



Legislative Assembly of Alberta

The 28th Legislature
First Session

Standing Committee
on
Public Accounts

Transportation

Wednesday, November 28, 2012
8:32 a.m.

Transcript No. 28-1-6

Standing Committee on Public Accounts

Participants

Ministry of Transportation

Tim Grant, Deputy Minister

Shaun Hammond, Assistant Deputy Minister, Traffic Safety Services

Rod Skura, Executive Director/Senior Financial Officer, Finance

8:32 a.m. Wednesday, November 28, 2012

[Mr. Anderson in the chair]

The Chair: All right. Good morning, everyone. I'd like to call this meeting of the Public Accounts Committee to order. My name is Rob Anderson. I'm the committee chair and the MLA for Airdrie. I'd like to welcome everyone here in attendance.

We're going to go around the table to introduce ourselves, starting on my right with our deputy chair.

Mr. Dorward: My name is David Dorward. I'm the MLA for Edmonton-Gold Bar.

Mr. Quadri: Sohail Quadri, MLA, Edmonton-Mill Woods.

Ms Kubinec: Maureen Kubinec, Barrhead-Morinville-Westlock.

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

Mr. Stier: Pat Stier, Livingstone-Macleod.

Mr. Webber: Len Webber, Calgary-Foothills.

Mr. Hale: Jason Hale, Strathmore-Brooks.

Mr. Kang: Good morning, everyone. Darshan Kang, Calgary-McCall.

Mr. Hehr: Kent Hehr, Calgary-Buffalo.

Mr. Skura: Good morning. I'm Rod Skura, the senior financial officer from the Department of Transportation.

Mr. Grant: Good morning. Tim Grant, the Deputy Minister of Transportation.

Mr. Hammond: Shaun Hammond, the assistant deputy minister of traffic safety services, Department of Transportation.

Mr. Barnes: Drew Barnes, MLA for Cypress-Medicine Hat.

Mr. Anglin: Joe Anglin, Rimbey-Rocky Mountain House-Sundre.

Mr. Saher: Merwan Saher, Auditor General.

Mr. Donovan: Ian Donovan, MLA, Little Bow.

Mr. Bilous: Good morning. Deron Bilous, MLA, Edmonton-Beverly-Clareview.

Mr. Allen: Good morning. Mike Allen, Fort McMurray-Wood Buffalo.

Mr. Amery: Good morning. Moe Amery, Calgary-East.

Mrs. Sarich: Good morning. Janice Sarich, MLA, Edmonton-Decore.

Dr. Starke: Good morning. Richard Starke, Vermilion-Lloydminster.

Ms DeLong: Good morning, everyone. This is Alana DeLong, the MLA for Calgary-Bow.

Mr. Tyrell: I'm Christopher Tyrell, your committee clerk.

The Chair: Thank you very much. I'd also like to welcome Ms Pastoor.

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We're going to go to the approval of the agenda. It's all been circulated to you. Do I have someone that can move to approve the agenda as circulated?

Mr. Quadri: I move to approve the agenda as presented.

The Chair: Mr. Quadri. All in favour? Any opposed? Carried.

We'll go to the approval of the minutes from the last meeting, which were also circulated. Can we have a mover to approve those minutes? Ms Calahasen. All in favour? Any opposed? Carried.

All right. Obviously, we're meeting today with officials from Alberta Transportation. The reports to be reviewed that we're going to be primarily focusing on today are the 2011-12 annual report for Alberta Transportation, reports of the Auditor General of Alberta – any report, of course, is game, but we will be focusing probably primarily on the March, July, and October 2012 reports of the Auditor General – and, of course, the 2011-12 annual report of the government of Alberta, including the consolidated financial statements and the Measuring Up progress report on the government of Alberta strategic plan for 2011-12. You also have a briefing document that's been provided you from our research. We thank them for that.

Now I think we'll invite Alberta Transportation to make a brief – no more than 10 minutes – opening statement before we go to the Auditor General.

Mr. Grant: Thank you very much, Mr. Chair, and good morning. On behalf of Minister Ric McIver I thank you for the opportunity to highlight Transportation's achievements in 2011-2012.

As were recently introduced, with me at the table are Shaun Hammond, the assistant deputy minister for transportation safety services, and Rod Skura on my left, the senior financial officer. Sitting behind me are a number of Transportation staff, in fact so many that I'm not sure who's left at the office today, but I will introduce those who are representing the department's executive team: Bruno Zutautas, the assistant deputy minister, engineering services; Gordon Zack, the executive director of our regional services division; Ross Danyluk, the executive director of policy and corporate services division; and Donna Babchishin, the director of communications.

Transportation is a very busy ministry, and 2011-2012 was a challenging year in which we spent nearly \$3 billion to deliver our programs and services. Alberta Transportation has two main areas of focus, building and maintaining roads and bridges that will last longer and have less impact on the environment and ensuring that those who drive on Alberta's roads are safe. These, in turn, help in securing Alberta's economic future and enhancing the quality of life of families and communities.

Our grant funding programs are also a critical aspect of our work, supporting municipal infrastructure projects such as roads, bridges, public transit, and water and waste-water projects. Albertans depend on our roads to get them safely to school, to work, to family and friends, and to access services like health care.

Transportation worked to see that distracted driving legislation came into force in the fall of 2011. We also continued to make progress in our work to help deter impaired driving. Of course,

new penalties for over .08 and between .05 and .08 were implemented this past summer. Thanks to the conversations that took place when we introduced the new penalties last fall and the thorough education campaign that ran prior to implementation, we know that Albertans have a greater awareness of the dangers of impaired driving. I believe that this is making a difference.

Also, to help improve safety in 2011-2012, we installed cable barriers on sections of our highways to prevent rollovers and head-on collisions. We continue to build passing lanes to allow motorists to pass big trucks and heavy loads more safely.

Alberta's traffic safety plan is a very important tool in making our roads safer for everyone. The plan includes strategies and best practices that focus on co-ordinated enforcement, engineering, education, community engagement, and legislation for the safety of all Albertans. We are doing all that with the help of our traffic safety partners, who are key to the success of our initiatives.

In 2011-2012 we also continued to promote safety in the commercial transportation sector. Supporting a safe industry means both mechanical fitness and driver safety through efforts such as highway weight thresholds and hours-of-service regulations. For example, an agreement to allow for an increase in steering axle weights for truck-tractors will accommodate more green technology.

We also continue to work with other western provinces through the New West Partnership to harmonize trucking regulations and reduce barriers to interprovincial transportation. Significant progress has been made with standards for pilot and escort vehicles, and work is progressing in the area of driver qualifications for these types of vehicles.

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Much of what we do is aimed at securing Alberta's economic future. Producers and businesses need to be able to move natural resources and commodities to market in an efficient way. Our roads keep Alberta's economy moving. They help get workers to their jobs, food to our grocery stores, equipment to drilling sites, agriculture and forest products to markets, to name a few. Alberta needs effective gateways to both the west and east coasts to access new and emerging markets. That's why one of our main priorities is the ongoing construction of the ring roads in Edmonton and Calgary. These are much more than just urban freeways. They're carefully constructed as connectors that flow east-west, north-south, and every direction in between.

Calgary's ring road will be 70 per cent complete next year as we wrap up Stoney Trail southeast. We continue to have discussions with the Tsuu T'ina nation regarding the southwest portion of Calgary's ring road.

The opening of the \$1.4 billion northwest leg of Anthony Henday Drive in the fall of 2011 marked the completion of 90 per cent of Edmonton's ring road. The northeast leg, worth \$1.8 billion, is now under construction. This final section of the ring road is the shortest but the most complex, and it's scheduled to open in the fall of 2016.

Highway 63 is the first road on the path to global markets for Alberta's oil sand resources and so is key to Alberta's economy. For a lot of people it's hard to imagine what it takes to build a road like highway 63. This highway runs through the boreal forest, through an unprecedented amount of continuous muskeg, and over 15 utility crossings. Despite these challenges twinning of highway 63 will be accomplished in the next four years, and enhancement to highway 881 will be accomplished in the next six years.

Other major road construction projects include completing the paving of highway 88 and the twinning of highway 43 as part of

our continuing work on the north-south trade corridor. This will bring us closer to our goal of more than 1,150 kilometres of free-flow traffic from the Coutts border crossing in the south to the B.C. border west of Grande Prairie.

In 2011-2012 Transportation spent about \$1.4 billion in capital investments to develop and preserve Alberta's highway transportation network. This included work on the ring roads and related interchanges in Edmonton and Calgary; continued work on major projects in Fort McMurray, including the completion of a new major bridge over the Athabasca River; work on twinning highway 63 and highway 43; upgrading the interchange at highway 2 and highway 11A near Red Deer; and repaving more than 1,200 kilometres of road throughout the province.

In 2011-2012 we provided about \$1.1 billion in grant funding to municipalities for local infrastructure priorities, including support to public transit projects. We also spent about \$477 million on Transportation's operations. This went towards a number of initiatives, including the maintenance and preservation of the provincial highway network, with more than 31,000 kilometres of road and about 4,400 bridge structures, as well as supporting the traffic safety initiatives that I mentioned earlier.

Changing topics to the report of the Auditor General released in October . . .

The Chair: Mr. Grant, if you could sum up in the next minute or so, that would be great. Thank you very much.

Mr. Grant: The Auditor General provided a written opinion that our financial statements were fairly and accurately presented. He also discussed a number of issues such as vehicle use and the bridge audit.

On the issue of vehicle use, in consultation with Service Alberta we've determined that owning a fleet of vehicles used by employees would be the most cost-effective option, and we have incorporated that policy as of the end of October.

The Auditor General also talked about the bridge audit. The good news for us was that the Auditor General did not find any evidence of unsafe bridges. He did however mention that the administrative procedures which we have, which are well founded and well designed, were not properly followed. This has now been fixed. In short, the department has accepted most of the Auditor General's recommendations on bridges and has implemented some of them and is working on others.

Transportation's work is a reflection of the needs of the communities and Albertans. We're working to ensure the safe movement of Albertans, goods, and commodities. We're supporting Alberta's economy so it can compete in the global marketplace. We're supporting Alberta's communities through a variety of municipal grant programs. Our efforts enhance Alberta's quality of life now and in the future.

I'd be pleased to take your questions.

The Chair: Thank you very much.

Mr. Auditor General.

Mr. Saher: Thank you, Mr. Chairman. I'll highlight three areas for the committee's attention. First, the recent systems audit we completed at the ministry, starting on page 17 of our October 2012 report. The audit assessed whether the department has effective systems to manage the structural safety of bridges. We concluded that the department's systems are generally well designed. However, we had several findings where those systems were not operating as they should. We concluded that the risk of the department not maintaining bridges is unnecessarily high. Therefore, we made nine recommendations.

Second, an outstanding recommendation that is three years old. Our audit objective originally was to examine and evaluate the systems used by the department to monitor and enforce commercial vehicle safety programs through its roadside inspection program. In our October 2009 report we recommended that the department strengthen enforcement processes related to roadside inspections. The department has told us that the recommendation is not yet implemented.

Finally, to confirm what the deputy minister has just told you, we provided a clean opinion on the ministry's financial statements for the year ended March 31, 2012, and on the performance measure on the physical condition of provincial highways. That can be found in Measuring Up.

Thank you.

The Chair: Thank you very much.

We'll start the questions with the government members. You will have roughly 32 and a half minutes to do your questioning today.

We'll turn it over to Mr. Dorward, and I'll ask him to manage his caucus's time.

Mr. Dorward: There are about 1,600 bridge structures, not counting culverts. At least, it mentions that in the Auditor General's report, and certainly there was a significant portion of the Auditor General's report on managing structural safety of bridges. So I'm going to pass the microphone over to Dr. Starke to begin the questioning in that area.

Dr. Starke: Thank you, Chair. Albertans were certainly, I think, shocked and more than a little bit concerned by the Auditor General's report that was released last month. I mean, we are somewhat relieved that the information indicates that the bridge structures are sound and that there's no need for concern with regard to the safety, but we are concerned that the systems that are in place, though well designed, are not operating as they intend. You were given nine recommendations. I'm hearing words like "accepting most" and "implementing some." Could you elaborate on what you mean by that? Which of the nine recommendations have been accepted and, more specifically, I guess, which haven't been? Which have already been implemented, and which are still in process?

Mr. Grant: Thanks very much. As you mentioned, the Auditor General did say that we had good processes in place. Essentially, we weren't following them, and I wouldn't disagree with that. We did drop the ball in a number of instances.

Of the nine recommendations the first recommendation is design of level 1 visual inspections, and we have accepted that recommendation. The department has incorporated time measures as an assessment tool in assessing the quality of inspections, and this recommendation will be fully implemented by the end of 2012-13.

The second recommendation, which is the quality of inspections: the department has accepted this recommendation. We've enhanced our quality assurance program. An annual report will now be provided to the department's senior management, to me, starting in the second quarter of '13-14, to better monitor the inspection process. Steps have been taken to incorporate consultant performance data in the next consultant selection process. The department has taken steps to enhance the spot audit process by the end of the first quarter of 2013-14.

The third recommendation dealt with inspector certification, and again we've accepted this recommendation. The department asserts that its standards and guidance around inspector certifi-

cation and recertification are sound. However, it will improve its monitoring process to ensure timely recertification of inspectors. Further, the department has now recertified all inspectors working on provincial highway bridges and has redesigned, documented, and implemented the certification process. This recommendation will be fully implemented by the end of 2012-13.

Recommendation 4 dealt with the timeliness and completeness of inspections. We've accepted this recommendation as well. At the end of August 2012 there were, in fact, only 24 outstanding structures that had not been inspected. As of today there are four that remain, one of which is a pedestrian bridge in Kananaskis Country, which is inaccessible due to weather. It will be inspected next year. The other three will be inspected next week, and that will conclude all of the inspections of the outstanding bridges.

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Recommendation 5 dealt with assessing whether to contract out program delivery, and this is the one recommendation that is still under review. The department notes that neither the outsourcing nor in-sourcing of inspections has a direct impact on the structural safety of bridges. Further, the department decides how to deliver a particular program and service based on a number of factors. At this time we feel that outsourcing bridge inspections makes sense. However, we will review this before the next round of contracts is put out.

Recommendation 6, contracting level 1 bridge inspections. Again, this has been accepted by the department, and the department has revised the consultant selection process for bridge inspections to include past performance as a specific criteria to be scored.

Recommendation 7, which is control over access to the bridge information system – this is information in the computer system – has been accepted. The department has reviewed all system access rights, and inappropriate rights have been revoked. Further, we've confirmed that no inappropriate use occurred. In addition, appropriate assignments of rights for all system maintenance functions have been documented for future reference.

Recommendation 8 dealt with maintenance activities. Again, this has been accepted by the department. The department has implemented a local maintenance decision tracking system in each of the five regions to track the results of the inspections. The information from this system and the decisions and activity related to bridge maintenance will be reported to senior management, to me, on a monthly basis.

Finally, recommendation 9, on capital planning. The department has accepted this as well. The department will continue to work with the Ministry of Treasury Board and Finance to ensure that appropriate information is provided to decision-makers.

Dr. Starke: Mr. Chair, I think that we're heartened to hear that. I guess I am still a little bit concerned that in some cases we're talking about implementation that is to be done by the end of '12-13. That's still five months away.

Specifically, I guess I'd like to delve a little bit more into how we're dealing with some of the contractors that were clearly identified in the Auditor General's report as, in my view from the read of this, doing a sort of short shrift on their inspections and in some cases saying that the bridge certification was just a mere formality. How are those contractors being dealt with?

Mr. Grant: The information that was provided to us by the Auditor General – and the Auditor General may wish to expand on this if I get it wrong – was that there were certain individuals who did inspections that when spot audits were completed afterwards,

it was determined that those initial inspections were not necessarily done to the standard that we would accept. Faults were found that should have been picked up by the bridge inspectors. As a result of this, we have changed our process so that any lack of performance, any substandard performance by an inspector will be recorded and will be used as a criteria to determine if that inspector will be hired again in the future. In the short term the spot audits will focus on those individuals who do not have the strongest record for inspection processes. We're comfortable that the spot audit is doing that.

One of the things that the Auditor General had picked up is that during a period of time about two years ago the spot audits were not being done. This was absolutely an oversight by the department. There's no excuse for it. That has now been remedied. We are focusing on those inspectors that are not doing the job as we see they need to, and we are taking remedial action, whether it's having them do audits again or that the end result would be that they wouldn't be hired again in the future.

Dr. Starke: Mr. Chair, I think that that part of your statement is self-evident. These inspectors, as far as I'm concerned, should definitely not be considered for rehiring or extension of their contract. That one seems obvious.

I think, Mr. Chair, we need to request that the department give this committee a timely and regular report back on the details of this area, and I would anticipate that we have something back even that happens before the end of this fiscal year.

Those are all my questions for right now.

The Chair: Great.

Mr. Grant, could you please respond to that request before the end of the fiscal year in that regard?

Mr. Grant: Mr. Chair, we stand available at your invitation to come back to this committee with any update that you would like.

The Chair: Okay.

Go ahead, Mr. Dorward.

Mr. Dorward: Len, did you want to say something on the safety issue?

Mr. Webber: Oh, okay. Thank you, Chair. I didn't realize I'd get on this quickly if at all, so thank you very much. I was just preparing here for it. Anyway, thank you.

I brought this up during question period, and I feel quite passionate about it, and that is the safety of our highways with regard to truck traffic on the highways spewing debris. I'm quite concerned with the way it's being enforced by either your department – I don't know if it's the responsibility of Transportation or if it's the Solicitor General with the sheriffs. I'm sure it's with both departments, I would imagine. I'm looking at one of the outstanding recommendations of the Auditor General regarding enforcement on the roads, recommendation 14. That is where the AG recommends that the Department of Transportation should "strengthen enforcement processes relating to, or arising from, roadside inspections."

Now, apparently, some of the vehicles out there are on monitoring status, I guess, where they've been pulled over and put on monitoring status because of deficiencies with their vehicles. There is no evidence that your department has taken any action with regard to what happens after they receive letters. Apparently, they just receive letters. We found that letters didn't provide deadlines for compliance or a clear explanation of what consequences might follow their actions or inactions. So I'm just

curious to know where you are with this recommendation and if you could just talk a little bit about that.

Thank you.

Mr. Grant: Thanks very much. I'll start, but then I'll hand it over to Mr. Hammond to deal with the specifics. I guess that from my perspective there are three parts to this. One is the maintenance and care of the roads themselves. One of the things that we have for our maintenance contractors in the five regions where we have large maintenance contractors is to ensure that roads continue to be cleaned and that debris is removed from the roads on a regular basis. That doesn't necessarily address debris that comes off a truck while people are on the road.

The other issue is, clearly, one of enforcement. Last fall, about a year ago, the commercial vehicle enforcement branch, which used to be in Transportation, was moved to Solicitor General, so the actual questions on enforcement and the like would more appropriately be addressed to the Minister of Justice and Solicitor General.

On the specific issue of administrative penalties for commercial vehicles as was reported in the Auditor General's report, we have now implemented an administrative penalties project, and I'll ask Mr. Hammond to describe that in more detail.

Mr. Hammond: Thank you, Mr. Chairman. I'm just going to go back a little bit in terms of the Auditor General's report with respect to inspections at roadside. I think an earlier report had indicated that our mechanical fitness inspections at roadside were sound. The issue, I think, that the Auditor General's department raised was: what information was made available to the roadside inspectors that could give them some history, some issue, or some indication of risk associated with a carrier? So we had to take a look at how we moved information from the various sources that we get from our databases across to the roadside, and that's the process that we're working on. That has taken some time to integrate and make sure that we pass good, solid, risk-based information across to the inspector at roadside so he can make an informed decision with respect to that particular carrier.

Where a carrier is found to be in violation, that now gets fed into the system, and we'll take a look at the overall history. So the carrier profile will be made up of a number of factors. For example, one is national safety code violations, of which load securement is a particular concern. If there are NSC violations, national safety code violations, that goes onto the profile along with moving violations.

9:00

If the company has a record of a number of speeding or dangerous driving or those kinds of things, moving violations, those would also go onto the record. In addition, now we're building in things like collision history. Does this carrier have a significant number of collisions out there, and does that feature as part of the risk profile? In addition, we'll take a look at the company's maintenance safety program, the resilience of that program. What are they doing as a result of that?

If a carrier then is identified as a high-risk carrier, their rating will drop, and if it drops sufficiently, they'll be called before a carrier review committee. As well, financial penalties will be levied against that company in relation to specific incidents. Or if there's a degradation of performance over a period of time, again, an administrative penalty will be levied against the company. Of course, the ultimate sanction is that we will remove their operating authority, and they will no longer be able to operate.

Mr. Webber: Okay. So I guess there is more, obviously, than just sending out letters here. I'm just confused. The Auditor General says that you've got letters that are sent out, and that seems to be about it. But you're saying that there's certainly more than that. So that's good to hear.

Mr. Hammond: Yeah. Mr. Chairman, it's a long process in the sense that this information comes from various sources from around the province, and we build that profile of that carrier. There are some difficulties associated with it because we have so many interprovincial carriers, and we don't necessarily get all of the profile from other jurisdictions. One of the particular issues that we're faced with right now is the transfer of data between Canada and the United States. There are a lot of U.S. carriers that come up, and of course we don't necessarily have access to their full record. But where we can, what we will do is we will levy those administrative penalties against companies that have a poor performance. Of course, there are other roadside sanctions, putting them out of service until the problem is fixed, and those are significant economic penalties against a company that has to sit there and wait for something to be corrected.

Mr. Webber: Okay. All right. Thank you.
Thank you, Chair.

The Chair: Thank you, Mr. Webber. That was about 16 minutes on the government side for questioning.

We'll move on to the Wildrose caucus questioning. Mr. Barnes, the Transportation and Infrastructure critic, is going to do that for us. He'll take roughly 12 minutes or so, and then I'll have a question to end off.

Go ahead, Mr. Barnes.

Mr. Barnes: Thank you, Chairman. My first question relates to point 8 of the Auditor General's recommendations for improving bridge inspections. It refers to the local maintenance tracking system. I'm especially concerned. It was suggested that somebody fairly high up in the ministry last time overrode the need for inspection of bridges. It seemed to be that the department was aware that they weren't being done. So could you explain in a little more detail how this new process will work to ensure that inspections are done and people are certified properly and how it will improve the outcomes, too, please?

Mr. Grant: What we've done in the department in the last year is actually restructure the department to make sure that we're providing better results and better outcomes for Albertans. When I arrived in the department about a year ago, there was one assistant deputy minister who was responsible for both engineering services, the technical issues and the planning at the department level, as well as the delivery of all of the services in the regions. It was a fairly significant workload for any individual. As a result, we have restructured so that we have separated those two functions. So there's an assistant deputy minister now responsible for sort of head office issues – engineering services, long-term planning, and the like – and there is a new assistant deputy minister who is focused on the delivery. He is the assistant deputy minister responsible for regional services.

What he is doing is actually now applying additional rigour to the processes in each of the five regions. This is something where we did notice that there was not that rigour. Some of the regions were operating in some ways to their own agenda. They were all doing things, but they were doing things slightly differently. We are standardizing those processes, we are bringing some rigour to them, and we are making sure that the regional directors are

actually taking a more active role in the issue of bridge maintenance.

In the Department of Transportation bridges for a number of years were sort of a specialized area, and it was the bridge community that was dealing with that. We've now broken down some of those barriers and walls to make sure that the leadership of the department is focused on bridges as well as roads. So with the reporting now from the bridge managers to the regional directors and from the regional directors to the ADM and on to the executive committee and myself, I believe that those changes are going to make sure that we all have much better visibility on the health of the bridges, the inspection process, and the quality of the inspectors.

Mr. Barnes: Thank you.

Recommendation 7, part of the same nine recommendations. Any thoughts on how many inappropriate rights were removed, who they were? How can we confirm that this information was not misused?

Mr. Grant: I don't have the numbers at hand as to the number of inappropriate rights. Essentially, what we did is that we have gone back and reviewed all of those individuals who had access to the bridge information management system. We then compare that to the folks who actually should have the authority at various levels. We have gone back and looked at every transaction, every entry that was made into the bridge information management system during the audit period to ensure that there were no inappropriate entries made by folks who had inappropriate access. We could not find any, so we are very comfortable that although administratively there were some errors made, that has not translated into any inappropriate changes or entries into the bridge information management system.

Again, this is an administrative issue that didn't reflect directly on the safety of bridges. It was us cleaning up the administrative processes in the department to make sure that we were appointing the right person. An example of how it kind of gets out of control is that when an individual with authority goes on holidays, they will have a replacement who is appointed to do their job. When the person comes back from holidays, we should remove the authority of their delegate, and that was not happening. We're cleaning that up and making sure that when people are given access for specific reasons and those reasons or circumstances change, we remove the access to the system.

Mr. Barnes: Okay. Thanks again.

Switching gears a bit, I'm hearing a lot of concern that the government of Alberta is entering into management-style contracts, or let's call them cost-plus contracts. Does the Department of Transportation do that? Compared to tendering contracts, how are we ensuring that the taxpayer is getting the best quality and the best value?

Mr. Grant: The maintenance contracts we have in place right now are all tendered contracts. We have five major contractors in the province in the various regions, and those are tendered on a regular basis. Because of the cost to put a company in place to do highway maintenance because of the size of the province, the areas of responsibility, the number of roads and bridges there are, what we are doing is focusing on a 10-year contract for our folks, which will allow contractors to recover their set-up and maintenance costs. A lot of this is making sure that they have the right vehicles, the right equipment, that the shops are located strategically in each of the regions to make sure that, particularly in the wintertime, they can react on a regular basis.

At the current time we do use tendered contracts. We are considering going to a performance-based contract, but that's in the very early stages of consideration. Some other provinces have gone down this road. We're not sure it's the right way for Alberta, but it is something that we intend to look at over the coming years.

Mr. Barnes: Thank you.

Your 2011-2012 report shows that roughly half of the total budget is spent on municipal support. I'm curious as to the processes that your department has in place to account for municipal spending on roads and bridges. How are these structures tracked by the department, especially when something new is built and transferred over to the municipality?

9:10

Mr. Grant: Municipal funding is broken down essentially into two large categories. The allocation-based grants, which essentially are based on the lane kilometres of provincial highway in the jurisdiction or the like: those are provided to municipalities, and as long as they're doing things within the scope of that particular grant program, they can move forward. There are additional programs under the strategic transportation infrastructure program, where essentially municipalities will put forward projects for consideration, and those are looked at in some cases – for example, water for life and waste water – by an interdepartmental group, who would consider each of those projects and determine which ones would go forward.

As far as the grants go, there are certain parameters in each of those grants. With the allocation grants the municipalities have much more flexibility to use that money, whereas on project-specific grants there is a determination at government as to which of those projects would be accepted. Under the strategic transportation infrastructure program there's always a greater demand than there is money available.

Mr. Barnes: How do you ensure that the money is well spent by the municipalities? What kind of follow-up procedure do you have there?

Mr. Grant: The area that we focus on the most is the bridge side. We are working closely with the Alberta Association of Municipal Districts and Counties on the selection of what bridges would be repaired or built and helping them with the engineering aspects. We're also working closely with them to determine if that is the best way to deliver results for the province. We've been in discussions with them for about six months now, and we're very close to the point where we may be able to make some changes to allow municipalities to have more flexibility in how they build bridges. But in every one of those cases the municipalities do have to report back to the department on how they spent their money and what the results were for our review.

Mr. Barnes: Okay. Thank you.

To switch gears again, I'm hearing of some situations where municipalities are having some issues over sharing and working out arrangements on water treatment plants and pipelining. What process does your department have in place to ensure that municipalities are helped to work out deals and that overall the Alberta taxpayer gets fair deals?

Mr. Grant: Water and waste-water projects are an interesting case. The policy for that is actually the responsibility of the Minister of Environment and Sustainable Resource Development. Every year as municipalities come forward to apply for projects under those programs, there is a crossministry group that meets to

look at which projects would be suitable to move forward. We do work directly with municipalities. It is the role of this new ADM for regional services that I mentioned. Part of his mandate is to actually go out and speak to municipalities, particularly on water and waste water where it crosses pipelines or systems across various municipalities, to work with them to determine if we can find a solution to go ahead. It's not always possible, but it is our aim to make sure that we can bring people together to take advantage of the limited funds for water and waste-water projects.

We see it as a regional issue. The challenge is that in a region you have bigger players and smaller players, and we just want to make sure that all the players are heard and that we can move forward with what's best for all of the Albertans in that region, not just the big players.

Mr. Barnes: Thank you.

My last question: the infrastructure gap. You talked lots about how much we're lacking, especially in maintenance. Do you have any cost estimates, any idea of what the infrastructure gap is for roads and highways in Alberta?

Mr. Grant: The infrastructure gap is an interesting question. If you look specifically or solely at the performance measures, as shown in the documents that have been tabled for discussion today, you would see that we're actually holding our own, that the quality of roads, be it good, fair, or poor, are actually pretty consistent since about 2009.

The targets, actually, have gone down, and that's based on the statistical analysis that when we build a road, its normal lifetime is about 20 years. Given that there are 27,000 kilometres of paved road, when you do the math, it works out that on average you should do about 1,350 kilometres of maintenance work on those paved highways every year. Last year we were only able to do 1,200 kilometres. It's that delta between the 1,200 kilometres and the 1,350 that becomes the infrastructure gap that you talked about. If you look solely at that, you could come up with a number in the vicinity of a billion dollars for that infrastructure gap.

What we've tried to do – and I think the results show over the last three years that if you apply your resources diligently, you can manage that in the short term. Is there a problem in the longer term with that infrastructure deficit? Absolutely. One thing that we need to look at very closely as we go forward is how we apply our maintenance funds to that activity. The more highways we build, the more the maintenance cost goes up. That's one thing we're very, very concerned about as we move forward.

Mr. Barnes: Thank you very much.

Thank you, Mr. Chair.

The Chair: Thank you.

I have a couple of minutes left here for us, about three minutes, so I'm going to ask about – this will surprise a lot of people – the issue of prioritizing infrastructure and making sure that we're spending our money on the most needed projects first. Yeah.

We had a talk with the Auditor General prior to this meeting just to kind of get a briefing from him, and he did note that there are three issues. You have a system called RODA, in my understanding, and there are some other systems that essentially allow you to input information about the maintenance inspections of certain roads, bridges, et cetera, and then, essentially, on the other end it spits out or compiles or however you want to say it, a list of the projects that need to be undertaken: the roads that need to be paved or repaved or repaired, bridges, et cetera.

He said that the RODA system itself is a good system. The actual assessment model is good. But where he said that there was

a problem is that sometimes the data going in is not good enough, for example in the case of these bridge inspections. That's the most obvious example. I think we've talked about that at length, so I'm not going to exhaust that anymore.

Then on the other side he said that the information that came out of that process did not get to Treasury Board so that they could make their decisions on what to fund properly, that that process is broken somewhere in there. In other words, Treasury Board either isn't getting the information that they need to allocate funds for these projects in order of priority, or alternatively Treasury Board is getting it and is just not using it. Which one is it? Is this being addressed?

Mr. Grant: If I can, Mr. Chair, go back to just talk a little about the process that we use for prioritization because I think that was your first point. As you know, we do have a sophisticated set of computer programs in the department focused strictly on the highway system, and every year we have vehicles that are heavily instrumented with lasers and the like that travel all of our highways and gather information that puts that technical data that you talked about into the computer system. Essentially, what it generates is a roughness index. It talks about the surface of the road and gives you a figure that says, "Here's what the road looks like," the surface, if there's rutting, those kinds of things. So that's some empirical data that gets put into the system, and it produces a roughness index for all of the paved road in the province.

9:20

That's a great start point. The reason I say that it's a great start point is that if you have a highway in Beaverlodge, for instance, that has a very low traffic count on it, 200 or 300 cars a day, and it's very rough, it's a different issue than if you have highway 2, which has over a hundred thousand vehicles a day, which has the same roughness index.

The Chair: Mr. Grant, I apologize. I'm going to have to cut my own question off here. We don't have the time for the answer, so what I'm going to ask you to do is what you did with the other question. If you could provide a written answer to that question, particularly on the back-end part. Why isn't it getting to Treasury Board? Or is it getting there, and they're not using it? That would be great.

Mr. Grant: We would be happy to, Mr. Chair.

The Chair: Thank you very much.

Let's let the Liberals have their eight minutes. They can start now.

Mr. Hehr: Thank you very much, Mr. Chair. I was intrigued by Mr. Barnes's question on the infrastructure gap, or what would be, I guess, some of those maintenance concerns. We see in our school system that we have about a billion dollars or so in maintenance gap, or a deficit, in maintaining our schools. I think by your answer that you have about a billion-dollar infrastructure gap at this time.

Mr. Grant: By some counts you could statistically say that the infrastructure gap was about a billion dollars.

Mr. Hehr: A billion dollars. And if I was correct in listening to your answer, in your view, if we don't get a handle on that, that infrastructure gap, or deficit, is going to be growing over time. Is that correct?

Mr. Grant: Yes. Statistically as roads age, we need to do more maintenance on them. Therefore, we can predict on a yearly basis what we think the needs are for maintenance on roads. As I said, in this year that we were talking about, we were able to do 1,200 kilometres. Statistically we need to do about 1,350 kilometres. So over time that will add up.

The other thing that I had highlighted, though, is that as we continue to build more roads, whether it's ring roads or twinning highways 43 or 63, as we add more lane kilometres to the inventory in the province, there will be a resultant increase in the amount of maintenance that we'll have to do on a go-forward basis.

Mr. Hehr: Have you and Treasury Board sat down and made a plan for how you're going to deal with this infrastructure gap, these structural maintenance issues, and how we're going to pay for all of this?

Mr. Grant: We have talked to Treasury Board, and certainly they're well aware of the new growth in the province and the increasing demands, and the highway 63 twinning is a good example of that. They're well aware of the issues that we have to deal with, and we have had input looking at the capital program and the maintenance challenges that the department will have moving forward. Where that sits in the overall budget discussion I'm not absolutely certain. But are we having those discussions with Treasury Board staff? Yes, we are.

Mr. Hehr: Okay. Well, thank you.

On this, Mr. Chair, I may get ruled out of order here, but I'll ask it, and if the hon. deputy minister can't answer it, possibly the Auditor General can because it does have some crossministry approach. On the highway 63 twinning I guess we're going to the capital markets to pay for this road that we're essentially going to use, the citizens today and the like. I was wondering. If you read, actually, old stuff on the Treasury Board website, they stated in 2010 that they were no longer going to go to corporate bonds to fund these types of projects as they had found better ways, more efficient ways, cheaper ways to pay for projects like this, traditional debt. Were there any discussions with your ministry as to why they went to corporate bonds, or was that strictly a Treasury Board decision?

Mr. Grant: Clearly, I can't rule anything out of order, but I guess my response would be that in that I don't sit on Treasury Board, I'm not aware of discussions that Treasury Board had regarding the issue of how the money for highway 63 would be acquired.

Mr. Hehr: Well, I would ask the Auditor General: can you comment on whether corporate bonds are the most efficient way for this government to be borrowing money, or is it cheaper to go into traditional debt?

Mr. Saher: No. I'm sorry. I can't comment because I haven't done audit work on that. You know, primarily my job would be to ensure that the way in which the government chose to finance its operations was properly recorded in its financial statements.

Mr. Hehr: Thank you, Auditor General.

I guess the last question. There appears to be a growing body of research that toll roads appear to have some success. We all know that when you build a road . . .

The Chair: Mr. Hehr, it's a wonderful question for question period, but it is completely a policy question. That's the only time that I'm ever going to step in front of the Tories on this.

Mr. Hehr: All right. Then I'll ask Mr. Kang to ask the last questions. There we go.

Mr. Kang: Thank you. I don't know if I'm going to be ruled out of order, too, now. Coming back to highway 63, the government recently announced that it would fast-track highway 63 twinning, completing the project by the fall of 2016 at an additional cost of \$778 million. It announced that it would partially finance this through bonds. I'm coming back to bonds again here. Why did the government turn to bonds instead of simply raising the money through traditional paid debt?

The Chair: Same question.

Mr. Kang: Okay. Well, I was linking this to the next one.

In 2010 the rate of infrastructure bonds was set at 3.3 per cent, well above the 2.75 per cent rate the government could borrow money for on the open market. As well, only \$78 million worth were sold, below the \$100 million target. Coming to the bonds, what rate will these bonds to finance highway 63 be sold at, and what will be the target goal for the number of bonds sold? Do you have any discussion on that?

Mr. Grant: I'm sorry. That's beyond my level of expertise.

Mr. Kang: Okay. Then I'll move on to the Calgary ring road. According to the department's estimates, page 295 of the consolidated estimates, the department spent \$130 million less on ring roads than it budgeted. There was \$352 million spent versus a \$480 million budget. Why the \$130 million difference between the 2011-12 forecast and the budget for the province's two ring roads?

Mr. Grant: Could you point me to the page?

Mr. Kang: Page 295 of the consolidated estimates.

The Chair: You have one minute.

Mr. Grant: Which document, Mr. Kang?

Mr. Kang: Page 295 of the department's consolidated estimates.

Mr. Grant: I don't have that document in front of me. I'm sorry.

Mr. Kang: Okay. So could you please send it to the chair, then?

Mr. Grant: What I would say is that like most projects there is some delay based on the ability to get permitting, any number of issues like that. Although I will provide a written answer, in this particular case it may well be just that there were issues with permitting or something like that which caused us to delay construction and move it into the next year.

This is a regular occurrence on projects, particularly in Alberta, because if we have a wet season, as we did two years ago, you just can't get heavy equipment out to move earth and those kinds of things. So there is a challenge we have in the department as we move forward with a whole range of projects of getting them done on time. As a result, it does come back to the issue in some ways that the Auditor General talked about. In some cases we can't get all our money spent because of those issues.

The Chair: Thank you very much.

That's it. That's eight minutes. Sorry, Mr. Kang. I know it does go fast. If you have questions, please give them to the chair, and I'll make sure that they're submitted for a written response.

Mr. Bilous from the NDP.

Mr. Bilous: Mr. Chair, I have eight minutes as well?

The Chair: Yep, that's correct.

Mr. Bilous: Excellent. Okay. I will try to move quickly.

Thank you for coming. I'm just going to say at the onset that I've got some grave concerns after going through the Auditor General's report as far as the systems. I don't share the same level of confidence that you have that it's not the systems that are part of the issue. But we'll jump right into it.

9:30

The Auditor General found – and I'm referring first of all to page 30 of the October 2012 report – that:

The Department does not track the results of inspections, their conclusions from reviewing bridge elements ranked as high priority . . . and whether maintenance they concluded needed to be done, was done in the recommended timelines.

Senior management does not receive good summary information on the results of inspections . . . and, intriguingly,

In each of the last three years, regions did not spend 15 per cent of their maintenance budgets, despite having a list of necessary maintenance work.

So the first question is: what is the purpose of the inspections if the results are not tracked and followed up on?

Mr. Grant: Thanks very much for the question. I think the real issue here – and I clearly stand to be corrected by the Auditor General – is that the question is how they're tracked. At the local level the bridge manager has a file on every bridge in his region, and those files are up to date and current. The issue is: how does that information get rolled up and consolidated so that the department has, that I have a clear understanding of the status of all of the bridges across the province? That's the weakness that I believe the Auditor General identified, that we don't have a good system which will consolidate those results and make sure that senior management has a clear, concise understanding of the status of bridges in the province. That's what we've changed.

It's no longer good enough that the individual bridge manager holds that information and is aware of those bridges. It now needs to go through the regional director to the ADM to my table at executive committee to make sure that I have an understanding of the status of all of those bridges.

Mr. Bilous: Okay. Thank you.

To follow up on the same page:

Of the \$15 million budgeted for routine maintenance, the regions spent about \$12.6 million in each of 2010 and 2011.

They left about \$2.4 million unspent in [both those years], or about 16 per cent of total funding.

How is it that the maintenance budgets would not be exhausted when there's a list of necessary maintenance work to be done? I'm just curious as to what the reasons are behind that.

Mr. Grant: This goes back in part to an earlier question. At the beginning of the year we look at the projects that we have to do, the work that has to be done, going through a tender system, a tender process, to find the right contractor to do that work. At the beginning of the year it all looks great on paper, that we have \$15 million allocated essentially through tenders, and we expect that to be spent during the course of the year.

Any number of things can happen, whether it's weather or, particularly with bridges, some permitting that's required, whether it's provincially or federally, that may delay activities. At the end

of the day our plan to spend that \$15 million may not work out. It's not just bridges; it's roads as well.

One of the things where I walk a very fine line financially is that potentially I can overprogram. Historically if we're 10 per cent, for the sake of argument, under spent, should I overprogram by 10 per cent and hope to come in on budget? That's great if you come in on budget. If I actually am really successful and over-spend, that's not so great because I have to come in on budget. So it is a fine line that I walk to make sure that I'm getting as much work done and as much of that money spent on priority projects every year without going over budget. The other piece, though, is that if we don't spend it there, it will get spent in the following year as those projects come to fruition.

Mr. Bilous: Right. I want to move to the next question. My only concern, then, is if that money was earmarked for maintenance and because of weather or whatever wasn't spent there. My concern isn't the money not being spent; it's the fact, then, that that maintenance is not being done, that that money, whether it's because of weather permitting or whatever, is now delayed is my understanding from your response.

Mr. Grant: And there is some balance between moving money between projects, between envelopes to make sure that we get the best value from it in a given year. In a year where we maybe underspent on bridgework, the following year you could see the opposite as you would be overspent on bridgework because you had money from a different project that you couldn't move forward. At the end of the day we're focused on making sure the bridges are safe, the bridge fleet is safe. Safety is the driving factor for us.

Mr. Bilous: Okay. Thank you. I hopefully still have a couple of minutes. I could spend an afternoon with your department.

The Auditor General found that the department does not collect information on the time spent for inspections and the number of inspections done in a day and whether this affects the quality of inspections. So without knowing the start and end times of each inspection, how does the department currently assess, first of all, the quality of inspections but also whether or not the rate of pay that you're paying the contractors is even reasonable?

Mr. Grant: Right. It's a great question. I agree completely with the Auditor General that we need to track this more carefully. The Auditor General and his staff and I are at a slight disagreement on what we specifically need to do, but do we need to track the hours? Absolutely. That's what we're going to do in the future.

If you have an inspector who's inspecting in the wintertime, very short days in this province, versus the 21st of June, where you have more time to work, that will impact the number of inspections you can do. At the end of the day what we are going to cause them to do is to record when they arrived on-site, how long they were on-site, and when they left. That will allow our inspectors, when they go out to do spot audits, to say that for that kind of bridge – and some of these bridges are actually culverts by definition – that was enough time. So some bridges might need half an hour to inspect; some might need three or four hours to inspect. For instance, you know, a bridge over the North Saskatchewan River needs a lot more time than a culvert on highway 16. So what we're going to have them do is record when they arrived, when they left, and that will give us the information that we believe we need to determine that they spent enough time on-site to do the inspection properly.

Mr. Bilous: Okay. Thanks.

I still have, I think, a minute. You know, part of this just begs the question of accountability and how we don't have systems in place. Where my grave concern comes from is that it's great that you've identified that these are areas we need to improve on and develop systems for, yet we've had bridges for how long? It's the year 2012, and we still don't have systems as far as auditing and ensuring that they're being maintained and inspected. I do have concerns as far as – you know, we don't want to see what happened in Montreal happen in this province.

The last question I'm just going to read because I don't think there's time for you folks to answer. I'll just read it into *Hansard*, and hopefully you can get back to the committee. The Auditor General found that for two of the previous four years spot audits were not completed and that the department lacks a process to remedy poor contractor performance. For example, spot audits in 2011 did not review those contractors that had been assessed previously as below average, which is page 24 of the 2012 report. Moreover, the Bridge Inspection and Maintenance Committee did not meet between December of 2008 and 2011. Why would the Bridge Inspection and Maintenance Committee not have met for three years, between 2008 and 2011, and how does your department plan to begin remedying the poor contractor performance?

The Chair: All right. Thank you very much. That'll be added to a growing list of questions for you to reply to by written letter.

Let's end with 15 minutes for the government.

Mr. Dorward: Mr. Grant, thank you for coming and thank you for your staff attending. I know they're mostly a comfort blanket for yourself so that you can turn around and ask somebody else to come to the microphone. We do appreciate the work they do in our province. Please pass on that thanks to your entire department.

I have some short snappers. I reserve the right to cut off any of you that answer this in the sense that we can ask for a written answer, or I can just move on if I hear the kind of answer that I need to hear. Most of you, I'm sure, even in the back, will go to sleep now because I'm about to go through the financial statements. I resist this temptation most times, but I can't today.

Page 30 of the annual report, tangible capital assets, note 6. I'm not sure who over there might grab hold of this, but I note that there are assets in the province of Alberta of \$14 billion. It says note 6, so if I go to note 6, I see that that number is referenced there in the net book value of these assets, which is the historic cost less a depreciation amount that's taken. Provincial highways and roads. It appears as though there's about \$16 billion in historic cost of provincial highways and roads. Would the Anthony Henday be in that \$16 billion?

Mr. Skura: Yes, it would.

9:40

Mr. Dorward: Okay. Now, Anthony Henday was completed, my understanding is, on a P3 project. I know this is an impossible task. Can you take a minute and a half and tell the committee what a P3 project is?

Mr. Grant: Yes. A P3 project is a project where government works with a consortium. It's defined as a form of procurement for the provision of capital assets and associated long-term operations that includes a component of private financing. The benefits that we see apart from anything else are that we have a guaranteed contract, we have long-term maintenance, and we have a transfer of risk from government to the private sector.

Mr. Dorward: Fantastic. You mentioned that the contractor gets financing. If the asset is here, if the Anthony Henday is here on the books – and you just inferred that a P3 is a contract whereby we're paying a monthly amount?

Mr. Grant: A monthly amount for maintenance, yes.

Mr. Dorward: So if the asset is on the books here, where is the liability?

Mr. Skura: The liability is also on the books for the P3s. If I could draw your attention to our statement of financial position, if you look at page 30 of our annual report under liabilities, you will see that there is a line there for the liabilities under the P3 projects. It's further expanded in note 8.

Mr. Dorward: So if I go to note 8, it shows the amount of the liability under public-private partnerships as being \$1.3 billion. Is that the right number there on the bottom of page 42?

Mr. Skura: That's correct.

Mr. Dorward: All right. On the next page over I see that it's required under the financial statements of the government to record contractual obligations. These would be obligations that the government has entered into that require the government to pay amounts into the future. Is this correct?

Mr. Skura: That's correct.

Mr. Dorward: In that section under note 9 there's an area that says: obligations under public-private partnerships, 3Ps. It says capital payments: \$2.8 billion. Would that be the portion that the government is going to pay for capital improvements in the future on projects that Albertans are already benefiting from in the assets? Just as a reference there it's the capital payments under 2012 of \$2.8 billion for the obligations under public-private partnerships, the \$2,817,787. Is that the future payment of the 3P amounts that represent the capital portion of the 3P projects?

Mr. Skura: There are probably two amounts buried in that number. The province, on projects that are under construction, also makes progress payments. The entire project isn't financed. Primarily that would be the difference between the capital payments. The liability amount would be the amount that the province is paying as lump-sum payments.

Mr. Dorward: Thank you.

If the province was to not choose the P3 methodology, would the financial statements be markedly different than the way that they are now if the province went to the capital markets themselves instead of going to the capital markets through the consortium?

Mr. Skura: We would still show debt. It may not show up necessarily on the department's financial statements. It may show up in the Department of Treasury Board and Finance's financial statements. They would secure the financing, probably deposit it into general revenue. That wouldn't necessarily show up on the ministry's financial statements. It would on the consolidated government statements, though. So the short answer to your question would be that the government's consolidated financial statements wouldn't be significantly different.

Mr. Dorward: Thank you.

Going back to page 30, the statement of financial position, just to summarize, I guess, the financial statements show a capital asset for a P3 project and also the underlying debt that's there?

Mr. Skura: That's correct.

Mr. Dorward: Have you been in the department long enough to know how long that debt has been there in the province of Alberta?

Mr. Skura: Yeah. The first P3 project started in 2005 with the Anthony Henday project and a Calgary project. They've been in there at least since that time.

Mr. Dorward: Thank you.

I'm going to pass the microphone over to MLA Kubinec.

Ms Kubinec: Thank you very much. I really appreciate your coming and the opportunity to ask this question. What I'm referring to is that looking on page 15 of the ministry's annual report, your targets for 2011-12 show an increase in roads that are in poor condition. Why would this be? Did you expect to have a degradation in the quality of Alberta roads?

I'm just going to do a little note here. I have two of them in my constituency. They are roads that are designated highway, but they're still gravel, and they are in horrendous condition. People actively avoid them. Therefore, the traffic counts can't get up to the point where they would be paved because people are avoiding the road. Can you answer that question, please?

Mr. Grant: The figures that are shown as the targets in the document are based on historical averages, our projection of the wear and tear on roads and the need to repair it given the 20-year lifespan of the average road. Based on that, as I had noted, statistically you would have to do 1,350 kilometres a year of repaving. We were only able to do during this reporting period 1,200. It is the difference between the projected amount and what we were able to do.

Clearly, in this reporting period and the reporting period before we were actually able to focus our attention to make sure that we got the best bang for the buck in this case, but over time there will be that difference. The targets statistically will continue to go down based on the current level of funding we have for maintenance.

Mr. Dorward: Ms Pastoor.

Ms Pastoor: Thank you. This is really coming out of left field, but I am going to take my little shot here. I'm hearing words like "delay," "pay for," "overprogramming," and all that kind of stuff, but I want to know if there is any discussion for what I think is a good idea, that the Wild Horse crossing would become a highway that goes up the east side of this province so we can keep all those trucks off highway 2. I mean, I know it's out there somewhere. I just don't know whether it's in any kind of a discussion stage within Transportation.

Mr. Grant: Mr. Chair, if I may, the Wild Horse crossing is a border crossing with Alberta-Montana south of Medicine Hat, and it is on our radar screen, absolutely. There was a pilot program that was conducted that finished, I believe, in October where they had extended hours at the Wild Horse crossing. The numbers were not significant at that time. The issue of the Wild Horse crossing becoming a 24-hour crossing is really an issue between the

Department of IIR and the federal government and the U.S. resources.

Our piece of this is: if that was to become a 24-hour crossing, what would we have to do to improve the infrastructure on highway 41 from the crossing to Medicine Hat? That needs to be balanced with the work that would need to be done in Montana to make sure that the infrastructure in Montana matched the infrastructure here. At the current time, as I understand it, the infrastructure is not suitable, particularly on the Montana side of the border, to turn it into a high-load, heavy-truck corridor.

We're aware of the issue. We understand some of the things that we would have to look at. But as it stands right now, we are waiting to determine what's happening at the federal level with the crossing itself.

Mr. Dorward: Thank you, Mr. Grant.

Ms Pastoor: Thank you. I'll just make one more comment.

Mr. Dorward: If you have any follow-up, you could request a written.

Ms Pastoor: No. Build it, and they will come.

Mr. Dorward: Okay. I agree with that principle.
Mrs. Sarich.

Mrs. Sarich: Thank you very much. Also, thank you for the presentation and the answers to the questions today. I'm going to ask a couple of questions, and I'm just going state them in case we run out of time. There is a lot of focus in today's inquiry about bridges, and I'd like to just add to that conversation. Why does the department not have any discussion on bridges in your annual report for the year ended March 31, 2012? There don't appear to be any performance measures for bridges in the report. Does the department have any performance measures for bridges? You've talked today to give us a little bit of insight regarding, like, the auditing of bridges and things like that. It almost seems possible that you could roll some of that data into some sort of reporting function for your annual report.

I'll just leave it at that, and you can just go ahead.

9:50

Mr. Grant: Mr. Chair, if I could take the second question first, on performance measures, I'm not totally comfortable with the performance measures we have right now in our annual report. As we go through results-based budgeting – and for Transportation we'll actually go through that process next year – I see that as a wonderful opportunity where we can confirm, determine the programming that we will do, the results that we need to deliver for Albertans. That will give us an opportunity to come back and revisit the performance measures.

I would agree. I think that bridges, based, if nothing else, on all the heat and light that's shone upon them, probably need to be one of those performance measures. But that's an issue that I think I can leverage the results-based budgeting program to do.

Mr. Dorward: Excuse me. Can we do that second question as a written one? I need to get Ms DeLong in here, and then I have a brief one written down as well.

Mrs. Sarich: Sure. Thank you.

Ms DeLong: I'm on page 19 of your annual report, and I notice that you do have an integrated transportation system goal, but I don't see any measurement criteria in there at all. Alberta is a

rather large place, and part of it is very sparsely populated. What are you doing to promote airports? I notice that you allowed the municipal airport and the International Airport in Edmonton to have a joint board, which resulted in closing down one of the airports. Are you planning on doing a joint board for, say, the Calgary International and the Edmonton International so that we can now close down one of those airports?

Mr. Dorward: Let's take that one as a written one. This is in *Hansard* so your staff can go back, Mr. Grant, and hear it.

Mrs. Fritz, you had a question, quickly.

Mrs. Fritz: Thank you. Mine is just a data question. I'd appreciate it in writing because I know it will take you some time to gather the data. Each week when I've been driving, of course, back and forth between Edmonton for session – it's another snowy day today, and it's been very icy out there. Anyhow, I notice that each week there is at least one rollover of these absolutely huge semi trucks. If you could gather that data for me, I'd like to see how often that's happening on that highway. It surprises me every single – and, I mean, there is only a certain time frame – right? – that I'm there on the highway.

An Hon. Member: Are they before or after you?

Mrs. Fritz: Yeah. Right.

Mr. Grant: I'm not sure specifically what the question is.

Mr. Dorward: Can you grab that, Mrs. Fritz, after the meeting?

Mrs. Fritz: Okay. I'll put that in writing.

Mr. Dorward: Mine is a shameless policy question, but I know that all of us in this room are going to ask this question. It's a written answer, so it shouldn't be that bad. The question is: when are we going to get a high-speed rail transit system from Edmonton to Calgary? All I need are two lines on that so that at the doorsteps I can answer that question with people as to perhaps cost.

Thank you, Mr. Chair.

The Chair: Thank you. I'd like to put in a question on how on God's green earth we are going to pay for that, Mr. Grant. If you could get that in writing as well.

By the way, thank you very much for answering our questions today. I know we were throwing a lot of stuff at you, and I know you'll be busy writing letters for a little bit on it. Please accept our gratitude on that. I think we all learned a lot, and we look forward to some of your written responses.

Thanks very much, Mr. Hammond, Mr. Grant, and Mr. Skura. I really appreciate that.

Mr. Grant: My pleasure, Mr. Chair.

The Chair: If you could just hold tight for a couple of minutes, we'll just do a little bit more business before we go.

As you're all aware, our meeting last Wednesday was cancelled. Standing Order 57(1) states that a committee may not meet during the hours the Assembly is sitting except with leave of the Assembly. Because the House sat through the night on Tuesday and all morning on Wednesday, we were unable to meet with Enterprise and Advanced Education.

Also important to note is that Service Alberta deputy minister, Mr. Doug Lynkowski, as we all noted yesterday in those touching comments by the minister, passed away not too long ago, on November 11, 2012. I'm sure all our thoughts and condolences go

out to his family. The ministry, of course, is still reeling from the loss and attempting to readjust during this difficult period.

I would suggest that we move Enterprise and Advanced Education to December 5 and bump Service Alberta back to February, pushing all the other ministries back by one week. This would give Service Alberta some time to get organized while taking advantage of all the preparatory work already done by Enterprise and Advanced Education. I'm open to questions and comments on that, but if somebody would like to move that motion, that would be great.

Ms DeLong will move. My understanding is that you're moving that

the Standing Committee on Public Accounts meeting with Alberta Enterprise and Advanced Education be rescheduled for Wednesday, December 5, 2012, and that the committee meet with the ministries of Service Alberta, Environment and SRD, Justice and Solicitor General, and Human Services in order, beginning on the first sitting Wednesday in February and on the three subsequent sitting Wednesdays.

Is that what you meant?

Ms DeLong: That is exactly what I meant.

The Chair: All right. That's great. All in favour? Those opposed? Carried. Thank you very much, members.

I had a quick notice on behalf of our committee clerk in relation to a request made by the deputy chair at the end of the meeting

two weeks ago. There is a document on the internal committee website under recent documents which contains all the questions that were asked and are currently pending written responses from departments who have appeared before us. This document is going to be updated weekly as more questions are asked and as the department gets back to us with answers. Stay tuned because some of the great questions asked today over the next several weeks will be posted there when the answers are given by the department.

Also, we received written responses to the questions we had asked for follow-up from Alberta Education back on October 31. Those responses have been posted to the internal committee website under recent documents.

Is there any other business committee members wish to raise at this time?

Seeing none, our next meeting will therefore be held on Wednesday, December 5, with Alberta Enterprise and Advanced Education, same time, 8 o'clock prebriefing meeting in the same room as well. That's in committee room B.

If we could have a member move to adjourn.

Dr. Starke: So moved.

The Chair: Dr. Starke. Those in favour? Opposed? Carried.

Thank you much, members.

[The committee adjourned at 9:57 a.m.]

