



Legislative Assembly of Alberta

The 29th Legislature
Second Session

Standing Committee
on
Resource Stewardship

Ministry of Transportation
Consideration of Main Estimates

Wednesday, May 11, 2016
9 a.m.

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Second Session**

Standing Committee on Resource Stewardship

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Loewen, Todd, Grande Prairie-Smoky (W), Deputy Chair

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Standing Committee on Resource Stewardship

Participant

Ministry of Transportation
Hon. Brian Mason, Minister

9 a.m.

Wednesday, May 11, 2016

[Loyola in the chair]

**Ministry of Transportation
Consideration of Main Estimates**

The Chair: I would like to call the meeting to order and welcome everybody. The committee has under consideration the estimates of the Ministry of Transportation for the fiscal year ending March 31, 2017.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, please introduce the staff that are joining you at the table. I'm Rod Loyola, MLA for Edmonton-Ellerslie and chair of the committee, and we'll start here to my right.

Mrs. Aheer: Good morning. I'm Leela Sharon Aheer for Chestermere-Rocky View.

Mr. Clark: Good morning. Greg Clark, MLA, Calgary-Elbow.

Mr. McIver: Ric McIver, MLA, Calgary-Hays.

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

Mr. Hanson: Dave Hanson, MLA, Lac La Biche-St. Paul-Two Hills.

Mr. van Dijken: Glenn van Dijken, MLA for Barrhead-Morinville-Westlock.

Mr. Mason: Brian Mason, Minister of Transportation. With me are Greg Bass, my deputy minister; Ranjit Tharmalingam – I said that right, didn't I? Yes? – ADM of corporate services and information; and Dale Fung, who's a senior financial officer with the department. We also have a number of other officials in attendance, and I may call on them at some time.

Mr. Dang: Thomas Dang, MLA, Edmonton-South West.

Ms Kazim: Anam Kazim, MLA, Calgary-Glenmore.

Ms Woollard: Denise Woollard, MLA, Edmonton-Mill Creek.

Mr. Kleinsteuber: Good morning. Jamie Kleinsteuber, MLA, Calgary-Northern Hills.

Mr. Rosendahl: Eric Rosendahl, MLA, West Yellowhead.

Ms Babcock: Erin Babcock, MLA for Stony Plain.

Mr. Malkinson: Brian Malkinson, MLA for Calgary-Currie.

Mr. Nielsen: Chris Nielsen, MLA for Edmonton-Decore.

The Chair: Okay. Please note that the microphones are operated by *Hansard*, and we'd ask that BlackBerrys, iPhones, et cetera, be turned off or set to silent or vibrate and not placed on the table as they may interfere with the audiofeed.

Hon. members, the standing orders set out the process for consideration of the main estimates. Before we proceed with consideration of the main estimates for the Ministry of Transportation, I would like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of Executive Council acting on the minister's behalf may make opening comments not exceeding 10 minutes. For the hour that

follows, members of the Official Opposition and the minister may speak. For the next 20 minutes the members of the third party, if any, and the minister may speak. For the next 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation, with speaking times of five minutes, once again a minister and a member may combine their speaking time for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not speaking time is combined. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time.

If members have any questions regarding speaking times or the rotation, please feel free to send a note or speak directly with either me as chair or committee clerk about the process.

Three hours have been scheduled to consider the estimates of the Ministry of Transportation. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having the break?

Mr. van Dijken: I oppose.

The Chair: We do have opposition.

Mr. Mason: Well, Mr. Chairman, if I need to take a break, I'm going to take one.

The Chair: We'll figure things out, Minister.

Committee members, ministers, and other members who are not committee members may participate; however, only a committee member or an official substitute for a committee member may introduce an amendment during a committee's review of the estimates.

Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Ministry staff seated in the gallery, if called upon, have access to a microphone in the gallery area. If one of you does get up to speak, I just remind you to please state your name and your position before speaking. Members' staff may be present and, space permitting, may sit at the table or behind their members along the committee room wall. Members have priority for seating at the table at all times.

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at noon.

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

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

Again I will remind all meeting participants to address their questions and responses through the chair and not directly to each other.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on May 17, 2016.

If there are amendments, an amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is deferred until Committee of Supply convenes on May 17, 2016. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. Twenty copies of amendments must be provided at the meeting for committee members and staff.

I will now invite the Minister of Transportation to begin with his opening remarks. Minister.

Mr. Mason: Thank you very much, Mr. Chairman, and good morning. Thank you, all, for being here today. I am pleased to present to the committee Alberta Transportation's estimates for 2016-17. I've introduced the people that we have at the table.

I just want to indicate support for all of the individuals who've been volunteering and serving during the course of the large fire that has passed through Fort McMurray, including many Transportation staff. They work tirelessly to fight the fire, to protect homes and businesses, and to help the more than 80,000 people evacuate the area, providing food, water, shelter, and fuel to evacuees and taking care of a myriad of other needs. Even as the fire continues, our experts are developing a plan for the safe re-entry of industry and, eventually, residents to the community.

In terms of our estimates I just wanted to indicate that on April 14 our government released the Alberta jobs plan, which is an ambitious \$34.8 billion capital plan to stimulate economic growth and create and preserve jobs over the next five years. We're investing in critical infrastructure, including transportation infrastructure, needed to provide services to Albertans for decades to come. These are the services that the public relies on, including public transit and good roads, and they will lay a solid foundation as our economy recovers. We're planning for the future, making important investments in our province, and taking leadership on the priorities that matter to Albertans.

Alberta's provincial highway network is vast, with 31,000 kilometres of highway, about 28,000 kilometres of which are paved, and nearly 4,500 bridges. Transportation's five-year capital plan invests \$9.3 billion in the provincial highway network, public transit options, and critical water infrastructure to help improve the quality of life of all Albertans. That's why we're focused on providing Albertans with a safe, modern, effective transportation system and supporting critical water and waste-water infrastructure as well as encouraging public transit growth in towns and cities large and small.

Even in difficult fiscal times we have a responsibility to do what we can to improve the lives of our residents, to create jobs so that Albertans can get back to work, and to focus our spending in a way that supports the economy and local businesses. I believe that our investment in transportation infrastructure does that.

We have just completed our provincial transit engagement, following through on our commitment to hear from Albertans about what they want to see in a new provincial transit strategy and associated funding programs as we continue to invest in public transit. The engagement included significant discussions with our municipal and indigenous partners because we want to build a system that works for all Albertans and considers the needs of all communities. We need their help not only around transit initiatives but also to plan for the future and to develop Alberta's long-term transportation strategy, which considers new technologies and accessibility for electric and autonomous vehicles. The results of

our broad, collaborative transit engagement are now being reviewed.

We are also following through on our commitment for renewed investment in the strategic transportation infrastructure program, also known as STIP, again by connecting with our municipal partners and other stakeholders and then with funding becoming available in 2017-18.

9:10

We are continuing to work with our safety partners across the province, using all the tools we have to increase safety on our highways.

All our collaboration with municipalities, industry experts such as the Alberta Motor Transport Association and the Alberta Roadbuilders and Heavy Construction Association, indigenous community leaders, and all Albertans demonstrates our sincere desire to work with all partners to improve our provincial economy and set a strong foundation for future growth.

It is in this spirit of collaboration that the culture at Alberta Transportation is changing. The dedicated people at Alberta Transportation have long been experts in their field, and with the renewed focus on embracing change in collaboration with stakeholders and citizens across Alberta, we are learning together about how to get to yes. This cultural shift is the best approach we can take to preparing for technological change and innovation. Our investments in Budget 2016 are informed by this progressive approach, and I look forward to the many things we're going to achieve together.

In my ministry over the next five years our \$9.3 billion transportation capital plan will foster economic growth and generate good-paying jobs; \$4.6 billion will be dedicated to capital projects, and more than \$2.5 billion will be spent on road rehabilitation and bridge construction and repair. All of the projects planned for the next three years are listed in the provincial construction program on Transportation's website.

We have followed through with two critical promises made to Albertans. First, Transportation received a \$377 million increase for our capital plan, which allowed us to add nearly a dozen more projects, including the twinning of the Peace River Bridge, a new interchange on the QE II at Gaetz Avenue in Red Deer, the highway 43X Grande Prairie bypass, and a new truck staging area on highway 63 north of Fort McMurray. Those are just four of the nearly 600 projects on the provincial construction program.

Highway 63 twinning and northeast Anthony Henday Drive are slated for completion this year. We know that completing the twinning of 240 kilometres of highway 63 between Grassland and Fort McMurray will make this stretch of road much safer for all, and I have no doubt that it greatly eased the congestion during the evacuation from Fort McMurray, so it is very timely. Completing the Edmonton ring road means easier travel for those that want to bypass the city and should help to reduce congestion on other Edmonton roads.

We've also published an unfunded capital projects list, which shows the high-priority projects that could move forward in the next five years or afterwards if and when funding becomes available. This list was produced using empirical information and computer-generated modelling along with the expert knowledge of staff in putting together the list.

There are a few other items that I would like to highlight. Budget 2016 dedicates \$140 million, \$28 million each year, to address a number of landslides that impact Alberta highway access and safety. This will allow us to invest in robust permanent solutions for repairs to some of the 360 known slides across the province.

We anticipate announcing the selected southwest Calgary ring road contractor this fall, with the project expected to be complete by 2021.

Now, there are some reductions in the budget. I want to start by stressing that Alberta highways are safe, but the overall growth and the condition of the highways plus insufficient investment in the past means that the overall health of Alberta's highway network is deteriorating. One of the difficult choices we made was to reduce the summer maintenance operating budget, meaning less money for pavement crack sealing and grass cutting. We are still spending \$909 million on maintenance, and winter maintenance will not be impacted. As well, our road rehabilitation and bridge rehabilitation and construction budget provides more than 2 and half billion dollars so that critical work can be going on. We know it's the right thing to do. It's the responsible way to support Alberta families and our economy.

We're also looking to the future and how we can incorporate innovation into the work that we do. From planning for autonomous vehicles to testing connected vehicles where cars electronically talk to our infrastructure, Alberta Transportation is involved in cutting-edge technology.

On the transit front Budget 2016 provides a total of \$1.3 billion for regional, urban, and rural transit. This includes \$305 million for municipal transit initiatives in large and small communities across Alberta. Nine hundred and fourteen million dollars is available for GreenTRIP, and in 2016-17 \$125 million is being provided for GreenTRIP. I announced a third call for the program applications this year, and municipalities have until the end of August to submit.

We're also supporting rural Albertans and local municipalities by providing \$595 million in funding for clean drinking water and water/waste-water projects over the next five years, \$130 million in 2016-17 alone.

We are renewing STIP funding starting in 2017 by providing \$100 million in grants to municipalities to support local transportation and infrastructure priorities in small and rural communities.

Mr. Chairman, with that overview of Budget 2016, I would be pleased to take committee members' questions. Thank you.

The Chair: Thank you very much, Minister.

For the hour that follows, we'll have members of the Official Opposition and the minister speak. Would you like me to set 20-minute intervals?

Mr. van Dijken: Yes, please. If we could go back and forth, that would be appreciated.

The Chair: Okay. Thank you very much.

Mr. van Dijken: Thank you, Minister, and thank you to all the staff that are here today to help us out through these deliberations. I look forward to a productive time together so that we can get a better understanding of your plan going forward.

I want to thank you also for the time that you have spent in assisting the province, leading to what looks like good outcomes in the wildfire situation, the evacuation. Thank you for your assistance there.

Minister, I also want to thank you for the Klondyke ferry being launched on time. I have many, many farming friends that are very happy with the fact that they were able to utilize that service and have that road open. Thank you for that.

Mr. Mason: Thank you.

Mr. van Dijken: I'm going to just take a quick look at – we have in our estimates two-year comparables. I'm not sure if that's a function of accounting practice or if that's going to be standard moving forward, but we did mention last fall in our estimates that we had one-year comparables, and two-year comparables are much more helpful in understanding our trend lines. So it's good to see that that's available to us.

I think what I'd like to start with, Minister, is to take a look at a number of things, but I'm going to start with, possibly, the water management end of things. Looking at page 235 in your government estimates – I'll also be referring to page 137 in the business plan and page 33 of the major construction projects – I note with interest the estimate of a \$1,414,000 increase over last year in line 14, water management infrastructure. I also note that 40 projects are being proposed over the next three years for our dams and our water management. I guess I'm just looking for a comment. Has this infrastructure been neglected in previous governments or in previous time frames?

Mr. Mason: You know, I could give you a political answer and say yes, but the fact of the matter is that we have a great deal of infrastructure in this province to maintain, and it probably hasn't received the amount of funding to maintain it over a fairly long period of time. I answered a similar question in Infrastructure. We're putting enough money into capital rehabilitation and repair to sort of get us to the point where it doesn't get worse. But there is an ongoing deficit, and a lot of that comes from back in the late '90s, early 2000s period. Since then, money for this has been increased somewhat but probably not enough.

Mr. van Dijken: Thank you, Minister.

I note with interest on line 14 there also that in 2014-15 there was \$19,852,000 budgeted but only \$9,831,000 was actually spent. Could you explain why Alberta Transportation lapsed the \$10 million between 2014 and '15, and what is the status of those lapsed projects? Do those projects then move forward in time, or how is that handled?

9:20

Mr. Mason: Okay. They were reprofiled from 2014-15 as a result of slower than anticipated progress on various water projects' work as we focused on flood mitigation and disaster recovery in 2014-15. That was really why that took place.

Mr. van Dijken: Okay. Thank you for that.

There was an incident in 2012 with the gates of the Berry Creek reservoir in the Drumheller-Stettler riding. They were broken, stuck open. A lot of stored water was lost. Fish were lost. Have all the repairs been completed and the issues with the Berry Creek reservoir been resolved?

Mr. Mason: I'll have to ask about it.

Mr. van Dijken: One other thing that we can also check into: if the repairs are complete, were there cost overruns with regard to that project? Was that on budget, or how did that . . .

Mr. Mason: Do you want us to get back to you and other members of the committee in writing after the meeting?

Mr. van Dijken: That would be great.

Mr. Mason: Yeah. I think it saves a little time.

Mr. van Dijken: For sure. I appreciate that. If we don't have the answers here, to come with the answers at a later date will help us out, give an understanding of how things are moving forward.

Speaking of Drumheller-Stettler, on page 237 under capital investment amounts funded by credit or recovery we have item 3, special areas water supply project. I asked about this in the 2015 estimates, and I'm just looking for a little bit more clarity on the answer. When we ask around, no one seems to know anything about this project. This is the third year that this has been reported. The total so far: \$1,620,000. Can you or someone here explain? The \$180,000 that's in this line item: is that a credit or a recovery? Do we know?

Mr. Mason: It's a recovery.

Mr. van Dijken: Okay. If that's a recovery, then who is paying to Alberta Transportation?

Mr. Mason: It's the special areas water supply project – that's the funder – and it's to complete the environmental impact assessment for the special areas water supply project.

Mr. van Dijken: Where exactly is this project? Do we have highway corridors?

Mr. Mason: We'll get you the information. It comes from the Red Deer River, and it goes to the special areas. Would you like maybe a map of the project or something?

Mr. van Dijken: That would be really helpful, actually.

Mr. Mason: Sure. We can get you that.

Mr. van Dijken: Then an expected completion date would be also helpful with that.

Mr. Mason: Okay.

Mr. van Dijken: Okay. Back to page 235 in the estimates, line 14, water management infrastructure. When I look at the same line on page 137 of the business plan, I see \$20 million a year projected out to 2018-2019. I guess, looking back over the years, we see quite a roller coaster in the funding there. Is \$20 million the optimal funding figure to ensure that the dams are not compromised? Is that the optimal figure, or is there more work that needs to be done on an ongoing basis?

Mr. Mason: I don't think we have an optimal figure, hon. member.

Mr. van Dijken: Okay.

Mr. Mason: You know, they do ongoing inspections, evaluations, and then they measure that against cash flows over several years.

Mr. van Dijken: Okay. As we have infrastructure aging, then we have more ongoing costs going along with that to continue that rehabilitation, so I'm just seeing if there's an idea that possibly we're starting to get into a situation where those are going to start increasing over a period of time.

Minister, do you feel that we need more water retention in Alberta?

Mr. Mason: You know, I think I would take direction on that from Agriculture, from Environment and Parks, and so on. I think those are the places that make those assessments. If it's required, then we're happy to construct it and make sure that it's there.

Mr. van Dijken: Okay. I understand that Alberta Transportation delivers and operates these water control structures on behalf of Alberta Environment and Parks, but as I review the three-year construction priority list, there seems to be a major project missing, that being the Springbank off-stream reservoir. Is this project just not a priority to protect the city of Calgary from flooding?

Mr. Mason: It's in the Environment and Parks budget.

Mr. van Dijken: Good. Yeah. Thank you for that. That's what I suspected, but, you know, there's some overlap there between ministries, and it's hard to keep track of it all.

Mr. Mason: Yes, it is.

Mr. van Dijken: Now, there have been all kinds of terms bandied around about this project: dry dam, off-stream reservoir. What is this project really expected to be?

Mr. Mason: It's for overflow, to absorb higher-than-average flows. It's intended to work with the Glenmore dam in Calgary to control flooding. It's a bit like a dry pond in a city drainage system. When you have much higher than average flows on a temporary basis, it stores those flows and then releases the water back in when the flows in the river have gone back to normal or to within the capacity of the Glenmore dam downstream. That's the intention.

Mr. van Dijken: Yeah. At a period in time.

Mr. Mason: Yes.

Mr. van Dijken: When I see the word "reservoir," I think of water retention and water storage, so that gives me an indication that possibly there's an expectation that this will become . . .

Mr. Mason: A lake?

Mr. van Dijken: Well, a reservoir of permanent water. Let's put it that way.

Mr. Mason: No. That was considered. The problem is: if it's already full, how do you store water in it when it's raining too hard?

Mr. van Dijken: Yeah. You've got to make a quick decision, I guess.

Mr. Mason: So it's dry. We expect that it will be completely dry most years, but in a flood situation, as we had a couple of years ago, then it will be filled up with water, and then the water will be released. There'll be some cleanup costs after that, but then we would return it to the state it was in.

Mr. van Dijken: Thank you, Minister.

Moving on, then, we have municipalities in the Calgary region, again with water strategy. These municipalities are building miles and miles of water/waste-water infrastructure to avoid the city of Calgary. This is wasting . . .

Mr. Mason: To avoid, like, dealing with them, or going around them?

Mr. van Dijken: I guess what I'm talking about is water rights and control of water in that region and wasting taxpayers' money when the lowest cost, short-distance solution is to tie into the city of Calgary's system. The city of Calgary has a water licence, a 3-million-person water licence. There have been discussions that possibly this is being utilized as an economic development weapon

against the surrounding municipalities. Do you feel that this is a good move forward, that we have these types of issues over water rights?

Mr. Mason: I can't really comment on that, hon. member. I'm not really aware of the strategies that the city of Calgary is using or some of the issues surrounding water licences as those are under the purview of the Department of Environment and Parks. We operate certain programs to support smaller municipalities to promote regional water systems and waste-water systems. They make applications, we assess them against criteria, and then we provide the funding from those programs. That is the extent of our involvement in water.

9:30

Mr. van Dijken: Okay.

Mr. Mason: I'm going to try and stay out of this because there's a saying that whiskey is for drinking and water is for fighting over.

Mr. van Dijken: Going back to the Springbank dry dam reservoir, there are 1,500 people in Bragg Creek, Redwood Meadows, Rocky View county, and the Tsuut'ina First Nation that are left to the ravages of another major event with the Springbank facility as opposed to McLean Creek. Why was the decision made to go to Springbank as opposed to McLean Creek, where we have plentiful Crown land for the reservoir?

Mr. Mason: I think, hon. member, the assessment was done, again, by Environment and Parks, and the project was turned over to us for construction, so I think that the best answer you could obtain would be from the Minister of Environment and Parks. I do know that it was considered to be the best protection for the city of Calgary. There are capital projects for flood control for both the Bragg Creek area and the Tsuut'ina Nation that are contained in the capital plan as well as Springbank.

Mr. van Dijken: Okay. Good to hear. Thank you.

Speaking of budgets, I've seen some numbers tossed around about the costs of the Springbank dry dam reservoir. The number \$297 million was put out there by Alberta Environment and Parks, and if I know anything about Alberta Transportation, Minister, your people don't like numbers like that being tossed around out there because it could prejudice the tenders.

Mr. Mason: Absolutely.

Mr. van Dijken: Everyone will bid around \$297 million, and taxpayers potentially won't get good value for their money. Has Alberta Environment and Parks gone and compromised this project by putting a number out there?

Mr. Mason: You know, there's a certain amount that's contained in the budget. It covers Springbank, and it also covers Bragg Creek but excludes the cost of purchasing the required land. We've now got access agreements with the landowners so that we can conduct our environmental impact assessment, which has to be over the four seasons, so it'll take a complete year to complete. Then we'll begin negotiations. We've had some preliminary discussions with landowners about the acquisition of the land. Now, the landowners, of course, want the best possible price for their land, and that's fair, but it's a negotiating process which I think would be assisted if we refrain from discussing projected prices. We want to get the lowest possible price.

Mr. van Dijken: Actually, I would suggest that the landowners deserve the best price possible because we are interfering with their ability to . . .

Mr. Mason: Well, that will be taken into account, but, you know, as I see my responsibility, hon. member, it's to get the best value for the taxpayer.

Mr. van Dijken: It is a balancing act, for sure, Minister, yeah. Thank you for that.

Part of the Springbank off-stream reservoir project involves the raising of highway 22. Will that part of the road project come out of funding in that line 14, water management infrastructure, on page 235, or will it come out of highway twinning, widening, and expansion? Where do you foresee that?

Mr. Mason: Well, the budget remains with Alberta Environment and Parks, and the road elevation is included in that budget.

Mr. van Dijken: Okay. Highway 22 at this location is supposed to be twinned also and highway 8, for that matter, tying in with the Glenmore. Will the Springbank off-stream reservoir project include the twinning of highway 22 and/or highway 8?

Mr. Mason: That's our budget.

Mr. van Dijken: That would be the Transportation budget. Thank you.

We also know that the interchange at highway 22 and highway 1 is nearing the end of its useful life. That will also, then, land under Alberta Transportation? That project would be included in the Springbank off-stream reservoir, but that would then be an upgrade that would come under Alberta Transportation also?

Mr. Mason: Absolutely, yeah.

Mr. van Dijken: I notice there seem to be lots of vehicles parked on the sides of all the range and township roads in the vicinity of the highway 22 and highway 1 interchange. On page 234 of the main estimates, line 7.3, green transit incentives program, I notice that we still have lots of funds in the program, the green incentive program. Have you ever considered constructing a carpool and park-and-ride lot at this interchange for commuters to Calgary and for going out to the mountains?

Mr. Mason: Not that I recall, hon. member.

Mr. van Dijken: Okay.

Mr. Mason: Could you elaborate a little bit more on what you think is going on there?

Mr. van Dijken: We're talking about the interchange at highway 22 by Cochrane and highway 1. We see a lot of vehicles parked.

Mr. Mason: There's a big Husky station near there.

Mr. van Dijken: You're exactly right.

A lot of vehicles park there. They'll end up being parked on the roadside, in the ditches.

Mr. Mason: What are people doing once they get out of their cars?

Mr. van Dijken: Carpooling, primarily.

Mr. Mason: Oh, are they? Okay.

Mr. van Dijken: That's the indication I get. It's for their ability to . . .

An Hon. Member: We don't want to encourage that.

Mr. Mason: That's a little too socialistic for you, eh?

Mr. van Dijken: It would be something to look into anyway, Minister.

Mr. Mason: Thank you for the idea. I think that might be a good idea. If people are doing that all on their own, maybe we can help a little bit with that.

Mr. van Dijken: Exactly. The trend is that way.

Then line 8 on page 234. Line 8 more than doubles the municipal water grants . . .

Mr. Mason: Yeah.

Mr. van Dijken: . . . and your business plan, page 137, indicates a \$25 million drop next year but rising to \$150 million in 2018-19. Do we know when the grants will be awarded this year? Essentially, we're looking at page 137.

Mr. Mason: Capital investment, the second-last line?

Mr. van Dijken: I will find it for you here. We've got capital grants on page 234 of the estimates.

Mr. Mason: Yeah.

Mr. van Dijken: Then in the business plan, page 137, we have a \$25 million drop.

Mr. Mason: Which line are you looking at, please?

Mr. van Dijken: The municipal water infrastructure grant programs.

Mr. Mason: Under expense?

Mr. van Dijken: Under expense, yes.

Mr. Mason: Okay. Because there's also a line down under capital investment.

Mr. van Dijken: Right.

Okay; \$130 million budgeted for this year, \$105 million for the year going out, and then \$150 million in the year forward. I guess the question is mostly about timing and being able to get plans in place.

Mr. Mason: Well, my general understanding is that these budget figures are designed to follow the aggregated cash flows of the various projects. I don't have more specific information, but we could probably get that for you.

Mr. van Dijken: Okay. Thank you.

Alberta Transportation does publish the award list for the municipal water/waste-water partnership and the water for life programs. That's published on the website, but many people find this information lacking. Is it possible to produce a table of these grant awards – when they were awarded, the project cost, the dollar amounts awarded, and the dollar amounts outstanding – and have this tabled?

9:40

Mr. Mason: We probably can find that information, maybe not in exactly the form you're suggesting, but I think that that information can be pulled. We track all of those grants. We know where the money has gone because we have to make sure that they follow through on what they said that they were going to use it for, so we do keep track.

Mr. van Dijken: Exactly, and for others to be able to track the progress of it.

Last winter, Minister, you requested a capital list from all MLAs on projects in their constituencies, shovel-ready projects, and our Official Opposition, the Wildrose, combined their list. There were an incredible number of water/waste-water projects. Will some of the most critical projects like the waste-water treatment plant in the Crownst Pass – I've asked this question before – be addressed before raw sewage starts to be spilled into the river?

Mr. Mason: I'm hopeful. You know, one of the factors, of course, that's very important is the potential for some serious failures, and the urgency of the project is certainly taken into account in terms of the evaluation. So maybe people can get me that specific information.

Mr. van Dijken: I had asked the question about Blackfalds, Lacombe, Red Deer, and I see there's been an announcement that that is proceeding, but I still have concerns about the issue in the Crownst Pass. In terms of liability in the law, if infrastructure had failed, who's liable if raw sewage lands in one of the rivers? Is that going to fall on the back of the municipality? Where's the liability there?

Mr. Mason: I believe they're the ones that are held accountable and get the orders from Alberta Environment or from the federal – is it still fish and wildlife federally? Yes, it's the municipalities. It's the operator of the system that is responsible.

Mr. van Dijken: Okay.

Mr. Mason: On your information with respect to the waste-water treatment plant . . .

Mr. van Dijken: Yes.

Mr. Mason: . . . the application was made under the Alberta municipal water/waste-water program. I wrote to the municipality and indicated the process and that the project list would be provided in early 2016. That project is currently in the review and approvals process. You need to understand that with the capital grant programs we don't make the decision and then put them into the budget. We put the money for the grant program into the budget, and then we assess applications as they come in. That one is currently under review and is being considered. Those decisions, I hope, will be made in the next little while, and then I'll sign the letters, and they'll start going out I would expect sometime over the summer.

Mr. van Dijken: So it's in priority review.

Mr. Mason: Yeah. It's certainly under consideration.

Mr. van Dijken: Good. Thank you. Good to hear.

Page 234 of the main estimates, line 2. We discussed at the last estimates, in the fall, line 2. You told us that the operating grants for rural buses would be coming out of this line item, but I see that the line item has been cut by just shy of \$3 million over last year.

There are a number of rural handibus operators that are possibly looking for operating subsidies. Can you explain the cut in this line item, and can you explain if and when we might see the operating subsidies roll out?

Mr. Mason: Well, the explanation is that we're kind of short of money. You know, we had to find places to reduce, and that was one of them. We are planning from funds within the department to do some rural bus pilot projects, nevertheless, by finding money within the department's budget. We remain committed to that.

The difference, hon. member, in terms of operating spending, which this is, is that that goes on the deficit whereas if we invest in a capital program and have an asset to show for the money we've invested, it is not on the deficit. You may be surprised to hear this, but we are trying to keep the deficit as low as possible.

Mr. van Dijken: I understand. I understand.

Then again, wouldn't it be better to just stick to capital funding for this intercity and handibus industry? That would be my suggestion.

Mr. Mason: We had originally hoped to provide even higher levels of capital grants to our municipalities, but a capital grant is treated by the accountants as an operational expenditure.

Mr. van Dijken: For you. Yes.

Mr. Mason: And it also goes on the deficit because the asset is in the hands of the municipality and not in ours.

Mr. van Dijken: But it's also not subject to your ongoing operating expenses. It allows the municipality to be responsible for those ongoing projects.

Mr. Mason: That's true, but then when their operating costs go up as a result of the capital, they ask us for operating support as well.

Mr. van Dijken: Yeah, and when their operating goes up as a result of the carbon tax, they might ask for some support also.

Mr. Mason: They may. Yes.

Mr. van Dijken: Minister, there are a lot of howls going up in Edmonton about Greyhound moving up by the Yellowhead, co-locating with Via Rail, but there is no transit, and there's an expensive taxi trip away from there. Premier Stelmach had a plan to turn the old Remand Centre into a train station co-located with the new Royal Alberta Museum. Isn't there some way to get Alberta Transportation, the city of Edmonton, Greyhound and other bus operators, and Via Rail all together to hammer out a solution to funnel all that passenger traffic into downtown Edmonton as part of the multimodal strategy?

Mr. Mason: Well, hon. member, some years ago the track was removed from downtown. There's LRT track, but the CN track is long gone, and that station for passenger service was relocated up by the Yellowhead on the northwest corner of the old airport land, where the municipal airport was. That probably happened – well, let's see. I was on city council at that time. You know, that was over 15 years ago. I don't think we're going to be putting in train tracks through downtown, especially since we've got Grant MacEwan in the way now.

Mr. van Dijken: Okay. I'm going to go to line 5, provincial highway maintenance and preservation, page 234, under operating expense. There's been a cut there just shy of \$9 million from this

function in comparison to last year. We are down about 58 and a half million dollars since 2014-15. My question would be: why the \$1.2 million reduction in line 5.1, maintenance? Is this going to mean more tall grass and more vehicle-animal collisions this year? Are we going to see less ditch mowing? That was already cut last ...

Mr. Mason: Well, I wouldn't say yes to all of the consequences that you listed there, but I would say that, yes, this is a reduction in operational maintenance, crack sealing and weed clearing.

Mr. van Dijken: Right. With the reduced ditch mowing, we have, again, a higher risk of wildfire from taller grass. It goes into the next season, the tall grass covering up the grass from the current season, that has to grow through all that tall grass. Do you feel there would be a higher risk of wildfire from the taller grass?

9:50

Mr. Mason: I don't know the answer to that, hon. member. I do not think this is ideal. My preference would be to restore that funding, but in the difficult economic circumstances we're in, all departments have been asked to find areas where they can reduce their spending. There are only certain parts of departments' budgets that are actually discretionary. A lot of these costs are fixed or mandatory.

Mr. van Dijken: This is one area where we have not been able to get to a yes quite yet.

Mr. Mason: Yes.

Mr. van Dijken: Your forecast of 2015-16 shows line item 5.1, maintenance, on target to be spent. I'd note that it was a mild winter. Surely, snowplowing came in under budget this year. Are these contractors paid regardless, or are they paid whether or not the trucks move?

Mr. Mason: They're paid for fixed costs like the buildings and so on, but otherwise they're paid by the work that they do. You're correct, hon. member, that because of the mild winter our costs are lower.

Mr. van Dijken: Do we feel that forecast is accurate then? I see a number of these items on that first page that are essentially right on forecast as compared to budget. I don't know if there's a function in there that we're not able to accurately at this time reflect those reduced costs, possibly, with the snow clearing.

Mr. Mason: I think the annual report at the year-end will be when that information will be available.

Mr. van Dijken: But at this time do you feel that that might come in under budget? It says under forecast that it's coming on budget, yet we think that we spent less.

Mr. Mason: This was our best estimate at the time the budget was drafted, and the actuals will be in June in the annual report.

Mr. van Dijken: Okay. And the budget was drafted mid-February?

Mr. Mason: Well, it takes a long time.

Mr. van Dijken: Mid-winter. Yeah. I hear you.

Moving on, we talked about crack sealing, and we agreed in the fall that it's not ideal that the crack sealing was being cut back. Again, I would like to get to a yes on this to get this maintenance taken care of because if we don't spend the money here for crack

sealing, we will be spending more money and probably a lot earlier in line 13, provincial highway rehabilitation.

Mr. Mason: I agree, hon. member. I would like to get to a yes as well. We have a very significant increase in the capital maintenance program. Again, some of these decisions come down to what kind of expenditures appear on the deficit and what kind of expenditures do not. That's the difference.

Mr. van Dijken: Line 5.3, preservation. I'm thinking that the \$140 million that you talked about in your introductory statements, the \$28 million per year on landslides and that type of thing, would be coming out of this preservation budget, or does that come somewhere else?

Mr. Mason: Actually, hon. member, it goes to capital.

Mr. van Dijken: Line 13, provincial highway rehabilitation?

Mr. Mason: Line 13 on page 235, yes.

Mr. van Dijken: Okay. So that's where that \$28 million per year going forward will line up. Good to know. Thank you.

That's been cut \$13,420,000, a 30 per cent decrease over last year. I guess what I'm wondering is, then – we had talked about a few geotechnical sumping projects last fall: highway 36 near Chin Lakes, highway 41 at the Kehewin First Nation, and highway 2 near Dunvegan. Will that \$140 million, the \$28 million per year, be identified to these projects?

Mr. Mason: Yeah. That's the plan.

Mr. van Dijken: Okay. Good. Thank you for that.

Minister, I alluded in my opening question to neglect of infrastructure by previous governments. When we talk about the crack sealing and some of the maintenance issues, are we setting up a situation where the next government in 2019 will have to address the lack of maintenance and preservation by this government?

Mr. Mason: Well, when our government gets to that point, hon. member, we're very hopeful that the economic position of the province and of the government will allow the resumption of some of these activities. In the meantime we have invested considerably more in the capital maintenance budget because we have deterioration in the state of many of our roads, which needs to be addressed, and that is the immediate priority.

Mr. van Dijken: Okay. I have a question with regard to our highway maintenance contractors. I'm just curious. Are these contractors allowed to use dyed fuel, dyed gas or dyed diesel, in their highway maintenance vehicles?

Mr. Mason: Purple gas?

Mr. van Dijken: Yeah, purple gas.

Mr. Mason: In government trucks?

Mr. van Dijken: Highway maintenance contractors.

Mr. Mason: No. I think it's supposed to be for the farmers, isn't it?

Mr. van Dijken: It's off-highway. It's about the construction companies building highways and bridges and those types of things. Are they allowed to use dyed fuel?

Mr. Mason: I don't think so.

Mr. van Dijken: Road construction guys on their heavy equipment are not using dyed fuel.

Mr. Mason: Not even government ministers, hon. member.

Mr. van Dijken: Will the contracts that have been awarded, including highway maintenance, have to be reopened to negotiate new prices to take into account the new carbon tax that would drive up any of the costs?

Mr. Mason: I don't think so, hon. member. You know, I think that if you look a couple of years ago at the cost of gasoline, it was probably \$1.20; now it's 90 cents or so. The cost of the carbon levy is going to be about 4 and a half cents on that. So fuel prices are substantially lower and will be with the carbon levy component added than they were a couple of years ago.

Mr. van Dijken: Is there a function within those contracts to adjust for those fuel input costs, or are those contracts essentially fixed?

Mr. Mason: The price of fuel is at their risk.

Mr. van Dijken: The price of fuel is at the risk of the contractor?

Mr. Mason: Yeah. Those are variable costs. We don't move the contracts up and down, you know. There are lots of different input costs that can go up and down for these contractors. They have to make their best guess and bid. I mean, overall inflation is included, but it's not broken down to things like fuel.

Mr. van Dijken: The inflation factor is a function of those contracts?

Mr. Mason: Yeah.

Mr. van Dijken: Okay. Good to know.

In the business plan I don't see a performance measure for snowplow response time. Wouldn't that be something important and worth reporting? I believe it's measured for our contractors.

Mr. Mason: I don't disagree with you, hon. member. We're currently doing a review of that. That's a concern that I've raised. I raised it with a previous Minister of Transportation, you know, in terms of some big storms on highway 2, and he looked into it for me. I think it's something that we would all benefit from, ensuring that our contractors respond promptly to major snow events, because it becomes a highway safety issue very quickly.

Mr. van Dijken: Yeah. Your performance measures in your business plan on page 136 continue to show a declining physical condition of the provincial highway surfaces and a rise in the amount in poor condition. Now, we've had a discussion about maintenance, preservation, rehabilitation, and the rehabilitation in the capital plan as opposed to rehabilitation within operating expense. I guess my concern is: what is the objective here? We see conditions declining. We see in our capital plan that we're trying to address this. That way it doesn't land up in our deficit. But what is the objective here? We need an objective of: do we want to hold, or do we want to improve?

10:00

Mr. Mason: Well, you know, it's a challenging question. We have billions and billions of dollars' worth of infrastructure in this province, many of it in aging condition, some of it coming to the end of its life, and we have probably more paved roads under provincial control than any other province, including places like Ontario. So there are some real challenges maintaining all of those

roads in first-class condition. I want to assure you and the committee that I'm very concerned about this. It is a challenge for us going forward, and we're going to have to find ways to address it in the future. Those things are being considered in the department, and options are being considered. That is a big issue for Alberta Transportation over the next number of years.

Mr. van Dijken: Okay. Thank you.

I'm going to move on to the strategic transportation infrastructure program, or STIP, line 7.2 . . .

Mr. Mason: On what page? Page 234? Okay.

Mr. van Dijken: . . . of the government estimates. I see this year it is zero funded, and then in the capital plan, page 51, I understand there is a hundred million dollars coming over the next two years.

Mr. Mason: That's correct.

Mr. van Dijken: You spoke to that within your introductory statements. As part of the hundred million dollars coming into STIP, do you have a breakdown yet in terms of numbers for bridges, numbers for airports that it will fund, or is that in ongoing work?

Mr. Mason: Okay. Hon. member, small urban and rural municipalities will again have access to the grants for eligible transportation projects, about \$35 million in 2017-18 and \$65 million in 2018-19. We do not yet have a breakdown as between the different eligible categories, but we are in a consultation phase with municipalities with regard to that question among others.

Mr. van Dijken: Okay. I see, then, in the capital plan it's zero funded again in years 4 and 5.

Mr. Mason: Yes.

Mr. van Dijken: Do we anticipate a change in program delivery? What are we anticipating there?

Mr. Mason: I think what we were able to do was to re-establish the funding for two years. The funding had lapsed in that program for I think the past three years. What you're seeing is the residual funds, that are being paid out in the budget. Going beyond those two years, I think we're going to have to do an assessment of the need before budgeting. If the need is there, I certainly would advocate for continuing funding for that program.

Mr. van Dijken: Okay. Thank you.

Then on pages 234 and 235 of the estimates we've got line 15 under expense, capital grants and then also under capital investment. There is a double entry for the 2013 Alberta flooding, Minister. Could you outline what projects are not yet complete three years later in recovering from this flood?

Mr. Mason: We're completing 15 projects, hon. member.

Mr. van Dijken: Okay.

Mr. Mason: They were identified and approved just after the 2013 floods. They will return our Transportation water infrastructure back to pre-flood condition. These project costs are reimbursed by the disaster recovery program under Alberta Municipal Affairs and are therefore not specified in our provincial construction program. I have a list of them if you would like. Do you want me to read out the list?

Mr. van Dijken: Yeah. If you could read them in.

Mr. Mason: Sure. There's a bridge maintenance project, BF, or bridge file, 78669, the parks bridge in Little Elbow; a bridge substructure project at Langford Creek culvert, on highway 22 south of Longview; a bridge substructure program at Pekisko Creek Bridge, on highway 22 south of Longview. There's a grading project for flood repair on the Forestry Trunk Road south. There's a bridge culvert at Lineham Creek, which is a tributary to the Highwood River, on highway 40 southwest of Longview. There's a bridge replacement on a local road, the Little Elbow River pedestrian bridge, 37 kilometres southwest of Bragg Creek. There's a bridge replacement on a local road, the Sheep River Bridge, near Turner Valley; a bridge substructure project on highway 547, over the Bow River; a burn removal and bank restoration; a water project at Harvie Passage, in Calgary; a reconstruction project east of highway 40; a bridge maintenance project on the Highwood River Bridge, on highway 22; a bridge substructure project on the Oldman River Bridge, on highway 864 north of Taber; a bridge structure grading on the Klein Lake dam; and repairs to the bridge substructure west of Bassano, dealing with the Crowfoot cable ferry.

There are 33 projects that are in the budget.

Mr. van Dijken: Okay. So these 33 are those that have been listed, or are those over and above? What percentage of projects have been awarded for this construction season?

Mr. Mason: I don't have that information right now.

Mr. van Dijken: Okay. If we could get that information at some time.

For our entire capital budget for this construction season what percentage of contracts have been awarded? I talked with the deputy minister just previously. It's been a very busy season getting tenders out and getting contracts awarded. Do we have any idea what percentage of contracts have been awarded and that are ready to go, to move dirt?

Mr. Mason: Yeah. The most recent status report, which is from the beginning of this month, shows that we have tendered about 70 to 75 per cent of the budget targets for construction in 2016. That includes a number of larger tenders such as the Grande Prairie bypass, the Gaetz Avenue interchange, and so on. They'll be tendered in the next month or so, I expect.

10:10

Mr. van Dijken: Okay. Thank you.

We're going to move to pages 240 and 241 of the estimates. I think that maybe Albertans would be shocked to not see fuel taxes as a source of revenue for Alberta Transportation. Instead, the fuel taxes all go into the general revenue fund, which, in turn, pays out to Alberta Transportation.

I see on page 103 of the fiscal plan that this amounts to gasoline provincial taxes of \$802 million, diesel of \$632 million, at 13 cents a litre. Then aviation fuel is \$13 million of tax paid, at 1 and a half cents a litre, and locomotive – this is a new tax – is \$17 million, at 5 and a half cents per litre. It totals up to about 1 and a half billion dollars in revenue. The department is looking for around \$2.2 billion to spend this year. Can you explain to me why we pool all that revenue into the general revenue fund instead of dedicating those fuel taxes to Alberta Transportation?

Mr. Mason: As much as I'd love to have dedicated sources of revenue, that I didn't have to go to Treasury Board for, hon. member, I think you could put that question to the President of Treasury Board because it really is a financial budgeting question.

I would hazard a guess that, in general, dedicated revenue for specific departments and types of projects is not the preferred option for Treasury Board.

Mr. van Dijken: That being said, I would suggest that many of these fuel taxes came into being and were suggested as a way to help preserve and maintain the road infrastructure and that the excuse was to tax them in that regard, that to have a dedicated revenue stream would be helpful in recognizing the need for preservation and maintenance.

Mr. Mason: I understand what you're saying. It's not that the money doesn't come back, though.

Mr. van Dijken: I understand what you're saying.

Mr. Mason: It's not like it's just going into, you know, museums and the arts, that sort of thing.

Mr. van Dijken: That being said, Minister, we have taxes on fuel that were intended to help preserve and maintain our highways.

Mr. Mason: I understand. And they are, but they have to be circled around through the Finance department so that the minister can exercise due control. That is his responsibility, to oversee expenditures of the government.

Mr. van Dijken: Yes. I understand. It makes it easier for you to be able to reduce your spending on maintenance and preservation if it's not actual revenue.

Mr. Mason: Well, I think we're getting a lot more money in our budget than if all of those taxes were fully dedicated.

Mr. van Dijken: Has your ministry ever been asked to dedicate the \$13 million that's collected in aviation fuel tax to just airports?

Mr. Mason: Have we been asked?

Mr. van Dijken: Yes.

Mr. Mason: Well, I'll bet we probably have, but that's not what we're doing.

Mr. van Dijken: Has your ministry ever been asked to dedicate the \$17 million collected in locomotive fuel tax for fixing railway level crossings or grade-separated railway crossings, to help support capital requirements for short-line railways?

Mr. Mason: No, I don't think so. You know, we've met with both of the major railways. That's not been a request that has come forward. They have other things that they would like, but that's not there.

Mr. van Dijken: May I suggest possibly meeting with the short-line railways? They might have that question. Having met with them last summer, that was a concern that they had with maintaining their crossings.

Mr. Mason: Okay. That's good to know. My door is open to meet with them.

Mr. van Dijken: I'll let them know that. Good. Thank you, Minister.

On page 241 of the estimates under revenue, the line item premiums, fees, and licences: is that my driver's licence and automobile registration revenue going directly to Alberta Transportation?

Mr. Mason: The majority of revenues are from highway fees and permits for overweight and overdimensional vehicles. The balance of the revenue is from operating authority certificates and technical licences inspection. There are currently four creditor recovery programs relating to permits, fees, and licences: first of all, \$2.3 million from permits, fees, and licences for overweight and overdimensional vehicles; \$2 million from permits, fees, and licences for development of the high-load corridor; 4 and a half million dollars from permits, fees, and licences for TRAVIS.

Mr. van Dijken: So these are fees that go directly to revenue for Alberta Transportation?

Mr. Mason: Yeah.

Mr. van Dijken: So maybe we need to do a fuel tax that's called a fuel fee as opposed to a fuel tax, and you would be able to have that money directed straight to your department.

Mr. Mason: I thought you didn't like it when we called fees taxes.

Mr. van Dijken: Minister, I understand that wide and oversized and overdimensional loads need permits to move on Alberta's highways and that they are a source of revenue, yet we had eyewitness reports of wide loads heading up highways 28, 36, and part of 63 while Fort McMurray was being evacuated last week.

Mr. Mason: Oh.

Mr. van Dijken: For safety's sake, I would suggest that possibly going forward – my question would be: why weren't these permits suspended and loads redirected immediately in that crucial time?

Mr. Mason: That's a good question, and I'll ask that.

The Chair: Thank you, hon. member.

We'll now move on to members of the third party.

Mr. Drysdale: Okay. Thank you. Hopefully, we'll just go back and forth with the minister.

First of all, again I thank the minister and your staff for being here. I know that you've got dedicated people behind you and very dedicated people in the department that work hard on transportation. I know that first-hand. I'd also like to thank them for their efforts in Fort McMurray because I know that you have staff there on the ground working extra hard today as well.

You know, I understand some of your challenges and things you've faced. Like you said, it's a balance between – I mean, it would be nice as Minister of Transportation if you could build everything you want, but you seem to have to go to Treasury Board to make that happen. I understand that.

Sorry if some of my questions are going to overlap. When the Official Opposition gets an hour ahead of me, they ask some of the same questions, but they didn't quite . . .

Mr. Mason: No. I've been there. Yeah.

Mr. Drysdale: . . . get the answers I'm looking for, so I might ask some similar questions and look for a different answer. Sorry for that.

With that in mind, I'll start out, you know, with some questions on the water for life and waste-water programs. I think it's a great program, much needed. Again, lots of requests there, more requests than money, but I'm glad to see that you've put extra money in there. When I left there, we were working on getting some money

from the building Canada fund transferred into there. Has anything happened there? Are you still working on that?

Mr. Mason: We're still working on that, hon. member. We're in regular contact with Minister Sohi's office, my office and his office. You know, we want to maximize the use of the federal infrastructure money. They have indicated that they want to finish the expenditures for the building Canada fund of the previous government, so they've asked us to make applications for about \$700 million worth of projects, of which \$300 million is for municipal projects. We're currently reviewing the business cases and so on for those, and we'll be submitting them.

There's an indication that starting next year, there will be an additional billion dollars allocated to Alberta over two years. We're working with them to try and harmonize our approaches so that the projects we're wanting to fund or the types of projects we're wanting to fund are also eligible for the federal money.

Mr. Drysdale: Okay. You know, we know that there's more money from your program now, and there's still hope to maybe funnel some more money into that program, because there are already evaluated projects that are shovel ready and much needed. So I was glad to see yesterday's announcement on Lacombe and Blackfalds. I know that that's a project that's been high on the list and much needed, but I think it was just the announcement of funding for the engineering; I don't think the project was funded. You can correct me there. I don't know if you can tell me how much more money or which projects you're going to fund. I mean, I know you're not going to tell me that today, but how much more money do you have in there, and when will you be making some announcements on these waste-water, water for life projects?

10:20

Mr. Mason: Well, we expect over the course of the summer to be making most of those announcements or early in the fall. That's how it was done last year. You know, there are lots of badly needed projects. There's no question in my mind. Last summer, for example – I may have shared this in the November budget – I went down at the invitation of MLA Stier, got in touch with the mayor of Nanton, and toured their waste-water treatment plant. I was really, really shocked at what poor condition it was in. It was literally chewing gum and baling wire. I was able to present him with a cheque for \$6 million to do it. There's no question that there are very serious needs out there, and we're trying to deal with them on a priority basis as the funding is available.

Mr. Drysdale: Would you be able to list, say, the top 10 projects, you know, on the waste-water file? I know there's a list of projects . . .

Mr. Mason: Approved ones?

Mr. Drysdale: Well, no, because the approved ones are not – just the projects that . . .

Mr. Mason: That I'm going to approve?

Mr. Drysdale: Well, I'm not saying that you're going to – you might, and you might not – but do you have a list of the top projects?

Mr. Mason: Nice try, hon. member.

Mr. Drysdale: I tried. You know, something like the priority list that you always wanted.

Mr. Mason: Yeah.

Mr. Drysdale: But I won't go there anymore. I said that I wouldn't.

You know, also on the rehab program, a very good program: as you said before, it was underfunded for years. We worked hard to bring that funding up, and it was almost there. I know that for the dollars in the budget you show increases, but could you tell us how many kilometres per year are going to be rehabbed for the next three years? I know the guys have those numbers.

Mr. Mason: Yeah. I know they do.

Mr. Drysdale: The reason is that I know that 1,300 kilometres is kind of the magic number to hold our own.

Mr. Mason: Yeah.

Mr. Drysdale: I know the plan was to get to 1,300 kilometres this year.

Mr. Mason: We'll get that for you. I believe that we're hitting that number, hon. member, or very close with this budget. It's been a priority.

Mr. Drysdale: Okay. Thank you for that.

You know, we've heard and I know that highway 63 will be finished very soon. As you stated, I think it made a big difference in the evacuation, having that done. I think you've already said that it will be completed really quick here, in months.

Mr. Mason: Yes.

Mr. Drysdale: How about the Edmonton northwest ring road? I know it's supposed to be completed this year. Can you confirm that or tell us when it'll be open, I guess?

Mr. Mason: Yes. It's on time and on schedule, and we should be opening it this fall, the ring road.

Highway 63 would have been complete last fall because we had a long construction season, but there's one pipeline cut that held us up. It's only about a six-kilometre stretch that wasn't completed last year, and that should be completed fairly quickly this year, and then we'll open it. I was really hoping for, you know, sort of a joyous celebration, and it's going to be a little different, I think. I'm glad that it was done. It was a good project, and we were happy to do our part to finish it.

Mr. Drysdale: Okay. Thank you.

I know of another project. It all kind of leads up to that. There was an intersection at highways 37, 15, and I think it was 825, the secondary, you know, three roads, and it was always a problem. We'd committed to doing a traffic circle upgrade there last year, and I haven't heard anything about it. Can you tell me if it got done, or is it in the process?

Mr. Mason: Where is it, please?

Mr. Drysdale: Highways 37, 15, and I think it was 825.

Mr. Mason: Just north of Fort Saskatchewan?

Mr. Drysdale: Yeah.

Mr. Mason: Yes. We're going ahead on that. The assessment has been done. It's in the construction program this year.

Mr. Drysdale: Construction this year. Thank you. All the studies – and we'd met with the munis, so I just wasn't sure. I didn't see it on the list. Thank you for that. You know, I don't want to seem ungrateful.

Mr. Mason: So 1,100 kilometres.

Mr. Drysdale: Oh, okay. Not quite there but getting closer.

Mr. Mason: Getting closer.

Mr. Drysdale: Thanks for that.

You know, I don't want to seem ungrateful for highway 43X. Thank you for that. It was an important project to be done, but just don't forget that the commitment was to go to the B.C. border. That doesn't quite finish the project, but it's another step forward. Thanks for that.

Mr. Mason: One of the things we're trying to do, hon. member, is – you mentioned the Blackfalds waterline. We can't necessarily commit to a whole project. We can at least commit to doing some of the engineering and design work to get the thing started, and then it's easier to finish it as we go.

Mr. Drysdale: And it helps the municipalities design to their needs if they know that's coming. That's good.

I do have some concerns. You can respond or not. You know, some of these projects like the Peace River Bridge and twinning and some of the big projects that just got announced, I know, haven't been tendered yet. I know that they're ready to go soon. It just concerns me: you talk about more infrastructure and getting people back to work, but the best time to tender is in January – I'm sure you know that – and these projects missed that list, so I don't think they'll put any people to work this year by the time the tendering gets done and it gets awarded. That's unfortunate. The 70 per cent that you say is tendered is probably old projects that were going forward, so I don't think any of the new projects will get many people working this year, unfortunately.

Mr. Mason: No.

Mr. Drysdale: We had, I know, good prices, 30 per cent reductions in January. I don't think you'll see that if you tender them now or in June, that kind of thing. Just a comment.

Another question, jumping around a bit. I know this winter we all said that it was a pretty nice winter for snowplowing, but I see that you still budgeted kind of a standard \$50 million a year for sand and salt. I'm sure we didn't use \$50 million last winter – we shouldn't have – so I'm surprised you're budgeting for \$50 million again this year. There might be room for some savings there.

Mr. Mason: Well, I think that you can't predict the weather in any given season. Like you say, it's a standard budgeted amount. I mean, the budgeting procedures are that if things are unexpended, you can roll them into the next budget, or you take them into general revenues. We've got the money we're going to need or that we expect to need in the budget one way or the other.

Mr. Drysdale: For operating. But for, like, sand supply, when you've got to stock – the sheds are not full, but they won't be empty now, I'm sure. It shouldn't cost as much money to fill them up for the next year, so I think you could save some money there.

Mr. Mason: Yeah. We might.

Mr. Drysdale: I'd be surprised if they're empty now.

Mr. Mason: Yeah. I think that's a fair point. On the other hand, we may have a very bitterly cold winter, so it's probably better to leave the money in the budget.

Mr. Drysdale: Okay. Just a suggestion.

Another comment I'll make: we met with the Minister of Infrastructure the other night.

Mr. Mason: I hear he was extraordinarily helpful and informative.

Mr. Drysdale: Yeah. He said that he had to increase his office expenses because he was combining ministries, so he needed more support staff and communications people. I understood that. There was an increase in his budget for assistants and communications people. If that was the case, I would have thought that the Transportation minister would have seen a decrease because the Infrastructure minister is doing that for him now, yet I see very little increase in this minister's budget.

Mr. Mason: As the Infrastructure minister explained, he's responsible for two departments as well as two staff in support of his role as the House leader, so those have to be covered. We've been operating with one ministerial assistant. We wish to go to two, and it is the desperate wish of my chief of staff that we should get the minister an executive assistant. Those are the only changes that are being brought in the budget.

10:30

Mr. Drysdale: I understand that.

Mr. Mason: We have, you know, two clerical support staff.

Mr. Drysdale: Then the Minister of Transportation wouldn't need those staff because you moved them into – you know, that's all. I understand the increase in Infrastructure.

Mr. Mason: Yeah. But we split it down the middle. It's the same on both sides.

Mr. Drysdale: Okay. I'll let it go at that. I just thought that if one guy was taking more work, the other guy would have less.

Mr. Mason: No.

Mr. Drysdale: But we'll leave it at that. We'll move on, Minister. You know, weed control in . . .

Mr. Mason: In both my ministries I get a large number of requests from local officials, mayors, and so on as well as MLAs, and in order to assist them with their local projects, it requires, you know, a certain amount of support in the office.

Mr. Drysdale: I get that. I'll leave it at that and move on to weed control.

As we've heard, you know, even before you there were cuts in mowing and spraying. We used to spray all the ditches and stuff. That's been cut back. I understand that, and I understand the reasons why. The only question I have is: you know, we're not spraying all the ditches all the time anymore, so will the department still respond to weed notices from municipalities? I mean, I can tell you – I know that you don't blanket spray them, but if the weeds start growing and municipalities issue the department a weed notice, will they respond to it?

Mr. Mason: That's a good question. Yes, we do. We're responsible citizens.

Mr. Drysdale: Because I know sometimes in the past – I'll leave it at that.

Mr. Mason: Well, I don't know about the past, hon. member.

Mr. Drysdale: We will see. Thanks for that answer. I can use that.

You mentioned STIP, and there were questions about it, so I'll try not to overlap. You know, I understand the cuts were there. I tried to convince Treasury Board to put money in there and was unsuccessful, so congratulations to you for being successful there. I understand that you're consulting right now with municipalities about changing the way that money has been – it was mostly bridge structures and resource roads and that. Now you're consulting, and I heard that you were looking at moving it to more green projects or public transit. I don't know if that's right.

Mr. Mason: Not STIP. There is separate money for that, so a hundred million dollars for STIP over a couple of years and then \$305 million for, essentially, the son of GreenTRIP, a transit program, over three years, also starting in 2017. There is extensive consultation that we've undertaken, and it's just concluding that phase. I've been meeting with mayors in northern, southern, central Alberta and with AAMDC, with AUMA, and so on. I'm basically asking them what kind of a program they need. For the transit consultation specifically we're setting out some goals.

One of the things that I would really like to do is to, you know, encourage regional and co-operative solutions between municipalities. Right now the problem, as I see it, with the existing GreenTRIP program – it's a capital funding program, so upon taking office I had letters coming across my desk for places like Beaumont, for example, to buy one bus. The program kind of forces them to almost set up their own transit system, but then how do they maintain it? How do they operate it? What do they do about their fares, all of that other stuff? That doesn't make sense to me.

What we want to do is to fund a regional transit system of some kind, and it can be operated by separate municipalities operating in a co-operative way, or they can have a transit commission. There are lots of ways that we can do that. We've been consulting with municipalities across the province on that and also on the rural transportation initiative, and some of that discussion has been extremely interesting as well.

Mr. Drysdale: Okay. Yeah. There's good discussion, but I guess what I wanted to hear is that the STIP money will still be used for bridges and resource roads and won't get diverted to . . .

Mr. Mason: Oh, yeah. It's a separate program, which we've maintained, and we are doing consultation in terms of that. That's what it's for: rural bridges, resource roads, and small airports. When I was leader of the third party and then the fourth party, I met regularly with AAMD and C and I heard about their bridges every time, loud and clear. That's why we've restored funding to the STIP program.

Mr. Drysdale: Okay. Thank you for that.

You know, just a question that came up earlier. I can tell you that we did try to get dedicated fuel tax money for transportation and were unsuccessful with Treasury Board. So it's been asked.

Mr. Mason: You struck out. Well, join the club.

Mr. Drysdale: I'll just move on. I don't have much time left. I had some more questions on your business plan, you know, specifically page 131. It states that one of Transportation's goals is to provide an affordable transportation system that meets the needs of Albertans. A couple of questions. Which communities can expect specific affordable transportation programs and initiatives from this budget? The business plan does not fully list the communities or groups that you're targeting under affordability, so who is on your list? Presumably people listed are aboriginal communities, urban

and rural, seniors, persons with disabilities, but missing are rural communities, remote communities.

The Chair: Thank you, hon. member. We'll have to leave it there. We'll move on to the member of the fifth party, please.

Mr. Clark: Thank you very much, Mr. Chair, and thank you to the minister and to your staff for being here, and especially thank you to all members of your Department of Transportation for their remarkable efforts in helping to evacuate Fort McMurray and also helping to rebuild and get people back to the community. I think it is an amazing effort. I know that your folks are the unsung heroes often in a lot of cases, so I just want to make sure I acknowledge that.

Before I start into the substantive questions, I'll ask you the same question I've asked of many of your colleagues. As we prepare for the budget, it would be tremendously helpful if we had the data in Excel format. I recognize that you're not responsible for the format of the budget, but as you discuss that for next year's budget, it would be great if you could please advocate with the Minister of Finance and President of the Treasury Board. Very helpful.

Mr. Mason: Okay. The same information but just in Excel.

Mr. Clark: Just so our researchers don't have to transcribe the numbers into Excel. It would save literally hundreds of hours across all members. It would be very helpful.

Mr. Mason: Okay.

Mr. Clark: Thank you.

I am going to start my questions today, perhaps not surprisingly, with the Springbank dry dam project, of very great interest to the people of Calgary-Elbow. I just wanted to acknowledge, of course, that I know that Transportation is responsible for the construction of the project, not the decision whether or not to construct it. But I just want to ask: is it your understanding that there has been a thorough process by which Springbank was chosen over McLean Creek or any other option and that's why you've been asked to construct the project?

Mr. Mason: That's certainly my view from what I saw and heard, that it's been thoroughly vetted.

Mr. Clark: Okay. And that there have been substantial consultations, which continued both last night, tonight, and will be ongoing through the process?

Mr. Mason: Yes. I think there are at least 30 meetings that have taken place already, and, you know, we're not sure how many more – more than 10 – to come.

Mr. Clark: All right. And that while it's unfortunate that any landowners may be impacted by any project undertaken by Transportation or any other department of the government, there's a public interest test that projects like this and others apply, where although it may be unfortunate that certain properties may be impacted, if it's deemed in the broader public interest, there's a clear regulatory process that will drive that discussion and decision?

Mr. Mason: Yes, absolutely, there is. Yeah.

Mr. Clark: Okay. And that the dam itself is, in fact, a detention dam, not a retention dam?

Mr. Mason: That's correct.

Mr. Clark: Meaning that it's dry except in flood conditions.

Mr. Mason: In flood conditions. And we try to return the land, as much as possible, to normal afterwards.

Mr. Clark: And that the people downstream of the dam, specifically Redwood Meadows, Bragg Creek, and Tsuut'ina, have . . .

Mr. Mason: Upstream, you mean.

Mr. Clark: Yes. I'm sorry. Upstream of the dam. Thank you. There is work being done to do local mitigation of those areas?

Mr. Mason: Yes, there is.

Mr. Clark: Is there funding specifically allocated for that?

Mr. Mason: There is funding. It's in the Environment budget.

Mr. Clark: Environment budget. Okay.

Mr. Mason: They're in this year's budget for Bragg Creek and future years for the Redwood Meadows area as well.

10:40

Mr. Clark: Okay. Thank you very much. Can you tell me what is the current target completion date for the Springbank dry dam?

Mr. Mason: I think we're hoping that it will be done by 2020.

Mr. Clark: Okay. So that's a year later than I think we've heard in the past.

Mr. Mason: Yes.

Mr. Clark: Okay. The environmental impact assessment, as I understand it, is under way. Can you tell me, please, the status and timeline for completion of the environmental impact assessment?

Mr. Mason: Yes. Oh, I guess, a month or so ago we completed the access agreements, and I want to give credit to the department. It took an awful lot of work to negotiate those access agreements so that we can get on the land this spring and begin the EIA. It has to be, as you know, hon. member, conducted over four seasons. We are on track for that, and we're expecting it will be completed in March of next year.

Mr. Clark: Okay. What are the next steps after the environmental impact assessment? You speak to the regulatory steps. I know there's an NRCB process, a provincial process. Is there also a federal process that will be required? What is that step?

Mr. Mason: There can be a federal step. They will make an assessment as to whether they want to do their own. The Canadian environmental agency, I think, will make that assessment. We are encouraging them to work with the NRCB – and so far there has been good co-operation between the two – rather than proceed with an independent federal one, which could extend the timelines on the project another year.

Mr. Clark: Okay. Would that also have an impact on the cost of the project if there is a federal review, or is that just simply to extend the clock?

Mr. Mason: It would extend the clock. There may be cost implications. I can't tell you what they would be.

Mr. Clark: Okay. All right. Can you tell me, please, what is beyond access to the land for the environmental impact assessment? What is the status of negotiations, within reason, of course, recognizing you likely can't disclose specifics around negotiations? Are you working with landowners to acquire land? Are you working to lease the land only for flood times?

Mr. Mason: We're looking to acquire the land.

Mr. Clark: Acquire. Okay. So a lease is off the table entirely.

Mr. Mason: I don't think it's been considered.

Mr. Clark: Okay. Thank you.

I'm curious. What is the process if agreement cannot be reached in a negotiated settlement to purchase the land?

Mr. Mason: Well, of course, hon. member, we have access to the Expropriation Act. I want to stress that this project is of critical importance to people living downstream, including hundreds and hundreds of Calgary residents. It's considered to be the best option to prevent a repeat of the floods that devastated Calgary in 2013. As a result, the government is going to – and I've given instruction that we work diligently on this project in order to maintain the timelines and keep them as short as possible. We want this project operational without any unnecessary delay.

Mr. Clark: Okay. Thank you. There have been a lot of discussions and questions asked about the cost of the project in terms of land acquisition in particular but also ensuring that landowners are appropriately compensated for their land in that process. Can you speak to that briefly? Just what is that process to ensure that landowners are in fact adequately compensated for any land acquisition?

Mr. Mason: Well, we will try to negotiate the best possible price, and if we can't reach an agreement, then we have access to the Expropriation Act, and that, I think, historically has been shown to provide very effectively for adequate compensation when the public interest requires government to acquire private land.

Mr. Clark: Okay. If you do in fact have to go the expropriation route, which I'm sure we both agree is not the ideal route – we'd certainly prefer a negotiated settlement, and perhaps you can just comment on that – do you believe that will have an impact on the timeline of the project?

Mr. Mason: I don't think so. As you mentioned, it's far from desirable, but if it is necessary in order to maintain the timelines, we will have access to that act in order to maintain the timelines.

Mr. Clark: Okay. Can you please tell us how many landowners we're talking about here? I've heard different numbers, and I would like to get a definitive number from you. Do you have that information?

Mr. Mason: Not at hand.

Mr. Clark: Could I ask you, please, to table that? I'm just interested to have a sense of the scale of what we're talking about, if you have that information.

Also, you may not know this information off the top of your head either, but do you know how many buildings are on the land itself, both outbuildings as well as actual residences, that would be directly impacted, if any at all?

Mr. Mason: No, I don't. I did drive the land this spring, and, you know, as certainly not an agricultural expert, it didn't look like very fertile land. It was essentially grazing land, and I think that's what it's traditionally been used for. But we can certainly get you some estimate of the number of buildings that are there. I didn't see a lot.

Mr. Clark: Okay. I'd certainly appreciate that. I think that would help provide some context for the project.

There have been some questions raised, including at the event in Springbank last night, about the procurement process and the role of the engineering firm Stantec. Can you assure the committee and Albertans that there are no conflicts of interest or irregularities in the process of granting contracts relating to the Springbank project?

Mr. Mason: Wow. There are none that I'm aware of, hon. member. If you think that or if some think that we should look into that a little bit further, please provide me that information offline.

Mr. Clark: Yeah. It's just a question that's come up in terms of one company providing the environmental impact assessment, I guess, just in terms of the overall procurement process, specific to the Springbank project, of course, but perhaps more generally. Other projects, of course, require an environmental impact assessment, and there are certain companies that have expertise in that that perhaps may then participate in an RFP for the construction phase of a project as well. I think that that perhaps is some of the concern. The perception may be that a certain company does an environmental impact assessment in a certain way that would favour them in the construction phase. I mean, that's the concern that's been expressed to me specific to this project.

So I'm interested if you can just speak to that, specific to this project but perhaps even more generally in terms of the procurement processes for your department in other projects beyond this one. That, of course, would be a question of interest to Albertans on any project that's constructed but something that's come up specific to this project, a concern that's been expressed to me.

Mr. Mason: Yes. Well, you know, I've heard that concern before. I've heard that concern in my previous life as a municipal politician, that the firm that does the assessment then has an inside track on the construction, on the second contract. They obviously gained some knowledge in that case, but I can't say that this is the case here at all although I will say that it's the first time it's been brought to my attention, so I will ask about that. It wouldn't be something I would want to share until I had some definitive proof that there was a problem. I don't think there is, and I don't expect that I'm going to find there is.

Mr. Clark: Okay. Thank you very much. I just wanted to raise that. Thank you for those answers.

Moving on, then, to the Transportation business plan, page 134, outcome 2, you've talked about a transportation system that's safe and secure, protecting Albertans, with zero deaths and zero injuries. I've had conversations with constituents about this issue, and I know our friends in Municipal Affairs are also having discussions about perhaps lowering speed limits, those kinds of things. I'm going to ask some questions along those lines.

You've got performance measure 2(a), "combined fatal and major injury collision rate per 100,000 population," dropping substantially from the last actual, in 2014-15, of 66.6 per cent, with a target of 60.8 per cent in 2016-17. You've also identified a risk on page 133 that safety programs may not alter driver behaviour and that, in fact, it may plateau on preventable injuries. Can you just

speak to that in terms of specific activities that your department is undertaking to reduce injury and fatalities on Alberta's roads?

10:50

Mr. Mason: Yes, I can. I certainly can do that. You know, the highest priority of the department is to have an ongoing reduction in the number of injuries and fatalities. Safety is a top priority, and we have a number of programs that are designed to promote safety. Every month we have a campaign in Transportation. We had, for example, a distracted driving campaign. We brought in a young fellow. I can't remember his name right now, but he's an up-and-comer in the motor racing business. We had him do a course and then do a course while he was texting, just to demonstrate that even a professional race driver is a menace on the road. He took out a lot of cones on his second run.

So we do that, and we do programs around drug impairment on roads. As we move toward the potential legalization of cannabis in this country, then it raises issues of how you enforce impairment while driving. I mean, it's very simple with alcohol, but it's not so simple with drugs and with cannabis. There's not a ready-made test. We're going to be bringing some amendments to the Traffic Safety Act in this session, hon. member, and hope to bring some more in the fall session as well, so, you know, those things, and we work with local enforcement agencies.

Mr. Clark: Good. Of course, adding demerits for texting as well is an important step.

Mr. Mason: Yes. That's right.

Mr. Clark: There has been a lot of talk about reducing speed limits in municipalities. Now, I know that that's not specifically related to Transportation. I realize that. If I'm not mistaken, it would happen within Municipal Affairs or Justice and Solicitor General, perhaps around the Traffic Safety Act.

Mr. Mason: I think it's the Traffic Safety Act. It's something we've talked about, hon. member.

Mr. Clark: That's really my question. Is your ministry actively involved in that discussion? The suggestion has been made to me that perhaps individual municipalities be allowed to set their own default speed limits and that we move away from this provincial model. Do you have an opinion on that?

Mr. Mason: I have an opinion. I don't want to give it. I want to just indicate that we're expecting to begin discussions with municipalities about allowing more latitude with them. I don't want to prejudice those discussions – they haven't yet begun – but it's certainly something that we're prepared to talk to them about.

Mr. Clark: Okay. You've indicated, as we're on the topic of safety, that your department has investigated the potential of self-driving cars and other new technologies. Do you feel that that will have a positive impact on safety? Is that something that is part of the consideration? Do you have any data you can share with us on that?

Mr. Mason: I don't have any data, but the information that I've received from my officials about tests and so on indicate that the expectation is that safety will be potentially improved as a result of autonomous vehicles. It's a huge change. It affects almost everything in transportation: how we see vehicles, how we use vehicles, what kind of public transportation we might employ. You've got these transportation companies like Uber and so on. It just changes everything.

You know, you might substantially reduce the amount of parking that's required, for example. If you go shopping or to a party or something, you might just send your car home. You don't have to park it. It drops you off, and you send it home. Then you call it, and it comes and picks you up.

Some of this stuff is challenging to get your mind around, but it's coming, and it's probably coming sooner than people think. You know, electric cars are going to be on us in no time. People will be surprised in just a few years how much that has changed, and autonomous vehicles are right behind that. Trucking companies, for example, are already beginning to develop plans for linked convoys and then eventually completely autonomous vehicles soon after that.

Mr. Clark: Who would have thought of *The Jetsons* as a documentary?

Mr. Mason: That's my line. I usually use it in conjunction with a *Flintstones* line.

Mr. Clark: Okay. The last 20 seconds here. We talked about earmarking dollars. Are there any earmarked dollars or could there be earmarked dollars from Transportation for safety initiatives specifically related to the development of new streets, traffic calming, those sorts of things, or does that live somewhere else in the budget?

Mr. Mason: I don't think we have any projects for that. That's primarily the responsibility of the municipalities.

Mr. Clark: Thank you very much, Minister. I appreciate it.

The Chair: Thank you very much.

We will now move on to the private members of the government caucus. MLA Nielsen.

Mr. Nielsen: Thank you, Mr. Chair, and thank you to the minister and all your staff for everything that you've been doing for our folks and our first responders up in Fort McMurray. It's very greatly appreciated.

Mr. Chair, I've had to say this a couple of times already now. Members get to get up and go for a quick bathroom break. We're always appreciative of our staff – our clerk, our *Hansard* staff, pages – but three hours is certainly a long time to go without a break, including for the minister and his staff, so we'll give five minutes of our time to allow for that.

The Chair: Okay. We'll see you in five minutes.

[The committee adjourned from 10:57 a.m. to 11:03 a.m.]

The Chair: Now we'll carry on with the private members of the government caucus. Please proceed.

Mr. Kleinsteuber: Thank you, Chair. I'd like to share my time today with the Member for West Yellowhead as well. I will ask a few of the questions here.

Good morning, Minister. I'd like to thank you and your staff for joining us here today. My first question, I think, deals with emissions here. As Alberta strives to reduce greenhouse gas emissions, we feel the Ministry of Transportation has a significant role in providing Albertans with alternative modes of transportation. As outlined in the ministry's business plan on page 133, key strategy 1.2, this includes supporting community transit, rural bus service, and the development of strategies that promote accessible and affordable transit. The question is: what support is

available in Budget 2016 to ensure that transit becomes increasingly accessible and affordable, especially to low-income Albertans?

Mr. Mason: Thank you very much. It's a great question. As our population grows and our economy, that I have enormous confidence is going to recover and grow, public transit provides a safe, accessible, and environmentally responsible means of getting around. So Budget 2016 invests a total of \$1.3 billion for regional, urban, and rural transit. Of this total, \$914 million is for the green transit incentives program, or GreenTRIP; \$305 million is for municipal transit initiatives; the remaining \$120 million of the government's \$150 million commitment to the Edmonton valley line, their LRT project, which will match federal funding, with \$30 million previously paid in Budget 2015.

On March 1 the government launched a provincial transit engagement with municipal, regional, rural, industry, and indigenous stakeholders and the general public to talk about transit and rural bus service. Two streams of engagement, urban and rural, will inform the development of an overall provincial transit strategy and the criteria for the distribution of the \$305 million in funding for municipal transit initiatives as well as future funding for rural bus service. The program criteria are intended to be finalized later this year.

We're also moving forward with developing a rural bus service pilot as part of the provincial strategy. We believe that the investment will support those who rely on transit to get around such as seniors, youth, families in need, and people with disabilities. Enhanced rural bus service will also provide Albertans living in smaller communities with reliable access to essential services available in larger centres like health care, social, and recreational activities.

Mr. Kleinsteuber: Okay. Thanks, Minister.

Given that the Alberta government has over 31,000 kilometres of highway to manage and given that \$21 million in capital grants has been allocated, as seen on government estimates page 234, line 5, for provincial highway maintenance and preservation, what types of assessments and support systems does the ministry have in place to ensure Albertans are getting fair value for their dollars?

Mr. Mason: Thanks very much for that question. We have multiyear programs for data collection and inspection that's required to support the provincial highway network. Bridge inspections, traffic volumes, collision data and so on are all collected. It also includes functional planning studies to determine future transportation infrastructure requirements.

Mr. Kleinsteuber: Okay. As a supplement to that question, operating expense for the maintenance and preservation of provincial highways comes in at over \$372 million in the government estimates, as per lines 5.1 to 5.4. Given the current economic challenges does the ministry have any system in place to ensure long-term cost efficiency, and are these initiatives being reflected in Budget 2016?

Mr. Mason: Thanks for that question. Well, we certainly face some difficult choices given the very large number and overall condition of our roadway assets. As I mentioned a bit earlier, Alberta has more kilometres of provincial highways than any other province – I think you mentioned 31,000 kilometres – most of which are paved and not all of which are in great condition. We have, you know, 4,500 bridges. And, of course, when we twin highways like 63 and so on, we add to the assets that have to be maintained.

It has been pointed out by some of the members that the percentage of highways in poor and fair condition has increased

from what was previously published, and the fact is that these factors – the size of the network, the growth, and its current condition plus insufficient investment in the past – means that our network is becoming more difficult to maintain. As I mentioned earlier, this is going to be one of our big challenges going forward. It won't be solved in this budget, but we need to come up with solutions over the next several years because we just have so many provincial roadways and bridges in this province, and a lot of the maintenance has fallen behind.

11:10

Mr. Kleinsteuber: Okay. Thanks for that.

Now, I know it's been touched on in some of the other questions that have been raised this morning, but I'll refer back to it, mainly about ring roads. The Calgary and Edmonton ring roads remain a consistent theme among Albertans. It's been an ongoing process for many years, with heavy investment of public funds. Budget 2016 reduces capital investment funding for both projects, as seen in the government estimates on page 235, lines 9.1 and 9.2. Can the minister please speak to why both projects have funding decreases compared to previous years?

Mr. Mason: I can do that. Well, the budget invests \$2.9 billion in ring roads for both Edmonton and Calgary. For the Edmonton ring road the decrease is due to the completion of the northeast Anthony Henday ring road, which is scheduled to open to traffic on or before October 1 of this year. That will complete the ring road in Edmonton, and no further capital expenditures on that project will be required although, of course, the maintenance costs will be ongoing and considerable because it's a really big road and a long road. We've invested \$4.2 billion so far on the Anthony Henday, including \$197 million in federal funding.

Now, for Calgary we're currently moving forward with the southwest Calgary ring road. It runs from Lott Creek Boulevard, or range road 25, on Glenmore Trail, highway 8, south to Macleod Trail, which is highway 2A. The southwest Calgary ring road is approximately 21 kilometres long. An additional 10 kilometres of connector road upgrades will be included in the overall remaining segment.

The southwest ring road includes 21 kilometres of six- and eight-lane divided ring road, 10 kilometres of connector road work, 46 bridges, including bridges over the Elbow River and Fish Creek, one rail underpass, and 14 interchanges. The federal government has implemented the agreement between the Tsuut'ina First Nation and Alberta, as laid out in the land transfer agreement of November 27, 2013. Provincial Crown lands have been added to the Tsuut'ina First Nation reserve, and 1,058 acres of former reserve land have been transferred to Alberta.

The procurement process is well under way. The successful proponent of the request for proposals is required to formally sign and execute the agreement on or before September 7, 2016. The government will then announce the successful proponent shortly after. To date the Alberta government has committed approximately \$1.9 billion towards the construction of the Calgary ring road. The Calgary ring road decrease in Budget 2016 for the '16-17 estimates is due to forecasted cash-flow requirements in that year.

Mr. Kleinsteuber: Okay. Thank you, Minister.

I'll now pass the time over to the Member for West Yellowhead.

Mr. Rosendahl: Thank you. I know that you've covered part of the discussion on road safety already. My question is on improving the safety of Alberta's roads, which remains a constant commitment of this government, as it should. We saw that in 2014 alone there were over 144,000 collisions. This is something that has affected the

lives of too many Albertans. As anyone who's driven to Fort McMurray in the last few years would probably agree, we all know how dangerous that road can be and that the completion of the twinning of highway 63 can't be done soon enough. I'm sure the minister has heard even more stories than I have about other roads where folks feel unsafe, that are in need of either twinning, widening, or expansion.

It looks like you've committed over \$226 million to work on this in Budget 2016. Can you speak to what types of projects this funding would support and what you're doing to continue to improve road safety across the province?

Mr. Mason: Thank you very much for the question, hon. member. It's actually \$228 million for twinning, widening, and expansion. It includes upgrades to highway 19; a highway 2 corridor study; twinning of the Peace River Bridge; highway 43X, the Grande Prairie bypass; highway 986, grade widening; highway 688 east of highway 2; east of highway 68; highways 35 and 58 intersection improvement; grade widening on highway 744; and grading on highway 741.

We continue to improve road safety across the province through the transportation safety plan. Our transportation safety plan 2015 is a comprehensive strategy designed to reduce the likelihood of collisions occurring on Alberta roads. The strategy focuses on specific driver groups such as young drivers, commercial vehicle drivers, medically at risk drivers, and high-risk, noncompliant drivers as well as vulnerable road users such as pedestrians, cyclists, and motorists.

Its successor, which will be the transportation safety plan 2020, was developed with extensive input from traffic safety stakeholders and partners and will cover the years 2016-2020. It is based on a safe systems approach and international best practice and is designed to reduce fatalities and major injuries by combining four key factors: safe speed, so appropriate speed limits are assigned and enforced; safe drivers, that licensed drivers are well trained and driving legally; safe vehicles, that vehicles on roadways meet appropriate safety standards; and safe infrastructure, that roadway infrastructure is built and maintained safely.

It is vital to note that this strategy works on the premise that safety is a shared responsibility that every licensed driver assumes the moment he or she enters a vehicle.

Mr. Rosendahl: Thank you very much.

Mr. Mason: You're welcome.

Mr. Rosendahl: I'm going to switch topics now to municipal water issues. The municipal water infrastructure grant program received a significant funding increase in the budget 2016-17 estimates as per lines 8.1 and 8.2 on page 234 of the government estimates. Under that we see that the municipal water/waste-water program will receive double its funding, \$50 million in total.

The Chair: Thank you, hon. member.

We'll now move on to the Official Opposition.

Mr. van Dijken: Thank you. I will give it to my colleague from Chestermere-Rocky View to introduce an amendment at this time.

Mrs. Aheer: Thank you.

I'd like to introduce an amendment. May I read it? I move that the 2016-17 main estimates of the Ministry of Transportation be reduced as follows:

- (a) for the minister's office under reference 1.1 at page 234 by \$11,000
- (b) for the deputy minister's office under reference 1.2 at page 234 by \$39,000

- (c) for communications under reference 1.3 at page 234 by \$62,000
 - (d) for strategic services under reference 1.4 at page 234 by \$891,000
- so that the amount to be voted on at page 233 for expense is \$828,130,000.

Mr. van Dijken: Proceed?

The Chair: Yes. Please proceed.

Mr. van Dijken: Thank you. I'd like to turn to page 133 of the business plan, key strategy 1.1, about midway down the page:

Create and implement a transportation strategy to develop a multi-modal system that will connect communities and support active transportation, a strong economy and a healthy environment for all Albertans to meet growing urban, rural and regional transportation needs.

Minister, your public servants have been working on creating this thing for six years now. Are you just having this strategy in here as a make-work project for bureaucrats and management consultants?

Mr. Mason: Well, no, as a matter of fact. I think it's absolutely essential that we plan and that we plan for the future. Now, this originally was presented to me when I took office as a 50-year transportation plan. I thought that that was a little bit overreaching, you know, because with the technological changes now coming so fast, it will be very difficult to recognize our transportation system in 15 or 20 years, much less 50. So that sort of focus was changed. It's, I think, really important that we do plan. At the same time, planning is becoming more difficult because of the pace of technological change, and this is kind of the contradiction or the conundrum that we're trying to deal with.

11:20

One of the things that I've indicated is that I would like our long-term transportation plan to include a number of things. For example, both the mayors of Edmonton and Calgary have indicated that the full build-out of their LRT plans are a high priority for those cities, so I'm talking to these mayors and cities about integrating their LRT plan into our long-range transportation plan. We also have other regional transportation issues that need to be solved around Edmonton, around Calgary, and in the future around some other communities as well. You know, I've met with mayors in southern Alberta about highway 3, for example, and their desires there.

We're also looking at the high-load corridor project. We need to rationalize that and improve that so that we can ensure that the heavy industry in Fort McMurray and other parts of the province and in the Industrial Heartland is able to move the things that they need, very large things in lots of cases, to where they need them.

I've been meeting with stakeholder groups, including the Roadbuilders & Heavy Construction Association, the Alberta Motor Transport Association, the Consulting Engineers, and so on, on a number of things in terms of their interests. I met recently, a couple of months ago, with the Chamber of Resources, who talked to me about changing some of our rules to allow a pilot project for higher heavy loads on three-stage modulars, so I allowed that to go ahead, and that allows them to move much larger modules, to assemble them, for example, in Red Deer or Nisku and move them up. It saves costs and allows them to continue the construction of some of these major projects at a time when there's a serious drop in oil prices.

Mr. van Dijken: I guess what I see, Minister, is that we have a transportation strategy here that is continually evolving, so instead of having make-work projects of a written-in-stone strategy, it is an ongoing job of the ministry to be able to evolve with that, and I encourage you in that.

I'm going to go to line 11.1 on page 235 of the estimates. Last fall we had a little bit of a discussion on the twinning projects that were upcoming. I'd just like to have an update on that. Last fall you talked about planning to meet with the mayors. You'd had discussion with mayors as individuals, and you were planning to meet with the mayors as a whole on highway 3 from the Crownsnest. You talked about going from the B.C. border and moving east. I'm just wondering if we can get an update on where that's at.

Mr. Mason: Yes. Sure. We had a meeting in Lethbridge with pretty much every mayor along highway 3, from one border to the other. I think it was very useful. It's pretty clear that that's an extremely high priority for all of them and for all of southern Alberta.

Mr. van Dijken: Have you started consulting with the First Nations, with the Blood Tribe there? Has that started?

Mr. Mason: That has not happened yet, but that's an important piece that has to happen as well.

Mr. van Dijken: Where are we at with the twinning of highway 8 by Calgary?

Mr. Mason: The design is under way, but it is not in the three-year construction program.

Mr. van Dijken: Okay. Highway 19. Last fall we talked about the improvements, that were going to primarily be interchanges – highway 19 is by Devon – improvements of the interchanges by highway 2 and by highway 60, twinning in-between there. Are we going to be adjusting where we are able to twin all of highway 19 there?

Mr. Mason: Yeah. We're working with the private sector on the improvements in the twinning. Both Edmonton International Airport and Remington Centre developers will contribute to the upgrades. The two-kilometre, six-lane highway 19 construction project at the east end of highway 19, starting at highway 2, is expected to get under way this spring. Now, that project has not been tendered yet, but it is anticipated in May and construction expected to begin, with a tentative construction completion date of October 2017. The twinning of another three and a half kilometres of highway 19, starting at the west end at the highway 60 intersection, is proposed to begin in spring 2017, with a tentative completion date of October 2018. The twinning of the middle seven-kilometre section is not in our three-year plan at this time. Completing the twinning of the middle section is one of the projects included on the unfunded capital projects list for inclusion in future capital plans.

Mr. van Dijken: Have there been any developments with the third runway there with regard to this project in being able to twin the middle section of that highway? No further developments there?

Mr. Mason: No, but it's part of the conversation that's taking place.

Mr. van Dijken: My colleague from Cardston-Taber-Warner has asked me to ask a question about the Police Outpost provincial park

and the paved road access into that provincial park. Has there been any work done, just to clarify . . .

The Chair: Thank you, hon. member.

We'll now move on to members of the third party.

Mr. McIver: Thank you, Mr. Chair. Thanks for being here, Minister. I appreciate that very much. I noticed that on page 131 of your business plan it talks about: "A co-ordinated approach across governments . . . and stakeholders is critical for addressing Alberta's transportation challenges." Are you committed to the New West Partnership, and are you open to including Manitoba in the New West Partnership?

Mr. Mason: I think that you should maybe bump that question up to the Premier and intergovernmental affairs. It's above my pay grade, hon. member.

Mr. McIver: Okay. All right. That's not a good answer, but I understand where you're coming from, so thank you, Minister.

We talked about this before, the Fort Saskatchewan bridge. You mentioned in your remarks a few minutes ago about a high-load corridor. Are you ready to move ahead on the Fort Saskatchewan bridge to move heavy loads over the river?

Mr. Mason: I wouldn't say that, hon. member. We are doing a separate study on the high-load corridors, which includes all potential river crossings. There seems to be some assumption that the high-load bridge would necessarily go at a particular location. I think that we have to assess that location against all of the others, so that's what we're doing.

Mr. McIver: Okay. Well, Minister, it's estimated that some of the loads cost as much as \$23,000 more per load by going around there, and industry is willing to contribute to that bridge. Are you talking to industry to find out how much of that bridge, including all of it, they'd be willing to pay for?

Mr. Mason: Well, we can have those conversations. First of all, we need to know: where's the best place for the bridge? I don't think there's consensus among industry itself, hon. member, that that is the most cost-effective place to build a bridge.

Mr. McIver: Somebody else building it sounds pretty cost-effective. We'll agree to disagree on that because I think that's ready to go except for your blessing. I'm hoping that you'll take a look at that, Minister.

Mr. Mason: We want to complete the high-load corridor study before making a decision.

Mr. McIver: Okay. Here's a softball for you on your safety stats on page 135. Your last actual is 66.6 injury collisions per 100,000; you plan to drop it to 56. Pretty darn impressive, Minister. How are you going to do that?

Mr. Mason: Okay.

Mr. McIver: That's at the top of page 135.

11:30

Mr. Mason: Yeah. Well, as I indicated, we have a major focus on transportation safety and the transportation safety plan 2020. We have consulted extensively with traffic safety stakeholders as well as our other partners. That plan will cover 2016 to '20. We're using the safe systems approach, which is an international best practice.

Mr. McIver: Okay. Any specific thing? I'm not trying to cut you off. I have only seven minutes left. Are there one or two specific initiatives that you think will make a big difference?

Mr. Mason: Well, certainly, we need to take a look at changes; for example, driver impairment, which I mentioned earlier, is something. Speed compliance, focusing on younger drivers quite a bit. There's a range of things that we'll be undertaking.

Mr. McIver: Thank you for that answer, Minister.

Green line LRT. Is there anything in this budget for the green line LRT?

Mr. Mason: No.

Mr. McIver: Okay. Deerfoot Trail. Are you planning on making any improvements to the 212 interchange; in particular, 212th Avenue in the south end?

Mr. Mason: It's not in the plan.

Mr. McIver: What about Anderson Road and Deerfoot?

Mr. Mason: I don't think there's anything in the capital plan dealing with the Deerfoot Trail.

Mr. McIver: Wow. Okay. May I ask: where are you in handing the Deerfoot back to the city of Calgary so maybe they can do some work on it?

Mr. Mason: Yes. Well, that's something that's certainly going to be the subject of future direction. Our focus, hon. member, is on the Stoney Trail and the ring road. That's the provincial priority that we have.

Mr. McIver: I appreciate that. All the more reason, probably, to get the Deerfoot in the hands of the city. It's a pretty major road, and somebody has got to be focused on it.

Mr. Mason: I think we will. For some reason the previous government took the Deerfoot off the city of Calgary's hands.

Mr. McIver: I appreciate that. That was so that they could build Stoney Trail. The city couldn't afford to make some of the improvements to Deerfoot, but it's got to the point now where trucks can go around Calgary without using the Deerfoot Trail, which is why the previous government planned on doing it about now. So that's why I'm asking you.

Mr. Mason: Yes.

Mr. McIver: Because that was a brilliant plan the previous government had.

Mr. Mason: Except we're stuck with the Deerfoot Trail.

Mr. McIver: No. That's why I'm asking you to complete it.

Okay. You've talked about electric cars, so I'm going to ask you about that. Are you doing anything to expand electric car corridors and natural gas corridors so that different forms of transportation can get across Alberta?

Mr. Mason: That is part of our transportation plan process.

Mr. McIver: Which corridors?

Mr. Mason: Well, the QE II is probably the primary one, hon. member, where we'll start. There are already charging stations in

Red Deer, so I think that's coming. There will certainly be more that we'll be announcing over the next year or so.

Mr. McIver: Okay. I would just politely, I hope, remind you that Deerfoot Trail is part of highway 2. You have some plans there. That's good to hear.

Minister, are you looking at highway 36 at all, any improvements there for a high-load corridor?

Mr. Mason: That is part of our high-load corridor study, hon. member. Much of the stuff for Fort McMurray, the major modules and so on, are fabricated either in Red Deer or Nisku. To allow them to access both the Industrial Heartland and Fort McMurray in a way that doesn't interfere with local traffic which is safe and which reduces costs for industry are the priorities that we have in examining that issue.

Mr. McIver: Okay. You scared the heck out of me a few minutes ago, Minister, I must admit, when you talked about allowing bigger modules to go across. When I was Transportation minister, we actually cut the weight back because of some major bridges flexing in a most disturbing way, which could really kill Alberta's economy if that bridge was to fail. Are you aware of that, and are you making sure you stay out of risk on that?

Mr. Mason: Yeah. I told them we'll do the pilot, and if they wreck our bridges, we're not going ahead.

Mr. McIver: Yeah. Okay. That might be too late, Minister, respectfully. I'm not saying it to pick on you but just as, hopefully, a friendly caution.

Mr. Mason: Yeah.

Mr. McIver: Also, are there any particularly dangerous intersections that you have on your agenda to fix?

Mr. Mason: Well, that's a question. Highway 63, of course, was one of the most dangerous ones. We have a number of other safety improvements. I'll just get that list for you, hon. member.

Mr. McIver: While he is looking up those, only because I've got two and half minutes left – Minister, I'm not trying to be impolite. The southwest ring road, the Tsuut'ina one: do you hope to have that open to traffic? I appreciate that that's going out a little bit, but it's a fair question, I think.

Mr. Mason: Yes. This is 2016, so that's 2021.

Mr. McIver: Okay; 2021.

Mr. Mason: We want to have it finished a full year earlier because, of course, the previous government negotiated a deal that if we don't get it done in seven years, the Tsuut'ina get the land back, and it'll be probably the finest toll road in the province.

Mr. McIver: That was a deal I'm very proud of, and I would encourage you to get that done on time.

Mr. Mason: We are making every effort to do that, hon. member.

Mr. McIver: Okay. Thank you, Minister. I appreciate that.

In terms of the west end of the Calgary ring road, up the 101st Street alignment, what's your schedule for that?

Mr. Mason: It's in years 4 and 5 of the capital plan to start that work.

Mr. McIver: Okay. That's very helpful. Thanks, Minister.

Also, may I ask, in terms of highway 2: any plans to widen it?

Mr. Mason: We're beginning a corridor study on the QE II.

Mr. McIver: When will we hear about the study? When will we hear the results, please, Minister?

Mr. Mason: It's a two-year study. It should be completed next year. I should say that on the QE II there are three major points where we need to give it some attention, and those are around Leduc, through the Red Deer area, and Airdrie. Those are places where high volumes of local traffic use the road, and it adds to congestion. Not only that, but the local drivers drive differently on the highway.

Mr. McIver: All right. I'm real short on time.

Are you going to be on time with the Edmonton ring road completion?

Mr. Mason: Yes. It's opening this fall.

Mr. McIver: Outstanding.

Mr. Mason: And I will let you come. We'll drive a convertible.

Mr. McIver: Great.

Drivers' training schools for trucks and cars: are you reviewing them to make sure they're following the rules?

Mr. Mason: We're taking a good look at that whole issue, including examinations.

The Chair: Thank you, both, hon. member and minister.

We'll move on to the private members of the government caucus.

Mr. Rosendahl: Okay. I'm going to re-ask a question, being that I didn't get a chance to finish it.

Mr. Mason: Okay. Thank you very much.

Mr. Rosendahl: I'm going to go back to the municipal water infrastructure grant program. It received a significant funding increase in the budget 2016-17 estimates as per lines 8.1, 8.2 on page 234 of the government estimates. We see that the municipal water/waste-water program will receive double its funding, \$50 million total, and the water for life program funding increased by \$50 million. Given the need to provide safe, clean, and reliable water and waste-water treatment for Albertans, how does this increase in funding achieve this goal?

Mr. Mason: Thanks very much for the question, hon. member. Access to clean drinking water and safe and sanitary waste-water treatment systems is important for everyone in the province. Absolutely. We've had lots of conversations with our municipal and community partners about these matters over the last year, and I've heard loud and clear that renewed investment in water and waste-water infrastructure is a critical priority for Albertans.

In the budget we're providing more than half a billion dollars, \$595 million, in funding to critical water grant programs over the next five years through water for life and the Alberta municipal water/waste-water partnership programs. It's a \$50 million increase compared to the October 2015 budget. It clearly demonstrates that the government is committed to investing in infrastructure which improves the quality of life for Albertans in smaller communities and rural Alberta.

We know that previously reduced funding for these important grant programs meant that a number of projects have been delayed for some time in some communities. With the increased funding of \$50 million we can now re-examine some of the projects that have had to be shelved in the past, and we're hopeful that this will allow more communities to upgrade their vital water and waste-water infrastructure.

11:40

Mr. Rosendahl: Well, thank you.

As a supplement to that, being a rural MLA, this next question is based on that. Minister, these programs are targeted towards smaller cities, towns, villages, summer villages, regional commissions, and eligible hamlets with rural municipalities. Given the increase in funding can you comment on the current state of these systems and why the ministry feels that it is an appropriate time to invest in these communities?

Mr. Mason: Well, hon. member, the answer to our capital program in general would apply there, and that is that this is a really good time to make investments in infrastructure because there's surplus capacity in the economy. There are engineering companies, construction companies, gravel companies, paving companies, and construction trades workers that are all looking for additional work, and the result is that we can keep some people working while getting a good deal on price, and interest rates remain low. So it's a good time to invest.

We're investing in a countercyclical way as opposed to the previous government, that would often invest at the peak of economic growth in the province and therefore end up competing with the private sector for those resources for capital and labour. We're trying to do it the other way and to make those investments when there is slack in the economy. It has a dual benefit, keeping people working and getting the people of Alberta the best possible deal on badly needed infrastructure.

Mr. Rosendahl: Okay. Thank you very much.

Mr. Kleinsteuber: Minister, line 15, 2013 Alberta flooding, on page 235 of the government estimates, indicates \$41.7 million in capital investment for 2016-17. I'm wondering if you can speak to the progress made from a transportation perspective, the work remaining, and how much this funding supports infrastructure recovery.

Mr. Mason: Thanks for that question, hon. member. The 2013 floods were devastating for many Alberta communities and for our economy, and they temporarily forced thousands out of their homes and created \$6.6 billion in damage, so we're committed to improving the resiliency of our communities against flood. The nearly \$42 million we're investing in flood protection and mitigation will help prevent damage, as we have seen in previous floods. It includes \$17.8 million for highway and bridge infrastructure and \$24 million for water and waste-water infrastructure.

There are 33 highway and bridge projects and five water management structure projects yet to be completed under the 2013 flood mitigation program. When we're complete, this will provide significantly enhanced flood protection and mitigation for Alberta communities.

Mr. Kleinsteuber: Okay. Good to know. Thank you.

This next topic I know has been touched on a few times also by other members in the room here. Many constituents I've spoken to have advocated for the modernization of key infrastructure,

including many of Alberta's bridges, which are in need of repair and replacement. In the government estimates on page 235, line 12, it's indicated that under capital investment over \$55 million is there for bridge projects. I'm just wondering, Minister, if you could explain what is being done to especially help Alberta communities such as Peace River, Grande Cache, and a few small rural communities with their bridges?

Mr. Mason: Thanks very much. Well, our 2016 budget provides funding for a number of previously unfunded priority projects valued at about \$377 million, including twinning the Peace River Bridge. That project and nine others have been added to the provincial construction program. As well, we invest \$100 million for the STIP program between 2017 and '19. Rural and small urban municipalities will again have access to STIP grants, \$35 million in 2017-18 and \$65 million the year after that. We think that, you know, the budget will significantly increase the capacity of small and rural municipalities to maintain their bridges, which has been an ongoing concern for I know the AAMD and C for many years.

Mr. Kleinsteuber: Okay. Thank you.

Moving over to the topic of flood mitigation, the government estimates, page 235, lines 15.1 and 15.2, show a total capital investment of \$41.7 million for the 2013 Alberta flooding. Given that southern Alberta was hardest hit by the devastating flood back in 2013, what is being done to prevent future flooding, and how does Budget 2016 support the Springbank project?

Mr. Mason: Well, thanks very much for that question. The floods, as I mentioned, were devastating for southern Alberta, causing over \$6 billion in damage and forcing thousands of Albertans from their homes. We want to support the communities in improving their flood resiliency, so we've allocated \$112 million to water management projects and nearly \$42 million under the Alberta flooding program, which I just previously mentioned in response to an earlier question. The \$112 million will be used for dams, spillways, canals, control structures, lake stabilization, erosion abatement works, and flood control dikes. It's a \$51 million increase compared to 2015. I think I mentioned the money for highways and bridges and water/waste-water infrastructure, so I won't repeat that.

Mr. Kleinsteuber: Okay. Thank you.

As a final topic, judging by the time here, Gaetz Avenue. Minister, every time I travel through Red Deer's Gaetz Avenue interchange with the QE II, it's clear that the highway is problematic. I was just wondering: what, if anything, is being done to upgrade this interchange, especially in light of Red Deer hosting the 2019 Canada Games, and how is this reflected in Budget 2016?

Mr. Mason: Well, I'm glad you asked that question, hon. member. Just a couple of weeks ago the Premier and I travelled down to Red Deer to announce the Gaetz Avenue interchange project.

The Chair: Thank you, Minister.

We'll now move on to the members of the Official Opposition.

Mr. van Dijken: Thank you, Chair. I'd like to start with a line item on page 48 in our capital plan. Under that line item we have what's titled Climate Leadership Plan. We see a lot of money going towards that in the next five years, not much this year but in the next four years a significant amount of money. Will we see any of that money funnelled into anything within transportation initiatives,

regional transportation initiatives, or is that a line item that's completely different?

Mr. Mason: I think there's a very good likelihood that there will be capital money available for projects that reduce the carbon imprint of the province. The Premier has said that this fund will not be used to fund existing operations. It has to have, you know, a climate focus or mitigate the impact on middle- and lower income families. So under that guidance of the Premier I would expect that there will be some capital money available for transit capital projects.

Mr. van Dijken: What about, like the Member for Calgary-Hays talked about, an electric car corridor? Could anything on that possibly be diverted from this fund?

Mr. Mason: I don't see why not, hon. member, as long as it is a capital expense and not replacing existing spending.

Just to clarify, over five years from that fund there will be \$2.2 billion dollars for green infrastructure, including green transportation infrastructure.

11:50

Mr. van Dijken: Okay. Thank you for that.

On page 137 of our Transportation business plan we see municipal transportation grant programs. We have \$125 million slated under GreenTRIP there. Then we move into where we have \$450 million and \$400 million allocated in 2017 and 2018. It kind of ties in with our capital plan, page 51, then. You talked about GreenTRIP and your desire to do a GreenTRIP-like program, son of GreenTRIP, starting in 2017. Do we have any details on what that program could possibly look like? When would details of a program like that be made available? We see quite a bit of money under the GreenTRIP line item on page 51 of our capital plan, and now we're going to be identifying a different program. Do we have any details becoming available soon?

Mr. Mason: Well, as I indicated earlier, we're just wrapping up the consultation phase, which was quite extensive. I met with the mayors of Edmonton and Calgary and, as well, with mayors of northern, central, and southern Alberta on this – there was extensive consultation – as well as with the two municipal organizations. We had a session of the two regions, the Calgary region and the capital region, specifically about transit. I've indicated, hon. member, that we're consulting on the criteria. In fact, we're developing this criteria directly in conjunction with those municipal leaders, which is, I think, a departure. In fact, I've undertaken to circulate the draft criteria for the program before finalizing it. It will have a regional focus. It will focus on rewarding municipalities that co-operate in the delivery of transit services.

Mr. van Dijken: Okay. We had some money available under the former GreenTRIP for rural. Is that money that will be lost, moved to cities?

Mr. Mason: We've just issued a third call. The original plan, hon. member, was \$2 billion: \$800 million allocated to Edmonton regional municipalities, \$800 million allocated to Calgary regional municipalities, and \$400 million allocated to the rest of the province. The Edmonton region has fully expended its amount. Calgary has \$130 million left. The rest of the province has \$285 million left. We've issued a third call, and obviously Edmonton area municipalities will not be eligible for that. At the request of municipalities, we've extended the deadline to August.

Mr. van Dijken: If it's not fully subscribed, what will happen?

Mr. Mason: Then we're going to decide what to do with the money.

Mr. van Dijken: Okay. So then a decision will be made at that time.

Mr. Mason: It will be made. You know, I have my choices, but I think Treasury Board may have some interest in the matter.

Mr. van Dijken: We have the city of Okotoks looking for a waterline from Calgary. I believe it's already in the works along highway 2A. Will that be a water for life project, or will the project essentially stop at Okotoks?

Mr. Mason: They have applied under the water/waste-water program, and that's under consideration.

Mr. van Dijken: Okay. Has Alberta Transportation done a cost-benefit analysis of a Springbank off-stream storage strategy? Has any work been done with regard to that?

Mr. Mason: I believe that would be done by the Environment and Parks department. We've just been handed the project to build it.

Mr. van Dijken: Okay. I'm going to ask you about a couple of roads up by Fort McMurray that have been under discussion in the past. One of the roads is essentially an access road that allows a lot of the dangerous goods to bypass the downtown region of Fort McMurray. Can you outline your department's involvement with the east Clearwater access road, east of Fort McMurray, essentially from Anzac to Kearl Lake?

Mr. Mason: So that's north from 886?

Mr. van Dijken: From 881, I believe.

Mr. Mason: Yeah. I'm learning the roads, but I'm still in single digits, hon. member.

Mr. van Dijken: Have there been any developments with regard to discussions with the region there?

Mr. Mason: There has been discussion. Industry has raised this, and they're interested in it and would, I think, be prepared to support it financially. No decision has been made at the present time.

Mr. van Dijken: Have there been any developments with 686, then, from Fort McMurray to Red Earth Creek and then on to Peace River? Have there been any discussions on that project?

Mr. Mason: The planning has been completed for that, hon. member, but there's no funding for construction yet.

Mr. van Dijken: Okay. The county of St. Paul has requested expanding the 80-kilometre reduction at Ashmont school entrance on highway 28 approximately one kilometre west to encompass the junction of highways 28 and 36, where a lot of school buses turn onto 36 south. Has there been any work or any answers on that?

Mr. Mason: It's under consideration. I guess I can tell you that. I know you're in a hurry, but we actually prepared answers to this stuff.

Mr. van Dijken: Yeah. I understand.

Mr. Mason: They've got to find it for me first.

Mr. van Dijken: I'm going to ask you one more. I asked this at the close of the last segment. Police Outpost provincial park: if we don't have an answer right now, can we get an answer as to where that will be also?

Mr. Mason: Yeah. We can get you that. I think that might be the better way.

We actually prepared documents. Here's Police Lake. Okay. It's a local road, and it's defined in the Highways Development and Protection Act as being a local municipal responsibility. Traffic volumes are approximately 210 vehicles a day in the winter, increasing to 330 per day in the summer, well below the department's threshold.

The Chair: Thank you, Minister.

We'll move on to the third party.

Mr. McIver: Thank you. Minister, I will ask you about page 136, performance measure 4(a), "physical condition of provincial highway surfaces." I read this correctly – do I? – that the percentage of good roads goes from 56.4 per cent in 2014-15 down to 54 per cent in 2018-19 and that the percentage of poor roads goes up from '16-17, which would indicate the roads will actually be in worse condition in 2019 than they are today. Do you agree with that assessment?

Mr. Mason: Yes. Well, that's what it says in my report.

Mr. McIver: Do you agree?

Mr. Mason: Well, yeah. I wouldn't put it in the report if it wasn't.

Mr. McIver: Thank you.

On ride sharing – I'm almost out of time, Minister – will you insist that the ride-sharing companies have similar insurance and security checks and mechanical inspections so that there is a somewhat level playing field with the taxi industry and that we don't put jobs at risk?

Mr. Mason: Two out of three of those. The mechanical inspections we're leaving to the municipalities. We're not in a position to monitor or enforce that.

Mr. McIver: Okay. But insurance and security checks you will insist on?

Mr. Mason: Absolutely.

Mr. McIver: Thank you very much for that, Minister. I appreciate that very much.

In terms of the 50-year plan you seemed uninterested. What is the horizon that you would think is appropriate for a forward-looking plan?

Mr. Mason: I don't want to set that. It's called the long-term transportation plan. Once you get past 10 years, it's really hard to see where the technology is going. Beyond that, we do need to continue planning road infrastructure, highway infrastructure, LRT, and municipal transit planning.

Mr. McIver: Okay. Highway 63: are you planning on completing it this year? I know I started it, my colleague moved it along, and we're grateful you did that. Do you plan on finishing it this year as per the original plan?

Mr. Mason: Yes. We'd hoped to open it, actually, in November, but there's this pipeline company that dug it up, so we've got to fix that, and then it's open.

The Chair: Thank you, Minister.

We've reached the allotted time for this item of business, so we have concluded.

I would like to remind the committee members that we are scheduled to meet on May 12, tomorrow, at 9 a.m. right here in the Foothills Room to consider the estimates of the Ministry of Indigenous Relations.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 12 p.m.]

