutilier will follow.

Mr. Prins: I'll go back and forth.

The Chair: Yes.

Mr. Prins: Thank you very much, Mr. Chair. It's a pleasure for me to ask a few questions as well to the Minister of Transportation. I live near Lacombe. Highway 2, the main north-south corridor in the province, goes right through my constituency for about 30 or 40 miles. It's a very, very busy highway. It's an important route for, you know, the commercial, industrial, and recreational traffic and people just getting back and forth to work and travelling around the province. There are parts of this highway now that are probably reaching 30,000 to 40,000 cars a day in the busier areas and I think past where I live probably anywhere from 15,000 to 20,000 or 25,000 on busy days.

Some of the highway has been upgraded over time. I think from Airdrie to Calgary we're up to six or eight lanes, and probably from Leduc to Edmonton we're six or eight lanes. I think that there's probably a long-term plan to triple lane or go to six lanes in the Red Deer region, probably from Red Deer to Lacombe or Red Deer south to Innisfail. I'm not sure if we have any immediate plans for that.

In the meantime we're taking out some level crossings. We're improving the overpasses, the cloverleaves that we used to have. Cloverleaves were designed for probably 3,000 to 5,000 cars per day. When you get over 8,000 to 10,000 cars a day, it's very difficult for traffic to get off highway 2 and to get onto highway 2 from the secondary roads.

They're taking the cloverleaves out and putting in these diamonds, where they have much longer acceleration lanes. I'm just wondering if you could comment on that and let us know if there are more plans for these in the future in central Alberta and if that's in this budget or your three-year plan.

Mr. Danyluk: Thank you very much. Mr. Chair, there is no doubt that there are many new designs that we're using, different interchanges. You are absolutely right that there are upgrades that are happening all the time. It is the busiest highway in the province. I mean, highway 2 is the busiest highway that we have. As I had mentioned earlier, you know, south of Edmonton it's in the neighbourhood of over 100,000 vehicles a day.

We just in the city of Edmonton finished the 23rd Avenue intersection. That was a \$240 million project. This year we're working on 41st Avenue, which is very much a project that is going to connect the intermodal site of Canadian Pacific.

Just to kind of go down the highway if you don't mind, going south to Lacombe, even though you have what I would consider other accesses going from Lacombe to Red Deer, still that highway all of a sudden raises its busyness. You know, around Gasoline Alley I would suggest to you as well that traffic very much has increased to where you're talking about. I mean, depending on when you're taking it, it can range anywhere from 35,000 to 50,000 vehicles a day.

We get to Airdrie and south. Yes, you're right. I mean, looking at six lanes going to eight lanes: 130,000, 140,000 vehicles a day. That's a substantive number of vehicles.

We need to do things differently as far as overpasses are concerned. But I can say to you as well that that's not the extent of the work that we're doing because that highway is getting more into what I would consider the freeway status and continuing the freeway status. We're to the point where, as you said, when you look at trying to intersect that highway or to cross that highway, it's actually unsafe with the amount of traffic that occurs. So, you know, we're continuing to close down certain intersections and looking at making overpasses or flyovers, and all of a sudden the

flyover just doesn't do it – right? – because there's traffic, especially close to Lacombe and Red Deer.

I want to say to you just as a visionary type of point – and the hon. member probably knows it very well. When you have a tractor and an air seeder and a tank going across highway 2, it may be a hundred and some feet long. That's a third of a football field trying to cross, you know, a four-lane highway, which just doesn't work. So we need to accommodate that traffic.

8:25

I can tell you what we're doing. Some of the things that we are doing is not only working on highway 2 but working on some of the highways that are beside highway 2. I talked to some individuals – in fact, I talked to some individuals this morning – who were saying that they just don't want to go on highway 2 because it scares them too much and that the side roads need to be developed. I mean, that's a challenge because, you know, what happens is that if you look at entering highway 2 with the amount of traffic it has, how similar is that to highway 63 with the kind of traffic that it has? That is the challenge of this growing province.

There's no doubt that the economics allow us to have, you know, the best health care system in the world, also to have the best education system in the world. I think that's important because we can be very proud to be able to look back at our education system, and we are acknowledged as having the first- up to the fourth-best education system. That comes with the prosperity of what we have.

Mr. Prins: Thank you very much. In your opening comments you were talking about highway 2, and you talked about the cable barrier down the middle. I think that in many places, you know, I hear a lot of comments about it because my people are all on that highway. Some people don't like it; other people do. I wonder if you can comment on the value of that cable barrier.

Mr. Danyluk: The cable barrier is very interesting. We have 133 kilometres of cable, and I think it's 122 kilometres of stretch, 118 kilometres and then I think there are four kilometres south of Airdrie. It's a system that has very much helped and supported, I would call it, the accidents that have taken place.

In fact, I can just tell you a couple of the data. In the five years before the installation there were 13 collisions resulting in 17 fatalities that took place. Since that time, since we put up the cable barriers, I want to say that the cable barriers have been hit 521 times, 521 times. These are interesting stats. There has only been one fatality, and that individual didn't have a seat belt. One fatality. But the cables: even though we have posts knocked out, they've still stopped vehicles where the posts have been knocked out. Of course, the maintenance is probably approximately \$600,000 to \$700,000 a year. When we look at what we think we're saving, it's absolutely incredible.

I have to say that the Deerfoot has a short span. I think it's seven kilometres. This was in 2007. What took place is that we had five fatalities of individuals in a shorter span of time crossing that barrier. Since we've put up the cable, there have been 217 times that people have hit that barrier and haven't crossed and no fatalities. I mean, when I drive down it, I think it's the craziest thing in the world – sorry, guys – but it works. I can continue to talk about, you know, the lives saved. The cost for the supply and installation of the system was \$7.5 million. That was done in 2010. So I say to you that there has been a tremendous saving of lives.

Mr. Prins: Thank you very much.

On the same topic of traffic safety one of your major projects for last year was the .05 drinking and driving law, that is going to change the penalties or the requirements if you're caught driving over .05. Could you tell us when those regulations are going to be enacted and what you expect to have happen as a result of this new law?

Mr. Danyluk: Well, since the beginning, since the introduction of the bill and the discussion of the bill, when individuals asked me when it was going to be implemented, I've said that it was going to be implemented in stages, and that's still the case. The intention is for the .08 to be implemented around July 1, at the beginning of summer, and the .05 at the end of summer, around September 1. I will also say that by regulation I'm going to introduce some graduated licence changes that will take place at the .08.

Hon. member, you know, it seems like every time I talk about the impaired driving charges, I need to reiterate to people that it is the same limits. Whether it's .08 as a criminal charge or .05 as an impaired driving charge, the limits are the same. But the penalties are higher. I want to say to you – and there's been criticism – that the .08 does not have high enough penalties. I want to suggest to you that the most significant measures are at the .08 for the criminally impaired and over .08 for repeat offenders.

I will say to you that there are three different directions. One of them, of course, is to have an ignition interlock, which will be mandatory. And you will lose your vehicle for a period of time. Also, you don't have that opportunity, when you do get charged with impaired, to get your licence back. You don't get your licence back. The machines that are being used are reliable enough and accurate enough that we have all of the confidence in the world that an individual who blows impaired is impaired and will not receive their licence back till the courts decide.

Everyone using our roads deserves to know that people in the next car are driving safely. This is very interesting in the aspect that I only have one goal, and that one goal is to have more people home safe. I just need to say that 569 deaths occurred in five years. We need to be able to change behaviours. Other jurisdictions showed that it does work.

We need to do it right. How are we going to do it? Well, of course, number one is education and awareness. We also need to be consistent through the province. To be ready for July 1 and September 1, we need to work with our traffic safety partners in regard to the .05, which hasn't been done before. At .05 what did take place is that you got a 24-hour suspension, but you could get a 24-hour suspension yesterday and a 24-hour suspension tomorrow and one after that. We need a tracking system so that that doesn't happen.

8:35

Mr. Prins: Thank you very much.

I'm going to switch it up a little bit to highway 63 because everybody wants to talk about that. I travel that highway quite often as well, and I know that there are some challenges there. I also travel highway 881 from time to time, more as a scenic route and to get away from the traffic on highway 63. I think everybody wants to see that twinned, and it's going to cost some money. In the meantime I imagine that you've put in some passing lanes and some parking spots and maybe fixed up some steep hills or some critical points on that road.

A couple of other roads that have not been mentioned. Highway 55, the one that's going east in that area into Saskatchewan: is that still a priority? Then there's a highway that's going from the north side of Fort McMurray to the west.

Mr. Danyluk: You mean highway 55? Highway 55 is the highway that goes from Cold Lake through Lac La Biche on to Grassland. That highway or the highway from La Loche?

Mr. Prins: From La Loche.

Mr. Danyluk: Okay. From La Loche to Fort McMurray.

Mr. Prins: Yes. Then the other one I'm going to ask about, and then you can answer all at once, is the highway just north of Fort McMurray going through that Parsons Creek area to the west to – where? – Red Earth Creek or something. What are the plans there?

Mr. Danyluk: Well, going across, really, at the end to Peace River.

Mr. Prins: Okay. Yeah.

Mr. Danyluk: Okay. I want to say to you that, of course, highway 63 is a priority. If I have my druthers, I think it's important to have the connection between Fort McMurray townsite or the Wood Buffalo area and Peace River before we connect to La Loche. There's no doubt that, you know, we'd like to have a larger expansion of our highways. Highways are, to me, the critical infrastructure for taking our commodities to market and bringing them to an international market. The more that we can have the network or the arteries or the spider web, it is very important. I think it's highway 686 that you're talking about that crosses at the intersection of Parsons Creek.

I will say that, you know, we're planning a study. There's no doubt that it's complicated, right? We do have a transportation committee that's working on a couple of different aspects in the Fort McMurray area. From their first meeting there were a lot of discussions about: should there be an east bypass or a west bypass, or do we enhance the road going right through the town of Fort McMurray? At the same time, you know, there's been discussion with other aspects of transportation and other aspects of the carrier of goods. So this involves not only highways but involves rail as well.

Mr. Prins: Thank you.

Could you comment on the progress on I think it's the Steinhauer bridge in Fort McMurray crossing the Athabasca. We've got the brand new bridge, the big one, and they have to upgrade the other bridges as well.

Mr. Danyluk: Well, first of all, what happened was that we were using the Steinhauer and the Grant MacEwan bridges. One bridge, I believe, holds three lanes of traffic, and one holds two. What did happen is that we built the Athabasca bridge, which is five lanes of traffic. So what we're doing is rebuilding. We have to remove part of the old structure and rebuild the bridges. I have a cost someplace, but you weren't asking me the cost. We have to rebuild those two bridges, and then we'll have 10 lanes, you know, going across the Athabasca River.

Mr. Prins: Thank you very much.

The Chair: Thank you very much. That concludes the time for those two speakers.

I'm going to continue the tradition of alternating between opposition and government, so next is opposition. Mr. Boutilier is here. Mr. Boutilier, would you prefer to have 20 minutes of a back-and-forth exchange with the minister or 10 minutes of continuous speech followed by 10 minutes from the minister?

Mr. Boutilier: I'll go back and forth.

The Chair: Okay. That's fine. I am going to warn both that if, in the opinion of the chair, the questions and/or the answers are getting unreasonably long, I reserve the right to cut you off. It is supposed to be a back-and-forth exchange.

Mr. Danyluk: I will try to make my answers very short, Mr. Chair.

The Chair: Go ahead.

Mr. Boutilier: Thank you. I'd like to know: would the minister like to be called minister or by his first name? I prefer to be called Guy.

Mr. Danyluk: You know, the hon. member, I'm sure, has called me many things in his time as an MLA, so I'm good with anything.

Mr. Boutilier: Okay. Me, too. Thank you.

I've called Fort McMurray my home for almost 35 years. My wife and I and our son, who just turned four, travel highway 63 quite often. My son has been diagnosed in the last two years with autism, so they have to travel with me on highway 63 to the Glenrose. When we leave to come to the Legislature, my wife and my son ride with me. For many years they didn't ride with me because of the fact that as an MLA I would leave on a Sunday night and come back either on a Thursday night or a Friday morning.

Especially concerning to me now is the fact that my wife and my son also travel with me to get the care that he needs at the Glenrose. That being the case, I will say this. It would be first a question to the minister. I know the minister has been in Fort McMurray. The last couple of times I'm disappointed he didn't let me know he was coming, that he was in Fort McMurray, but I accept that. The last three times I know the minister flew in on a government plane. My question. I know he travels the highways. I would like to know how many times over the last year he drove on highway 63 to Fort McMurray from Edmonton if that's possible.

Mr. Danyluk: Sure. I mean, it's not that I drove it 25 times and had to decide whether it was 25 or 26. I have driven on highway 63, I want to say, two times but four times on highway 881.

Mr. Boutilier: Okay. Well, thank you for that.

The member mentioned earlier about travelling 881. Truly, I believe that 881 is like going through a national park in terms of what you witness. Of course, since the paving of highway 881, it's almost like a quiet secret that my wife and I and our son use. I think it has been a welcome addition as an alternate route to the busy highway 63.

That being the case, just to put it to the minister in perspective, this past year I travelled highway 881 48 times, and that's just simply getting to and from the Legislature. It's part of my responsibility as an MLA to do that. I don't fly, the only exception being if there is a snowstorm. If there is a snowstorm, then I'll try to go to WestJet or Air Canada. For the most part I travel on the highway, so I'd like to think that I speak with a considerable amount of experience on that highway.

Now, a couple of things. First of all, about four years ago the first part of the twinning of highway 63: from the city of Fort McMurray to 16 kilometres out to the highway 881 intersection is what has been twinned. What's disappointing to me is that only 16 kilometres have been twinned in the last four years. That does not

give me a large degree of confidence in the priority of this government to twin highway 63.

I raised that question when I was on that side, the side of the government, and raised other questions about what was happening. As you know, I got kicked out for the many issues that I had raised, be it long-term care but specifically also on highway 63. That being the case, does this minister feel that it is a priority in light of the fact that only 16 kilometres – and the minister then was Lyle Oberg as the minister of infrastructure and transportation when both ministries were combined. He started that process, but in fact no twinning of pavement has taken place under this minister, and I want to understand how he feels about that.

8:45

Mr. Danyluk: Well, it's very interesting that no work has been done under this minister, because this minister was appointed approximately October 15, and it is now only March, and we're not doing much paving in the wintertime. That's why there was nothing done under this minister.

I also want to say to the hon. member that our approach includes not only construction, but it includes sheriffs and emergency service solutions. We work with communities along the way. We work with industry. We work to educate drivers.

You know, I'm glad that you've travelled on highway 881 to your residence on Lac La Biche lake because it is a beautiful lake, but at the same time, when you talk about it being a very light, leisurely ride, that highway has approximately – I mean, I have the exact numbers – 1,600 vehicles per day, and highway 63 has 3,700 vehicles per day. It does have half the number of vehicles, but I would suggest to you that, in fact, at half the number of vehicles, it has a higher percentage of big-truck traffic.

Mr. Boutilier: Yeah. I appreciate that because, actually, over the past year in travelling highway 881, we have noticed that the actual big-truck traffic has probably doubled or tripled, and it's beginning to look much more like highway 63 than what we would have seen. With a four-year-old you tend to get up at 6 in the morning, and fortunately there's not too much traffic in the morning at that time as we drive to our cottage residence in Lac La Biche from our home in Fort McMurray. But I will say that I agree with the minister. There's more truck traffic on highway 881 today than we've ever witnessed.

Now, for those who may not be aware, who do not travel that highway – the Member for Lacombe-Ponoka would be aware because I know some members of his family are in Fort McMurray, so I would suggest, looking around this room, that he probably would have the next amount of knowledge of that highway after myself. No disrespect to the minister. I have observed the substantial truck traffic. The only difference between 881 is that there is no shoulder on 881, or very little shoulder, as compared to highway 63, where there are a substantial number of turnoffs as well as the shoulder. Clearly, more passing lanes on 881 is something, I think, that citizens have been asking me to ask for.

Getting back to the question of highway 63 – and the minister's comments are noted relative to him becoming minister – the fact is that for the last three years there has been no twinning of highway 63. Citizens have been asking me: why has the government not put it as a priority? I only relay that question to you because that's what citizens have been asking me. Why hasn't it become a priority? Billions of dollars have been coming out of Fort McMurray, but in terms of the dollars for the twinning of highway 63, it's embarrassing that over the last four years it's only 16

kilometres, and that was started by a minister two or three ministers ago.

Under the previous minister I asked why the twinning wasn't happening. His comment was: well, we can't because the caribou are calving and the birds are migrating. I want to let you know that those answers just didn't cut it because I don't think you're running a zoo. I think you're running a Ministry of Transportation. That was very upsetting. This was a predecessor; it wasn't you. I will note that it was not you; it was a former minister. I was not at all happy with those comments because it was insulting to the citizens of Fort McMurray, that contribute so much.

I might add, though, that 16 kilometres out, then for the next almost 150 kilometres you go 100 kilometres to Mariana Lake, and there's no new twinning. Then you drive another 50 kilometres, and there's the beginning of the clearing of highway. So from the 150 kilometres out of Fort McMurray to the next 50, into almost the intersection, to Grassland there is clearing going on, which I would hope, minister – my question is: will there be paving on those 50 kilometres? I'm estimating. I actually marked it in kilometres, and I think I counted 47 kilometres of actual clearing that's going on.

Over the last four years the fact of no twinning, no paving, and the clearing of only 47 kilometres saying that it's a top priority is not an impressive record. I often have heard this Premier and the previous Premier talk about it being an economic engine and a top priority. Well, I'll tell you that it's a very dismal record. Four years later and no twinning has taken place other than 47 kilometres being cleared. My question is very specific. Are those 47 kilometres going to be twinned and paved with actual pavement this upcoming year?

Mr. Danyluk: You're asking a question that's very specific at the end, and I will answer it, but first of all, I need to address a little bit of what I would consider misinformation about not doing work because I need to remind the . . .

Mr. Boutilier: I said not paving. I didn't say not doing work; it's paving.

The Chair: Mr. Boutilier, I have admonished previous speakers this evening for interrupting. The minister listened to your question. I have to ask you to do the same and listen to his answer.

Mr. Danyluk: When I was first elected, in 2001 – my anniversary, I think, in fact is today – there was very little that was paved on highway 881 from Fort McMurray to Lac La Biche. In that time that whole stretch was paved. The hon. member is very right that that highway maybe doesn't have shoulders, but that highway provides an alternate access to Fort McMurray. It also provides a lot of development that's taking place in the SAGD area, whether it's to Cenovus or Devon or ConocoPhillips or other companies.

Also, I need to inform the hon. member that 33 kilometres were twinned in 2008, and we did repave 95 kilometres. Right now we are working on 36 kilometres on the south part. I will say that if we could do it faster, that would make me quite happy. At the same time there needs to be a balance in the province, whether it be highway 63 or highway 2, where the traffic is in the neighbourhood of – what is it? – 30 times more. You know, traffic has to be taken into consideration as well. We have injuries and deaths on those highways as well. We very much look at a balanced approach of construction and ensuring that we keep safety in mind and some of the other aspects.

Mr. Boutilier: My question, again, was regarding twinning. Correct me if I'm wrong – perhaps you can ask any of your staff – but I believe it's 47 kilometres that are being cleared between south of Mariana Lake and Wandering River, or that's what I estimated on my odometer. I'd be curious: how many are being cleared, and are those 47 or 48 kilometres going to be paved this summer?

Mr. Danyluk: I think I was very clear in my answer, and that was 36 kilometres of twinning going on right now, and that will be paved and opened in 2013.

Mr. Boutilier: So, just to be clear, you're talking north of the city or south? Because there is no paving going on . . .

Mr. Danyluk: No, this is south. You asked the question of the 47 kilometres on the south end.

Mr. Boutilier: Right. So you're saying that 33 of them are going to be paved this summer?

Mr. Danyluk: Thirty-six.

Mr. Boutilier: Thirty-six are going to be paved this summer?

Mr. Danyluk: It'll be open for traffic in 2013. If we're able to get everything paved and in place by the end of this year, I would hope that it would be open, but right now we're scheduled for it to be open in 2013.

8:55

Mr. Boutilier: Okay. My question. Spring is coming. How much paving is going to be done? There's no paving being done right now, obviously, in the winter, as you so rightly noted. My question is: when the spring comes, how much paving? If I understand you correctly, no paving is going on this summer on highway 63.

Mr. Danyluk: Well, we're starting the construction work. Being a resident of the Fort McMurray area, I think you said, for 35 years or . . .

Mr. Boutilier: Just under 35.

Mr. Danyluk: . . . in that neighbourhood, you know the challenges that we have with muskeg. I mean, we're hoping that we're able to have the 36 kilometres graded and in place. Like I said, it's going to be opened. Our progress reports basically say that it will be open 2013. Now, if we're able to get all of that work done this year, that's great.

Mr. Boutilier: Okay. This is my concern to the minister, and I'll share this with you. Former Premier Stelmach, who was then Minister of Transportation – Transportation officials had said that with the twinning going to Syncrude and Suncor, they had to let the grading settle for a year. I brought in the presidents of Suncor and Syncrude, who, by the way, build roads on muskeg and, I might say, are perhaps more knowledgeable than your Transportation officials. No disrespect to them. But the bottom line is that the Minister of Transportation at the time, Ed Stelmach, said: we are not going to allow that to settle for a year, and we are going to pave it. Because of that intervention, they actually paved the twinning to Syncrude and Suncor two years ahead of when Transportation officials wanted it to be done. If these are the same Transportation officials saying to you that we've got to wait until 2013, I remind you of this story.

I went to the then Minister of Transportation, Ed Stelmach. I brought with me the president of Syncrude, Eric Newell, and the executive vice-president of Suncor, Mike Ashar. We met with Ed Stelmach. His Transportation officials were there. They said: we have to let it settle for a year or two. Well, I brought in these engineers who actually know how to build highways on muskeg, and they said: we build highways on the sites where we are, and we disagree with what you're suggesting; because of the bottleneck that's going on, pave it sooner. In fact, the Minister of Transportation rightfully listened to the presidents of the oil companies, and they paved it in a year contrary to what was being recommended by your Transportation officials.

I only suggest to you that if Transportation officials, the same ones, are advising you that we have to wait till 2013 – and they've done very good work in the grading of the 36 kilometres that you mentioned – do not wait a year. Get it paved this summer. This is a fundamental disagreement. Fortunately, Premier Ed Stelmach, then Transportation minister, listened to the people that were paving the roads at Syncrude and Suncor as opposed to what the recommendations of Transportation officials were. I'd strongly suggest you do the same in listening to the people that build these roads on muskeg.

Mr. Danyluk: I would reply to you, first of all, that knowledge is an opinion; it is not a fact. Knowledge can be addressed or skewed in many different ways. Part of that would be to accommodate, you know, certain aspects. It would cost a substantive amount more money. I am suggesting to you that the contract that has been given out is for completion in 2013.

The mayor, in fact, of Wood Buffalo is happy with the progress of the highway but also with the work that is being done in the Fort McMurray area. We have worked in consultation with that municipality and other municipalities. We've also worked in consultation with industry in regard to the paving, or the twinning, of highway 63, that goes through Fort McMurray, the bridges that are being built, and now the discussion about further development.

If I can, hon. member, I want to say to you that we have been very dedicated to the thoroughfare of highway 63. We are continuing the work on the highway, and we are trying to progress as quickly as we possibly can.

Mr. Boutilier: Thank you. With all due respect to the hon. minister, I will say that industry is not happy. Secondly, the mayor was not happy in my discussions with her relative to highway 63. Furthermore, as one citizen said to me: rather than forming another committee, perhaps you just get on with the paving. So my recommendation to you is to do exactly that.

The Chair: Thank you. That concludes the 20 minutes allocated for this portion of the meeting.

We will now return to government members. Mr. Allred, once again you have the choice of 10 minutes of continuous or 20 minutes of to and fro.

Mr. Allred: I like to and fro best myself.

The Chair: Okay. Thank you.

Mr. Allred: Thanks, Chair. I've got a number of questions, and I'll try and group them into reasonably similar topics here if I can. You spoke of highway turnouts, and I think you called them a couple of other names. I don't remember. Are you speaking of the total rest areas or just a small turnout? In that regard do you propose to have any with services like restrooms, in particular? Are you familiar with what the signage is in Australia with regard

to rest areas? They have a lot of signs on a regular basis, different little logos, et cetera, encouraging people to pull over and have a rest. Perhaps you'd comment on that little group.

Mr. Danyluk: Well, first of all, I want to say to you that this is not as much of a concern for regular tourists or local traffic. This very much deals with, you know, the truck traffic and the amount of carriers we have in this province. So it's attuned to carriers. Of course, the beneficiaries are individuals that are travelling because they're able to use the same facilities. Is it a turnout that we conceive as, you know, a small turnout? No. It is a truck turnout.

Now, I don't know exactly to what degree you're talking about services. There's no doubt that we're talking about washrooms. There's been discussion by some that what we should have is the availability of restaurants, the availability of different services at these rest stops. I have a little bit of a challenge with that because I very much believe in local communities. You know, we've built highways that don't necessarily go through local communities, but individuals have an opportunity to stop at those communities to buy merchandise, to buy confectionary type of products, and I don't really want to interfere in that aspect.

But I do want to give the opportunity for a truck driver to stop, to get out, to stretch. We're doing that in regard to some of the, you know, pullouts on the way to Fort McMurray or to the SAGD areas. As I said, we can talk about the traffic that takes place from Nisku and goes to highway 36 and up to Fort McMurray through highway 63. We've built some of those truck turnouts.

Are they important to safety? Yeah, they are. Are they large enough to allow someone with a wide load or a high load to stop off and take a break and, you know, let the traffic go by? They are. That's the other thing that we need to do. We need to ensure that these pullouts are frequent enough that individuals with high loads can pull over and utilize those.

I'm sorry. I'm not familiar with the Australian model. I'm listening more, if I can say, to the truckers and the industry of this province and working with them and will continue to work with them where they feel that those areas are important.

9:05

Mr. Allred: Well, I guess I just want to follow up a little bit on that because I didn't quite get the information I wanted. I certainly agree with your philosophy on services. I'm not talking about restaurants. I'm just talking about a place where a guy can have a whiz, that type of thing. Even truckers have to stop for that. I wasn't clear if you were saying that the turnouts were going to be just a turnout for trucks or if they were going to be fairly substantive, where you could accommodate maybe three or four trucks and some regular cars, that sort of thing.

Mr. Danyluk: Well, I would suggest that my concept of this is that they would probably accommodate 10 trucks or they may even accommodate, you know, 14 to 16 trucks. It depends on how we place them. Some of the ones that we have built, there's very much of a two-sided aspect to them; there is a place where vehicles can park or individuals that are towing trailers for tourism purposes can park. The one thing that is key is that we have restrooms. Those restrooms are important.

Interestingly enough, I talked to the minister of tourism this morning about: is there something that could be done that would address the tourist or the recreation crowd, if I can say that? Now, it's not something that I've talked to him at length about, and it's not something I gave him warning about. It was just in a meeting that I made that comment.

To answer your question maybe in a more detailed way. We know the pressures of riding on our highways, especially when they are highways that have all that traffic and type of traffic. I would say to you that we need to be able to accommodate rest stops of some sort to accommodate all of that traffic, and that's what we're going to do.

Mr. Allred: Well, thank you. I certainly commend the government – a previous minister, mind you – for the really good rest stops we've got. There's one in Bowden, one just north of Airdrie, one at Wetaskiwin: those are just super. But there are also some other ones that are just a garbage can, things like that, and they're good, too.

You mentioned Nisku, and I'll just move to the concern that I've got. The Nisku turnoff on highway 2 and also at the International. I've had the occasion to drive my son to the airport at 7 or 8 o'clock in the morning sometimes, and I'm amazed at the long lineup to get onto particularly the Nisku turnoff. Sometimes it's backed up a mile or two. I was wondering specifically if there are any plans to do something to improve that because there's a lot of traffic that goes from Edmonton and area into the Nisku turnoff there every morning, and it's a traffic hazard.

Mr. Danyluk: Well, thank you for the comments. We've been meeting with the stakeholders, mostly the county and the airport commission, in discussions. It's 65th Avenue, which is one of the turn ins, if you want. I don't want to call it a flyover. I'm not sure. You know, there are so many different designs, but let me just say an access to Leduc.

I will also say to you that, of course, there is a challenge in regard to that traffic. I said earlier that that traffic is at approximately a hundred thousand vehicles a day. Previously when we had traffic that came from the northeast or came from the eastern part of the province, that went through Beaumont and went through on highway 21 and around that way. There's no doubt that when the Anthony Henday was built, they're using that because that's the quickest. It's the best, and it's the safest. Most of the time people tell me about how safe it is.

Are there some challenges – sorry. I said earlier that we're looking at the building of the 41st Avenue interchange. I need to tell you that we're not building what I would consider the grandiose type of interchange. We're building an interchange that accommodates the traffic of the day and probably for 15 years but has the ability to be added on to without any difficulty for expansion. I think that's the way we need to look at things. We don't necessarily need to build for 50 years; we need to build for 15 years and be able to add on and have the plans in mind that that is what's going to happen in the future.

The other challenge we have in that area is highway 19. Highway 19 right now is a two-lane highway. We're probably running anywhere between 10,000 and 13,000 vehicles a day. That's just off one artery going onto highway 2, all going on highway 2. That is, if I can say, a massive amount of vehicles that come on. Looking at highway 19, we're looking at the configuration of a four-lane, and we'll continue to work with the municipalities and the people of the area on what that should look like. We also need to ensure that the way that road is built is going to accommodate traffic for the near future and into some of the longer term future.

Answering your question in a more specific way about the airport in the morning, there's no doubt – I mean, we're looking at that whole area all the time – that we need to expand. A hundred thousand vehicles a day is 100,000 vehicles a day is 100,000 vehicles a day. It's a lot of vehicles. Predominantly, it is car

traffic. It is different than the traffic that goes to Fort McMurray, but it is still a lot of individuals on the road. As you probably are aware, for some reason between Edmonton and that airport it gets the iciest. It has the freakiest snowstorms, kind of like between Innisfail and Olds, and there's a spot north of Red Deer by Lacombe. There are just certain areas that have those kinds of freak storms. That provides an extra challenge because as soon as you have that little freezing rain that goes through there, it slows down that traffic, and it just backs it up both ways. So we're continually working on how we can make that road safer.

Mr. Allred: Well, that's good to hear because, certainly, the Nisku turnoff that I'm speaking of, and that's the one that comes from Devon to Nisku – I don't think that's 19, though, but it . . .

Mr. Danyluk: It is 19.

Mr. Allred: It is 19? I thought 19 went west from Leduc, but anyhow.

Mr. Danyluk: We're going to do a review, not only a review of the roads in the province, but with the results-based budgeting we need to do a review so that there is a co-ordinated plan of what's necessary into the future. There's no doubt. There's nothing that an individual can do in the direction of reviews when you have 100,000 vehicles a day. We have to plan for the future, but at the same time we have to ensure that we accommodate the needs of today.

Mr. Allred: Okay, thank you. I will move on to the ring roads, and I might have missed the first part of the question earlier. I wanted to know when Stoney Trail east will be completed so that you can avoid the Deerfoot. I also have a question with regard to the Anthony Henday. Around St. Albert it's six lanes down to about 82nd Avenue, I believe, but the rest of it is only four lanes. Perhaps you could comment on the design: why it's six lanes for just only a small piece but the rest of it was only constructed four lanes?

Mr. Danyluk: Let me answer the first question first, and that is: the Stoney Trail southeast we're hoping gets finished – I mean, that's what the construction contract is – by 2013. As I talked about previously, we are working very closely with the Tsuu T'ina in trying to look at what would be a palatable solution for the southwest going onto highway 8 and then onward, you know, to the north to join up with the Stoney Trail in the northwest. I hope that happens very quickly.

9:15

Secondly, if I can talk about the Anthony Henday, there is no doubt that there was a very complicated but intricate study done on what was necessary and where it was necessary. You know, the traffic patterns very much show that a lot of the traffic that is going to take place is going to take place from highway 2 to highway 16 onto highway 43. Right now the Anthony Henday is barrier free for I think 69 kilometres. On the traffic that we need to accommodate, I would say that from the Manning freeway to the Yellowhead should accommodate that traffic.

From the way I understand it – and maybe my engineers will correct me – the road that was built there, that's a four lane, does have some opportunities in the future for six lanes. It wasn't necessary right now. But I know that the design that we're doing – and I've challenged the engineers in Transportation to look at the designs. The challenge is: how do we build what's necessary for

today or for 15 years into the future but able to accommodate expansion? That's what we're trying to do.

Mr. Allred: Okay. I will leave it at that, but I thank you for the six lanes for St. Albert.

Mr. Danyluk: Okay. No problem.

The Chair: Thank you.

I will now turn the floor to Mr. Boutilier. I understand that you wish to use the entire 10 minutes?

Mr. Boutilier: That's correct.

The Chair: All right. We'll set the clock for 10 minutes.

Mr. Boutilier: Thank you very much. Concerning to me in our last interchange, Minister – or Ray, if you would like to be called Ray, and feel free to call me Guy, not hon. member – is that you had indicated opinions. I used the example that the actual Transportation people were doing the twinning from Fort McMurray to Suncor first and then to Syncrude. In doing so, your Transportation officials indicated that after all the grading was done, the gravel, and it was ready to be paved, they wanted to in fact allow it to settle for almost a year to two years before they would pave it. The bottleneck: it was Texas gridlock in Fort McMurray.

Of course, when the presidents of both companies, Syncrude and Suncor, who have far more experience than your Transportation officials, heard about this, we met with the then Transportation minister, who was Ed Stelmach. He looked at his Transportation officials, and he looked at the company presidents, who, in fact, had more experience in building highways on muskeg. So it wasn't an opinion; it was actually experience. Ed Stelmach chose to go with the experience of the oil sands industry presidents as opposed to his officials, and I applaud him for that. Can you imagine Guy Boutilier applauding Ed Stelmach for a comment and a decision he made?

So I say to you, sir: do not allow your officials to convince you, because it's on muskeg, to let it settle for a year. Start the paving of highway 63 and the twinning this summer with the 36 kilometres. As much as 36 kilometres is not many kilometres, at least it's a start for the benefit of my family and of Albertans who travel highway 63, like your colleague the Member for Lacombe-Ponoka. I know how dearly he and his wife travel that highway, and certainly I appreciate him for doing so. For the safety of him and Albertans and my family, please: 36 more kilometres of paved, twinned highway this summer. It is not an opinion; it is a fact. In fact, that will make our highway safer in the short term.

Minister, other than you saying that two former oil sands presidents don't know what they're talking about – I value their opinion because they've built more road on muskeg than anyone in your Transportation department. Therefore, I would strongly suggest that you take the advice of industry. I see that you formed a committee. Of course, even though citizens said to save your energy on a committee, on that committee are oil sands representatives who will clearly indicate to you to not allow this to settle but to actually move on it.

The reason I say that is that five years ago, when this actually came about, when your officials were going to delay it for one or two years, they didn't delay it. They paved it. And guess what? Five years later the actual road proved, in the opinion of these oil sands workers, that it was the correct decision. I would strongly urge you to listen to industry on this and, essentially, go by what industry is telling you because they have far more experience than

your Transportation officials on this particular issue of building highway on muskeg. I repeat: please.

When I asked the question, I did not get an answer. You said 2013. I and the citizens of Fort McMurray expect you as minister to in fact do 36 kilometres of paving this summer, not a year from now but this summer. I think a lot of the good work – and I compliment the work that was done on the 36 kilometres even though I tagged it at 40-some kilometres. I guess I'm giving you the benefit of more clearing than actually went on. But I would hope that you will pave it this summer.

Please do not make the mistake that was going to be made when the twinning to Syncrude and Suncor was being done by your officials. Fortunately, the then minister decided to go with the experience of the oil sands industry as opposed to listening to his own officials. They have experience. It's more than an opinion; it is actually real-life experience. That seems to be a familiar theme, I think, real-life experience. I would strongly suggest that you take that real-life experience of oil sands workers as opposed to what is being recommended.

Again to you my question is: will you pave the 36 kilometres this summer, not in 2013 but this summer, 2012, starting in April or May, when the paving season starts, or are we going to watch another one – this will be five years – of no paving going on in Fort McMurray? That should be an embarrassment in light of the fact that this is supposed to be a priority. Five years and not one drop of pavement: that is absolutely not acceptable to the citizens of Fort McMurray.

I might add that you mentioned the mayor. You must have gotten that confused. It was not the mayor who was pleased. Actually, you must be talking about Councillor Don Scott and Councillor Mike Allen. They think they're pleased about highway 63. Oh, I forgot to mention that they're both running for the PC Party in the upcoming election.

That being the case, the point is that I'll tell you who's not pleased, and that's the people that elected me. They are not pleased with the work that your ministry is doing. They want to see 36 kilometres paved this summer. Please honour their commitment and their knowledge, not opinion but their knowledge, based on what has transpired over the last five years and experienced by far more knowledgeable people, and that is former oil sands president Eric Newell and also Mike Ashar, who worked as executive vice-president of Suncor.

We met in the Minister of Transportation's office, and in fact the Minister of Transportation made the right decision. I only ask you to make the same right decision this summer so that we start seeing pavement. I'll be watching. I'll be watching in April to see if, in fact, that paving takes place or not because the actual highway is ready to be paved. Do not believe this bungle about letting it settle for a year because that's exactly what the citizens and the oil sands workers said to your Transportation officials in that meeting that I attended.

At the time I was a minister of the Crown, and I listened carefully, appreciated all the advice, and at the end of the day the right decision was made. Rather than waiting and having two more years of gridlock, Texas gridlock, they actually paved the highway, did good work, and, in fact, began to smooth the way to the economic engine of Canada, the oil sands. I only ask: listen to industry, and you will be guided well by what industry is saying.

9:25

Also, I will say this. I have a question on why it would take over two weeks – and still I'm unaware if it's been fixed – to put up a sign that says: divided highway just ahead, two kilometres. It's still down. Actually, I took a picture of it. Even though it was

pointing to the 16 kilometres that have been twinned in the last five years, I really wonder why it would take two weeks to put up a sign that says: two kilometres ahead, divided highway. Perhaps it's a reflection of the priority of twinning that is given to this highway. It's a sad state that after two weeks the sign is still down, so I would ask that it be drawn to your attention. I don't expect you to put the sign up. In fact, if I would have had a hammer and nails, I would have tried to put it up myself, but it was too heavy to lift when I was out beside the sign.

Also, I would give your Transportation officials, with all due respect, some advice. Please do not put the signs for restrooms, that were indicated earlier, at the bottom of the restrooms. Put them on top so that people can see them. The two signs that actually show where the restroom is: the bottom line is that you can't see the signs because they're covered by bushes. It might be a good idea, to be able to see the signs, to actually put them up higher as opposed to at the bottom of the washroom. Put them up on top so that people can see them and they're easily identifiable as opposed to them being hidden behind bushes.

In the case of highway 63 you actually can't see the signs. Fortunately, I know where the signs are, so I don't need a sign to tell me where a washroom is. But that being the case, I would ask that you put the signs up so the general public who don't travel highway 63 a lot will know where the restrooms are. Right now the signs are at the bottom of the base of the wooden structure. I don't know who came up with that idea, but I truly believe that unless we're trying to hide the sign, put the sign up on the higher part of the structure rather than behind bushes.

That's taking place on numerous highways as I travel: highway 881, and then it goes off to highway 55. There's one on the truck stop there in your riding of Lac La Biche-St. Paul, that area. You actually can't read the signs because the signs are down behind the bushes. You may want to go ahead and move them so that at least your public in your own constituency can see them. To whoever came up with that idea: not a good idea. It's not a good idea to have them at the base of a building. You put them above the building. In fact, sometimes you even put them on the roof of the building, at least more visible to the public.

With that, I'm giving you some advice. I will say to this minister that the citizens are not happy with the condition of highway 63. Please pave the 36 kilometres this summer, starting in April. My question to you is: will you commit to paving, starting in April of this year? Okay? As you indicated earlier, you don't pave in the winter. Well, when the winter is over and April starts, please start paving.

The Chair: Thank you. That concludes the 10 minutes.

Minister, I'll turn it over to you to respond. I'll remind you that I must conclude this meeting at 9:30, so you only have about two and a half minutes.

Mr. Danyluk: Okay. I will be very quick.

First of all, I have great respect for our industry partners. Let me be very clear – and I would ask the hon. member to please check *Hansard* – that my discussion was about his comments about our staff not having knowledge and the oil companies having knowledge. I said that knowledge is an opinion. What happens is that there's an opinion on how all roads need to be built. That's associated with cost as well.

I would also like to say that the reference to Mayor Blake was about a comment that she had made, and it was not Don Scott or Mike Allen.

As well, we are crushing gravel right now for the 36 kilometres. Base paving will start in 2012. But I will again say to you on the

finishing of that paving; the contract is up in 2013. Is it possible to get it done this year? Maybe, but right now I'm telling you that that's what the times are.

Mr. Chairman, I will bring forward, you know, the sign question, about it being down. As well, I will review the washroom signs.

I want to just finish by saying that we all recognize there's a challenge. We need to build it once, and we need to build it right. There's definitely a need to have balance across the province, and it's good decisions for Albertans. I'll end that way.

The Chair: Thank you.

I apologize for the interruption, but I must advise the committee that the time allotted has expired.

I will remind members that this is the last meeting that is scheduled for our committee to consider estimates. The vote on estimates will take place in the Legislature tomorrow evening.

On that note, I will declare pursuant to Government Motion 6 that this meeting is adjourned.

[The committee adjourned at 9:30 p.m.]

