
Legislative Assembly of Alberta

The 28th Legislature
First Session

Standing Committee
on
Alberta's Economic Future

High-speed Rail
Public Input Meeting in Calgary

Monday, February 24, 2014
6:34 p.m.

Transcript No. 28-1-22

**Legislative Assembly of Alberta**
**The 28th Legislature**
**First Session**

## Standing Committee on Alberta's Economic Future

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Fox, Rodney M., Lacombe-Ponoka (W), Deputy Chair

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Hehr, Kent, Calgary-Buffalo (AL)
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Pastoor, Bridget Brennan, Lethbridge-East (PC)
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**Standing Committee on Alberta's Economic Future**

**Participants**

**6:34 p.m. Monday, February 24, 2014**

[Mr. Amery in the chair]

**Location: Calgary**

**The Chair:** Good evening, ladies and gentlemen. It's indeed a pleasure having all of you here. I would like to welcome all the members and attendees to this public input meeting.

I would ask that members introduce themselves for the record and for the benefit of the attendants. Members, please indicate if you are attending here as a substitute for another committee member. We will start with Mr. Luan.

**Mr. Luan:** Thank you, Mr. Chair, and good evening, everybody. Welcome to the opportunity. My name is Jason Luan, MLA, Calgary-Hawkwood. Thanks.

**Mrs. Sarich:** Good evening and welcome. I'm Janice Sarich, MLA for Edmonton-Decore.

**Ms DeLong:** Hi. I'm Alana DeLong. I'm the MLA for Calgary-Bow, and I'm sitting in for Bridget Pastoor from Lethbridge.

**Dr. Brown:** I'm Neil Brown, the MLA for Calgary-Mackay-Nose Hill. I'm here this evening on behalf of Mr. Cao from Calgary-Fort.

**The Chair:** Thank you. I'm Moe Amery, MLA for Calgary-East and chair of this committee.

**Mr. Fox:** Good evening. I'm Rod Fox. I'm the MLA for Lacombe-Ponoka and vice-chair of this committee.

**Mr. Quadri:** Good evening. My name is Sohail Quadri, MLA, Edmonton-Mill Woods.

**Mr. Rogers:** Good evening. My name is George Rogers. I'm the MLA for Leduc-Beaumont, which is immediately south of Edmonton. I'm also the Deputy Speaker.

**Mr. Hehr:** Kent Hehr, MLA, Calgary-Buffalo, which should be called Calgary-Centre. It's right downtown, but for some reason they call it Calgary-Buffalo, but there you go.

**Mr. Stier:** Hello, everyone. I'm Pat Stier. I'm the MLA for Livingstone-Macleod, which is the huge riding that stretches from Priddis all the way down to Waterton and over to Fort Macleod and up to High River, so I've got them all.

**The Chair:** Thank you, members. Well, ladies and gentlemen, by way of background, in November of last year the Standing Committee on Alberta's Economic Future commenced a study on the feasibility of establishing a high-speed rail system within Alberta and must report its findings to the Legislative Assembly in May 2014.

The committee has heard from 23 stakeholders with expertise or an interest in high-speed rail and has received nine written submissions from stakeholders as well. The committee is now conducting public input meetings in Calgary, Red Deer, and Edmonton and has also invited written submissions from interested Albertans. Today the committee has received in excess of 40 written submissions from Albertans.

Ladies and gentlemen, the committee understands the importance of providing Albertans with an opportunity to participate in this study, and we look forward to hearing from those who will be presenting this evening. The meeting will conclude at 9 p.m. or earlier, depending on the number of presenters we hear from this evening.

Just a few housekeeping items to address before we return to the business at hand. Each presenter will have a maximum of 10 minutes to make their presentation, followed by five minutes for questions from the committee members. If a presenter wishes to follow up with additional information or to provide a more detailed explanation of his or her presentation, they may follow up in writing through the committee offices. Audio of committee proceedings is streamed live on the Internet and recorded by *Alberta Hansard*. The *Hansard* transcript for this evening's meeting can be accessed via the Legislative Assembly of Alberta website later this week.

Ladies and gentlemen, with these very few brief remarks we will begin with our presenter. I would call Mr. Schmal. Please introduce yourself for the record, sir, and start your presentation.

**John Schmal**

**Mr. Schmal:** Good evening. My name is John Schmal, and I reside in the city of Calgary. If I was here 10 years ago, Mr. Chairman, I would have said to the out-of-town MLAs, "Welcome to our city," and I would have said to the MLAs from Calgary, "Welcome to northeast Calgary." That's 10 years ago.

I have only a few comments, but I think they're worthwhile. I've done some reading, of course, on the bullet trains, or speed trains, that people call it. One in particular was the Los Angeles-San Francisco one. You probably have heard about that. What I really found interesting was that the population in Los Angeles is about 4.8 million people. San Francisco is not quite a million, and 59 per cent of the population there weren't too keen on going for the bullet train. They were concerned about stops between the two cities, that it can get very political between the mayors and the councillors of the smaller towns to force the stops, and, of course, doing that slows down the whole system. The aim is to go from point A to point B as fast as you can, especially between the larger centres.

I had the pleasure of working out of the railway station at Airdrie. I was the very last railway agent there: very interesting times. During my time there they still had the Dayliner running between Calgary and Edmonton, you people might recall. It was just a one-unit, very costly to run. It had a conductor and an engineer on it, and they were getting big pay, so with the odd people that would get on, it just didn't pay for itself.

***6:40***

It was always very clear to me, having worked throughout the province of Alberta, especially southern Alberta, during my railway days, that CP certainly didn't want their passenger business, and they did everything possible to get rid of it because they knew there wasn't any profit in it. They put a lot of costs into their administrative costs for passenger trains, meaning that if they could throw any kind of cost against the operation of the passenger train, that's what they did and therefore discouraged most people to travel, discouraged governments to support it. They just wanted to get out.

I just thought I'd mention that because I now wish to make a few comments about subsidies. As I have read, there are only two out of 99 bullet trains that run in the world that make a profit; 97 of those run on subsidies. That's very hard to believe, but that's true. The subsidies are very hard to come by, especially when a company or companies may initiate a bullet train program, so to speak. They start out and tell you that they've got lots of money and that they've got a set budget. It could be $30 billion at the

start and ends up being $60 billion by the time they see the end of the tunnel, so to speak.

It's then that government is forced to kick in. That's where the problem starts, the real subsidy. They approach all levels of government – municipal, provincial, federal – and they force the issue. I'm telling you guys that they force the issue. It's no different than the Saddledome and the arena in Edmonton. Once they intend to build something, they include municipal government, the province, and they expect subsidies and help. There are not too many, as I said, only two out of 99, that have made it with a profit. The rest are all subsidized, which is very sad. So it just shows you that one has to be very careful if and when you are in government. It's likely that you're going to be requested to subsidize once you see cost overruns, and the expectation is very, very high.

As I said earlier about the simple Saddledome here – I was involved, and I want to give you that picture because it's that kind of picture – they wanted to do renovations in the Calgary Saddledome and started forcing the municipal government to cough up the dollars. It was a very difficult move for me as a member of city council to figure out what to do because, obviously, the owners, the hockey clients were all very forceful and trying to force me to cough up for the costs. The taxpayers, overall, would say: why would we be paying the private-sector dollars for them to operate? I give you that picture because if and when you approve this project, it's very likely – it's highly likely – that governments are going to be approached, so that'll be you that's going to be facing them.

In summary, if I was in your shoes or anyone's shoes that's dealing with this issue, I would say: wait until our population is at least 2 and a half million in each city – so that's 5 million in total – before you even start thinking about this.

Thank you.

**The Chair:** Thank you very much, Mr. Schmal. I have a question for you from Dr. Brown.

**Dr. Brown:** Mr. Schmal, you mentioned that two of them actually make a profit. Which two are they?

**Mr. Schmal:** Tokyo to Osaka and Paris to Lyon.

**Dr. Brown:** Now, you mentioned that Los Angeles to San Francisco has a high-speed rail connection.

**Mr. Schmal:** No. They're still thinking about it.

**Dr. Brown:** Oh, they're thinking about it. Okay. Their collective population is somewhere in the neighbourhood of just under 6 million according to the figures that you gave me. We are 4 million now and are going to be 7 million here in the province within the next 15 to 20 years according to the projections I've seen. The bulk of those will be in the Calgary-Edmonton corridor, so we are approaching that same sort of range of density. Do you have any comment on whether or not you think that at some point in the future the density would warrant a high-speed rail connection?

**Mr. Schmal:** Well, as I said, I think that you need to wait until the populations in Calgary and Edmonton are about 2 and a half million. Calgary's population is currently about 1.2 million. Yes, Edmonton is probably about the same, but then you've got the outlying areas as well. But, really, you have to go from within the city to within the city. That's your population that really counts.

Again, I would envision that Red Deer would likely be a stop between Calgary and Edmonton, but there are going to be other places that say: you know, we want you to stop here as well. That's the political side of it later, but I don't think that at this time I would approve this kind of a project with our current populations.

**The Chair:** Thank you, Dr. Brown.

Mr. Rogers.

**Mr. Rogers:** Well, thank you, Mr. Chairman, and, Mr. Schmal, thank you for your presentation. I'm just wondering. It's quite clear that your advice to us is to look at this maybe a few years down the road. We're looking at populations of about a million in Edmonton and area and about 1.2 million or 1.3 million in the Calgary area, so obviously we've got a little way to go. I'm wondering what kind of advice you might give us in terms of trying to protect the right-of-way. Obviously, you know, if this potential area gets built up, it would be a lot more expensive and much more cumbersome to try to put something like this through, assuming we would get to those numbers in – I don't know – 20, 30, 40 years or so. Any thoughts in terms of how we might secure or what we might try to do to secure a right-of-way just so we could enable this at some point?

**Mr. Schmal:** I would say that your first move would be to contact CP to see if they're interested at all. They may not be. Their track is not in that good a shape. Nothing goes over 65 or 70 miles an hour. That means they'd have to fix a lot of tracks. Would they want them on the very same track, or would they want them as a separate rail? That's the other question.

Sidings would be an issue. They'd have to build a lot of sidings, I guess, to be able to pass each other from different directions as well.

I would see that pipelines that are currently used within the railway right-of-way could become a problem for you. The number one move is to contact CP: are you interested at all in a future bullet train? That would be the key thing, I think.

***6:50***

**Mr. Rogers:** Thank you for that.

If I may, Mr. Chairman, just to follow up?

**The Chair:** Briefly, please.

**Mr. Rogers:** I will be very brief.

Some of the proponents that spoke to us in Edmonton suggested that if this were to go, it would need a greenfield option, basically a totally new track, a new right-of-way. Any thoughts around that? You're specifically speaking to trying to utilize or working with the existing railway. I'm just wondering what your thoughts might be on a greenfield option.

**Mr. Schmal:** Well, then, a second question would be: would CP allow you to use their right-of-way, or would you have to put it next to highway 2 between Edmonton and Calgary? That's a major expense. Then you start to run into billions of dollars, often underestimated – and that's what I caution you about. They'll give you a number, and before you know it, it's double. Eventually they run out of dollars, and who do they come to but you? Just remember that.

**Mr. Rogers:** Thank you.

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

I know that at the beginning I said that I will allow only five minutes for questioning, but we have one more question for you,

Mr. Schmal, if you don't mind, from Dr. Brown. I can't make him upset with me. Just very briefly.

**Dr. Brown:** Now, Mr. Schmal, as a former alderman of the city of Calgary are you aware that the city of Calgary designated, you know, a terminal and that apparently there's been some prebuild underground in the city of Calgary for high-speed rail in the future? Are you familiar with that idea?

**Mr. Schmal:** There is an underground facility under city hall, actually. Again, in the past I have talked about the possibility of running LRT on CP's rail line – going north, that is – up to Airport Road and then swinging to the west and accommodating all of the new areas of Panorama and Harvest Hills and so on. That was never an interest for CP at all, so you go from there.

**Dr. Brown:** Thank you.

**The Chair:** Okay. Thank you.

**Mr. Rogers:** Mr. Chairman, I believe Mr. Hehr was trying to get on some time ago.

**The Chair:** Okay. We'll allow more questions.

**Mr. Hehr:** Well, just a quick question. Alderman Schmal, thank you very much for your service to the citizens of Calgary. I have every confidence that you're right, that sooner or later the government will get asked to kick in money, whether it's at the start or the end, somewhere along the line of this project. But as long as the numbers for the subsidy don't equal what the projections are for spinoffs, for economic benefits, for growth and development, and, frankly, making your citizens' lives better, should the fear of that subsidy keep you back when those things are all pointing in the direction of this being good for other sectors of the Alberta population?

**Mr. Schmal:** You people have been around long enough. You know the difference between representing the rural communities versus those of the cities. George, you've been there and I've been there with the Federation of Canadian Municipalities. What I can see is a plus for the two cities, maybe Red Deer, but the rest of the province would just turn around and say: what does it do for us? I think that's what you can expect.

**Mr. Hehr:** Well, thank you.

**The Chair:** Thank you, Mr. Hehr.
Thank you, Mr. Schmal.

**Mr. Schmal:** Thank you.

**The Chair:** Our next presenter is Mr. Ed McCulloch. The floor is yours, sir, or I should say that the microphones are yours. I would like to repeat that you have 10 minutes to make your presentation and five minutes for questions from committee members.

**Ed McCulloch**

**Mr. McCulloch:** Members, ladies and gentlemen, thank you for this opportunity. In the '90s citizens had been asked by the government of Alberta to make suggestions, so I generally used the limited space to suggest high-speed rail be, you know, used to link Calgary with Edmonton, and we're still talking about it, I guess. The longer we talk about it, the more it will cost.

One of the big costs, obviously, is land acquisition. Now, at the present time there is a high-speed rail under construction in France linking Tours with Bordeaux. They have very low land acquisition costs, 400 million euros to acquire the land. On this railway they don't have to build any stations, and it's about the same distance as Calgary-Edmonton. It's going to be a public-private partnership, and the total cost is going to be about 7.8 million euros, so that would be about 12 billion Canadian dollars. You know, postponing the inevitable is only going to cost more.

What they're doing, really, is extending their high-speed rail system, so it's a bit different from what we're looking at. We're looking at getting started into high-speed rail. Unfortunately, if we do it now, we'll probably be the first in North America. In 2008 Mr. Obama was going to renew rail passenger travel, and he met with a lot of resistance. The first speaker told you about the resistance. Consequently, they wind up just debating the matter more and more as costs will rise. I see it as inevitable. Mr. Obama is not going to get the credit for this, but a future President will.

The problem in the States that's making this a necessity is traffic congestion. They've become a country of cities, and the cities are not linked except for a postwar project called the interstate highway system. That was the last big project the U.S. got into, the interstate system, and that was very much a postwar thing. What that did was crushed the rail passenger system and basically put it out of business or put it into a money-losing, heavily government-subsidized entity, and the rest is history. So you can't really look to the U.S. for positive examples, but you could look to Japan and France. They're probably the furthest ahead, and other European countries are moving along in this direction.

China is on the threshold of investing $300 billion into high-speed rail. Britain has HS2. They're not constructing it yet, but they're about to. They've got a Canadian contractor to supply the trains, and the trains will be built at Derby in England. Their budget is 17 billion pounds, and that includes the trains. Unfortunately, they have to tunnel through a range of hills, so there is tunnelling. It won't be a scenic line. It'll be fast, but 56 miles of it will be covered, so more than half the distance to Birmingham out of London will be covered.

Seventeen billion pounds is a lot of money, a lot more than we're looking at. I would look at the costs of the high-speed rail under construction at the present time in France, and I would expect that our high-speed rail link would probably come in at at least $10 billion. You might get some financing from the people of Alberta. You know, in the '90s we had Alberta capital bonds. I'm pretty sure we could come up with something like this to raise the funds, maybe by way of convertible debenture, maybe even by deferring the interest five years and giving people a chance to put in their own money. That will also give you an indication of the interest from the people of Alberta in this high-speed rail.

The population is concentrated in Calgary-Edmonton, but you might be surprised that people outside the province will want to get in on this just for the sake of being able to ride this because it will be the only one in North America for a few years.

You know, the members probably have a good idea that there are a lot of benefits.

**The Chair:** Two more minutes left.

***7:00***

**Mr. McCulloch:** Very good.

There are certainly a lot of benefits in Europe to having high-speed rail links. Ten years ago a senior that I met on a train told me that he surprised a neighbour in Edinburgh when he was asked, "Where are you going today?" He said, "I'm going to York." "Oh, are you going for a week or two?" "No, I'm coming

back tonight." That's quite a long way. There's only one stop on that railway, and that's at Newcastle. The train stops for a maximum of two minutes, and then it's on its way again. It travels through stations at 125 miles per hour on straight sections. So that's not a bad outing for a senior.

Anyway, I'll welcome any questions. Thank you.

**The Chair:** Thank you very much.

Mr. Luan.

**Mr. Luan:** Thank you, Mr. Chair. Thank you, Mr. . . .

**Mr. McCulloch:** Oh, just call me Ed.

**Mr. Luan:** Ed. That's easier. Thanks a lot.

It's fascinating for me to hear different perspectives, particularly international, outside of Alberta. One reason I say that is that, you know, our province is the leading economic engine in Canada, and I certainly see that that is not going to stop in the next little while. I'm hearing your perspective. Are you saying that with government support, the partnership you talk about, the infrastructure investments like high-speed rail can be an economic stimulus for further population growth, economic booming, and so forth? If you can specifically comment on that.

**Mr. McCulloch:** Well, we heard about a previous train service with a single unit with a maximum speed of 90 miles per hour. Okay. It takes you just about as long to drive to Edmonton. What happens if we have a new exhibit, say, at the provincial museum? What is it, the Royal Alberta Museum now? Someone like a senior could after breakfast get on the train, have lunch at the museum, and come back home for dinner. He's not going to do that by bus. He's not going to get in his car and get exhausted coming back. You know, he sees that as a young person's thing. He's probably not going up to stay in a hotel for two nights. He'd rather go there and back in a day. There's an example of economic activity for you, and that's just for a senior.

Look at the business traveller. It's going to be really good if you can land at Calgary, make a few calls, take care of a few meetings, get on a train, go to Edmonton, do something similar, and fly out.

**The Chair:** Can we condense the answers a little bit?

**Mr. McCulloch:** Oh, okay.

**The Chair:** We have other members who wish to ask questions.

**Mr. McCulloch:** I would welcome a few questions, yes.

**The Chair:** Are you done, Mr. Luan?

**Mr. Luan:** Yeah.

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

**Mr. Hehr:** Well, Ed, it's good to see you. It's been a while since we both served on the city of Calgary's accessibility committee, but I like to see that you're still commenting on the events of the day.

I'm just wondering. What would your thoughts be if you knew that there were a couple of private corporations who at this time say that they can raise the money themselves and build the train as long as the government puts in a regulatory framework for them to do so? Do you think this body here should recommend that they go forward and at least try to raise this capital on their own?

**Mr. McCulloch:** Well, if I were you, I'd want to get lots of documentation. Some of the risks are these. We don't know what fuel will cost when the railway starts to operate. Now, in Europe motorists prefer to do their long-distance journeys by rail because they can travel at double the speed in the U.K., triple the speed in France, okay? Like, just this year Paris was linked with Barcelona. Last year it took 11 hours by train; this year it takes seven hours, okay? So I think you'll see that a lot of people at both ends are going to favour a weekend in either city. Eleven hours versus seven hours: you know, that's going to create economic benefits at both ends of the line.

Does that answer your question, Kent?

**Mr. Hehr:** Thanks, Ed.

**The Chair:** Briefly, Mr. Rogers.

**Mr. Rogers:** I will be very quick, Mr. Chairman.

Ed, just a quick question, one like the previous presenter's: are you suggesting that the opportunity is here, that we should take a serious look at this sooner rather than later?

**Mr. McCulloch:** Well, let's see. Look what's happened to the cost of real estate between the '90s and today. You know, real estate has quadrupled in the Calgary-Edmonton corridor. There are some exceptions; sometimes it's six times. Maybe improvements have been made, and now you're going to have to demolish a few buildings that encroach upon your right-of-way.

As a follow-up to the last speaker I would expect a dedicated track because the current tracks are maybe good if you're going to run a passenger rail service up to the standard Canadian 90 miles per hour, but if you're going to be running trains at 300 kilometres an hour, you will need dedicated track, and it has to be double track.

Thank you.

**Mr. Rogers:** Thank you. Thanks a lot.

**The Chair:** Thank you, Mr. McCulloch, and thank you for your presentation.

Now we'll move to our third presentation here tonight, Mr. Andrew Little. Thank you, Mr. Little, for being here tonight. Please introduce yourself for the record, and remember that you have 10 minutes to make your presentation and about five – we're being flexible on the five – to answer questions from committee members.

### Andrew Little

**Mr. Little:** Thank you very much for seeing me. I'm Andrew Little. I'm an architect. I've lived in Calgary for 30 or 40 years. I can't remember. This hearing – it's not a hearing; it's an airing – came up very quickly, so I haven't prepared a presentation.

The reason I've come here is neither for nor against high-speed rail, I think. I mean, I can obviously see, to put other people's presentations into a different light, Calgary is a city of – I don't know; what are we? – a million and something, and Edmonton is a million and something. We're floating them right on top of one another, separated by the price of a ticket and about – what was it? – an hour or something. The economic power of that is indisputable. Every single businessman has just doubled his market. Every family member is now close to his relatives. It's amazing.

But I'm really here to give a word of caution because you never know when paradigms shift. I came here on an iron horse myself, the LRT. The first tracked mass transit systems in North America

were developed by private industry before Henry Ford and the Model T – oh, I'm going to say within eight or 10 years – made them economically unsuccessful. The car just took over. So I'm warning you: keep an eye out for other things that might happen.

Here is something that might happen, and it may start happening within six years. It's the autonomous, permanent share car, or I might call it the driverless share car. You're all familiar with Car2go. You can just walk down the street and swipe your card on the car and get in and drive where you want to go, or you look at your smart phone, find the closest one, and you reserve it for half an hour. You've got half an hour to get into it and go.

Imagine that same vehicle as a driverless vehicle. Now you can schedule that car to come to you on one minute's notice. That car will take you from door to door without your having to fuss anymore with parking, not to mention all the burdens of ownership of the car. This is a vehicle that your kids could go to dance class or hockey in. You would no longer have to be a chauffeur to your children. You might not want to buy one of these things because you're going to be paying for the extra technology. You're going to be paying for the glamour of this car. But as a permanent share vehicle that's owned by a fleet owner who's making this available to you – I'm sure you all know that Car2go is Mercedes-Benz. You probably all know that Mercedes, General Motors, and Nissan will have driverless vehicles in the marketplace in less than six years.

***7:10***

So you have a choice of using whatever ground transport you have to your high-speed rail station and then riding the high-speed train to Edmonton and then using whatever ground transportation you have to get to your destination, or you get your lunch bucket and your double-double and your blanket and you crawl into the car that has come warm to the front door of your house or your office or wherever you are. It picks you up, and you say to it: "Take me to Jasper Avenue. Wake me up 10 minutes before I get there. I've got to comb my hair before I get out of this thing." It drops you at the door. You have no parking, no insurance, no gas to think about. It's all taken care of. My guesstimate is that the cost of that trip, the price for you to take that trip, is going to be in the order of $50 or $60, compared to a high-speed train at about $100. The difference will be that you've got door-to-door service on to-the-minute scheduling. This thing will tell you exactly when you're going to be there.

So just as all of those private entrepreneurs that built the rail transit systems throughout North America were actually having the public purse buy them out, you know, by the early part of the century or like the people who – everybody had gaslights until electrification. Not everybody had gaslights, but many urban middle- and upper-income people had gaslights in their homes before electrification. Who would have known that electrification would make gas irrelevant? So I caution you. I'm not a crystal ball gazer here, but I think you should be very careful of these paradigm shifts on the horizon.

**The Chair:** One minute.

**Mr. Little:** Oh, I think I've wrapped it. I'm your last presenter tonight . . .

**The Chair:** No, you're not.

**Mr. Little:** . . . and I know I've talked kind of out of the box, but I hope that you will think about this and maybe grill me on issues like safety, access, affordability. You know, there are a lot of things – I've left loose ends here. Why do I think it could be the paradigm shift that makes high-speed rail lovely, glamorous, but irrelevant?

**The Chair:** Thank you. Thank you for your presentation.

We have MLA DeLong with a question for you.

**Ms DeLong:** Thank you very much, Andrew. The beginning of your presentation was quite interesting because you talked about how you have these two large populations with an hour between them. I think that is actually the key thing, that when you have an hour between them, then it makes it essentially one city, okay? So I think that's the thing we're trying to grab here. That's the thing that we're trying to grab.

You also did bring up the thing about the Car2go. I think that Car2go is actually not just a technological advancement that we're dealing with there. It's also a social advancement. We've looked at this issue before with high-speed rail, and we've been told, "Oh, well, it might not work because we don't have the public infrastructure at either end," whereas the Car2go, it seems to me anyways, besides being a technological advancement, is also a social advancement that changes whether or not we actually need all of that public infrastructure before we move ahead with this. Could you please comment on that?

**Mr. Little:** Well, I hope you realize that when I talk about Car2go, I'm going beyond that to the driverless Car2go. This is a car that comes to you, and then you only use it for the actual minutes that you're in it.

**Ms DeLong:** Yeah. But then you'd still have that three hours. That's what I can't quite get around.

**Mr. Little:** Okay. Well, I think if the high-speed rail happens and there is the autonomous vehicle in the marketplace as a fleet vehicle that you don't have to buy, yes, you could take an autonomous vehicle to get to the Calgary depot. Then when you get to Edmonton, you take an autonomous vehicle to get to your destination. You still have to get out of it and go through the ticketing process or whatever it takes to get on the train, so there is a level of inconvenience there, but I think also price is a factor. If the high-speed rail is going to be a hundred bucks and this is going to be 50 bucks, that might make you look more closely at this.

Now, I agree; it might still be three hours. You're driving on the road. But another thing to look at is that these autonomous vehicles may – I'm pulling a number out of my hat – increase the capacity of the Queen Elizabeth by four, eight, or 10 times what it is today. These vehicles would be able to travel in platoons, bumper to bumper, at far higher safety. The health care savings to the province will be astronomical with this new technology. These cars will have the capacity of taking other, less efficient cars out of the picture.

To answer another part of your question, your observation is right on when you look at youth today. They're getting drivers' licences at a fraction – I think driver's licence acquisition is a third of what it was just 10 years ago in sort of the 16- to 30-year age group.

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

Mrs. Sarich.

**Mrs. Sarich:** Thank you very much, Mr. Chairman. Well, Mr. Little, I have a comment, just to put you at ease. In recent conversations that I've had with Albertans in the northern city of Edmonton, one question that flowed through those conversations was that they were wondering, just like you, what would be the

technology of choice for Albertans, say, 10 to 20 years from now. I would like to thank you for your examples as you look to the future and to give you some comfort that other Albertans have raised the very similar comment that you've presented this evening.

Just for others that are here, we have heard many presentations thus far, and I would just encourage you, if you're able to connect to the Internet, to have a look at some of those presentations, because they addressed issues such as cost, time, value for the money. I think that there's some sense that Albertans may think that this would be a cheap ticket on a high-speed bullet train between point A and point B, and that would not necessarily be the case. It would almost be very comparable to somewhere around $100, $150, or more, you know, so people would have to say: if I am a single person travelling between the two points or if I am a family of four, what would that that cost be?

I just wanted to share a little bit of insight from other conversations, and I thank you for your presentation this evening.

**Mr. Little:** Thank you.

**The Chair:** Thank you very much, sir. Questions?

Now we will move to our next presenter, Mr. Peter Scholz. Again, Mr. Scholz, you have 10 minutes to make your presentation and five minutes to answer questions from committee members.

**Peter Scholz**

**Mr. Scholz:** Thank you, Mr. Chair, and thank you, MLAs. It is my pleasure to speak to you today. My name is Peter Scholz. I'm a certified land-use planner and an independent businessman.

Alberta has a strong, independent spirit, and when we do things, we take pride in doing them right, so I do applaud your work today. The theme of my argument can be summarized as this. When you build a service that is convenient and cost-effective, people will use it. I want to present to you today four ideas to assist with successful implementation.

***7:20***

Initial construction, in my opinion, should be the downtown-to-airport routes, downtown Edmonton to YEG and downtown Calgary to YYC. The reason to do this in two phases is to provide a learning experience for Alberta companies who are building HSR. They're building relatively small projects to start off, relatively cheap. They get a feel for how things work. If anything doesn't work, they learn from experience before you build the big trunk route from YEG to YYC. For the audience, YEG is Edmonton International and YYC is Calgary International.

Idea two: consider the option of renting track space to airlines instead of the government operating the trains. The idea here is that trains cost less than planes. A 737 costs somewhere between $80 million and $100 million to purchase. A train doesn't cost that much. The airlines may be willing to get into the train business and rent track space from the government and launch the trains themselves in lieu of replacing their air fleets. Planes get old, and in five or 10 years they will be purchasing new planes. A potential externality of this approach would be to reduce the number of flights between YEG and YYC, which will reduce the pressure to expand those airports, hence saving money. HSR can get people from downtown Edmonton to downtown Calgary faster and in more comfort than flying.

Economies of scale may present themselves to the airlines. It may prove to be more economical in the case of intercontinental flights to pick people up from one city, put them on a train, take them to the other airport, and use bigger planes for the intercontinental flights. Private-sector involvement will also help ensure that station services and facilities, perhaps including driverless electric cars, are competitive and well marketed.

Idea three: to help ensure all Albertans benefit from this project, ensure that construction procurement is undertaken using the Alberta purchasing connection website, which is the way that most governments in Alberta will purchase products and services, although for large projects those tend not to appear on the Alberta purchasing connection. They should also be procured using the quality breakdown structure recommended by the professional engineers association. I don't have time to go into details of how QBS works. The system would help ensure that both large and small companies, primarily in Alberta, would have a reasonable chance to provide the materials and services that will be needed to get the HSR moving, therefore, basically, spreading the love around, getting more people involved and more small companies involved in the project of building this thing instead of one giant engineering firm.

Idea four, which is then followed by two comments – and I'm sure you're all already going to do this – is: please ensure that your recommendations are presented to the Alberta transportation strategy.

Two comments. I'm sure you already have read these. The 2004 and 2010 feasibility studies on high-speed rail are very well written and very professional, and they provide a great deal of information on routing and appropriate population thresholds. The second is that the subsidies that will be involved in construction of the rail line must be considered against the costs of expanding the Queen Elizabeth and also consider the fact that there is a cost to the public. When I get in my car and drive to Edmonton, I am using a very large and expensive piece of infrastructure for free. If I pay for a train ticket, suddenly I'm aware of that cost. It would be different if there was a toll on the QE II, but there never will be, I presume, so those subsidies have to be considered against the subsidies that already exist for our highway system.

Thank you very much.

**The Chair:** Thank you. Any questions?

**Mr. Hehr:** Well, I appreciate the presentation. I'm just then wondering whether you've come to any conclusions on whether the government should go ahead with this project immediately, investing government dollars to go ahead with the project. Should it be waiting five years until population densifies, or should it be looking at private industry to do this all on its own? I was wondering if you've come to any conclusions on that front as to how you would like this proposal to go forward with actual brass tacks dollars and funding mechanisms in place.

**Mr. Scholz:** The feasibility studies indicate that at current population thresholds, HSR is feasible. I'm recommending that by getting airlines involved, you're starting to divert traffic from the airlines to the rail lines, so you're capturing not just the road traffic; you're also capturing the air traffic, thereby probably tripling your chances for success. It's not just that I'm recommending do it now. I'm also recommending how you do it. The quality of your product determines how successful it will be, not just that having a product.

**The Chair:** Are you done, Mr. Hehr?

**Mr. Hehr:** Yeah.

**The Chair:** Okay. Mr. Rogers.

**Mr. Rogers:** Well, thanks, Mr. Chairman. Mr. Scholz, thank you for your presentation: very thought-provoking. I thought I heard you say that it's important that we look at the cost of, not to put words in your mouth, subsidizing highways versus or in concert with potentially subsidizing a right-of-way. I think your point was that as we build and expand highway networks, that is another form of subsidy. Could you elaborate on that point?

**Mr. Scholz:** In essence, yes, sir. When I get in my car and I drive to Edmonton, I am using a very large and expensive piece of public infrastructure for free. The cost that actually each individual car technically costs to drive that road has been worked out. I don't have the numbers off the top of my head.

**Mr. Rogers:** Fair enough. I didn't expect that. But your point would be that a right-of-way potentially for a high-speed rail should be looked at in the same context as expanding the QE II?

**Mr. Scholz:** Yeah. If you say, "Look, railway passengers are being subsidized, and I as a driver am not being subsidized," you are comparing apples to oranges. You have to compare apples to apples.

**Mr. Rogers:** Thank you.

**Mr. Hehr:** Can I just add to your point? I agree that we are already subsidizing automobile travel. We raise about $750 million from our gasoline tax here in a year, yet every year we spend about $4 billion on road construction and new roads and the like. You're perfectly correct. We already do subsidize auto travel greatly in this province. That was just a comment.

**The Chair:** Thank you, Mr. Hehr, and thank you, sir.

Ladies and gentlemen, we have been joined by the hon. Minister of Infrastructure, Mr. Ric McIver, and also by Councillor Stevenson from ward 3. Welcome, gentlemen.

These are all the presentations that we have for tonight, or the people who have registered to present for tonight, but since we have this place till 9 p.m., if a member of the audience wishes to present but did not register in advance, there is time available, and the committee would be pleased to hear from you. Please move to the presenters' table if you have any presentations to make. We will be happy to listen to you.

Sir, please introduce yourself for the record.

**Bill Cruickshanks**

**Mr. Cruickshanks:** My name is Bill Cruickshanks, and I am the president of Alberta High-Speed Rail.

**The Chair:** Okay. Ten minutes for presentations and five minutes for questions.

**Mr. Cruickshanks:** Sure. Our company has been working on this project for 14 years, and our great strength is the fact that we have four engineers in our company who have extensive experience in working for Calgary Transit on the LRT. They not only brought in the northeast and northwest legs of the LRT on time and under budget, but they went on to manage the infrastructure of this project over many years. We have someone who is an expert in high-voltage installations, that you need for an electric train, and what we're proposing to do is build a greenfield line – double track, bidirectional signalling – and to move you from Calgary to Edmonton, downtown to downtown, in 90 minutes at an average fare of a hundred dollars.

We're going to have 16 trains a day from 6 in the morning to 9 at night. We have through these engineers and their expertise – also, I should include Jack Crawford, who is a pipeline engineer and has been with us for five years. He is an expert in building linear projects and has brought into the company various companies which are experts in the field of managing the acquisition of a linear project.

With that expertise and using the government's market assessment study, we have put together a complete budget for the entire cost of construction, the construction years, and the operations over the next coming decades. At one time we were thinking that the government should put money into this project, but in 2008 with the economic downturn we had to give it some second thought.

***7:30***

My expertise: of course, I was with the CIBC for 29 years and was in commercial banking for 17 years, so I've financed a few projects in my time. When you look at the low interest rates that came after 2008, we have a wonderful opportunity for the private sector to go and build this project. Rail lines are long-lived assets, so you can finance them over 40 years, much longer than you can finance your house, and with those kind of projections we can see that the private sector can carry this project, build it and run it, without public money.

The question was asked when we made a presentation in Edmonton: well, what happens if you start and run out of money? Well, when we do these projects and finance, we all agree that this is the cost, this has got the contingents in it, and this is what it's going to cost. We then will not get it approved until all the lawyers and the accountants have gone through it 20 times and over to ensure that this is going to work. As a private company we also have options. If some unexpected thing came down, we can easily reorganize the company.

It's also true in this province that the Alberta government cannot guarantee or lend money to a private corporation, so we cannot come to the government and say: please help us out. It's illegal.

I think that if we can get a private company to move forward on this – we have done all the homework over 14 years. We have done up all the sums, we have walked and carried and moved across the corridor, its entire length, and we're willing to go into it, every aspect of it. What we need the government to do to help us move forward is to give us a process whereby we can move forward towards environmental review and public hearings to get a social licence, and to do this we need the government to expand the mandate of the Natural Resources Conservation Board to include a railway project.

**The Chair:** Three minutes left.

**Mr. Cruickshanks:** Currently we can't move forward without this, and we can't go to a lender and say that the government has blessed this project because they don't have the legal means to do so.

The fact has been mentioned that there are only two private high-speed rail systems in the world. I've been studying and interested in railways all my life. The thing is that in most countries for various reasons, wars or insurrections, the governments ended up owning the railways, and when the government owns the railway, it's not going to cut off service to some small town which is very busy for the summer months but in the winter months is carrying a handful of passengers.

I can look at my country, Scotland. There are 4,000 miles of railway tracks there. The railway between Glasgow, Edinburgh, and Aberdeen, which is about 15 per cent of the track, provides 80 per cent of the income. If it was socially acceptable to cut off all the small communities, you would have profitable railways. This is true in nearly every country in the western world. It's true in Canada, and it's true in the United States.

When a private company wants to build this, we're building a very neat small railway that's serving a very great course between these two cities, and we're also providing something that's an alternative in our wonderful winter weather because trains don't slide into the ditch.

My last point is that the government of Alberta, besides a ridership study, did an economic study, and it says that if you're running a 300-kilometre-an-hour train, you're giving a $19.5 billion benefit to the economy of Alberta. It's interesting that in Japan, 25 years after they introduced high-speed rail, the growth in the high-speed rail corridor is 20 to 25 per cent higher than in a non high-speed rail corridor.

Have I got there yet?

**The Chair:** About 20 seconds.

**Mr. Cruickshanks:** Ernst & Young did a study for the European Union a number of years ago. They asked 800 decision-makers in corporations around the world to rate in order of importance what attributes you look for in a new community. They were rated from very important down to not at all interested. Seventy to 80 per cent of respondents said that transportation and infrastructure is number one. We have a great gap in this province in how to not have to spend six hours in a car to go to Edmonton to have a one-hour meeting with Mr. Amery two weeks ago. I could have better spent that six hours and been there and back in three hours if I'd had a high-speed train.

Thank you.

**The Chair:** Thank you, sir. I have a question for you from Dr. Brown.

**Dr. Brown:** Mr. Cruickshanks, I'm familiar with your procedures and your presentation from previous opportunities. I recognize that you're saying that you can privately finance and build the high-speed rail network, but I understand that you would require that the government of Alberta be responsible for acquiring and expropriating the right-of-way for the land. Is that true?

**Mr. Cruickshanks:** No. As a railway, like a pipeline, you can expropriate land. People keep saying that the land cost is a great amount of money. In actual fact, the total land cost plus acquisition is less than a hundred million dollars because we're only acquiring a strip 30 metres wide and 300 kilometres long.

**Dr. Brown:** Well, you may run into some opposition from some of the members around the party who are preoccupied, shall we say, if not obsessed, with the issue of property rights. I'll ask my colleague down on the left there. I think he's going to ask you a question.

**The Chair:** Mr. Stier and then Mr. Hehr.

**Mr. Stier:** Yes. Thank you. Good evening, Mr. Cruickshanks. Thank you for your presentation. I'd just like to follow up on Dr. Brown's comments if I could and just go down that road a little bit that you just expressed an opinion about. Isn't it true that a private company could not expropriate land?

**Mr. Cruickshanks:** If you're building a railway, according to the railway act you can.

**Mr. Stier:** I see. So you're saying that a government has, as you know, the right to expropriate land but that your company would as well.

**Mr. Cruickshanks:** According to the railway act we can expropriate land.

**Mr. Stier:** I see.

Further to that, what about all the roads that you would require to be closed with this kind of a thing? How would you manage that?

**Mr. Cruickshanks:** Well, all the paved roads between Calgary and Edmonton would be given a bridge. The intermediate roads: we would need to look at which ones of those had to be closed or had not to be closed. You're only looking at about four kilometres between bridges.

**Mr. Stier:** Yet if I may, through the chair, would your statement be, then, that your company would have the power to close all those intermediate roads that are throughout Alberta all the way between Calgary and Edmonton?

**Mr. Cruickshanks:** We will be requesting the municipalities to work with us. I don't know whether the municipalities have the power to close roads or whether the province has the power to close roads. I'm not certain.

**Mr. Stier:** Okay. Very well.

Just a last question if I could, Mr. Chair.

**The Chair:** Go ahead.

**Mr. Stier:** Your quotation that you had with respect to your costs: isn't it true that your costs, when presented, were somewhere around $3 billion to $4 billion for this project in total?

**Mr. Cruickshanks:** Yes.

**Mr. Stier:** Just to remind me again and refresh my memory, did you say that that included all the land acquisition and all the costs?

**Mr. Cruickshanks:** Yes.

**Mr. Stier:** Okay. Thank you very much.

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

Mr. Hehr.

**Mr. Hehr:** Well, thank you very much for your presentation. I've been familiar with it for quite some time. At least at this point in time I'm always very positive about this having the potential to work in an Alberta setting, in particular with the scenario your company has pictured out. The one thing I am highly concerned about, actually, is 50 years from now, where I see an Alberta that may not have some of the natural advantages that we've had with our oil and gas industry over the course of the last 40. Can you tell me, well, that you envision – does your company look at some of the growth that will occur in this corridor coming from industries outside of our traditional oil and gas bailiwick as a result of having high-speed rail between the corridors?

***7:40***

**Mr. Cruickshanks:** Basically, when you're connecting these three cities within a 90-minute time frame, you're creating one

virtual city of Edmonton, Red Deer, and Calgary where you can commute up and down very easily. As somebody already said, you can go up to Edmonton and back down again or come from Edmonton to Calgary and go back before lunchtime.

What this does is that when you have the ability to move around, you create opportunities for other industries to come here and make us more attractive for other industries to come here also. As the population grows, it becomes more diverse, and you end up with more service industries to support it.

**Mr. Hehr:** Just one follow-up question. I guess I've always taken the position that sometimes to do great public works, projects like the national railway or other things that have been done, the means to gather land and assemble land have been a necessity that governments have employed. I believe that that will be the way in the future going forward despite some of the ramifications we've heard in this province over the course of the last four years. Being that as it may, how many individual ownership groups or individual farms or things of that nature do you believe your project would have to approach in order to assemble the land going from Calgary to Edmonton?

**Mr. Cruickshanks:** The information we have is that it's over 700. Of course, if you're going to split a farm, you have to first of all start off: how do we make sure your farm still operates effectively? We have ideas and solutions that we could apply, but you'd have to look at every situation individually.

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

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

Mr. Cruickshanks, you're in great demand here. I have Mr. Rogers, Mr. Quadri, Mrs. Sarich, and Mr. Luan that all want to ask you questions.

Please make it brief.

**Mr. Cruickshanks:** Me or them?

**The Chair:** And brief answers, too. Thank you.

Mr. Rogers.

**Mr. Rogers:** Thank you, Mr. Chairman. Mr. Cruickshanks, your assessment and your proposals certainly are very encouraging. You're very positive in terms of what you think is achievable for what I think is a relatively modest sum in terms of other numbers that we've heard, as high as $10 billion, $ 16 billion, and so on.

I'm just wondering. This is sort of a devil's advocate question. If some catastrophic failure of your plan would happen, where might you see us, somewhere halfway through your process or something like that? I don't know. I'm just wondering what might the consequence of a significant failure somewhere along your process look like?

**Mr. Cruickshanks:** Well, as a banker I'd put my hat back on and ask my engineering colleagues: how do I know these numbers are good? Fifty per cent of the cost of this project is building a finite amount of rail, a finite amount of electrification, and other parts of it like that. I keep hearing from my engineers that you get into trouble not when you're going to build something above ground, that it's when you start to go below ground and you don't know what's down there. There might be a bog. There might be whatever.

The other point I've asked and had discussions on with the engineers is: what is the expertise in building this? Well, we're basically building a road, but instead of paving it, we are putting railway lines on it. We're building bridges, which are set to the highest standard in the province, to carry the weight. All of this technology is proven technology. The engineering is not unknown.

The biggest challenge is for the rail company that we've talked to about laying the track. They're going to have to go through a learning process to lay tracks to a much finer standard than they do for a freight line, but that will be a learning process. The first 10 miles will be very hard, and they'll progressively get faster as they get more expertise at doing it.

**Mr. Rogers:** Thank you.

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

**Mr. Quadri:** I will be really, really brief. I think your presentation is really exciting for me personally. What's the time frame we're looking at here?

**Mr. Cruickshanks:** Well, basically, you're looking at taking three years to go through environmental assessment, arranging to finalize the corridor, and the public hearings. Once you're through that, you've got three to four years, assuming the weatherman co-operates, to fill it and get it completed by about 2020 or 2021 if we start this year.

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

Mrs. Sarich.

**Mrs. Sarich:** Thank you very much, Mr. Chair. Thank you for your presentation this evening, the second one, actually, because you came to Edmonton to present. If I heard you correctly – and I just wanted to clarify – the right-of-way that you were speaking of is where the trains are, trains and then oil and gas lines? Which right-of-way were you thinking to put the track on?

**Mr. Cruickshanks:** We are looking at a right-of-way that's west of the QE II, one that was identified by the Lougheed government 40 years ago.

**Mrs. Sarich:** Okay. So you're not using the track . . .

**Mr. Cruickshanks:** No.

**Mrs. Sarich:** . . .or, pardon me, the right-of-way for CN and CP?

**Mr. Cruickshanks:** We are looking at using the CN and CP to enter the cities. We had been having discussions with them, but since the president has changed, we've just sat back and waited until the new man gets settled down.

**Mrs. Sarich:** It's very interesting because CN and CP did present to our standing committee, and they have concerns about any other proponent coming in and using their right-of-way.

My next question to you would be: is it a single track or double track?

**Mr. Cruickshanks:** It's double track, bidirectional.

**Mrs. Sarich:** A double track, yes. One of the biggest issues from CP's and CN's perspective was safety and coming into communities with high speed.

**Mr. Cruickshanks:** Yes.

**Mrs. Sarich:** Just some other information that I thought was very valuable from the perspective of the mayor of Edmonton: it's

complicated coming into a big metro centre with high-speed rail, and you have to prepare for that, and that right-of-way has to be thoroughly examined for what would be appropriate. I'm not too sure what would be appropriate for the city of Calgary, but when the mayor of Edmonton and the city council look at the transportation system for the region, the LRT was very high on the list before making other commitments, but it doesn't negate the issue of planning for the future. The other issue was the land and the property right issue.

The third thing is that I did say at your presentation in Edmonton, because you're a private proponent proposing the high-speed rail at a certain cost and, obviously, to make some dollars, that one of the responsibilities of government is to try, to the extent possible, to look for sources of revenue generation. I believe I made a comment that if this is such a good asset, why wouldn't the government of Alberta own it and generate revenue so that all Albertans could benefit?

**Mr. Cruickshanks:** Well, there are a number of issues you raised there. You were talking about the cities. We're not going to be going through the cities at 300 kilometres an hour. We're not going through any of the small towns. When you go into the cities, you have to come down to about 140 kilometres an hour because of our grid crossings in the cities at numerous places, and some of them are impossible to build a bridge over because of the constraints of the neighbourhood.

Why would the government not get into this business themselves? Well, I've always understood that the Alberta government is not in the business of being in business. The big thing that I've learned from talking to government for the past 14 years is that you folks have got a tremendous number of things that you're trying to juggle every day, and every other day the agenda changes because something like a flood shows up or whatever. What government is trying to do – if you look at Alberta Transportation, I don't know if they've got 20, 50, or 100 projects on their desk, but when we've only got one project to do, we can certainly get it done in a much more expedient manner than a government, who is trying to organize these types of projects.

This is not a unique project. There are 40 years of experience behind it. It's a project with many arms and tentacles, and that's when it becomes complicated. You're making a lot of decisions that affect an awful lot of people. I don't think the government's role in this would be helpful as far as getting it done in a timely manner, and you may find that interest rates are going to rise, which would be affected in government, too, and make the project more expensive for you as well.

***7:50***

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

**Mrs. Sarich:** Thank you.

**The Chair:** We have one more question for you, from Mr. Luan.

Please make it brief and right to the point.

**Mr. Luan:** Thank you, Mr. Chair. Thank you very much for your persistence. I certainly want to have one more question, just to make sure I heard you correctly. You were suggesting a process where we set it up for you so that you can have the licence or mandate to conduct your environmental assessment, and I was thinking of a business vitality study. Is that what you were talking about? Can you be specific? What exactly are you asking for?

**Mr. Cruickshanks:** Well, if you want to open a business in the city of Calgary or the city of Edmonton, there's a process that's in place which allows you to go and tell them what you're doing, and you get a business licence to do it as long as it complies with whatever other things are going on. If you're in the oil and gas business, there is the same type of structure there. It's very well documented and very easy to follow. But it so happens that railways have never come into the equation when it comes to getting environmental studies or having a policy which is going to act on behalf of the people of Alberta to look at this project and see if it's in the interest of Alberta as a whole. The Natural Resources Conservation Board is looking already at things that are not oil and gas, so this project would fit into that department.

**Mr. Luan:** Okay. If I may, Chair, I'm interested in the details of that. If you can put together something in writing about that, I'm interested in taking a look at it afterwards.

**Mr. Cruickshanks:** I can put something in writing. The person who's an expert is on holiday just now, but it'll take me a few weeks to get it to you.

**Mr. Luan:** All right. Thanks.

**The Chair:** Thank you, Mr. Luan. Mr. Cruickshanks, thank you very much.

**Mr. Cruickshanks:** Thank you.

**The Chair:** So, ladies and gentlemen, if there's anybody in the audience who would like to make a presentation and did not register before – I can see somebody is coming. Mr. Stevenson, we will give you 10 minutes and five minutes for questions, and that's short.

**Jim Stevenson**

**Mr. Stevenson:** I need at least 20 or 25.

**The Chair:** Not tonight.

**Mr. Stevenson:** I'll be pretty short. First of all, I'm very much in favour of the free-enterprise venture. I think I'm a strong free-enterprise person. So if a company can put together something this big and do it without government money, I'm all for listening.

Just to tell you who I am, I'm the member of council for the northeast, so the airport is in my ward, as is the possible future transit hub for the high-speed rail beside the Deerfoot. I also sit as a vice-president of the AUMA, and I know that the AUMA presented to you in Edmonton.

**The Chair:** Yes, they did.

**Mr. Stevenson:** Yeah. As did Mac Logan, our general manager of transportation, along with Don Iveson, the mayor of Edmonton. So I don't think that I'll tell you anything different than what those guys have said. From the big-city perspective, what's the number one priority for us is not the high-speed rail; the number one priority for us is to finish our LRT system, right?

**The Chair:** Have I heard that before?

**Mr. Stevenson:** Yeah, you have heard that before. I think maybe at one point, though, it was for giving me some money for the tunnel at the airport, but now I'm on the bandwagon of getting the LRT finished. The next line, the green line, is one that would go from the new hospital down in the southeast right through to the

Stoney Trail and Centre Street, which is where the next hospital supposedly is going to go. That's our number one priority.

The number two priority is to establish a regional system of transportation, something. I mean, I'm fine if we start off with a bus system, but we need to get cars off the road, and getting a bus system in place from Airdrie and Chestermere and Strathmore and Cochrane and Canmore and Okotoks is something that is important to us. But our number one priority, of course, is the LRT.

Then the third priority would be the high-speed rail to Edmonton.

So I'm just telling you that that's where – I don't know how much government money you're planning on putting into this or whether you're looking at putting any money into it. I haven't heard an ask for how much that they'd be looking for. Everything I've heard to this point has been that it would be privately financed. I'm fine with that.

Anyway, I just wanted to tell you that's where our . . .

**The Chair:** Thank you very much.

**Mr. Stevenson:** I'm far underneath my 20 minutes.

**The Chair:** I don't expect any questions for Mr. Stevenson.

Oh, Mr. Rogers.

**Mr. Rogers:** Well, thank you, Mr. Chairman. Mr. Stevenson, thank you for your presentation. I just want to hear it from your mouth; I think I know what the answer might be. Are you suggesting that if there was a private option looking at potentially proceeding with high-speed rail, obviously, it would free up more dollars from government to allow you to deal with your number one priority in Calgary?

**Mr. Stevenson:** Yes, it is. I'm always skeptical, though, that there's going to be an ask someplace for dollars and cents, and if that's not there, then I'm all for it.

**Mr. Rogers:** Thank you.

**Mr. Stevenson:** Thank you.

**The Chair:** Well, thank you very much. Anybody else who would like to make a brief presentation, please?

Go ahead. Introduce yourself for the record and for the benefit of those who are attending here tonight.

**Jurgen Lehmann**

**Mr. Lehmann:** Good evening. My name is Jurgen Lehmann. I worked for the railway for 38 years, and listening to the comments, which were very interesting, I'd just like to let you in on some kind of thoughts. The second gentlemen mentioned the short trips that you can do with a high-speed train. I will be going in two months over to Europe again, and I have bought myself a railway pass. I go for lunch from Berlin to Hamburg. I'll be back in the evening, and in the daytime I'll have visited the motor railway museum that you may have heard about. It's very large. It even displays some of our own trains from North America and Canada. The holiday train is there, the Christmas train, and so on.

I have travelled from Berlin to Paris and back to Berlin in 16 and a half hours via Frankfurt with a high-speed train, the ICE, they call it, that partly runs underground: no level crossings, no nothing, very safe, something we can build, too. We can open up the farmland, put the railway into it, close it up. The farmer has his land again to use. It's very easy, no costs, really, except the building cost. Everybody will be happy, no expropriations whatsoever. These things can be done. Railway crossings will not exist. It can be done. The knowledge is there. The systems are in place.

If you look back at the TGV system, when the TGV line was built from Paris to Lyons – we look back maybe 20 years ago now; it could be a little bit less – the system paid for itself within seven years. It was unexpected that so many people would use the system, and that's what you ladies and gentlemen, please, have to look at.

If you build it, put it there, the people will come and use it. We have enough people who travel daily to Edmonton and back. We have enough people who have to travel to Fort McMurray and carry on from Edmonton, a fantastic connection. Like the gentleman indicated, you may run 16 trains a day, which is very nice, double-tracked. I would go triple-track so that there will be no delays and that you can take one track out of service whenever you need it and will have no interruptions on the other two directions.

This can all be done. Please don't look at the cost; look at the future. You owe it to the people of Alberta in the future, not today, not tomorrow, for the future because that will be the only way we will travel. The Japanese, the Chinese would not have built or be building these big railway lines at high speeds – they go to Europe, get their equipment, and use it. That is an indication to me that it is used if it is there and if it's maintained. Maybe it costs a dollar, but it's a dollar wisely spent. It will cost less than the highway to repair, to maintain. Everybody talks about subsidies. I don't look at these things as a subsidy. That is what we owe to ourselves and to the future, and if you can address that point, what the benefits will be for the future, we have to look ahead. Electrically it will be clean, environmentally friendly. That's what many people look at. That would be just a concern from the points that I have heard from the other gentlemen. It's positive. Please don't wait another 40 years.

***8:00***

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

Any questions? Yes, Mr. Rogers.

**Mr. Rogers:** Thank you, Mr. Chairman. Mr. Lehmann, thank you for your thoughts. I'm familiar with some of the European trains you've referenced.

I'm a little bit interested in your point about the disruption to the farmers. I think this will be one of the big rubs, maybe for lack of a better term, because obviously there's a lot of open farmland that will need to be crossed by these vehicles. I'm just curious. If you could expand a little bit about the ability to minimize the impact on farms so that you don't split a farm in half and so on.

**Mr. Lehmann:** That is right. If you know sections of Germany, there is, for example, the part from Hanover, that is south of Hamburg, down to Göttingen-Fulda. These trains are going through long tunnels, so all that you have to do is interrupt the farmland, and I believe the farmer would not mind for one season having his farmland on that section – like we have heard, it is not very wide – to open up the farmland, and wherever it is necessary, we put it on the ground because we have to do it anyway in some areas, and we have hills and so on. When we are done building our system, we close it up, and the farmer carries on without further interruptions with his harvest or whatever he would like to do with his land.

The land is still there. It is not taken from him. Nobody is losing anything when we get it, and it should be open. I think the necessary arrangements can be made, and the people will come

onboard once they see that there is no expropriation, that nobody takes anything away. Talk to the people and say, "I have seen no map at this moment, but it would be nice if the people would know roughly where it is," and they'll say: "Oh, yes. Sure. I give my permission. Open up the land." Maybe the person gets a little bit of compensation for that time of construction. We close it up, and up we go.

**Mr. Rogers:** Thank you.

**The Chair:** Any other questions from the committee?

Thank you very much, Mr. Lehmann.

Please introduce yourself for the record and for the benefit of those people who are attending here tonight. You have 10 minutes to make your presentation and five minutes for questions.

**Tyrell Sinclair**

**Mr. Sinclair:** Thank you, Mr. Chair. My name is Tyrell Sinclair. I didn't have anything prepared tonight, but I'd like to come and give you my thoughts on it anyway.

About four years ago my wife and I purchased some land east of Crossfield. Within a very short time after we moved in, we were approached by an oil company, or a seismic company, to come across the property. You know, they're testing for minerals and different things. I guess it's a concern, but it's also a caution. I wonder how the government is going to protect, you know, the farmers, small landowners, that kind of stuff, because for them to come across our property – they offered us $525, okay? It was a lot of work to get that out of them. They said that there were ways around us. They could cross drill. They could do lots of other things where we had no protection and basically no support.

I guess the reason for saying this is because it concerns me when I hear that landowners are going to take the biggest brunt. So you're going to have a small number of people that are going to give up a lot to affect a whole bunch when you're connecting two cities. The prospect of having a rail line within a mile to two miles of your property and what that does to your land value: your ability to sell, to do business, and to run an operation will be affected greatly.

I'm a firefighter for the city of Airdrie, and I see the horrors of highway 2 every day. I understand that there's a need. I'm not necessarily opposed, but I think there needs to be a lot more talk about how we're going to protect the farmers, our rural roads, our way of life. You know, going forward into the future, it's probably going to happen, but I just think some more thought has to be broached on this. It is nice to see an MLA from the rural here representing because I think he has a lot of insight, and I hope you guys listen to what he has to say.

Thank you.

**The Chair:** Thank you.

Any questions from the committee? Mr. Stier.

**Mr. Stier:** Yes. Thank you, Mr. Chairman. Thank you for your presentation, and I appreciate the comments. Just a couple of things I'd like to go back with you on. You've mentioned the horrific things you've seen on highway 2 to the north, and I think we've all seen that. I think it's the one highway in Alberta that I notice all the time in all my travels has more car parts on it in the ditches and on the roads than any other road in Alberta. What would you say about high-speed rail versus adding a couple more lanes to the highway and improving the overpasses and so on? What is the talk around your EMS personnel about the safety on highway 2?

**Mr. Sinclair:** Well, being with the fire department now for 11 years, you know, I have seen a lot of things. There have been some improvements to the highway, but an extra lane, two extra lanes on either side would definitely do some good. It would be nice to see the money put there first. I think that the highway is going to remain busy despite having a rail line put in.

The infrastructure that's in place now is, in my opinion, barely holding on in some respects. When we go out onto the highway to an accident and you only have two lanes, there's an enormous amount of pressure to keep one lane flowing because you have Edmonton and Calgary doing business every day, and you have all those small towns trying to get places. When you shut down one lane, that impacts Alberta, for sure. But in order to keep the firefighters, police, and EMS on the highway safe, you have to do this. In some cases you have to shut down both lanes. When you land STARS, you're shutting down four lanes of highway, possibly. The expansion of two extra lanes on either side or even one extra lane would make a huge difference.

There's an area between Crossfield and the Acme overpass that was always notorious for accidents, and they have expanded that to a third lane. I can't even remember the last time we were out in that certain area. I don't think there has been enough research on highway 2 to make it safer. They know where the problem spots are, and I think they are trying to fix those problems, but imagine what the highway could be like safetywise if you were to have two extra lanes. Absolutely.

**Mr. Stier:** Thank you for that, and I agree.

Just one more, Mr. Chairman, if I may. Back to your property. You mentioned the intrusion that you may have been faced with due to your oil and gas permitting situation there. If you had a right-of-way through your property and, as suggested by one of the speakers tonight, there were perhaps two tracks, which would mean quite a wide right-of-way and so on and so forth, what would you envision as being the impact to your operation not only from a financial perspective but an operation perspective? Maybe you might extrapolate on how it might affect your neighbours, too, because I'm not sure of your land situation or how much you have.

**Mr. Sinclair:** We own a small place, but the farms around us are very large. It would impact them, I would think, greatly. For example, there's a lady that owns buffalo next to me, okay? When the seismic companies came through, they left gates open and different things, and the buffalo got out. You can all imagine what that would be like. That's a small impact, right? Imagine what a high-speed train line going past a buffalo farm would be like.

There are lots of impacts, I think, that, you know, haven't been really discussed and haven't been brought to the forefront for the small farmer. Like I said earlier, he's going to give up a good portion of his livelihood, his land, his heritage that he might have there, and what value do you put on that?

***8:10***

You know, when I heard earlier the gentlemen saying that they're talking about only $100 million to acquire the land between Calgary and Edmonton, that's hard to believe when my place is probably worth a million dollars. So you're telling me that there are only a hundred farms between here and Edmonton that are going to be affected? And I own a small one. I'm not talking about the thousands of acres that some of these farmers own. It's hard to believe, and it concerns me that they're going to show up at my door and that they're going to say, "We're only going to give you 25 per cent of what your place is actually worth" or:

"You know what? We're just going to build as close to you as we can so that we don't have to pay you anything." Then my place that was worth a million dollars is now worth, you know, half that.

**Mr. Stier:** Just the last one, and then I'll conclude, Mr. Chairman.

**The Chair:** Briefly.

**Mr. Stier:** How would you continue your operation, if your land was totally bisected by not only a right-of-way but was heavily fenced and so on, to protect for safety and for animal crossings and that? Could you even continue on with your operation?

**Mr. Sinclair:** For me, it probably wouldn't – I'm not as big as, say, some of the guys around me. I have ridden on these high-speed train lines. A lot of them have high 10-, 15-foot concrete walls that run on either side. You know, how would it affect me? I could probably still live there, but how would it affect some of my neighbours? It would be greatly. They would not be able to farm the same amount of land. They would not be able to rely on the same amount of income that they usually have, and then their property value drops to half or less.

Thank you.

**Mr. Stier:** Thank you very much, Mr. Chairman.

**The Chair:** Thank you.

We have one more question from Mr. Hehr, and he promised me that it's going to be very small, brief, and right to the point.

**Mr. Hehr:** It's just going to be quick. I appreciate it. I understand that there are great difficulties when governments come with the alleged public interest to build a project on behalf of society that's going to impact, you know, a city of 2 million and a city of a million, okay? Is there some point in time when the public interest to do big projects like a high-speed rail to Calgary and Edmonton overrides some 700 landowners? Is that derived through the compensation act, where we pay landowners, they go to a system where they look at what the land is valued at, and they pay reasonable compensation as to what that is? Is that program broken down, or do we just not do these projects anymore?

**Mr. Sinclair:** It's hard for me to comment on that because I'm not extremely familiar with it. All I can tell you is what I've experienced, and the experience that I had with that seismic company, in my opinion, was awful. You're dealing with private industry. They're coming to your house, they're sitting at your kitchen table, and they're being a bully to you, right? That's exactly how it is. They're saying: if you don't let us come across, then we're going to go around you or under you. Like I said earlier, there's very little protection that I know of that I had to stop them from doing it. The only leeway that I had: it was more of a pain in the butt for them to go to the MD of Rocky View and run it down the road allowance than it was to pay me the extra $100 that I was asking for at that particular time. So I think there are things in place. I'm sure that I would be compensated. How fairly? I have no idea.

**Mr. Hehr:** I do share your concern. Thank you very much.

**The Chair:** Thank you very much, Mr. Sinclair.

**Mr. Sinclair:** Thank you.

**The Chair:** Anybody else who would like to make a brief presentation? Go ahead. A brief one, please.

**Mr. Jones:** Yeah. It's just an expansion on one other thing.

**The Chair:** Please introduce yourself for the record.

**Jim Jones**

**Mr. Jones:** My name is Jim Jones. I'm nobody. I'm just sort of an armchair scientist geek. I just came as an enthusiast.

The thing that I was going to comment on was that Mr. Little made a very good point about a paradigm shift, which, quite frankly, I hadn't thought of. He makes a good point, the classic example being, you know, Africa and much of the Third World skipping land-line telephones and going straight to cellphones. That gets tossed around all the time these days.

Ms DeLong, you asked him about the driverless car aspect, and you said that it's potentially still three hours from Calgary to Edmonton. I've read about the systems that he's talking about, especially Daimler-Benz, and it's not necessarily so that it would still be three hours with these systems. They've already got systems running right now.

Mercedes-Benz has a pretty crazy set-up where they show, you know, half a dozen semis driving down an unprepped highway, like, an existing highway right now, and the trucks are literally driving nose to tail less than a metre apart at 130, 140 kilometres per hour. They still have drivers in them just for safety's sake, but their hands are off the wheel while they're doing this, and it's all automated. The trucks literally have cameras watching the lines on the highways and such to keep them on track.

The idea is that with the future development on that, they're talking about possibly prepped roads with either magnets or wires embedded in the road, side markers on the road, you know, to give further evolutions of these types of vehicles a prepped route to follow, which would drastically increase their speeds in addition to what he was talking about, the increased capacity. From the way Benz and those have been talking, these cars could literally do 200, 300 kilometres per hour on a highway and, yeah, nose to tail. It's pretty incredible stuff, and really it's not that far away. They are on track to pull this stuff off in the next 10 years.

In Germany they're already setting up off-highway patches, like test highways, you know, five kilometres long and what have you for this. Really, yeah, it is feasible that in the next 20 years you could be able to ride a driverless car from Calgary to Edmonton in a matter of an hour and 90 minutes. I just wanted to expand on that. This really could make it obsolete in a sense.

That said, I am for the train. I think it's a pretty cool idea.

Is it okay if I just ask you a couple of quick questions, or you've got to go?

**The Chair:** No, no.

**Mr. Jones:** I was just curious. I heard the one number here tossed around about a potential $3 billion or $4 billion project, $100 million in property acquisition. My gut feel is that that sounded low and optimistic as well. What's, say, at the other end of the spectrum? What's the really high-end estimate on property acquisition and such?

**Mrs. Sarich:** Twenty billion.

**Mr. Jones:** For just property acquisition?

**Mrs. Sarich:** Oh, no.

**Mr. Jones:** For the project as a whole?

**The Chair:** For the whole thing.

**Mr. Jones:** So $20 billion is really a high-end estimate, and $3 billion to $4 billion is a really low one.

**The Chair:** The purpose of these hearings is to hear from you and what you think about the idea, okay?

**Mr. Hehr:** We're not experts up here either.

**The Chair:** No, we're not experts. We've heard numbers from $3 billion to $20 billion. The last number I heard was $5 billion. That included the land acquisition and everything. But this is not the purpose of these hearings. The purpose is to hear from you.

**Mr. Jones:** Okay. My apologies. I just wanted to clarify on the one point there about the driverless cars.

**The Chair:** Excellent. Thank you very much.

Anybody else? Okay. Very briefly, please.

**Aziz Merali**

**Mr. Merali:** Thank you, Mr. Chair. My name is Aziz Merali. I haven't prepared a presentation, but I just wanted to share some comments related to the presentations that were made here today. If we look at the QE II between Edmonton and Calgary, that highway is extremely busy. We talked about adding more lanes and so on, but a roadway like that has limited or finite capacity. You know, in my opinion, if you look at the various highways in Canada and the U.S., when you get above four lanes each way on that highway, you have to start considering another corridor.

I guess I'll ask one question. If we were to sort of project into the future as the population grows in Calgary and in Edmonton, the QE II will get filled if we don't have another mode. If that is the case, then perhaps this other corridor – you can call it a route location. If you were to look at a route location along the 300-kilometre section, there were a lot of questions about the farms and the access and so on. If I were to locate a new highway, that would be one of the tasks you have to look at because you can't have crossings every mile. You have to look at the land uses along that corridor and look at: where is the best place to cross those corridors?

***8:20***

In my opinion, the high-speed rail could be planned or designed the same way. If there is a demand to cross the high-speed line at some location – one gentleman proposed putting in tunnels, which are fairly expensive. There is another option. You could elevate the high-speed train and put in steel culverts, which are sort of elliptical, so they could accommodate farm vehicles as well. There are a number of ways to solve these problems.

My other comment is related to the land values. Whenever you plan a roadway, a high-speed rail facility, or any railway line, you're going to have to go through some sort of a process. If there is a process that's defined on how land values are established – I was close to saying "expropriation." However, there is a process that can be implemented and supported by the government that will ensure all of the landowners are adequately compensated.

My last two comments, please. One is about the autonomous vehicle. Yes, it is new technology. What we're not talking about is that by the time we have every single vehicle on the QE II an automated vehicle, that's going to be probably 50 years from here because no one is going to go and buy a new vehicle. There was one gentleman talking about the fleet use. What do we do with the various trucks? Are they going to be part of a fleet as well? You have to have a hundred per cent of the vehicles automated on a facility like the QE II to make it flow efficiently. When you have a mixture of those, that's when the problems start because you have to start separating the various vehicles.

My last comment. I'm just going to refer you to the ring roads in Calgary and Edmonton. I know they were planned in the '60s and the '70s. You know, I wasn't around in Calgary in the '70s, but I can imagine the discussion at hearings similar to these ones when people looked at populations that were around 200,000 and said: "A ring road? Nobody is going to look at a ring road." Look at where we are today. If we were to look at the cost of building the ring roads and if the Alberta government wouldn't have taken the initiative, we would have never seen the portions of the ring roads that we have in place today.

That's the end.

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

We have one more, I guess. Please introduce yourself for the record.

**Mark Zaugg**

**Mr. Zaugg:** Thank you, Mr. Chairman. My name is Mark Zaugg. I am proudly a constituent of Calgary-East. I mention that specifically because I grew up in rural Alberta, all over the place.

I don't know if the point has been made so far, but I really want to stress that this is an opportunity where we could layer infrastructure as well. We have a north-south corridor, that's running up. Granted, it doesn't run across the entire province, but we could run fibre optic with the rail, which is going to be required for some communication going back and forth through the railroad. That could also form a backbone for Internet infrastructure throughout Alberta as well.

One of the big things that got mentioned with the Calgary-West LRT was that that was a great opportunity to put in extra infrastructure, backbone it to that LRT. We could have things like a bike path, but we missed that opportunity. I want to make sure that we do not miss opportunities to layer infrastructure that will have a huge benefit all through Alberta. If I was a geeky kid growing up in rural Alberta, I could have really benefited from something like the Internet back then.

That's all for me.

**The Chair:** Thank you.

Any questions? Thank you very much.

**Mr. Zaugg**: Thank you.

**The Chair:** Anybody else? Please identify yourself for the record, sir.

**Derek Macdonald**

**Mr. Macdonald:** My name is Derek Macdonald. I'm a professional engineer. I'm currently a power and energy consultant. I have 30 years' experience, and in that experience I've worked for two European companies who manufactured high-speed trains.

What I wanted to share with you are just my comments on being over in Europe, you know, taking the high-speed trains a dozen times from cities, and also my thoughts on the Edmonton-Calgary corridor.

First of all, I'd like to say that the convenience of the train is something that you should look at, also at the productivity gain. As a business professional it should be from downtown to downtown. It should be connected to the local LRT stations. I think it's important that – I think there was a comment that you

get from downtown to downtown in 90 minutes – you don't lose that efficiency gain, that productivity gain. When you're in Europe, in France or in Germany, you walk on the train a minute before it goes. You buy your ticket on the train. There's no security.

I think it's important that you take advantage of the productivity from the businesspeople. Since they closed down the municipal airport in Edmonton, I don't think I've flown between Calgary and Edmonton. I moved to Calgary, and I think what that's proven is that if you don't have a convenient connection between the two cities, one city loses, and the other one gains, whereas I see that if you had a high-speed link, you're connecting the corridor. Therefore, you don't have Calgary competing against Edmonton to get flights. You don't have marketing efforts to try to get people. You just have to focus on getting people into the corridor. They can jump on a train to get between the two cities because it's so convenient.

I think the productivity part is very important. Also, I agree that it could get cars off the road. As I said, there are a lot of professional people – I mean, you don't bother taking the airplane because it's a two-hour drive between airports, and the airplane will only get you three-quarters of the way there, anyway.

Downtown to downtown is important and being connected to the LRT so that you don't have to rent a car or a taxi. Also, I agree with the fact that if you take the cars off the road, you have fewer accidents, and then you maybe can defer further expansions on the highways.

For trains that are in the 300- to 360-kilometre-an-hour range, I would say that capital costs are 1 billion to 1 and a half billion dollars for a project like this. I think that $4 billion to $5 billion probably sounds about right for that technology. I don't think you have to go to the $20 billion maglev or the Japanese bullet trains. You probably would have to get something at least 300 kilometres an hour. I think there are three or four vendors that offer that technology in the 300- to 360-kilometre-an-hour train that's electrified.

I think that was all I have to say.

**The Chair:** Thank you very much. We have one question for you.

Mr. Rogers.

**Mr. Rogers:** Thank you, Mr. Chairman. Mr. Macdonald, thank you for your presentation. You made some very good points. I'm just wondering if you might comment on timing. Is this something we should be looking at today, looking at getting the right-of-way or in stages? How would you comment on the timing?

**Mr. Macdonald:** If we had a train, I'd use it right now. I think it's something that you should do right away, in my opinion, not only for, like I said, the convenience of the professional person, but also, I would say, from a tourist's point of view, I think you would get a lot of people. Like the gentleman said earlier, if you came to Alberta, you'd take the train. It links two cities. Well, it links three cities, Red Deer also. For me, whenever I go east, I take the train in that Ottawa-Montreal corridor, that Toronto corridor. It's not a high-speed train – it only goes 160 kilometres an hour – but just for the convenience of being downtown to downtown. I take the Toronto-Montreal, the Ottawa-Montreal, and it's not a fast train.

Yeah, I think you should proceed with it as soon as possible, from my perspective. In some studies I saw – and you're probably aware of it – the QE II is growing at 10 per cent volume per year, and you're going to be running out of lanes there pretty soon. I think it's part of the GDP that you get people more efficient.

Also, just another comment. When I worked for ABB, they had a train going from Stockholm to one of their manufacturing facilities an hour away. They had the trains set up so that they had workstations on the trains. People got on at Stockholm and got paid for the hour because they worked at their station while the train took them to their manufacturing plant. You talked about: what else can that bring into the corridor? Those are some areas where, you know, they've been doing that for 20 years in Europe. In Europe they all go downtown to downtown. So for productivity and GDP growth I think that, you know, the sooner the better.

**Mr. Rogers:** Thank you.

***8:30***

**The Chair:** Thank you very much, sir.

Okay. Could you state your name for the record, sir?

**Greg Miller**

**Mr. Miller:** I promise to be brief. Yes. My name is Greg Miller, and I'm a resident of Calgary. I actually grew up in Edmonton, and I've spent a lot of time going back and forth between Edmonton and Calgary, certainly, on highway 2 and also through the airport.

I guess the observation I would make is that when the public hears numbers like $2 billion to $4 billion to $20 billion, when you're talking about big numbers like that, of course you have to generate a very large return on investment to make these projects a go. I think we've heard some great ideas already tonight. If there is, in fact, some way to perhaps phase this in or break it down into smaller pieces, you actually reduce your initial capital investment. Maybe deal with the land issues first, et cetera, create a right-of-way.

I think, you know, Councillor Stevenson pointed out that the green line that's being considered in Calgary is going to be built, effectively, in phases and with different technologies that evolve over time. So we'll start perhaps with dedicated bus ways and move to bus rapid transit. Ultimately one day we'll see an LRT built that will go from the far south to the far north. Well, I guess my question is: could we not approach this in the same fashion? A great example or a great idea that came out tonight was: how about downtown to the airport first? Both cities would benefit from that, and if it could be somehow incorporated as part of a longer plan, you would have an immediate benefit, but you're effectively setting the stage for the future.

The other question. There seems to be a lot of focus on a one-hour time or a very short time that would come from high speed. I guess my question to the panel is: would there in fact be users and benefits if it was done with, say, to start, traditional technology, something that would get people from downtown to downtown in a three-hour time frame? My speculation is: yes. When you look at what it takes, say, for the business traveller – going to the airport, going through security, the actual short flight, then arriving at the other end and, certainly in Edmonton, the long trip to downtown – you are already making a trade-off. Do I just keep driving, or do I use the airport or not? You know, presumably with trains that are going to travel even at 100 to 120 kilometres an hour, you're suddenly in a three-hour window.

I guess the question is: what do the studies show if that initial capital cost was half a billion, a billion – I don't know what it would be – but in fact you generated ridership and you are building then towards the future, securing some of the things like rights-of-way, dealing with some of the land issues? Are you in fact creating something that gets people to use it now, knowing

that as technology improves and as more capital comes and you can actually invest in the line to shorten the time, you might in fact get people to embrace it?

Just a final comment. I can appreciate that, you know, certainly the bus operators and even the airlines might have some concerns over that. But I can tell you as a traveller that if I know I have a predictable time, even if it's three hours, in this day and age with access to this device or some other information device, that's a technology, that's a mode of transit I might seriously consider.

Anyway, thank you.

**The Chair:** Thank you.

**Dr. Brown:** I'd just make a comment on it. I don't see the feasibility of building a railway that got you there in three hours because you can already do that by driving or taking Red Arrow. I'm a Red Arrow passenger myself. I go up there every week on Red Arrow, so three hours is not going to do it. The only advantage is the speed, and that makes you competitive with the airlines. The airlines are very busy. There are lots of flights, both Air Canada and WestJet, from Calgary to Edmonton and back. It takes you approximately 30 minutes or 40 minutes at the maximum more than going on the bus, and it costs you twice as much. I don't think you can do it halfway. You either do it all the way, or you don't do it at all.

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

Do I see no other hands in the air? Please introduce yourself for the record.

**Mark Lipton**

**Mr. Lipton:** Good evening. My name is Mark Lipton, citizen of Calgary, citizen of Alberta, obviously.

Some of the considerations as I've been listening to everybody talk. Certainly, the electrified train has come out. How do we produce electricity in this province? How are we going to produce the extra electricity needed to run the trains? You know, when we look at the equation of reducing our environmental impact, taking those cars off the road, we're taking away the emissions from the cars, and then we're putting it onto the power plants. The plants that produce electricity in our province are either coal or natural gas. We have a bit of hydroelectric.

That being said, really the big, key issue for me is: what's it going to cost? What is it going to cost me as a taxpayer in this province, out of my pocket? If we have companies that are ready to step forward and they're going to say, "We're going to fund this, we're going to do this, we want X number of dollars for the next 40 years or whatever," that sounds like a pretty good deal. Like I said, I'm kind of conflicted because I can see the benefit this is going to provide. It's a long-term-thinking solution.

I think that in our province we've needed greater long-term thinking, greater projects like this that are going to allow us to grow as a province and make sure that we have facilities to continue to move forward. Just, you know, look at the future rather than sort of a five-year chunk or, for instance, in our panel's case in front of us, a four-year chunk. When you get re-elected, what are you promising your constituents? That's the main key.

I want to make sure that throughout this whole process our debt structure – we were a province that had zero debt, zero deficit, and now look where we're at: $8 billion, $7 billion. I don't know; government doesn't really give us a good number. So if we have some way to make sure that this is not going to impact us taxwise for our long term but is going to benefit us, then we should go for it, and we should go for it today. We should have gone for it 20 years ago. It should have been a wonderful program for Ralph Klein to move forward on.

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

Questions? Mr. Stier.

**Mr. Stier:** Yes. Thank you, and thank you for your presentation. You've brought to light a couple of thoughts for me. I appreciate your openness and honesty and unique way of expressing yourself, so that's great.

The question I have is probably something I should have asked of a lot of people earlier this evening, and that is: would you be prepared to pay a higher tax to have this service? Let me put a codicil on that. Given that in the estimates we've been receiving, by the way, for the kinds of services that we've had recommended by experts it would cost about $120 each way, would you be prepared to pay a higher tax to have this?

**Mr. Lipton:** On top of the . . .

**Mr. Stier:** On top of the ticket. In other words, you know, some of the scenarios you alluded to might – you talked about subsidies. That's taxes. Would you be prepared to have higher taxes, to have this beyond the ticket price?

**Mr. Lipton:** I think that the ticket price is something that is not going to maintain this project. Look at the LRTs in Calgary, in Edmonton. The LRT, the transport cost, half of that, certainly in Calgary anyway, is paid by the taxpayer. The other half is paid by the people riding the bus or the LRT. I think that if I knew that the tax was going to be reduced in the future as the long-term cost is paid off on it, I'd say yes.

**Mr. Stier:** Well, that's interesting.

Thank you very much, Mr. Chair.

**The Chair:** Thank you, Mr. Stier, and thank you very much, Mr. Lipton.

I guess this has been a very productive night. We started out with four presenters, and we ended up with 14, Madam Clerk.

A couple of things that I'd like to say to all the presenters. To Mr. Schmal, Mr. McCulloch, Mr. Little, Mr. Scholz, Mr. Cruickshanks, Mr. Stevenson, Mr. Lehmann, Mr. Sinclair, Mr. Jones, Mr. Merali, Mr. Zaugg, Mr. Macdonald, Mr. Miller, and Mr. Lipton, thank you all very, very much for taking time out of your busy schedules to come here and make presentations to us. And I want to assure you that we did not come into this with any predetermined outcome or predetermined conclusion. We came here to listen to you, and listen we did.

***8:40***

Ladies and gentlemen, on behalf of the Standing Committee on Alberta's Economic Future thank you again to everyone who came here and attended this evening's meeting. I would like to thank in particular the *Hansard* staff, right over there on the right-hand side of the room; the security staff that we have here; the committee clerk, Karen, right over there; my assistant Zack, who came from Edmonton; Tracey, the media co-ordinator; the researchers; and, of course, the Coast Plaza Hotel for hosting us here tonight.

**Mr. Rogers:** And the audiovisual people.

**The Chair:** And the audiovisual people, and the committee members, who came from almost all over Alberta. This is an all-party committee, and they came from all over the province.

To those who presented, thank you again for your contributions to the committee's study of the feasibility of establishing high-speed rail transit within Alberta.

There's still an opportunity to participate by sending the committee your comments in writing. The deadline for receiving written submissions is March 31, 2014.

As a reminder for the record the committee will be hearing presentations from the public at the Red Deer Lodge hotel tomorrow evening starting at 6:30 p.m.

Thank you very much, ladies and gentlemen, and good evening.

[The committee adjourned at 8:42 p.m.]

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