



Legislative Assembly of Alberta

The 30th Legislature  
Second Session

Standing Committee  
on  
Public Accounts

Transportation

Tuesday, November 30, 2021  
8 a.m.

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

**Standing Committee on Public Accounts**

Phillips, Shannon, Lethbridge-West (NDP), Chair  
Reid, Roger W., Livingstone-Macleod (UC), Deputy Chair  
Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UC)  
Lovely, Jacqueline, Camrose (UC)  
Pancholi, Rakhi, Edmonton-Whitemud (NDP)  
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Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC)  
Schmidt, Marlin, Edmonton-Gold Bar (NDP)  
Singh, Peter, Calgary-East (UC)  
Toor, Devinder, Calgary-Falconridge (UC)  
Turton, Searle, Spruce Grove-Stony Plain (UC)  
Walker, Jordan, Sherwood Park (UC)

**Also in Attendance**

Aheer, Leela Sharon, Chestermere-Strathmore (UC)

**Office of the Auditor General Participants**

W. Doug Wylie	Auditor General
Brad Ireland	Assistant Auditor General

**Support Staff**

Shannon Dean, QC	Clerk
Teri Cherkewich	Law Clerk
Trafton Koenig	Senior Parliamentary Counsel
Philip Massolin	Clerk Assistant and Director of House Services
Nancy Robert	Clerk of <i>Journals</i> and Committees
Sarah Amato	Research Officer
Melanie Niemi-Bohun	Research Officer
Warren Huffman	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications
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Jeanette Dotimas	Communications Consultant
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Tracey Sales	Communications Consultant
Janet Schwegel	Director of Parliamentary Programs
Amanda LeBlanc	Deputy Editor of <i>Alberta Hansard</i>

## **Standing Committee on Public Accounts**

### **Participants**

Ministry of Transportation

Rae-Ann Lajeunesse, Deputy Minister

Tom Loo, Assistant Deputy Minister, Construction and Maintenance

Ranjit Tharmalingam, Assistant Deputy Minister, Planning, Procurement and Technical Standards



**8 a.m. Tuesday, November 30, 2021**

[Ms Phillips in the chair]

**The Chair:** Well, good morning, everyone. I'd like to call this meeting of the Public Accounts Committee to order.

My name is Shannon Phillips. I'm the MLA for Lethbridge-West and chair of this committee. As we begin this morning, I think we should first invite those participating in the committee room to identify themselves by way of introduction. I'll start to my right.

**Mr. Rowswell:** Garth Rowswell, Vermilion-Lloydminster-Wainwright.

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

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

**Mr. Schmidt:** Marlin Schmidt, Edmonton-Gold Bar.

**Ms Renaud:** Marie Renaud, St. Albert.

**Ms Pancholi:** Good morning. Rakhi Pancholi, Edmonton-Whitemud.

**Ms Robert:** Good morning. Nancy Robert, clerk of *Journals* and committees.

**Mr. Roth:** Good morning. Aaron Roth, committee clerk.

**The Chair:** We have folks on the line. We have Member Armstrong-Homeniuk and Mrs. Leela Aheer and Mr. Jordan Walker.

We have one more person joining us in the room. I will just give you a moment to introduce yourself, Member.

**Ms Lovely:** Jackie Lovely, Camrose constituency.

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

We do have folks on the line from the office of the Auditor General. I'm wondering if they can also introduce themselves for the record, please.

**Mr. Wylie:** Good morning. Doug Wylie.

**Mr. Ireland:** Good morning. Brad Ireland.

**The Chair:** Good morning, folks.

We also are joined by Mr. Devinder Toor, Member for Calgary-Falconridge, on videoconference. If there are any others, just send us a message so we can make sure that your presence is noted for the record as we move along here.

Friends, we have a few housekeeping items before us. Of course, the usual COVID-19 public health orders apply in this room.

Members participating virtually who wish to be placed on a speakers list are asked to e-mail or send a message in the group chat to the committee clerk as per usual. Members in the room, please signal to the chair.

As always, whether on video or in the room, if there is a point of order, just say so because I won't necessarily see you, or if I am looking at the videoconference, I may not see the people in the room. So just say it. Sometimes you have to say it twice so that we can all hear each other. Thank you for your understanding on that, friends.

We'll now move on to item 2, which is approval of the agenda. Are there any changes or additions to today's agenda?

Seeing none, could a member move that the agenda for the November 30 meeting – and I see Mr. Singh moving that our agenda for today's meeting be approved as distributed. Is there any discussion on this motion?

Seeing none, all in favour? Any opposed? That motion is carried.

We'll move on to the approval of the minutes, friends. We have the minutes from the November 23 meeting of the committee in front of us. Do members have any errors or omissions to note?

Seeing none, will a member move that the minutes of the November 23 meeting of the Standing Committee on Public Accounts be approved as distributed? I see Member Turton moving that. Is there any discussion on this motion?

Seeing none, all in favour? Any opposed? Thank you. That motion is carried.

We have guests from the Ministry of Transportation here this morning, my friends. They are here to address the ministry's annual report of 2020-21 and any outstanding recommendations from the Auditor General. As per our usual practice, to the officials joining us, you have 10 minutes to provide your opening remarks, after which the Auditor General will provide his comments for five minutes.

Just for the benefit of *Hansard*, Deputy, when you begin speaking, just introduce yourself, and then if there are any ADMs or executive directors or other officials joining us, the first time that you speak, if you could say your name and your position for the record. We will let you know if your name is not in the little box underneath, at which point we'll have you introduce yourself so that *Hansard* can properly attribute your comments.

With that, Deputy, your time starts when you begin speaking.

**Ms Lajeunesse:** Great. Thank you so much for that introduction, Chair. As mentioned, we're with you today to discuss the 2020-2021 annual report for Alberta Transportation. With me today are Ranjit Tharmalingam, assistant deputy minister of planning, procurement, and technical standards; Tom Loo, assistant deputy minister of the construction and maintenance division; Crystal Damer, assistant deputy minister of safety and policy; Dale Fung, our senior financial officer; and Lynn Varty, executive director of SafeRoads Alberta.

To start today, I'd like to give you some background about Alberta Transportation. Alberta Transportation affects each and every Albertan from High Level to Pincher Creek and Jasper to Lloydminster. With more than 31,000 kilometres of highway, which equals 64,000 lane kilometres when we account for double- and triple-lane sections of the highway network, everyone uses or depends on services provided by this ministry. Whether it's travelling along our highway network, using public transportation, relying on clean drinking water from modern systems, or depending on the vast array of goods and services that move across our province, Alberta Transportation plays an important part in the lives of all Albertans.

The core of our mandate is safety. In fact, it's our number one priority. We work to ensure the safety of those who use our highway network on a daily basis. We have many tools to help us identify safety issues and to respond to them. The department inspects bridges and overpasses on a regular basis to determine if they need repair or, in some cases, replacement.

Keeping our highways clear of snow and ice is one of our biggest jobs. Winter, as we all know, comes without fail each year, sometimes earlier than expected and remains with us sometimes later than we'd like. During the winter months, which run roughly from October to April, we have more than 600 plows across the province clearing the way and making our roads safe. Our highway maintenance crews do a great job for Albertans, sometimes under very trying circumstances.

That brings me to the business at hand, our annual report. We had expenses of \$1.62 billion, which includes operating costs, grants to municipalities, amortization of capital assets, and the use of salt, sand, and gravel over winter. We had invested \$1.53 billion on capital projects that enhance the provincial highways and water management infrastructures. The southwest Calgary ring road project was delivered using the public-private partnership method, known as P3.

Our work is based on six desired outcomes reflected in the annual report, which are competitiveness, market access, and economic growth. Our guiding principles are ensuring that Alberta has a safe and efficient transportation system to support a diversified economy. Long-term sustainability and affordability is our next goal. This is to ensure Alberta can afford to maintain its existing transportation assets and invest in new strategic infrastructure. Third is our goal for connected and active communities. This ensures Albertans have inclusive and accessible transportation options between and through communities. Four, as mentioned earlier, a key priority for us is safety and security. We work to ensure our transportation network is safe and secure. We do this through education, regulatory, technological, and infrastructure improvements. Fifth is our goal for innovation and technology integration. We work to make sure our transportation system can adapt to new innovations and technologies. Last but certainly not least is environmental stewardship. We need to do our part by managing our transportation system in an environmentally responsible and sustainable manner.

As we started 2020, Alberta Transportation, like everyone else in the province and across the world, had to pivot and shift priorities as COVID-19 began to sweep across the province. Early in this pandemic it became very obvious that keeping the supply chain open and operating quickly and efficiently was our main focus. We knew that commercial carriers were vital to make this happen. They had to have the ability to continue to transport goods between Canada and the United States. We worked in collaboration with the Alberta Motor Transport Association, otherwise known as AMTA, and others to understand what we needed to keep carriers on the road. We worked with the government of Canada and other provinces to ensure our borders stayed open, and the Alberta government added COVID-19 screening at our border crossings.

We worked with our partners to develop a list of essential goods and services to help commercial carriers know what they could transport under the provincial and federal COVID-19 response. One of our first acts was to acknowledge the important role truck drivers play in moving essential goods. To support the efficient movement of goods in and out of Alberta, we eliminated the requirement for truckers to quarantine for 14 days when they came back into Canada from the U.S. To support our truckers, we worked with the AMTA and the Canadian Trucking Alliance to quickly make sure restaurants, truck stops, washrooms, and other necessary amenities remained available to them in their endeavours.

The next priority for the government of Alberta was to look at our permits and regulations to ensure that they were not an impediment to continuing to have commercial carriers flow through the network. We worked with municipalities to ease some noise, time of delivery, and other bylaws that would otherwise normally be in place to ensure, again, the smooth operation of commercial carriers during this critical time, and we made sure their insurance didn't expire in the middle of the pandemic. We adjusted some of our own regulations around hours of driving, paperwork, and other areas that would, as I mentioned earlier, keep carriers moving but not affect safety on our highways.

### 8:10

In addition to ensuring the efficient movement of goods and services in the province, Alberta Transportation played a major role in supporting the economic recovery program, creating and supporting jobs by accelerating many highway maintenance and construction projects. We allocated more than \$400 million in capital maintenance and renewal to jump start more than 100 projects to maintain and improve the condition of our highways. We also identified a number of strategic capital projects that we could advance to support the economic recovery plan. These included twinning highway 3 between Taber and Burdett, twinning highway 11 between Sylvan Lake and Rocky Mountain House, construction of a new eastbound bridge over the Bow River on Stoney Trail in Calgary, and we started work to widen the 36-kilometre stretch of highway south of Grande Cache. We also approved \$120 million for the city of Edmonton's Terwillegar Drive expansion project.

The pandemic also resulted in suspension of all driving road tests, causing delays in Albertans' ability to get a licence. We came up with an innovative method to ensure we could resume testing, in particular for class 1 drivers. As a result, between April 30 and June 30 we conducted 82 remote class 1 road tests, and 55 drivers successfully completed their tests. To address concerns about having enough qualified truck drivers and to support unemployed Albertans, we implemented a driving back-to-work program with funding of \$3 million in 2020-21. Through this program unemployed Albertans are able to access this funding to complete the mandatory entry-level training needed to earn a class 1 licence. We approved 300 applicants, and 249 people completed the program in 2020-21. More than half reported that they found a job within three months of completing the program.

I am proud of our department staff for meeting the challenges created by the pandemic and responding in a timely manner, in particular to make sure store shelves were stocked in the early stages of the pandemic. In addition, the department improved driver testing for all classes of driver licence. In January 2021 we launched a new and more efficient road test system that allowed us to complete more than 270,000 road tests, essentially eliminating the prior backlog.

Maintaining a safe highway is a critical priority, as I've mentioned a couple of times. Fatalities and major injury collisions were reduced in 2020-21. The combined result of fatal and major injury collisions rate was 48 per 100,000 of the population. That's below the target of 54 and below the previous year's rate of 53.3. For this reporting period we can tell you that the percentage of roads rated in poor condition worsened only slightly while 84.3 per cent of the highway network was rated in fair or good condition.

The department is continuing its focus on maintaining the existing highway network in alignment with recommendations from the MacKinnon panel. The department's 2020-21 capital investments included \$487.4 million for capital maintenance and renewal. More than \$793 million was allocated to Calgary and Edmonton ring roads, with much of that funding dedicated to the Calgary ring road. In October 2020, many of you will know, we opened a portion of the southwest section of the Calgary ring road, which will accommodate traffic volumes for the next 30 years, with an estimated 100,000 vehicles per day capacity along some sections. The section from Sarcee Trail to Fish Creek Boulevard opened to traffic in October 2020, and the remaining section opened to traffic in October of this year. On the city of Edmonton's Anthony Henday, there's continued progress towards the expansion of the southwest portion of Anthony Henday Drive.

As we move forward, we continue to explore new and innovative ways of financing major projects with minimal impacts on tax

dollars. Last year we introduced the Financing Alberta's Strategic Transportation Act, otherwise known as FAST, to allow for the use of tolls to fund major infrastructure projects. This allows government to expedite select projects that provide economic benefits. Revenues from these fees will be used only to recover the cost of the new infrastructure, and fees will be dropped once the project has been paid. The first project under consideration is the construction of a bridge over the Athabasca River on highway 697 near La Crête to replace the aging ferry system there.

In March 2020 we introduced SafeRoads Alberta, a new adjudication branch which allows drivers to deal with their impaired driving matter through an administrative and efficient system. This initiative was implemented as part of the broader justice transformation initiative to increase capacity of the justice system, creating a simple, fast, fair, and efficient adjudication system. The new branch hit the ground quickly . . .

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

We'll now move to the Auditor General for his comments. Mr. Wylie, you have five minutes.

**Mr. Wylie:** Well, good morning, Chair, committee members, and ministry management. It's great to be with you again today. I'll take just a couple of minutes to highlight our outstanding recommendations relating to the ministry, and then I'll briefly summarize the auditing of financial transactions that we perform at the ministry.

This past June we made two recommendations to the ministry. Both result from our audit of the ministry processes to provide information about government's environmental liabilities. Our first recommendation was for the ministry to improve its processes to assess, estimate, and account for environmental liabilities. The second recommendation was that the ministry improve processes to ensure compliance with environmental legislation. These recommendations result from our audit findings relating to the reclamation of sand and gravel pits and highway maintenance yards for which the ministry is responsible. As is customary, Chair, we'll complete our follow-up work when management asserts that the recommendations have been implemented.

Now, consistent with other ministries, we audit financial transactions at the department as part of our audit of the consolidated financial statements of the province. In addition, we conducted a separate audit of the financial statements of the Alberta Transportation and Safety Board. The results of that audit were that we were able to issue a clean audit opinion on those financial statements, and that was for the period ended March 31, 2021.

We do include in our Auditor's report an emphasis of matter paragraph highlighting the dissolution of the board on March 31. Chair, there are no outstanding recommendations relating to our audit work at the board.

That concludes my opening comments, Chair. Thank you.

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

We'll now move on to our first rotation, which is – of course, we're in an in-session schedule, so we will have 12 minutes in our first rotation, beginning with the Official Opposition. I am seeing Member Schmidt.

**Mr. Schmidt:** Great. Thank you, Chair. My first questions are about the Calgary green line project, which is referenced on page 29 of the annual report. As Calgarians know well, the project was significantly delayed by the province so that it could undertake additional due diligence. On December 7, 2020, then Mayor Nenshi expressed frustration with the provincial government, noting that it had been six months since the provincial report was commissioned,

but the information and the report hadn't been shared with the city. So my first question is: why did the government not share the report with the city?

**Ms Lajeunesse:** Thank you very much for that question. Sorry for my delay as I hit all the correct buttons.

We worked through a technical working group between ourselves and the city to go over the significant areas of the review, to work through those at a working-group level. The broader report wasn't fully required in order for us to convey to the city what the findings in the report were and the work we needed to do to conclude the review.

**Mr. Schmidt:** Help me understand this. There was a committee struck that consisted of members from both the Department of Transportation and the city of Calgary, you generated a report, but the city of Calgary couldn't see the report even though they were on the committee. Is my understanding correct here?

**Ms Lajeunesse:** No. The report was generated previously through the department, and we shared the germane recommendations from that report with the city as part of our working group. So they were fully aware of the items that we wanted to work through in terms of the review.

**Mr. Schmidt:** Yeah. Unbelievable that the city of Calgary was actually involved with generating a report, but they couldn't even see their own report that they worked on, and you only submitted germane recommendations. It's no wonder that Mayor Nenshi expressed frustration with that process.

That same day, on December 7, 2020, the minister, through his press secretary, said that the province wouldn't be held to a, and I quote, arbitrary timeline. The press secretary refused to answer media questions about increased costs due to the delay, but fortunately that's what the Public Accounts Committee is here for, to ask these kinds of questions and, hopefully, get answers. So as of December 7, 2020, what was the estimated cost increase to the green line project due to the delay that the provincial government imposed on it?

**Ms Lajeunesse:** Through the course of the review, you may know, the work on the green line – the revised alignment that resulted from the review actually resulted in some work that was contemplated later in the original project, so that work was brought forward. So the review itself did not result in a substantial delay to the project overall.

**8:20**

What was contemplated was advancing some of the work that in the original project proposal was set to be undertaken in a subsequent phase of the project. The province was interested in ensuring that the first phase of the project would ensure a connection into downtown and not end south of the river. In fact, although the project timelines appear to have been extended through the review, some of that is a reflection of the more complicated work of working through the downtown core being advanced into the first part of the project.

**Mr. Schmidt:** I guess the delays that you say that have occurred are apparently figments of my imagination. That's quite frustrating.

But my original question was about cost increases. On March 31, 2021, the city of Calgary estimated that due to the postponement of provincial funding, the green line LRT project would be delayed significantly by a year, and the city estimated that the delays were costing \$1.5 million a month for the first segment of the line. I'm interested to know what the ministry's estimated cost of the delay is per month, per year?

**Ms. Lajeunesse:** In terms of the increased project costs a number of those increases were related to actually fine-tuning estimates in that more complicated downtown section that wasn't part of the original project plan. A number of those costs just reflect the advancement of more complex work being brought forward, and as any project of that nature that's quite complicated, estimates are refined and fine-tuned to better understand what they may be. We didn't attribute . . .

**Mr. Schmidt:** I appreciate the deputy minister giving me a great deal of context and talking about refinements and so on, but she's avoiding giving me a number, Madam Chair. I'm wondering: what is the department's estimate for the cost of the delays to the green line? Is it \$1.5 million a month, as the city of Calgary has stated? Is it more? Is it less? Just give us the number. That's what I'm looking for here.

**Ms. Lajeunesse:** I don't have a specific number relating to an estimate of the cost of our review in terms of the delay. We can endeavour to bring back to the committee if we have further estimates that would quantify the overall extension of the project.

**Mr. Schmidt:** So just for my clarity, you don't have anything at hand, or the department didn't generate anything?

**Ms. Lajeunesse:** We don't have a cost at hand related to the cost of the review.

**Mr. Schmidt:** Well, I certainly appreciate the deputy minister committing to table that cost to the committee.

Now, I guess, in relation to the green line project, we've seen a significant rise in inflation, with the price of everything going up. Did the ministry conduct any estimate of the inflationary cost increases because of the lost construction season?

**Ms. Lajeunesse:** So the city actually revised all of the costs related to the project overall. The early construction season was intended to do some early earthworks and utility moving. Some of that was anticipated to continue, and others may not have relied on some of those broader construction materials in the early phases.

**Mr. Schmidt:** I'm extremely frustrated, Madam Chair. It seems like the questions that I'm asking are not getting through to the deputy minister, because she's answering something that I didn't ask. I'm asking the deputy minister if the Department of Transportation did any analysis of what impact inflation would have on the cost of the green line project.

**Ms. Lajeunesse:** We accepted and worked through the estimates provided by the city of Calgary on the estimates they had with their project. They also had other independent reviewers of their cost estimates.

**Mr. Schmidt:** Can you share those cost estimates with the committee?

**Ms. Lajeunesse:** I will take back and determine if and what we can share. Those estimates are actually in the purview of Calgary.

**Mr. Schmidt:** Thank you very much.

The chair of the green line committee talked about the new red tape impacting the project from the province and he labelled it, and I quote, the UCP effect. End quote. He went on to note that the result was increased delays and increased costs. Can the ministry share their projection for when the project will be completed and

what the total cost increase will be from provincial changes in mandates?

**Ms Lajeunesse:** Thank you for that. I may turn this over to Ranjit Tharmalingam. However, just to provide some early information on your question, as I mentioned before, the costs really were largely a reflection of refined estimates for a complex project of this nature.

Ranjit, can you provide further information on the timeline and the overall costs?

**Mr. Tharmalingam:** So the original business case of – by the way, Ranjit Tharmalingam, ADM, Transportation. When we started working with the city of Calgary folks in terms of addressing the concern identified through the review, we have identified a procurement strategy, cost estimate, and contingencies to be addressed, and Calgary, because it's their project, have decided to go with a procurement strategy of having it as one project, including downtown and all the way to Shepard. The revised timeline Calgary provided through their business case is in fiscal year 2029-2030. So that is the revised completion date in the business case, which the province has since approved and submitted to the federal government for consideration.

**Mr. Schmidt:** I have heard multiple times now "refined cost estimates," yet nobody from the department has given me a number. Just make something up if you don't know. Just give me a number. How much did the green line project increase in cost due to the provincial government's delays to the project?

**Mr. Tharmalingam:** Well, what we can tell you is that the total project cost under the Infrastructure Canada program, where the province is contributing \$1.53 billion, is a total cost of \$4.65 billion, and that cost has not changed. What Calgary has indicated, after the review jointly done with the province and them to address those concerns, is that they are now able to – within that \$4.65 billion, which includes \$1.53 billion from the province and \$1.53 billion from the federal government, they will be now able to take that project from Shepard S.E. to Eau Claire station, and then once that contract is completed, if any savings come out of that contract, the board has decided to review to extend it to 18th Avenue. So the total cost of the green line project remains at \$4.65 billion.

**Mr. Schmidt:** Thank you. I appreciate at least hearing a number. Unfortunately, we've run out my time, so I think I'll just talk for the next three seconds and then turn it over to the members of the government caucus for their questions.

**The Chair:** All righty, then. I will go over to the first rotation of the government side for 12 minutes, please.

**Mr. Singh:** Thank you Madam Chair. I would like to express my appreciation to the representatives of the Transportation ministry for being with us today as well as the office of the Auditor General. My question is about the COVID-19 response of the ministry, red tape reduction, and road rehabilitation. As one could expect, the pandemic has been one of the main topics of the annual reports from the 2020-2021 year. Transportation is somewhat different than the ministries we have had with us so far this fall, but I would like to start by asking how the ministry supported the pandemic response.

**Ms Lajeunesse:** Thank you so much for that question. I'll focus my answer in a couple of different areas. First, I'll talk a little bit about the pandemic response as it relates to economic recovery, and then I'll talk a little bit about what the department did in terms of



supporting necessary industry through the pandemic and adjusting some of our programs.

To support job creation and economic recovery – and I mentioned some of this in my earlier speaking notes, but I'll just give a few more details. We did have more than \$400 million in capital maintenance and renewal to support acceleration of 109 projects across the province that serve to maintain and improve the condition of our network.

8:30

We had \$60 million allocated for pothole repairs and other critical safety measures that would prevent potholes from forming; \$200 million is provided in grant funding to communities through the department's strategic transportation infrastructure program, otherwise known as STIP, and our water grant programs to fund municipal bridge improvements, upgrades to roads and community airports, and water projects, and this supported approximately 1,800 jobs. We had more than \$480 million of new capital construction projects, including a number of the highway projects I mentioned in my opening remarks and including that \$120 million towards the Terwillegar expansion project in Edmonton.

In terms of driver safety initiatives we certainly were the first jurisdiction to restart safe testing for drivers' licensing, with a focus on those critical drivers' licences needed during the pandemic, including emergency responders and commercial carriers. We adjusted our SafeRoads Alberta adjudication branch to ensure that people who were in that process and wanted to have a review of their sanction could be still dealt with within our 30-day time frame by adjusting how we did our hearings.

As mentioned earlier, I would like to also comment on how we adjusted some of our internal programs in other ways to help support industry. We did establish a COVID-19 advisory panel. We worked in conjunction with two of our main stakeholders, being the Alberta Roadbuilders & Heavy Construction Association and the Consulting Engineers of Alberta. There was a lot of concern about what, if any, impacts may be to projects or constructions by virtue of companies being impacted or crews being impacted by an outbreak of the pandemic potentially in their crews that are working on particular projects. Working in conjunction with them, we established a COVID-19 advisory panel that would allow a panel made up of three members, one from the department, one from each of those representative organizations, to essentially hear the claim and make a recommendation to the minister.

I'm happy to say that we've been very successful, in fact, at resolving any issues that have happened so far to the extent that we have not yet had one have to go to this COVID-19 advisory panel although it was very much appreciated by industry that we would go to the extent to establish a body to deal with any concerns that they may have.

We also accelerated, as you can imagine, the influx of the stimulus program projects, which essentially represented a doubling of the work that Transportation would normally do in a year. We were able to review our contract processes and get rid of some redundancies and some inefficiencies and tender all of those projects in a much shorter period of time so that contractors were able to start many of them in that year.

I mentioned our innovative class 1 road testing and the steps we took to make sure that we could be the first jurisdiction to restart our road tests, which we did successfully and have continued to operate successfully despite the ongoing pandemic and the different protocols that have been at play. We've worked closely with our highway maintenance contractors to establish a COVID-19 contingency plan for winter maintenance, and that will help us address any situations where a particular crew in an area of the province may be impacted

by an outbreak of COVID and how we might handle that to ensure that roads are continued to be maintained as they are required through the more dangerous winter months.

Certainly, we placed a lot of emphasis on how we would support the carrier industry as well. I mentioned a few, and I'll just summarize that we went to great extent to ensure that we exempted commercial carriers from a number of bylaws and other regulations we have in place to make sure they could keep rolling. We went to great efforts to establish additional amenities along the highway at various locations so they had a place to stop and a washroom to use when early on various restaurants that they normally had relied on were closing. And then we worked with the commercial food industry to help keep some of those businesses operating to serve those carriers as they were moving along.

We reduced the need for a number of internal things that we would normally have just by extending some timelines for their normal certification, not to a great extent. They would have recently already completed some of their normal certification with us, and we just gave people a bit of a window of time through the height of the pandemic to not have to deal with some of those administrative items in the short term. We did that all with a view to supporting industry and not compromising safety.

**Mr. Singh:** Thank you for such a detailed answer.

On page 31 of the annual report the graphic for performance indicator 3(b) shows the use of transit from 2015 to 2019. Is the data for 2020 available at this time, and if so, how did the pandemic impact ridership?

**Ms Lajeunesse:** Yes. Thank you for that question. This indicator, as you mentioned, describes the change of ridership for all conventional transit service across Alberta. We use this number, reported annually, from the Canadian Urban Transit Association, otherwise known as CUTA, for the province of Alberta as it pertains to regular passenger trips. The data actually does lag by one year, so the impact of COVID-19 isn't immediately evident in these numbers. Results for this indicator are collected by calendar year, and the latest data set is from 2019, so just prior to the pandemic. So while the 2020 data is not currently available, it's anticipated – when they're available, we do expect to see a reduction in the ridership across the province.

**Mr. Singh:** Thank you for answering.

Another theme throughout the annual report has been on red tape reduction. Page 13 of the annual report outlines the initiatives that the ministry took to reduce red tape, particularly by eliminating certain types of permits. Can the ministry provide more detail on what types of permits these were, and what benefits were realized in 2020-2021 by eliminating them?

**Ms Lajeunesse:** Sure. Thank you for that question. As part of our ongoing efforts to reduce red tape, as you mentioned, we did reduce a number of permits required. Approximately 10,000 permits were taken out of the system. Generally what happens is – you know, our regulations have been long standing, so we have a number of situations where commercial load or vehicle configuration required certain permits. As we've discovered through experience in the last number of years, as industry and as technology and vehicle configurations evolve and become a new industry standard, we were essentially requiring people to apply for permits that we would always approve. To remove these permits was the right thing to do to support industry so they no longer had to go through those hoops in order to go through a permit application process that was ultimately going to result in an approval.

**Mr. Singh:** Again thank you for answering.

Page 13 notes that eliminating these outdated permits improved the safety of our roads. Obviously, safety on our roads is paramount. Can the ministry explain how it monitored the effects of these changes to ensure they had the desired impact?

**Ms Lajeunesse:** Sure. As I mentioned in my prior answer, a lot of this work was focused on removing permits, that would reflect keeping up with the evolution of better, more improved equipment, and not requiring permits for people to operate that equipment. For example, you know, there's been an evolution in the size and placement of side-view mirrors on commercial vehicles that our original regulations didn't reflect because the equipment has changed over time. Essentially, by eliminating permits related to things like that, we were able to really facilitate carriers equipping their vehicles with those new industry standards that are geared to improve safety. Certainly, we have no expectation that there would be a reduction in safety. But, again, this has just occurred in the last year, so substantive improvements would be yet to be calculated.

8:40

**Mr. Singh:** Thanks for the answer.

To continue with the theme of safety, throughout the annual report rehabilitation of roads is mentioned numerous times. Alberta's weather and the traffic generated by our industries certainly have an impact on the condition of our roads, but I'm wondering if the ministry can provide some insight into road rehabilitation.

**Ms Lajeunesse:** Sure. Thank you. I will provide some context, and I may ask my technical experts on road rehabilitation to weigh in. Essentially when the road surface condition becomes poor or defective, resurfacing work is needed to restore the pavement surface to the required level of service. The driving surface may become water damaged over time due to aging, weather. We know we have a freeze-thaw cycle in Alberta.

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

We'll now go to the Official Opposition. Member Pancholi, please.

**Ms Pancholi:** Thank you, Madam Chair, and thank you, Deputy, for being here today and all the ministry staff. I'm going to ask some specific questions about some projects. In particular, I'm going to begin my questions about highway 3 bridge replacement in Lethbridge. During the fiscal year in question can the ministry tell us how much was spent on that highway 3 bridge replacement?

**Ms Lajeunesse:** Sure. Thank you very much for that question. I will ask Assistant Deputy Minister Tom Loo to take the project questions.

**Mr. Loo:** Thank you. I'm Tom Loo, assistant deputy minister of construction and maintenance division. Just so I can clarify your question, are you referring to the Oldman River bridge on highway 3?

**Ms Pancholi:** Yes. I am. Yeah.

**Mr. Loo:** Okay. We completed some rehabilitation work on that bridge structure I believe in 2018, so that rehabilitation work has extended the life of that structure for about 10 to 15 years. With respect to the fiscal year 2020-2021 I think you had asked how much we spent. We would have just spent funding on routine maintenance. That would have included things like snow and ice control, line painting, and any kind of pothole-type work.

**Ms Pancholi:** Thank you. Can you just maybe table for the committee how much was spent on that routine work as well as any safety analysis that was done on this bridge during this fiscal year?

**Mr. Loo:** We wouldn't have done any additional, like, safety analysis. As you're probably aware, there are longer term plans to replace that bridge and provide a wider bridge. So with the existing remaining life of the bridge structure we're in a situation where we're just continuing to do that routine maintenance and ensure that it's operating safely.

**Ms Pancholi:** Thank you. Just if there are any safety analyses – I understand that on that bridge in particular the on- and off-ramps are considered sort of too short and that there is a bit of a safety issue. So if there are any safety analyses that are done on that issue, the on- and off-ramps, if you could table that with the committee. You don't need to, you know – maybe just take that away to look at and decide on.

You know, in terms of replacing this bridge, as of March 31, 2021, what stage were you in in terms of the design-bid-build process for actually replacing the bridge?

**Mr. Loo:** As I'd mentioned earlier, we're expecting the remaining life for that structure to be 10 to 15 years. We have done the planning work for the replacement structure, but we have not yet commenced the detailed design and the tender package preparation. That work would typically be done a little bit closer to the period where we would initiate the replacement construction work.

**Ms Pancholi:** Okay. I appreciate that.

Can you table or endeavour to take away to table with this committee any record of correspondence between the city of Lethbridge or Economic Development Lethbridge with your ministry about the highway 3 project during the fiscal year in question?

**Mr. Loo:** Will do. Thank you.

**Ms Pancholi:** Thank you.

As we know, this bridge and the replacement bridge was actually promised by the Premier in 2019. Is there anywhere in these financial statements evidence, I suppose, of that replacement being funded? Is there any evidence of that in the financial statements in question?

**Mr. Loo:** No.

**Ms Pancholi:** Okay. As you mentioned, you'll begin maybe the planning process. You're not really into the design-bid-build stage of the project, but can you table with this committee any costing or other analysis of the anticipated replacement project and any projections about how those costs may have increased since 2019 and any record of projections of cost increase into the future that you may have undertaken last year?

**Mr. Loo:** Yes, we can do that, but when you say cost increase, could you maybe elaborate on that? Our typical process is to replace our infrastructure at the end of its service life. We do rehabilitation work, we do regular maintenance work, and all of these activities are intended to extend the life of our infrastructure to maximize its life and get the longest value out of it, so . . .

**Ms Pancholi:** Yeah. Thank you. Sorry to interrupt. Just in the interest of time, I'm just seeking clarification because the Premier promised in 2019 that this bridge would be replaced. So I imagine some sort of at least high-level cost analysis was done of what it

would cost to replace the bridge in 2019. You're saying that the department is under the impression that it's only going to replace it when the life of the bridge wears out, so that there was no, I guess, action taken by the Premier in 2019 to actually initiate that replacement sooner. Is that correct?

**Mr. Loo:** That is correct. With the estimated remaining life of that structure being 10 to 15 years, we would not have commenced any replacement activities at that time, until it's closer to the time of replacement of the bridge.

**Ms Pancholi:** Okay. Well, thank you. I'll just ask you, then, to go back and endeavour to table any cost analysis that may have been done in 2019. I understand that the minister at the time indicated there was a cost analysis, and table that, and then if there have been any updates to what the cost to replace it had been, that were made in the last fiscal year, if you could table that. I'll just leave that with you, Assistant Deputy Minister, to take back and see if those documents exist and to table them with the committee. I'd like to move on. Thank you.

So this past year Lethbridge city council ran a referendum on building a third bridge in Lethbridge, inside city limits, connecting the south side to the growing west side of Lethbridge. The now mayor, who was on council last year, supported this third bridge, and he indicated publicly that there was provincial funding available for building this third bridge, and one would assume that if he's saying there's provincial funding, he would have gotten that from Alberta Transportation, but I don't see any planning funds in the annual reports or the financial statements before us. So can you tell us how much provincial funding was promised during the 2020-21 fiscal year to Lethbridge for a third bridge?

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

**The Chair:** I'm sorry, ADM Loo; we have a point of order on the floor.

**Mr. Turton:** Yes. Thank you, Madam Chair. I mean, under 23(b) the committee's intended focus is the administration of policy, not the merits or the development of that policy. The member across has already clearly stated that the information she is seeking isn't in the actual documents. It's more of the development in terms of policy platforms and campaign commitments. So I think that this is clearly over the line about what is acceptable here in Public Accounts.

**The Chair:** Thank you for that.

**Mr. Schmidt:** Well, if my friend Member Turton had actually listened to the question that my friend Ms Pancholi had posed, she was asking about planning funds for a third bridge in Lethbridge. Now, everybody has the annual report in front of them. It doesn't break down by every single project the amount of money that the Department of Transportation spends. I think my friend from Edmonton-Whitemud is perfectly within her rights to ask for more details about how the department spent its money in the fiscal year 2020-2021, which is exactly what she was doing, and this is therefore not a point of order.

**The Chair:** Thank you for that to both sides.

I think at this point if we are asking about where we might find money that was spent or money that was committed or money that has been projected within that fiscal year, within those bounds, and because there are many instances in which it says, "oh, there were 70 projects that were approved for capital maintenance and

renewal," but they're not enumerated, for example, in that fiscal year. So as long as we're staying within those bounds of: were planning funds advanced, is there a record of correspondence, are there any financial commitments that we can find anywhere, then I think we're in bounds. We can get a quick answer and move on.

**Ms Pancholi:** Thank you. I'll just reiterate my question. Are there any planning funds allocated within the fiscal year of 2020-21 for the building of a third bridge in Lethbridge?

**Mr. Loo:** Tom Loo, assistant deputy minister of construction and maintenance. The answer to that question is no. This third bridge that you're referring to within the city of Lethbridge is on their local road system. So I believe this proposed bridge is not on the provincial highway system.

8:50

**Ms Pancholi:** Okay. Therefore, as far as you know, there is no provincial funding associated with building a third bridge, then, in Lethbridge?

**Mr. Loo:** That's correct.

**Ms Pancholi:** Thank you. I appreciate that.

I'll move on to – I've just got a short period of time left. I want to ask about rural bus service between Lethbridge and Medicine Hat. We know that when Greyhound wound down its western Canadian routes, many rural Albertans were left without that service. In the fiscal year in question the southern Alberta rural bus program cost about \$415,000 as an operating grant and \$21,000 per month. Not a huge amount of money. That service was suspended during the pandemic and early in the fiscal year. But then it was cancelled outright in northern and southern Alberta at the end of the fiscal year. I want to just assess whether or not the ministry did any analysis about any other lower cost services before cancelling the service. We know that many rural Albertans, particularly between Lethbridge and Medicine Hat, are using that right now to access medical appointments. Was any analysis done by the ministry to actually assess any other options to ensure these Albertans have service?

**Ms Lajeunesse:** Hi. Thank you very much for that question. My understanding is that the province did not cancel that project. It was cancelled by the municipality for ridership. What I can tell you is that we certainly had the rural bus pilot in place over the last couple of years. Clearly, COVID has impacted ridership through the course of the last year and a half in terms of impacting those projects. That particular pilot project: the last of those pilots was operating into this fall, and we will be doing an overall assessment of those. What I can say in terms of rural bus transportation throughout the province – and I know this has been somewhat of an ongoing concern beginning from when Greyhound withdrew from the market . . .

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

We'll now move on to the second rotation, government side, nine minutes, please.

**Ms Lovely:** Thank you, Madam Chair. One of the key programs that the ministry administers is the strategic transportation infrastructure program, also known as STIP. This program is very important for rural and small urban communities as the roads and bridge infrastructure in these communities often suffers from disrepair. One exciting project that received STIP funding was the resurfacing of the Camrose community airport runway. The airport is very important to my community because the farmers rely on it to service

their crop-dusters and other small aircraft that are vital to their operations, especially during years with high levels of precipitation. Turning to the mechanics of STIP, page 20 of the annual report notes that \$15 million in grants were allocated for the program in 2020-2021. Can the ministry please explain what criteria were used to determine which projects received STIP funding in 2020-2021?

**Ms Lajeunesse:** Sure. Thank you so much for that question. The ministry first determines whether the projects meet the goals of the STIP program overall. These include: improving accessibility and the movement of goods and people, increasing the capacity of municipal transportation infrastructure in order to support economic growth, enhancing safety and efficiency, and extending the service life of key transportation infrastructure. From that criteria, then, we look at projects, and they're rated on a province-wide basis, a competitive basis, and evaluated on a variety of metrics that include basic need, safety, functionality, current condition of the infrastructure as well as the economic, social, environmental, and innovation benefits that the project may provide.

**Ms Lovely:** Thank you so much for the answer.

How many applicants were there for STIP funding last fiscal year, and how did the rejected applications get treated?

**Ms Lajeunesse:** There were 187 applications for funding last year; 52 were recommended for approval. As you know, it's a very popular program. It does a lot of good across the province to assist municipalities and their critical infrastructure needs as well. Applicants are always advised that they are able to reapply the subsequent year if they weren't approved in the current year.

**Ms Lovely:** Thank you for the answer.

Did the ministry provide any oversight over STIP funding once it had been awarded to a project to ensure that funds were used efficiently and effectively?

**Ms Lajeunesse:** Sure. We work in concert with the municipalities through the administration of the grant funding that is approved to them for any particular project. We work really hand in glove to determine the progress of those projects. We ensure funds are being used efficiently and make payments on progress as part of our oversight.

**Ms Lovely:** Just to change direction a little bit, on page 18 of the annual report there's more exciting news for my constituency. There is a very busy, important bypass that's being built on highway 834. That's near Tofield. Can the ministry provide an update on the progress that has been made on this project in 2020-2021?

**Ms Lajeunesse:** Sure. Thank you for that question. Construction of the highway 834 realignment near Tofield, as you referenced, was completed in 2021. It was a two-year, \$20 million project starting in 2020, and the new highway was open to traffic in the fall of 2021. The new alignment to the east of town will certainly reduce congestion and delays for industry and other highway users, as I'm sure you're probably more aware and familiar with than I am, while also separating industry and other highway users from local vehicle and pedestrian traffic. It is really anticipated this project will increase traffic safety and the peace and quiet for the benefit of the Tofield residents.

**Ms Lovely:** Highway 834 is considered a high-load corridor, meaning that the bypass will divert oversized loads around the

community. Was there a mechanism that the ministry used to ensure that areas designated as high-load or similar designations were prioritized for upgrades?

**Ms Lajeunesse:** Sure. We have criteria and metrics that we apply as we assess every project across the province every year, and the criteria that we assess projects against include the economic impact it may have, the safety impact it may realize, the social impact, cost-benefit analysis, and, of course, last but not least, what environmental impact the project may have. Within those, although we don't have a specific criterion labelled as a high-load designation, a high-load designation project, by its very nature, would fall under assessment in the economic impact category.

**Ms Lovely:** Okay. Specifically as it pertains to highway 834, how did the ministry ensure that this project was on track?

**Ms Lajeunesse:** With this project along with all of our others we include a variety of incentives and penalties to make sure that contractors complete their projects on budget and on time. We have an engineering consultant that's the ministry site representative for construction projects, and they work closely with the contractor and the ministry officials to manage projects according to timelines and budget. We have regular project reporting, contract and specifications, and this triparty partnering system that I've described, that includes the ministry representative, the engineering consultant as well as the construction contractor. We actively use all of these tools that I've described to ensure that projects are well managed and delivered on time and within budget.

**Ms Lovely:** Thank you. That's the end of my questions.

I'll cede to the next member.

**Mr. Rowswell:** Okay. Thank you. Good morning. Transportation is a ministry where the dollar spent is very tangible in the sense that the roads and bridges affect all Albertans in a significant way. With that in mind, I want to ask you a few questions on the ministry's financial highlights on pages 53 and 54. The impacts of the pandemic were felt by virtually every corner of the globe. I assume Transportation was no different, so I want to start off my questions on the financial highlights by asking how the pandemic impacted the ministry's revenues and spending. In that vein, on pages 53 and 54 of the annual report it's clear that the ministry received far less revenue than expected. Can the ministry provide more details on why revenue was so much lower than expected?

**Ms Lajeunesse:** Sure. Thank you so much for that question. You are correct. We had less revenue, \$361.4 million less in revenue compared to budget in the 2020-21 fiscal year. This was primarily a reflection of lower cash requirements needed by municipalities due to slower progress on their projects. As you may know, we also administer a number of other grant funding that flows through to municipalities as well as the programs that the ministry administers directly, and we flow funds through to those projects according to progress. If progress has slowed, that results in a lower amount coming from the federal government as revenue to flow through to the municipality for payment on those projects.

**Mr. Rowswell:** Okay. How did that impact your overall projects for 2021?

**Ms Lajeunesse:** In general these ones that we're talking about, that are associated with federal revenue, they would relate to grant funding that's provided to municipalities. But I would also say that while the pandemic certainly had an impact on potential slowing of

projects for, you know, construction companies or contractors that were adopting new measures to deal with COVID protocols, it's also not unusual for projects to progress at different rates than initially intended. As long as the grant funding that was required to continue the project – we just adjust the cash flows accordingly to manage towards the progress of the project.

9:00

**Mr. Rowswell:** Okay. Can the minister provide some more general details on why the actual expenditure was higher than budgeted in 2020-2021 in certain areas? More specifically, can the ministry explain why the traffic safety services were higher than budgeted for last fiscal year? It is about the same as the previous year, but then you budgeted less, then spent about the same all over again. If we can just get some explanation as to why that happened. [Mr. Rowswell's speaking time expired] Well, I'll catch you next time.

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

Moving over now to the opposition side for our third rotation. Nine minutes for Member Renaud, please, to start.

**Ms Renaud:** Thank you, Madam Chair. My questions are going to be focused on outcome 3, indicators (a) and (b). Canadian Urban Transit Association tells us that the number of seniors in Canada is set to grow to about 10 million, with 45 per cent of those seniors over 75 having mobility disabilities. CUTA also estimates that specialized transit – for example, the transit systems that we see in Lethbridge, St. Albert – is almost eight times more expensive than the same trip on conventional transit but is cost-effective in terms of the savings related to the cost of collisions, the cost of home care. Now, a reminder, context that income supports for seniors and disabled Albertans have been deindexed. So my question is: for the Ministry of Transportation planning purposes how many Albertans currently require specialized transit? By that I don't mean low-floor buses; I mean handibus and paratransit.

**Ms Lajeunesse:** Thank you very much for that question. I'm not sure that is information – I certainly don't have that information at hand right now. I could endeavour to table it, with the understanding that transit systems are operated and owned by municipalities. I'm not sure the extent to which I will be able to gather that information, but I will endeavour to do so.

**Ms Renaud:** I do understand that this ministry is reliant on CUTA for, you know, some of their information, but I would suggest that the ministry would have a good idea of how many Albertans require this service. There has got to be some sort of benchmark, at least, that the ministry is using when they're deciding where to make investments. Okay. Well, let me go back to this comment. In the annual report on page 47 I note that "Alberta CUTA members have reported that nearly all conventional transit routes are designated low-floor" buses. Can you tell me: what does "nearly all" mean?

**Ms Lajeunesse:** Sure. Thank you so much for that question. I will ask my ADM Ranjit Tharmalingam to talk about our transit systems, our support to them, and what sorts of needs are accommodated by them.

**Mr. Tharmalingam:** Ranjit Tharmalingam, ADM from Transportation. This data is something that we get from CUTA, Canadian Urban Transit Association. When we say a majority of them, it's basically the data that we receive from them. So we don't have any specific information as to how many of those are low-floor buses versus other types. This is all just information that we received and then were able to translate. If you need further details

on it, we'll have to get a breakdown for you. We don't have that right now.

**Ms Renaud:** Maybe I could clarify. Outcome 3 of this ministry is to create connected and active communities, inclusive and accessible transportation.

**Mr. Tharmalingam:** Correct.

**Ms Renaud:** What I see in the annual report is that nearly all buses are low-floor, so we don't really know how many. There's no idea about how many Albertans with mobility issues we are trying to support right now. We have no idea into the future how many we have. We've got, like, 690,000 seniors right now that will likely double in 20 years, but this ministry has no idea of the needs in terms of mobility, accessible and inclusive transportation. There is no idea of where we are and where we're going in terms of need?

**Mr. Tharmalingam:** I think what we are saying is, as the deputy minister has indicated, that these transit systems are operated individually by municipalities. We work with them closely when they provide their needs, and we certainly work with the federal government in terms of funding. It originates – the requests come from the municipalities. We certainly work with them to address those. If you are specifically asking how many handicapped, you know, transit passengers would require that, that is something we'll have to dig deep into the data before we can provide that.

**Ms Renaud:** Well, if you could dig deep into the data and table any information that would shed some light on my questions, that would be appreciated. I'm wondering if you could tell me what the total capital investment to specialized transportation is in Alberta in this fiscal year that we're covering.

**Mr. Tharmalingam:** We have the expenditure in terms of transit that we have spent, but specific to disabled Albertans we don't have that immediately to give to you. We can provide this to you later on as a tabled item.

**Ms Renaud:** Okay. Thank you very much. I appreciate that.

Okay. I'm going to move on into rural busing. I'd like to talk about, again, desired outcome 3, where you note that Albertans should have access to transportation options between communities. In 2020-21 during the pandemic regional bus operators were hit hard. The B.C. government provided support, including to Alberta-based Cold Shot, but Alberta did not. Did this ministry consider providing funding, very much like B.C., and why was the decision made not to do so?

**Mr. Tharmalingam:** We have certainly provided, government has provided funding through the small and medium enterprise relaunch funding program. In addition to it, as the deputy minister has indicated, we have launched back in 2018 the rural transit pilot program. That's in the process of being completed, and then we'll be evaluating before a decision can be made in terms of the future plans for that. In spring 2021 the province committed \$350 million under the small and medium enterprise relaunch grant program. This program is administered by the Jobs, Economy and Innovation ministry and supports businesses and employees affected by the economic disruption of the pandemic. Intercity bus operators were eligible under this program. Additional relief, including deferring the collection of corporate and education property tax for businesses . . .

**Ms Renaud:** Sorry. Thank you very much. Just in the interest of time. I'm just – I'm not really asking about, you know, the SMERG

program or programs that were outside of your ministry. I'm asking about Transportation. I'm going to move on.

Can you compare fiscal year 2019-20 to 2020-21, and how many routes were cut by regional or rural private bus operators?

**Mr. Tharmalingam:** We have seen some immediate impact to some of the routes as a result of COVID. Many of the operators have resumed many of the routes, but not all of them, because it depends on the condition and so on. We don't have the exact details of which routes at this stage for me to share with you, which routes have not commenced since the pandemic . . .

**Ms Renaud:** That's fine. I totally understand that. If you would agree to table that for this committee, that would be terrific.

**Mr. Tharmalingam:** Sure. Thank you.

**Ms Renaud:** Okay. Thank you very much. Do you have any estimate of the total amount of debt incurred by rural bus operators over fiscal 2020-21, and do you have a sense of the health and survivability of these operators?

**Mr. Tharmalingam:** We have certainly heard about some of these numbers that the local operators have provided. We have no way of verifying what those numbers are. In fact, we have encouraged these operators to go and seek programs that are available for them, that they're eligible for, to support that. In terms of . . .

**Ms Renaud:** Excuse me. Before my time runs out, I'm just wondering if you could table for this committee any correspondence or recommendations that you've made to these operators?

**Mr. Tharmalingam:** We can table any communications that we have had with them.

**9:10**

**Ms Renaud:** Okay. Just one final question, maybe for the deputy minister. There is a body, a Premier's Council on the Status of Persons with Disabilities. Has the Ministry of Transportation ever consulted this body in terms of how to be more inclusive or accessible?

**The Chair:** Thank you.

We'll go over to the government side, please.

**Mr. Rowswell:** Thank you very much. We'll just pick up where we left off there relative to traffic safety services. You know, it was higher than budgeted but the same as it was the previous year. Maybe just an explanation of why it was lowered and why you wound up where you were at.

**Ms Lajeunesse:** Sure. Thank you for that question. You're correct. There was certainly a difference there, where we spent \$4.5 million more in 2021 compared to budget. That is largely a reflection of the implementation of our SafeRoads Alberta program, that I discussed previously, which is really a diversion of most first-time impaired driving charges out of the court system and into a new administrative body for resolution. That's resulted in a number of significant efficiencies for the court system, and really it's aimed at taking what we describe as high volume but low severity offences that don't necessarily need to be clogging up court time so that the courts can focus on more egregious matters. Also, it's a significant time savings for the police. That was a program that was launched in 2020-21.

In addition to that, we also supported a new grant program to support unemployed individuals obtaining a class 1 driver's licence so they could enter into the commercial carrier industry. As you

may know, Alberta is projecting a shortfall of commercial carriers in the coming years, so we're very active in trying to find ways to fill that gap and also make the new mandatory entry-level training that came into effect in 2019 more affordable and accessible to those carrier groups. That particular grant was a new expenditure in the year that was undertaken in-year.

**Mr. Rowswell:** Okay. So that was – I guess I'd call it a bit of a surprise to you, an expenditure that you weren't planning on initially at the beginning of the year.

**Ms Lajeunesse:** Right. At the beginning we didn't budget for it. We were doing the work through the year to establish the program and seek the funding.

**Mr. Rowswell:** Very good. All right. Well, that's good. Similarly, the municipal water infrastructure grant program expenditure was about double. I know in my own constituency we benefited quite nicely. Lloydminster got some money for their waste-water plant. Vermilion got theirs done. Wainwright got some for their lagoons. Our ACE water project got the final batch of funding for completing that project. I'm a pretty happy camper out in my area. I'm just wondering how it doubled or why that happened.

**Ms Lajeunesse:** Sure. As you know, as part of the focus on economic recovery the ministry received a significant bump in stimulus funding that we were able to allocate to not only our own projects but many of those grant-funded programs that we supply across the province. There was \$73 million more in the year compared to budget to do just that, to support the economic recovery and stimulus related to new municipal water projects. Of course, that was an endeavour of not only injecting more funding into the economy but certainly jobs as well. Maybe I will just ask the ADM Tharmalingam to expand a little bit on the scope of those programs delivered or approved across the province.

**Mr. Tharmalingam:** Sorry. We have two water grants programs. One is water for life. That actually focuses on regional waterlines and creates that. People and municipalities work together to come up with that. The other one is the Alberta municipal water waste-water program that actually helps in terms of addressing any stand-alone water treatment plant that needs to be done. The small and rural municipalities are eligible for this program. It is to ensure that reliable and efficient water system and treatment facilities exist in municipalities. We are maintaining the funding for the water waste-water program as well as for the water for life program.

As for the expenditures in '20-21, I can give you some numbers. Budget 2021 had about \$86.7 million paid to municipalities for 77 water treatment projects, and that pretty much covers it if that's what you're looking for.

**Mr. Rowswell:** Yeah. No. I was just wondering why, you know, this wound up being quite a bit more spending, especially when there were fewer federal grants that came through. That kind of lends itself to my next set of questions relative to grants in conjunction with the federal government.

Transportation infrastructure is an extremely capital-intensive area of government spending, and it is a portfolio that falls into an area of shared jurisdictions. As such, there's no surprise that there are a number of joint grants that the province and the federal government administer. Page 23 of the annual report notes two such programs: the public transit infrastructure fund, or the PTIF, and the investment in Canada infrastructure program, or ICIP. I'd like to better understand some of the mechanics behind these jointly administered programs a bit better. How did the federal and provincial governments determine

which programs got funding in 2020-21? Particularly, which order of government had the final say on programs? I want to understand who was the final decider a bit better.

**Ms Lajeunesse:** Sure. Thank you so much for that question. As I think you mentioned, PTIF and ICIP are both federal programs. Ultimately, the federal government makes the final decision on approval of projects, but for the role of the province, we try to work very closely with municipalities to ensure that their projects that are submitted would meet the criteria in order to garner approval from the federal government.

**Mr. Rowswell:** Okay. In that case, let's say that the federal government chose not to fund something that we wanted to do here in Alberta. How do you manage that? Do you just park it and try to get it next year, or do you try to adjust funding? That's why I was wondering why the waste-water thing doubled while we've got fewer grants from the federal government. If you could just give me an idea of how you manage those types of decisions.

**Ms Lajeunesse:** Sure. I'll actually ask Ranjit to provide some added detail, but certainly we have these federal programs that we try to help municipalities navigate the eligibility criteria of to try to ensure their best success. In terms of that, when we talk about the doubling of the funding, we also had an injection into our own water grant programs that allowed us to spend more on providing municipalities direct grant funding through the province rather than through the federal process. In terms of projects that might be ultimately not approved by the federal government, I'll just ask Ranjit to talk a little bit about how we work with municipalities, between the two levels of grants available to municipalities, to try to ensure their best success.

**Mr. Tharmalingam:** Yeah. This is Ranjit Tharmalingam, ADM, Transportation. We do work very closely with municipalities in terms of understanding the project needs that they have. We actually closely work with them in terms of getting their application to the federal government. Any questions that come from the federal government when projects are submitted: we'll promptly work with the municipalities in terms of addressing those gaps so that we make every effort to make the application successful through federal government. That's our initial intent.

**The Chair:** Thank you, ADM Tharmalingam.

We will now move over to the fourth block for the Official Opposition. I have Member Pancholi, I believe.

**Ms Pancholi:** Thank you, Madam Chair. My next question is also going to be about some specific projects, so these may be for ADM Loo. I'd first like to ask about the intersection at highway 16A and range road 20. It's commonly known as Beach Corner around Spruce Grove and Stony Plain. It's an area of serious concern for a number of people in the community. I understand that there was a fatal collision there in August and that there is currently a petition to improve this intersection, with thousands of names on it. In fiscal year 2020-21 was there any work done to improve this intersection? Were any funds expedited to do work on this intersection? Of course, I'm not familiar. Maybe there is an intersection improvement priority list. If so, where did this intersection fall on that priority list?

9:20

**Mr. Loo:** I'm Tom Loo, assistant deputy minister of construction and maintenance for the department. Thank you for the question. This particular intersection is known to have a higher than, quote, unquote, normal number of collisions and has been identified within the department for future improvements. As you're aware

and you had mentioned, there was a fatal accident that did occur in August of this year. In 2017 we did do some improvements in the area to provide some additional signing for motorists to identify that this was an important intersection ahead and that they can anticipate some turning movements as they approach it. The particular intersection also had some work done to improve the illumination in the area. The intersection does have existing illumination, but as part of our LED program we did replace the illumination to provide improved lighting in the intersection.

**Ms Pancholi:** Thank you.

Was that work that was done in the 2020-21 fiscal year – is that correct? – what you just described?

**Mr. Loo:** Some of that illumination work would have been done, actually, in this current fiscal year.

**Ms Pancholi:** Do you anticipate, given the collision that happened just earlier this year – I mean, is there more work that is planned for that intersection?

**Mr. Loo:** We are doing an ongoing safety review on the intersection. We've completed a functional planning study on that intersection, and it is identified as a future project to basically remove the at-grade intersection and replace it with an interchange. At this point in time that's considered a future project, and it's not on the capital plan.

**Ms Pancholi:** Okay.

**Mr. Loo:** But we continue to, as a result of that accident and, as you had mentioned, the number of citizens and stakeholders that have raised this concern to us – there's, you know, an ongoing review of what we can do in the interim, before the interchange is constructed.

**Ms Pancholi:** Thank you. I appreciate that, ADM Loo.

I'm going to move on to ask about highway 881 and the 12-kilometre stretch between Gregoire Lake and Lac La Biche. The community is concerned about this highway and would like to see it twinned. A few questions on this topic. As of March 31, 2021, was there any associated funding in Transportation to twin this section of the highway?

**Mr. Loo:** You said, "as of March 31, 2021"?

**Ms Pancholi:** Yeah. This fiscal year.

**Mr. Loo:** Yes. We have engaged a consultant. We are continuing to work on the detailed design for the highway improvements on highway 881. We're also looking at the preconstruction work that's required. There is some land acquisition that we're looking at and also the potential relocation of some affected utilities.

**Ms Pancholi:** At this point in time, ADM Loo, if you have a cost estimate for how much it would cost to twin this 12-kilometre section, if you could table that with this committee, in terms of what the cost estimate is at this point, that would be appreciated.

**Mr. Loo:** Right. Just a correction: there are no plans to twin 881 at this time. The particular project that's on our capital plan is widening. That would include some additional passing lanes and also a large rest area or a truck stop to allow the trucking industry to park overnight.

**Ms Pancholi:** Okay. Thank you.

**Mr. Loo:** At this point 881 is not slated for twinning.

**Ms Pancholi:** Okay. Thank you. Then if you could provide a cost estimate of the widening, as you've discussed, that would be appreciated as well.

I'll move on to highways or roads that are controlled by Alberta Transportation that run through some smaller towns in Alberta. As we know, that happens. For example, the highways that run through High River or Lac La Biche: they are actually controlled by Alberta Transportation. I understand it's about only 400 metres of road in that community, but if you wanted to make improvements to it – on that 400 metres of road it is an Alberta Transportation road – they would have to require both a municipal permit to make modifications and a permit from Transportation. My first question: is that correct, that that runs through High River, that there is a 400-metre section that runs through the sort of main street of the town that is actually owned by Alberta Transportation or operated by it?

**Mr. Loo:** You are correct. For provincial highways where we control and manage the highway through that municipality, there is what we describe as the development control zone. That development control zone is defined as within an 800-metre radius at the intersection of the provincial highway and another roadway crossing and 300 metres from the edge of the provincial highway right . . .

**Ms Pancholi:** Thank you. I'm sorry to cut you off. We've got a short amount of time, so I'm just trying to get through all these questions. Why would a community need to go, then – I understand it's controlled by Transportation. But, really, you can understand the administrative and – let's be honest – red tape challenge for the town having to actually go through Alberta Transportation to get permits.

**Mr. Loo:** You're correct. We have initiated the highway vicinity management program, where we are looking at eliminating the need for a lot of those routine-type permits, particularly what you've talked about in Lac La Biche, where if you have a particular business or a dentist wants to put up a sign – some of those things are routine. We have initiated a voluntary program with municipalities where they can step forward, with the full intent of eliminating the need for a lot of those routine-type permits.

**Ms Pancholi:** I appreciate that.

What was the average processing time during the fiscal year that's in question today to get a permit from the ministry right now for that year? What was the average processing time?

**Mr. Loo:** We target, for some of those permits, to have them processed in about four weeks. Now, again, that's a little bit variable in some situations based on the volume of work and the priority of work. We also receive applications for subdivision developments, and those take priority over these routine-type permit requirements. But as I'd mentioned earlier . . .

**Ms Pancholi:** Thank you. Thank you, ADM Loo. I'm sorry to interrupt. It's just that that does sort of contradict some of the things we were hearing from people in the community, who were saying that it was taking up to a year to get some of these permits done. In terms of the program you talked about to eliminate some of this need for these permits, what is the timeline for implementation of that program?

**Mr. Loo:** The implementation is under way. We approached all of the municipalities throughout the province – it's a voluntary program – and I believe to date we have approximately 19 municipalities that have signed up. We are in the process of moving

forward with each of those municipalities to identify certain types of permit applications which we will basically exempt from approval.

**Ms Pancholi:** Thank you.

In that area in Lac La Biche was any work done to actually divest that road in question to Lac La Biche?

**Mr. Loo:** That is something that we have also looked at. We fully understand that the town of Lac La Biche would like to assume control and management of certain . . .

**The Chair:** Thank you, ADM Loo.

We will now move back for the final rotation on the government side. You have nine minutes.

**Mr. Rowswell:** Okay. Thank you. I'll just wrap up my question on the PTIF and the ICIP we were talking about. I'm just wondering if the ministry can provide an example of an approved project under one of these funding programs and perhaps a progress update to illustrate how quickly the funding was able to contribute to the approved project.

[Mr. Reid in the chair]

**Ms Lajeunesse:** Sure. Thank you for that question. I think Ranjit covered it earlier when we talked about the COVID-19 resilience stream. It was adjusted under the federal grant programs to really help municipalities redirect some of the existing funding they had approved under those streams to deal with more immediate pressures from COVID-19. An example of a project that would reflect that is that the accelerated approvals process enabled the town of Whitecourt to start and complete a retrofit of the Scott Safety Centre ice plant. That went from May to September 2021. This involved replacing and upgrading the existing ice plant with a new low-volume ammonia system. That certainly accelerated the ability for that work to be completed in a short amount of time.

9:30

**Mr. Rowswell:** Okay. Well, great. I'll carry on now to connecting Alberta communities. Outcome 3 of the annual report is "Connected and Active Communities: Albertans have inclusive and accessible transportation options in and between communities." Most Albertans require transportation beyond their own two feet at some point or another, and with such a large amount of land mass in our beautiful province it certainly becomes important that the ministry ensure that transportation needs are met. With that in mind, I would like to ask a few questions about how the ministry ensured that this outcome was met in 2020-2021.

GreenTRIP funding was one of the ways in which the ministry supported this outcome. Can the ministry provide more detail on the GreenTRIP funding and how it was allocated?

**Ms Lajeunesse:** Sure. Thank you for that. GreenTRIP is a program that provides one-time capital funding to municipalities to support new or expanded public transit, and the goal is that the transit is safe, affordable, and environmentally sustainable. There was up to \$2 billion made available for the duration of the program. At this point it is a fully committed program, with signed grant agreements for all of the money available. The capital projects funded under GreenTRIP give Albertans more options for public transit, as you mentioned, other than their own two feet. Certainly, people will need something beyond that to get them around to the things they need to do.

The purpose of the program really was to help decrease the number of vehicles on our roads and, of course, as a corollary



consequence of that, reduce greenhouse gas emissions and certainly help promote Alberta's growth in a responsible, environmentally conscious way. A total of 33 projects benefited from the \$25.6 million spent in the current fiscal year that is under discussion today. These included the LRT expansion and electric bus purchase in Edmonton, bus replacement and expansion in Lethbridge, transit infrastructure expansion in Spruce Grove, and a transit storage and maintenance facility in Airdrie.

**Mr. Rowswell:** Okay. Yeah. Thank you.

Those are all communities that either are relatively close to or are major urban centres. I was just wondering – you know, when you try to talk about public transit in smaller communities, it just isn't viable – did the ministry have a mechanism to ensure that some of these funding dollars were directed to rural areas, and was that successful at all?

[Ms Phillips in the chair]

**Ms Lajeunesse:** Sure. We are certainly always conscious of the sometime disparity that can occur between rural and urban centres when it comes to transit infrastructure and other things. Of the \$2 billion allotted for that program, \$400 million was allocated to rural areas, with the \$800 million going to the two larger centres. We certainly encouraged municipalities outside of Calgary and Edmonton to apply for this funding that was available specifically to those rural areas. Then we also expanded the GreenTRIP to qualify for all eligible PTIF projects, so that would help municipalities get maximum support from both our program and the federally funded PTIF program.

**Mr. Rowswell:** Interesting. What kinds of things did the rural people put their money to? Did they have buses? What did they do? Little handivans? Do you know those details?

**Ms Lajeunesse:** Sure. Maybe I will turn it over to Ranjit to discuss what sorts of things were funded under that for the rural areas.

**Mr. Tharmalingam:** Yeah. It varies depending on the municipalities. We have had, where a bus maintenance facility could be in a somewhat larger community, having purchased one bus for a transit service. It varies depending on the community's needs, whether it's a transit stop that needs to be rehabilitated or built or whether it's going to be actually having purchased a bus. It depends on what it is. Yeah. Many of them related to transit are eligible under this program, so we were able to make that work.

**Mr. Rowswell:** Okay. Well, that's good news and a little innovation on everyone's part.

Outcome 3.2 on page 30 mentions the rural transportation pilot program. I know that the pilot is scheduled to end in 2021-22, but as I know, rural transportation is a significant issue. I'd like the minister to provide an update on the implementation of the program in 2020-2021.

**Ms Lajeunesse:** Sure. Thank you for that question. I can tell you that the bulk of those pilot projects wrapped up in 2020-21 with the exception of the MD of Spirit River, which was extended to conclude this fall. Two pilots, Camrose and Grande Prairie – I think that was mentioned earlier – were cancelled at the request of the municipality due to low ridership, and we certainly assume that was resulting from the impacts of the pandemic. One pilot, Medicine Hat, also ended two months early at the request of the municipality for similar circumstances. Three pilots with Camrose, Red Deer county, and the MD of Spirit River were completed on time or a request to extend the pilot from their original timelines was granted.

We are very alive to the fact that the intention of the pilot program was certainly impacted by the pandemic, as most things were that we're aware of. We certainly made efforts to adjust, and if extensions were requested, we allowed those to occur. At the end of the day, in looking to our evaluation work that will be occurring this year, we really need to consider how we will navigate through the impacts of the pandemic and what recovery might look like in a different scenario for those bus services going forward.

**Mr. Rowswell:** Okay. That's interesting. You think that they gave up on the program as a result of the pandemic. I imagine it's hard to assess demand during a pandemic year, but was that the main focus for cancelling it early?

**Ms Lajeunesse:** For those municipalities that stopped their pilot programs early, predominantly we were told – I mean, there were a number of things contributing to that. First of all, they were, by their very nature, potentially small projects to begin with, and then, of course, the advent of COVID-19 protocols that had to be in place for people on transit systems further reduced the ability to accommodate maybe a full fleet of passengers on a particular route. Those were certainly impacts felt by those pilots in terms of the feasibility to continue with them.

**Mr. Rowswell:** Okay. Great. I'm just wondering: what are the major lessons you learned from the pilots that you did do?

**Ms Lajeunesse:** Sure. As I mentioned, we're certainly . . .

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

Now we'll move on to the fifth rotation, which is three minutes on each side, to read questions into the record for the ministry to follow up on within 30 days. I am looking at Member Renaud, who would like to lead off, please.

**Ms Renaud:** Thank you, Madam Chair. Question one: can the ministry share with the committee the average cost to repave one kilometre of road in 2020-21? I appreciate that each situation is different, but a working rule or equation is sufficient.

Question two: does the ministry have an assessment of the percentage of Alberta's road network owned by the province that is susceptible to extreme weather events like we've seen in B.C.? If so, for the proportion of the road network that is not up to modern standards, does the ministry have a working cost estimate of the amount required to bring the network up to standard?

Question three. The ministry does planning work at a high-level cost estimate of the amount required to make the QE II highway between Edmonton and Calgary three lanes in each direction, including the cost of reworking interchanges. Can the ministry please table with the committee the high-level cost estimate?

Question four: can the ministry explain why progress on projects under the federal grants program was slower than anticipated? If progress was limited due to the COVID-19 pandemic, what steps did the ministry take in 2020-21 to ensure that the projects will be completed in a timely manner? How is the ministry supporting Alberta's municipalities to complete their projects and address federal funding requirements, and are there financial implications associated with the delays?

Question five on twinning Ray Gibbon Drive. Can we get a status update on delays and any issues or permit problems?

Question six. According to the AG report the Ministry of Transportation is required to follow public-sector accounting standards, which include the reporting of environmental liabilities. What steps is the ministry taking to improve its reporting of environmental liabilities to ensure that it's meeting public-sector

accounting standards and government accounting policies? Is there a timeline for implementation?

Question seven: what steps is the ministry taking to address the OAG concerns that Transportation is in noncompliance with the Environmental Protection and Enhancement Act, and does the ministry have a timeline to complete environmental assessments of contaminated sites under its jurisdiction?

9:40

Question eight. The OAG reported that contamination continues to spread due to uncontrolled sources of contamination that Transportation has not remediated or controlled. What are the financial, environmental, and human risks posed when contaminants are permitted to leach? Also, what steps is the ministry taking to ensure the safety of people and environment around these sites, and can the ministry please break this down by site?

Question nine. According to the OAG the ministry has not always informed or involved all landowners whose land is affected by contaminated sites. What plans, if any, did the ministry put in place to ensure that all parties affected by site contamination are appropriately notified?

Question 10. The OAG stated that the ministry suspended operating a groundwater recovery system for a period due to insufficient funding, increasing the risk of contamination spreading. What specific steps did the ministry take, if any, in 2020-21 to ensure that there is sufficient funding to maintain and operate groundwater recovery systems?

My last question: how will the ministry know if the elimination of the commercial vehicle and commercial carrier permits is achieving its desired results to streamline processes and reduce costs for carriers whereby it hopes to save carriers time and money while still supporting the safe and efficient movement of goods across the province and drive economic growth? Does the ministry plan to publicly report performance metrics?

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

Over to the government side for the read-in portion, please.

**Mr. Turton:** Thank you, Madam Chair. Just a couple of questions. Can the ministry please provide an update on the progress made to addressing the office of the Auditor General's recommendation to

improving processes to assess, estimate, and account for environmental liabilities?

My next question is: can the ministry please provide an update on the progress made to addressing the office of the Auditor General's recommendation to improving processes to ensure compliance with environmental legislation?

I'll pass it over, I guess, to MLA Singh.

**Mr. Singh:** Thank you, Madam Chair. Throughout the annual report the rehabilitation of roads is mentioned numerous times. Alberta's weather and the traffic generated by our industries certainly have an impact on the condition of our roads. I'm wondering if the ministry can provide some insight into our road rehabilitation. What were the metrics used by the ministry in determining which roads received the funding for rehabilitation, and how did the ministry include safety in its assessment of which roads needed rehabilitation? What mechanisms did the ministry have in place to ensure that rehabilitation projects are of high enough quality for taxpayers to get value for their tax dollars?

Thank you, Madam Chair.

**The Chair:** Okay. Very good. Thank you to the officials from the Ministry of Transportation for attending today and responding to our questions. We ask that the outstanding questions be responded to in writing within 30 days and forwarded to the committee clerk.

We have received our written responses, friends, from the Ministry of Service Alberta from our October 26 meeting. Those are on the committee public website per the ordinary practice of the committee, or they will be posted.

Any other items for discussion?

Seeing none, the date of our next meeting will be Tuesday, December 14, with the Auditor General of Alberta.

Those at the table, please take your items with you when you leave.

I will call for a motion to adjourn. Moved by the deputy chair, Reid. All in favour? Any opposed? Thank you. That motion is carried. We will see you on the 14th.

[The committee adjourned at 9:43 a.m.]



