



Legislative Assembly of Alberta

The 29th Legislature
First Session

Standing Committee
on
Resource Stewardship

Ministry of Transportation
Consideration of Main Estimates

Monday, November 2, 2015
7 p.m.

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First Session**

Standing Committee on Resource Stewardship

Goehring, Nicole, Edmonton-Castle Downs (ND), Chair
Loewen, Todd, Grande Prairie-Smoky (W), Deputy Chair

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Babcock, Erin D., Stony Plain (ND)
Clark, Greg, Calgary-Elbow (AP)
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McIver, Ric, Calgary-Hays (PC)
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Standing Committee on Resource Stewardship

Participant

Ministry of Transportation
Hon. Brian Mason, Minister

7 p.m.

Monday, November 2, 2015

[Ms Goehring in the chair]

**Ministry of Transportation
Consideration of Main Estimates**

The Chair: Welcome, everyone. I'd like to call this meeting to order.

The committee has under consideration the estimates of the Ministry of Transportation for the fiscal year ending March 31, 2016.

I'd ask that we go around the table and introduce ourselves for the record. Mr. Minister, when we get to you, if you could have your staff introduce themselves as well.

I'm Nicole Goehring, and I am the chair and the MLA for Edmonton-Castle Downs. I will hand it off to the deputy chair.

Mr. Loewen: Todd Loewen, deputy chair, MLA, Grande Prairie-Smoky.

Mr. Panda: Prasad Panda, MLA, Calgary-Foothills.

Mr. Stier: Pat Stier, MLA, Livingstone-Macleod.

Mr. MacIntyre: Don MacIntyre, MLA, Innisfail-Sylvan Lake.

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

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

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

Mrs. Aheer: Leela Aheer, MLA, Chestermere-Rocky View.

Mr. Mason: Thank you. I'm Brian Mason, Minister of Transportation and Minister of Infrastructure. I'd like to introduce my staff. Greg Bass is my deputy minister. Ranjit Tharmalingam is the assistant deputy minister for corporate services and information division. Maybe now you can put your hand up. Manon Plante is the assistant deputy minister of delivery services. Shaun Hammond is the assistant deputy minister of safety, policy, and engineering. Michael Lundquist, Transportation's senior financial officer. Justin Halbersma is the director of financial planning. Other ministry representatives include Graeme McElheran, director of communications; Nancy Beasley Hosker, public affairs officer; and Melanie Nolan, public affairs officer.

Thank you.

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

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

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

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

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

Ms Babcock: Erin Babcock, MLA for Stony Plain.

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

Mr. Horne: Trevor Horne, MLA for Spruce Grove-St. Albert.

Mr. Sucha: Graham Sucha, MLA, Calgary-Shaw.

Ms Bianchi: I'm Giovana Bianchi, committee clerk.

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

Hon. members, the standing orders set out the process for consideration of the main estimates. Before we proceed with consideration of the main estimates for the Ministry of Transportation, I would like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes. For the hour that follows, members of the Official Opposition and the Minister may speak. For the next 20 minutes the members of the third party, if any, and the minister may speak. For the next 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation, with speaking times of five minutes, once again a minister and member may combine their speaking time for a maximum total of 10 minutes. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time.

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

Three hours have been scheduled to consider the estimates of the Ministry of Transportation. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting.

Committee members, ministers, and other members who are not committee members may participate. Ministry officials may be present, and at the direction of the minister officials from the ministry may address the committee. Members' staff may be present and, space permitting, may sit at the table or behind their members along the committee room wall. Members have priority for seating at the table at all times.

If debate is exhausted prior to the three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at 10 p.m.

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

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

The vote on estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on November 23, 2015.

If there are amendments, an amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is deferred until Committee of Supply convenes on November 23, 2015. Amendments

must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. Twenty copies of amendments must be provided at the meeting for committee members and staff.

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

Mr. Mason: Thank you very much, Madam Chair. I'm very pleased to be here tonight to present the Alberta Transportation estimates for 2015-16 to the committee. I just want to start by saying that our government has put forward a prudent, sustainable, and achievable plan to stimulate economic growth and diversification, to support job creation, stabilize public services, and lay a path to a balanced budget. Our government is committed to taking advantage of the opportunity to build much-needed critical infrastructure, including roads, bridges, and transit, that Albertans depend upon.

Alberta Transportation is an integral part of our government's plan – and it's a plan that will benefit all Albertans – to protect and stabilize public services and to help stimulate the economy. We are planning for the future, making important investments in our province that will create jobs in the short term while we build a strong foundation for the next generation. Our government is taking leadership on these priorities, that matter to Albertans, with our budget and our capital plan.

Every day Alberta families and commercial drivers rely on our vast provincial highway network with some 31,000 kilometres of roadway, some 28,000 kilometres of which are paved, and nearly 4,500 bridges. Alberta Transportation's budget recognizes the need to provide a safe, modern, effective transportation system, to support critical water and waste-water infrastructure, and to encourage regional and rural transit development while maintaining responsible spending. That's what we promised Albertans that we would do, and we are delivering on those promises.

We are repairing and building roads and bridges that have been neglected for too long. Doing this in these tougher economic times will help keep Albertans working, get projects built more cheaply, and prepare us for economic recovery. We are investing in Alberta's provincial highway network on projects like the Edmonton and Calgary ring roads and highways 63, 28, and 19 to provide better and safer roads. We are delivering on our promise to expand urban, regional, and rural transit to better connect Albertans while protecting our environment for future generations.

As we're focusing some of our spending on urban and regional infrastructure, we're also laying the groundwork for increased support to Albertans in smaller urban centres and rural communities. We respect that our local municipal partners know which individual projects take priority within their own communities. We're supporting them in making these decisions by paving the way for increased funding in water and waste-water initiatives, and we're providing renewed investment in the strategic transportation infrastructure program, also known as STIP.

We're also continuing to work with our safety partners across the province, using all of the tools that we have to increase safety on our highways. Encouraging safe driving is a priority for our government, whether it's through our regional traffic safety consultants, law enforcement partners, our education programs, or other initiatives.

7:10

As you can see in our government's new business plans, we're focused on services for Albertans and stimulating economic growth, diversification, and job creation. In my ministry over the next five years our \$9.1 billion transportation capital spending plan

will foster economic growth and generate good-paying jobs. Of that, we are investing \$6.8 billion on capital projects and repairs across Alberta's provincial highways to provide better and safer roads; \$4.6 billion will be on capital projects, and nearly \$2.2 billion will be on road rehabilitation and bridge construction and repair.

The details of all the projects planned for the next three years are listed in Transportation's provincial construction program on my ministry's website.

Budget 2015 contains more than \$2.9 billion to invest in the province's two major ring road projects. Both the Calgary and Edmonton ring roads are critical pieces of infrastructure to support our economic growth and industry both within Alberta and across the country, but they're also critical in supporting one of our government's key pillars, investing in Alberta to help create jobs. For the southwest segment of the Calgary ring road we will announce the selected contractor next summer and expect work to begin before the end of 2016. The project is set for completion in 2021. We know the northeast Anthony Henday Drive construction has impacted traffic, but I think the end is near for that with the entire Edmonton ring road expected to be open to traffic in 2016.

Next, highway 63 is nearly complete, with \$450 million earmarked in this budget to finish the highway twinning and work within the urban Fort McMurray area, including the land exchange. Two hundred and thirty-seven kilometres of twinned highway are now open to traffic, and drivers will continue to see finishing work between Grassland and Fort McMurray through 2016, when the final three kilometres open. We're significantly ahead of schedule for this project and are very proud of what we have been able to accomplish for Albertans.

As I noted earlier, we are spending nearly \$2.2 billion on bridge construction and pavement rehabilitation projects, spreading the funding more evenly over the five years of the capital plan.

Alberta Transportation's most recent data shows that 83.5 per cent of provincial highways were rated in good or fair condition. Increased rehabilitation funding means this level of quality will be maintained over the next five years of this budget. This investment will support Alberta's construction industry and help create and sustain more jobs. It's important to note that all our roads and bridges are safe.

We also have listened to municipal leaders, who have told us that they need our support in providing Alberta families with the local services required to ensure a good quality of life. You can see the significant increases we've made in key areas that directly support municipalities. Our capital plan will invest \$2.1 billion in capital grants, a \$750 million increase compared to the March budget. Our government respects that local leaders can and should prioritize the projects which benefit residents in their communities. Our programs reflect our commitment to work with and support all of our municipal partners.

Some of the specific projects which demonstrate our commitment to Alberta families, communities, and industry include STIP, the strategic transportation infrastructure program, which provides important support in areas such as local bridges, resource roads, and community airports. As you might be aware, STIP has been unfunded in previous budgets. Budget 2015 restores funding to this critical program for smaller communities across Alberta. A total of \$100 million in new funding for STIP will be available in 2017-18 and 2018-19.

Our government recognizes that Albertans need modern, green, and accessible public transit systems which connect them to jobs, services, and families. That's why I'm proud that the budget includes a total of \$1.4 billion for urban, regional, and rural public transit. As part of that support, we have committed \$946 million to GreenTRIP over the next five years, and we have committed to a

\$330 million investment in new municipal transit initiatives. Additionally, we have dedicated \$16 million through the new rural transit initiative, \$8 million per year in 2016-17 and 2017-18.

Reliable access to clean drinking water and water/waste-water treatment systems is also important to all Albertans. We will invest \$545 million through Budget 2015 in water for life and Alberta municipal water/waste-water partnership grant programs. Of this, \$170 million is restored funding. This clearly demonstrates our government is committed to investing in infrastructure which improves the quality of life for Albertans in smaller communities.

In conclusion, as I noted at the beginning of the presentation, Alberta Transportation's total five-year capital budget is \$9.1 billion. That is a \$1 billion increase when compared to the budget tabled in March. Our government has chosen to make new investments in order to deliver on the promises we made to Albertans. We know this is the responsible thing to do, and we believe it is the right thing to do for Alberta families and our economy. We continue to invest prudently and sustainably so that we get value for Alberta families for the money we invest while delivering the infrastructure and services which they need. We will continue to provide Alberta families and industry with the safe and effective transportation system that they've come to rely upon to get them safely where they want to go.

Now I'd be pleased, Madam Chair, with your permission, to take your questions.

The Chair: Thank you.

I'd like to invite members from the Official Opposition to speak.

Mr. van Dijken: Thank you, Madam Chair. It's my pleasure to go back and forth with the minister if he so pleases.

Mr. Mason: That would be fine.

Mr. van Dijken: Thank you to all the staff that are here tonight to help us through these discussions. I look forward to a very productive evening together.

One thing that I do notice is that in your fiscal plan we look out five years, but in our estimates document we're only comparing to the previous year. I think it would be helpful if we took a look at possibly looking at the previous two years, just to see where trends are going. It helps us to understand where our trend lines are.

I'm on pages 234 and 235 of estimates. I want to ask a question about line item 6, capital for emergent projects. I just need an understanding on the definition of what are emergent projects. How is it determined that something is either a capital grant, page 234, or a capital investment, page 235?

Mr. Mason: Okay. With respect to the emergent programs, that is a program that allowed projects with special, I guess, political priority to be approved. We are wrapping that up. We want all projects to go through the regular process of being assessed. The program specifically addresses small emerging capital needs that can't be accommodated in the current budget. That was what its intention was. Projects are approved which are critical to the communities involved. They include government-owned or -supported infrastructure and so on.

With respect to your second question, the difference between . . .

Mr. van Dijken: Capital grants as compared to capital investments.

Mr. Mason: Okay. A capital grant is a grant that is given to someone else, like a municipality, for example. That asset then belongs to them, and it is not on our books, whereas the other one becomes an asset of the province. It makes a difference in terms of

how you calculate the deficit, the difference between debt and deficit.

Mr. van Dijken: Thank you.

You know, I see that you're winding that down, but it does become a little bit of a concern, possibly, when we get into some of the geotechnical issues on some of the highways where we don't have budget room for maintaining or rehabilitating those highways. If we're winding down that program, what are we going to be able to do to get on top of the situation? I'm thinking, essentially, of highway 36 at Chin Lakes, highway 41 at the Kehewin First Nation, and highway 2 at Dunvegan. Do you see that as a difficulty going forward, not having the budget capacity for those types of issues?

Mr. Mason: Well, you know, I think that there is money for rehabilitation, which is included in the budget. If you'd like some information specifically on some of those projects . . .

7:20

Mr. van Dijken: Yes.

Mr. Mason: Sure. There was a slide at Chin Lakes. It took out a portion of the highway. The department has built a 200-metre detour around the site, and it's now 60 kilometres an hour. We need to keep the detour in place until it can be repaired or we move forward with the plan to place a nearby bridge and straighten the highway. It's not currently on the capital list.

Mr. van Dijken: Okay. Very good. I'd like to move towards, then, page 233 of the estimates, where total operating expense has dropped \$68,667,000 over last year's actual.

Mr. Mason: Sorry. Where are you?

Mr. van Dijken: I'm on page 233 of the estimates. Your total operating expense dropped \$68,667,000 over last year's actual, an 8 per cent decrease. We heard from James Wood in the *Calgary Herald* on September 24 that the Finance minister assigned a target for spending growth to all government departments. Health, Education, Advanced Education, and Human Services were given targets of 2 per cent. Health couldn't make the target and was given 5 per cent. Everyone else was at zero per cent. Is that correct?

Mr. Mason: Yes.

Mr. van Dijken: So instead of holding the line, you decreased your overall operating expense by 8 per cent, which is commendable. My concern, though, is that the provincial highway maintenance and preservation budget is asked to shoulder the largest share of this reduction, where we see a significant drop in money allotted to that department. Do you intend to continue this trend of reductions to the highway maintenance and preservation budget?

Mr. Mason: Well, it's not an ideal situation. The previous government had established a policy of restraint with respect to budgets and had identified these as areas. We don't think it's ideal. We are trying to reduce expenditures and to bring the budget back to balance within the next several years, so something has to go. That was why that was selected.

Mr. van Dijken: I'd like to look at page 234 of the main estimates, line 5, provincial highway maintenance and preservation. Can you or your staff explain for the committee the difference between line 5.1, maintenance; line 5.3, preservation; and then line 13 on page 235, provincial highway rehabilitation?

Mr. Mason: Okay. Line 5.1, maintenance, includes an \$8.2 million increase from the 2014-15 budget to the 2014-15 actual, primarily due to more summer and bridge maintenance work that took place throughout the province. Also, it included a \$23.9 million decrease from the 2014-15 budget due to budget constraints. Preservation you asked about: a \$7.2 million increase from the 2014-15 budget to the 2014-15 actual for high-risk geohazard activity related to landslides, settlement areas, and erosion problem areas and a \$10 million decrease from the 2014-15 budget for the 2015-16 estimates due to budget constraints.

What was the other one, on 235?

Mr. van Dijken: Line 13, highway rehabilitation, a description of how that differs from our maintenance and preservation.

Mr. Mason: Okay. In this area is a \$59.8 million decrease from the 2014 budget to the actual due to underprogramming to accommodate pressures under twinning, widening, and expansion and slower than anticipated progress by contractors delivering highway rehabilitation projects and late tendering on some projects. There's also a \$169.6 million increase from the 2014-15 actual to the 2015-16 estimate due to the funds reprofiled from 2014-15 to match construction progress and increasing funding provided in 2015-16 to complete more projects. As we go forward in the projects, as they are expensed over several years, depending on the progress that is made, they will move money. If they have underexpended in a given year, then they'll move the money to the next year.

Mr. van Dijken: Yeah. I guess what I'm trying to get down to is essentially the definitions behind those programs, where we have maintenance, preservation, and rehabilitation – two under capital grants, essentially, one under capital investment – just for the committee's sake, just to have an understanding of what the difference is in those programs.

Mr. Mason: Okay. I can give you the program descriptions there. Line 5.1, maintenance, includes the structural and operational maintenance of all provincial highways and bridges; for example, snow removal, grass cutting, pavement line painting, crack sealing, pothole patching, and maintenance on roadway signs and gravel roads. Performing regular maintenance enhances safety and maintains the useful life of the highway and allows more funding to be directed to the expansion of the highway network.

Line 5.3, preservation, maintains an acceptable condition level without extending the functionality or life of the road. Highway preservation activities include bridge preventative and corrective maintenance, the geotechnical erosion and landslide remediation program, the pavement preventative and corrective maintenance program.

Rehabilitation, line 13, allows highway pavement to be restored to its original condition at the most cost-effective time to avoid irreparable deterioration. That includes overlays in chip seal applications. Timely rehabilitation results in substantive cost savings in the long term.

Mr. van Dijken: Good. Thank you for that. That's very precise.

You know, one thing we're concerned about: Wildrose MLAs heard from across the province all summer about the maintenance on our highways. I'm on line 5.1, maintenance, over \$32 million below last year's actual. People were complaining about the lack of vegetation control through ditch mowing, the obstruction of views by tall grass and saplings, the possible spread of noxious weeds, and the lack of crack sealing this summer. We are even aware of an accident that may have been caused by lack of maintenance, and there are better things for the Crown to be doing and for highway

maintenance contractors to be doing than being in court defending this. Are we to expect this level of ditch maintenance to be the norm from now on?

Mr. Mason: I actually hope not. We have also heard from people, certainly, in different parts of the province. This is a reduction that's been made in the interests of cost savings, and it clearly has an impact. It's not without impact, and we are hearing from municipalities and citizens about it. Unfortunately, I think that at this point in time it's an unavoidable reduction.

Mr. van Dijken: Okay. Thank you.

The lack of crack sealing gives me pause for concern also. Moisture will seep in, and in the freeze-thaw cycle we are going to accelerate deterioration within our infrastructure. We know there is a deficit in the repair and upkeep of the highways, but at this rate it looks like your department is on a path to make it worse rather than better. I'm concerned. Is this in the best interest of our assets?

Mr. Mason: Well, you know, I don't entirely disagree with you, hon. member. This is not desirable, and it cannot be maintained in the long run. We are significantly stepping up our rehabilitation work in an attempt to try and make sure that highways that have more serious problems don't fall into more serious disrepair. But I think you're absolutely correct. We cannot continue to avoid the crack sealing for a long time, or it will result in deterioration of highways. I'm very hopeful that in future years we will be able to restore that funding because I see it as very much a temporary measure. We need to catch up on the rehabilitation and get roads with serious difficulties back in shape before they reach a point where there's just a major risk of failure or major costs incurred.

7:30

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

Actually, last night I was travelling through our first winter storm out by Westlock. I'm just curious: will this \$32 million cut in maintenance have an impact on snowplow operations for this winter?

Mr. Mason: No, it will not affect winter maintenance operations whatsoever.

Mr. van Dijken: One thing I'd ask, Minister, is: will you commit to an undertaking to table in the House the memo that your department circulated this past summer to all highway maintenance contractors rolling back the expenditure on line 5, highway maintenance and preservation?

Mr. Mason: I would have to review that memo before I could make that commitment, but if I can, I will.

Mr. van Dijken: Okay. Thank you.

Line 5 on page 234 amounts to \$381,217,000. I understand that there are a number of contract maintenance areas coming up for tender. When do you expect those to hit the market?

Mr. Mason: No, there apparently are not going to be new contracts for maintenance for the next year or so.

Mr. van Dijken: Okay. In discussions with industry we had understood that there were going to be some coming up in the next year.

Mr. Mason: In 2016.

Mr. van Dijken: Wildrose is of the understanding that when highway maintenance was privatized, around 1995, the contracts

that the department awarded were based 35 per cent on business plan and 65 per cent on price. Twenty years later the contract award is apparently based 95 per cent on price and 5 per cent on past performance. Is that correct?

Mr. Mason: Yes, it is.

Mr. van Dijken: Wildrose examined highway maintenance contractor penalties over a five-year period, from 2008 to 2012, and found 291 penalties issued. Over two-thirds of these penalties, 195, went to Carillion, the highway maintenance contractor that looks after almost 50 per cent of the province. Then the government of the day goes and awards a new 10-year, \$450 million contract to Carillion, primarily based on price. Poor-performing employees don't get rewarded, so why should poor-performing contractors? Are your people going to keep the past performance weighting on highway maintenance contract awards low so that poor performers keep winning contracts?

Mr. Mason: Well, hon. member, I think that's actually a very good question, and I think that as I work my way through the major issues in the department, that's certainly one that I have in mind, too. So I would appreciate seeing what research you can share, and I would undertake to take a look at how those contracts are awarded going forward to make sure that the process is fair and that we get best value for our money, but at the same time that has to include a performance component. I take your point, and I'm willing to go back and consider whether we've got it right.

Mr. van Dijken: Good. Thank you for your offer, Minister.

One other thing. For the national highways system like highway 2, highway 1, highway 16 have you ever considered bundling portions of line 13, provincial highway rehabilitation, into contracts with highway maintenance contractors, the contractors that are over in line 5, with regard to grants as compared to capital investment? If we would do that over long periods, like the ring road P3 operators and maintenance contracts, we could improve operating results, achieve improved maintenance, and capture economies of scale. Is that something that you would be also interested in looking at?

Mr. Mason: I'm always interested in great new ideas, hon. member. I'm going to have to take that, certainly, under advisement. In answer to your question, have I considered bundling them, no, I haven't.

Mr. van Dijken: But you're open to looking at it?

Mr. Mason: Yes.

Mr. van Dijken: Good. Thank you.

Mr. Mason: I just got a note here. For the next generation of contracts starting in 2017, we're planning to review with road builders and look at the blended performance and level of service requirement with the price. The department was already considering that going forward in 2017.

Mr. van Dijken: Okay. Good to know.

Mr. Mason: I think it's a good suggestion. Thank you.

Mr. van Dijken: We'll move to lines 7 and 8 on page 234 of the main estimates. These are essentially grants to municipalities that your department manages. I understand that you do not audit the

work that the municipalities do until the work is completed. Is that the case?

Mr. Mason: As far as I understand.

Mr. van Dijken: What happens if the work is never completed but you've handed out the grants?

Mr. Mason: It's paid on completion, on progress.

Mr. van Dijken: Paid on completion?

Mr. Mason: On progress.

Mr. van Dijken: Okay. Do you find any improprieties with regard to grants that are being allocated yet not coming under audit?

Mr. Mason: I have not. I think we're not aware of that. If you have any, feel free to let me know.

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

Again, line 8 on page 234, with regard to municipal water infrastructure grant programs also pertains to page 110 of your business plan. I see that we have a \$20 million reduction this year, down to \$55 million. Essentially, a \$20 million hit is on the water for life program but then followed by a plan to increase to \$130 million and \$105 million. By your opening remarks, Minister, I can assume that the ministry has identified a deficit in the municipal water infrastructure. Can we be assured that water for life has been given a second chance?

Mr. Mason: Absolutely. In 2016-17 there is an increase for water for life of \$50 million, for a total of \$80 million, and for municipal water and waste water there's a \$25 million increase, for a total of \$50 million. Then the following year there's a \$25 million increase for water for life, for a total of \$55 million, and we've added \$25 million to municipal water/waste water, for a total of \$50 million. In 2018-19 for water for life there will be an additional \$25 million increase, for a total of \$105 million, and for municipal water/waste water a \$20 million increase, for a total of \$45 million.

You know, I've met with dozens and dozens of mayors, councillors, and Reeves from around the province, and I've been inundated with requests for water and waste-water treatment plants, roads, interchanges, and safety improvements on highways. It's just been quite overwhelming. I've met with both AUMA and AAMD and C at least once or twice each. I have to say that I have never found one frivolous or unnecessary project. It's very clear that there is a great demand for these projects and a great need, and I haven't found a single one that I didn't think was worthy. The question is: how many can you afford to do, and how do you decide which ones you're going to do? This is the challenge. Not every one of them, however worthy, can be funded.

7:40

This is why we have in this budget over five years an increase to these municipal grant programs of \$750 million, different programs in different years but a total of \$750 million, because we've just seen that the need is there. I went down to Nanton and toured their waste-water treatment plant. It was in very, very poor condition. It was literally two by fours held with baling wire. It clearly needed to be replaced. We were able to provide them with a substantial grant in order to replace it with a new system. That's just one example. There are safety improvements that are needed all over the province.

Mr. van Dijken: Good. Thank you, Minister. I'm not trying to be rude or anything, but I do have a number of questions I want to try to get through, and I appreciate your . . .

Mr. Mason: I've been in your spot before, so I know how it goes.

Mr. van Dijken: Estimates, page 234, line 7.2, strategic transportation infrastructure program, or STIP.

Mr. Mason: Yeah.

Mr. van Dijken: This is the fund that pays for resource road programs, community airport programs, local road bridge programs, local municipal initiatives. What has been the reasoning behind the past zero funding of the program?

Mr. Mason: You may wish to ask the gentleman to your right.

You know, budget pressures have been real, not just on our government but on their government as well. There's no question. So you have to make choices. That was a choice that was made. As Municipal Affairs critic in opposition or as leader I met with AAMD and C every year and talked to them about what their priorities were. This program, especially their bridges, came up every time as a high priority, so I wanted to make sure that it was restored because I think that these are critical. Now, the bridges themselves: we may have to have some negotiation in terms of some rationalization of some of these bridges in municipal districts and counties.

Mr. van Dijken: Okay.

Mr. Mason: We can't necessarily support all of them forever, but we need to make sure that people can get to where they need to go, that they can get their products to market efficiently, and I think that this program will be very helpful in making sure that we're not having to close bridges throughout rural Alberta.

Mr. van Dijken: If I may, Minister, can you provide any breakdowns on the \$18,720,000 for this year?

Mr. Mason: A breakdown for this year?

Mr. van Dijken: Any breakdowns on where that funding – based on how far we are into the fiscal year, most of that money is probably already designated or spent, whichever.

Mr. Mason: Yes. Yes, it is. It's a long, long list. Maybe I can just read you out some of the counties that received funding. Well, Barrhead did, Lac La Biche, Lac Ste. Anne, Smoky Lake, St. Paul, Strathcona county, Sturgeon county, Thorhild, Westlock, Yellowhead, Hinton, the MD of Lesser Slave River.

Mr. van Dijken: Were these primarily local road bridge programs?

Mr. Mason: Yes.

Mr. van Dijken: Yes?

Mr. Mason: Yeah. Engineering replacement, they're called.

Mr. van Dijken: Page 45 in the fiscal plan.

Mr. Mason: Okay.

Mr. van Dijken: We see the \$19 million allocated for this year. Then, also, we go out a couple of years, and we see \$35 million and \$65 million, fiscal year 2017-18 and fiscal year 2018-19. It just kind of sticks out as an anomaly: out two years, \$35 million and \$65

million. Do we have targeted programs that we see this money being used? Is it designated funding already?

Mr. Mason: No. For example, in the 2015-16 estimates the \$19 million was just for residual projects as the program was winding down, so there's no funding in '16-17. We need some time to restore the program. The funding is spread over two years: \$35 million in 2017-18 and \$65 million in 2018-19. We will review the need going forward, so it's possible that there will be additional funding brought forward in subsequent budgets for subsequent years.

Mr. van Dijken: Besides the local road bridge program contained in the STIP program on line 7.2, are there any services in kind that Alberta Transportation provides to rural municipalities to help fix their bridges, any in-kind services? Engineering is what I'm kind of thinking about, that kind of thing.

Mr. Mason: They hire their own consultants for engineering services, but we do provide guidance in terms of what kind of work needs to be done.

Mr. van Dijken: I guess that not all municipalities can afford to have a bridge engineer on staff full-time. Do you expect small rural municipalities, many of which lack the skills and expertise, to blow their limited revenues on expensive consultant engineers in order to fix complicated infrastructure like bridges?

Mr. Mason: Well, this issue has come up in some of my discussions with AAMD and C. You know, we did talk about whether or not there were lower cost solutions that could be provided to help them with some of that work. It is something that's under consideration. I think one of the suggestions was that there are pre-engineered bridges as well as some lower costs in terms of the scope of engineering and so on. We are talking to them about that. I can't give you anything definitive because we haven't come to a conclusion yet, but it certainly is something that has been brought to our attention.

Mr. van Dijken: My experience dealing with municipalities also is that in the infrastructure – you're also in the infrastructure end of things – I think municipalities are looking for very similar types of things there.

Sticking with the strategic transportation infrastructure program, let's talk about the community airport program. This was part of the STIP program in the past, and I guess my question is: would you agree that some community airports are more important than others?

Mr. Mason: Well, we always have to set priorities. I think that that's absolutely the case. We need to make decisions, so, yes, I would agree with that.

Mr. van Dijken: Yeah. We have a document that was given to us by a stakeholder, that came from your department. It has a list of 12 community airports in Alberta that serve a provincial public interest function. Now, since the zero funding of the community airport program, one of those 12 airports, Grande Cache to be precise, is going to be closed by the municipality because they can't afford the rehab. Agriculture and Forestry runs an air tanker base at this airport. The next closest air tanker base is Edson, almost 50 minutes away. Fixed-wing medevac are also twice as fast as the STARS helicopter, and the medevac can fly in icing conditions. Helicopters cannot fly in icing conditions. Does the Grande Cache airport still serve a public interest function for the province of Alberta, and if so, are you going to let this airport close?

Mr. Mason: Well, that's a very good question. I appreciate your input. Obviously, you're making the case that it does continue to provide an important function. We do want to support airports, particularly those that can help support economic growth. I think that's a very important thing. Leave it with me. We will have the department take a look at that question. I do not recall being approached by the folks from Grande Cache on this matter. But we are restoring the program, and I think that we can certainly take a look at that issue.

7:50

Mr. van Dijken: Thank you, Minister.

I'm going to stick with page 234, this time line 7.4.

The Chair: If I could just interrupt, I wanted to advise that there are 26 minutes remaining.

Mr. van Dijken: Thank you.

Page 234, this time line 7.4, municipal transit initiatives for \$30 million, and then the fiscal plan for 2015-18, the capital plan, on page 45, also has a line for transit initiatives. So we have transit initiatives in our capital grant, and then the fiscal plan shows transit initiatives in the capital plan. There are no dollars being allocated in 2015-16 in the capital plan, but there is \$330 million over the next three years. Can you tell me what this transit initiative is all about, and was there an accounting error between the two documents at all?

Mr. Mason: So you're asking about the transit initiative, the \$100 million? Is that the one you're asking about?

Mr. van Dijken: Yes. We have a total of \$330 million over five years, spent in three years.

Mr. Mason: Yes.

Mr. van Dijken: But then in our estimates book we also have the 7.4 line item for \$30 million. Now, I realize that it lands up under capital grants as opposed to capital plans, capital investment.

Mr. Mason: The \$30 million is for the Edmonton LRT valley line. That's what that is for, and that is to match the building Canada fund from the federal government.

Mr. van Dijken: Then the new \$330 million that's in the capital plan of the fiscal plan, transit initiatives there.

Mr. Mason: Hon. member, that is to replace GreenTRIP funding. We want to reconfigure the program and provide a set of criteria that incent regional transit systems. The GreenTRIP program is great as it stands – it's been very helpful for municipalities – but it's a kind of program that encourages every small municipality to set up their own transit system. One of the things that occurred to me is that instead of every town having one bus or two buses, where it's warranted, you want to encourage the development of regional transit systems, that are more efficient and cost-effective.

So we want to restore a GreenTRIP-like program but with a different set of criteria, and that's what that money is intended to be. I have had conversations with Mayor Iveson as well as Mayor Nenshi about the way forward in terms of municipal transit, and I think there is a high degree of interest in both the Calgary region and the Edmonton region for developing a regional transit system.

Mr. van Dijken: Minister, in the spring you had mused openly about the possibility of bringing in subsidized intermunicipal bus transportation to rural Alberta.

Mr. Mason: Yes.

Mr. van Dijken: So line 7.4 is, then, where we would see those subsidies located?

Mr. Mason: It's under operating expense, line 2, program services and support.

Mr. van Dijken: Okay. Thank you.

Also, Minister, private bus companies are very concerned about this move. They do not want to see a government-subsidized competitor take their traffic and put them out of business. How is this subsidy going to work without simply handing it all over to Greyhound, to pad the dividends of the shareholders of FirstGroup?

Mr. Mason: Well, I've met with both Pacific Western Transportation and Greyhound. They have quite different proposals to provide bus transportation for rural Alberta. We have no specific plan in place. We are evaluating what they are suggesting. We do want to provide better bus service. Since it was completely deregulated by the previous government, there are many communities that don't have adequate bus service for people that depend on those things. No decisions have been taken yet, but there is certainly interest out there.

Mr. van Dijken: Thank you.

I'm going to move into capital investment now, page 235. With the construction season drawing to a close, I suspect that much of the capital investment has already been spent. If not, what remains to be spent in the next five months?

Mr. Mason: I don't think we can give you that number now, but we will certainly provide it to you.

Mr. van Dijken: Line 10, page 235, deals with Fort McMurray and the urban area upgrades up there. You had a very good construction season to get highway 63 twinning to 90 per cent completion. I was able to drive that highway a couple of weeks ago, a much-needed piece of infrastructure for our province. Can you outline the major projects the \$283,256,000 is going towards?

Mr. Mason: Sorry. Where are you?

Mr. van Dijken: That's line 10, page 235. It's the Fort McMurray twinning and the Fort McMurray urban area upgrades, the total of \$283 million.

Mr. Mason: Well, do you want us to break down the sections of the highway 63 project?

Mr. van Dijken: Just give me a high level – we've got the twinning there. But the urban area upgrades: what was primarily included in those?

Mr. Mason: The Parsons Creek interchange is a major one there.

Mr. van Dijken: Okay. Will we see something soon for improvements to highway 881? They also talk about an east bypass from Anzac to Firebag.

Mr. Mason: That is on our radar. There are no specific plans or proposals right now to upgrade that highway.

Mr. van Dijken: Okay. Thank you, Minister.

At line 11 under capital investment on page 235 there is over \$100 million in new spending here for line 11.1, twinning, widening, and expansion. This is an incredible investment. I note

that in the capital plan, on page 43 of the fiscal plan and page 45, highway 19 has been featured prominently, with \$10 million this year and \$80 million over three years. Does this mean that all of highway 19 will be twinned, or will a portion be skipped over until the Edmonton International starts work on their new runway?

Mr. Mason: It will start with the intersection at highway 2 and then east to Devon.

Mr. van Dijken: Do we have a plan for going around the airport?

Mr. Mason: Yeah. The upgrades are at the interchanges with highway 2 and highway 60 at Devon.

Mr. van Dijken: Okay. Thank you.

I also note that in the fiscal plan, capital plan you give a shout-out to highway 28. I appreciate we've met on that very highway. Do you have any details on what highway 28 work will be done from the funds in line 11?

Mr. Mason: Just give us a moment.

Mr. van Dijken: So we have the fiscal plan, page 45.

Mr. Mason: Some changes to the alignment – that is, revisions to the curves on the highway – as well as widening of the highway there. Here I've got some more information for you. There are numerous upgrades and safety improvements under way on highway 28, including grade widening, intersection improvements, three curve realignments, preservation overlay work, and the construction of a climbing lane in the Coronado region. So that's what that's for.

8:00

Mr. van Dijken: Southern Alberta has numerous twinning projects that are desired: highway 8 from Sarcee Trail to highway 22; highway 2 bypass, Claresholm and Nanton; highway 3, Fort Macleod to the B.C. border. Have any of these projects met the warrants and had the functional planning or detailed design completed yet so that line 11 could fund them also?

Mr. Mason: Part of the southwest P3 ring road project includes highway twinning to the Elbow River.

Mr. van Dijken: Okay. Good.

Mr. Mason: I should also tell you that I've had conversations with several mayors from the Crowsnest corridor, and I'm planning to go down and meet with them as a whole to talk about getting started on the planning work for the twinning of highway 3, the Crowsnest highway, starting at the B.C. border and working east. That shouldn't be taken as a direct commitment, but we're going to start the discussions with them right away.

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

Line 11.2, page 235. Minister, with \$114,573,000 there could be a lot of work done, including, in my constituency, highway 2 at Morinville or Cardiff Road, where the last government promised an interchange but where we got traffic lights instead. My colleague from Airdrie will want improvements to her interchange at highway 2 and highway 566 to help fix the traffic issues at CrossIron Mills. Then, Minister, my colleague from Chestermere-Rocky View will want three interchanges along highway 1 through Chestermere, with the first one going at the intersection of highway 791.

There you have it, Minister. Your fund for interchanges is already oversubscribed. Can you tell me which interchange projects are

priorities for funding? If not, are any of these five projects I mentioned in the top 10?

Mr. Mason: Well, I can tell you that I've had meetings with the mayor and council from Airdrie with respect to their transportation needs, and there are a number of them, but of course first and foremost is an additional interchange. I've also met with the mayor of Chestermere with respect to the tragic accident that took the life of a young man there, and that is something that we're looking at. We have already provided some safety improvements, basically acceleration lanes, that I think the municipality agrees will be helpful. But there are going to be ongoing discussions with the communities involved with respect to their transportation needs.

You know, I think we need to keep in mind that interchanges are 50 million bucks a pop. They're not cheap. I've signalled to municipalities that we want to be involved a little bit more in talking to them about their future land-use plans. When municipalities expand rapidly on both sides of a major highway corridor, it drives the need for interchanges going forward, and that's a very expensive way to develop. So we'd like to have more conversations with municipalities about how we can do land-use planning in a more effective way, and by that I'm talking about developing predominantly on one side of the highway instead of both sides of the highway going forward.

Mr. van Dijken: Thank you for that, Minister.

I understand that good planning goes a long way to getting it right the first time, but we do have some safety issues on our highways and our byways that need to be addressed. You know, we see a lot of money going towards initiatives in green transit, and that's fair, but then we also can't forget that we need safety out on our highways in the rural areas.

Mr. Mason: Absolutely.

Mr. van Dijken: I'm going to move on to line 14, water management infrastructure. I understand that these are the dam and flood-control devices. Last year you had \$19,852,000 budgeted but only spent \$9.8 million. This year there is \$20.5 million budgeted. Are these pieces of infrastructure getting enough funding, and will your department be responsible for the operations and maintenance of the proposed Springbank dry-lake reservoir?

Mr. Mason: We will indeed be responsible for the construction of Springbank. It's Environment and Parks who will maintain the project.

Mr. van Dijken: Okay.

The Chair: I would like to advise that there are 10 minutes remaining.

Mr. van Dijken: Thank you for that.

Speaking of flooding, line 15, 2013 Alberta flooding funding, I thought that this had already been covered and cleaned up. What work did the \$43,948,000 cover in 2015-16, line 15.1?

Mr. Mason: There's a \$3.5 million increase from the 2014-15 budget to the actual for the 498 Avenue grade raise project in the municipal district of Foothills to reduce the risk of flooding in High River.

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

I note a slight uptick in line 12 for bridge construction projects. Is any of this \$36,414,000 going towards work for the new bridge southwest of Fort Saskatchewan? That's not on the ring road.

Mr. Mason: No.

Mr. van Dijken: How about the bridge on highway 611 across the Battle River west of Maskwacis?

Mr. Mason: We'll check.

Mr. van Dijken: That bridge is restricted to one lane, 10 tonnes, 50 kilometres an hour, and has girders installed in concrete into the river.

Mr. Mason: Yeah, that one is on the plan. The Battle River bridge on provincial highway 611 near Usona: is that correct?

Mr. van Dijken: Yes.

Mr. Mason: Structure replacement: there's a contract for construction; it's already tendered.

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

Line 13, provincial highway rehabilitation, is more than double over last year and is up to over \$309 million. Does this mean your department is now going to stop the bleeding and start reducing the infrastructure deficit?

Mr. Mason: Sorry; do you want to run that by me again?

Mr. van Dijken: Provincial highway rehabilitation, line 13: it's more than double over last year. It's just shy of \$310 million. My question is: does this mean your department is now going to stop the bleeding and start reducing the infrastructure deficit?

Mr. Mason: That's the intention as of this capital budget and this capital plan. I would say that the previous government had committed substantial funds to infrastructure. Many of the projects that are now nearing completion were started by the previous government, so they deserve some credit. However, as Mr. Dodge has indicated to us, this is a good time to increase infrastructure spending. There is surplus capacity in the economy, whether it's an engineering firm or availability of tradespeople. Money is very inexpensive, and at this time, when the economy is weaker, it's a good time to make these investments.

8:10

Mr. van Dijken: With that, Minister, I look at how capital investment is up just about \$480 million, and on pages 91 and 92 of the annual report, the program of capital spending: the department had a lapse. In fact, the department unexpended just about \$344 million, or close to 20 per cent of the budget. In other words, you received more allocation of money than you could spend. It does concern me going forward. Something tells me that there's a problem with getting money out the door. Are you confident your department will be able to get the capital investment all spent this year? With that, can we be confident as Albertans that the proper procedures will be undertaken to ensure that Alberta gets full value for every dollar spent?

Mr. Mason: Well, that would certainly be our intention, hon. member. We don't control the weather. We had a very good construction season this year and were able to move forward on highway 63 very, very well. I'm very pleased with that. If it wasn't for a particular pipeline crossing, we would have had it finished by now, and the mayor of Fort McMurray and the Premier would have been driving through a great big ribbon in a convertible down the highway to open it up. But we're looking forward to officially opening that.

With respect to your broader question, yes, we believe that we will be able to utilize the investments that we're making and make effective use of them. In the past the government had often made investments in infrastructure when the economy was booming, and as a result they ended up competing with the private sector for labour and materials and capital, and we would like to do it a little bit differently. We would like to invest when the economy is less strong because we think we can make a dollar go farther in terms of infrastructure.

Mr. van Dijken: Good. Thank you.

I'm going to take a look at page 235, line 1.4, strategic services, \$5.6 million in capital spending. What possibly could they be spending \$5.6 million on?

Mr. Mason: Well, we actually had a decrease because of several IT projects coming in under budget, and there was an additional million-dollar increase due to funds being reprofiled, which basically means that you're moving money in a given budget. You're to match what the actual expenditures are.

Mr. van Dijken: Okay. Thank you.

On line 9, page 235, the ring roads, I see the funds for the Edmonton ring road are declining as the project nears completion, and I see the funds for the Calgary ring road are increasing for the new construction of the southwest leg road through Tsuut'ina. Do these dollar figures here include the debt to be borrowed through the P3 financing? If so, can you provide a breakdown of the \$167 million into what's government-funded financing as opposed to P3-funded financing? Then also, on the Calgary road, \$412.5 million: how much is government funded and how much is P3 funded?

Mr. Mason: We'll get you the numbers right away. The answer to your question – thank you very much – is that the debt is not included here. So the debt-servicing costs in '15-16 total \$70,741,000, and the principal repayment – these are both projects together on the P3s – totals \$28,124,000.

Mr. van Dijken: Good. Thank you.

Page 234, line 1. The ministry support services budget on that line has continued to increase. It's up 6 per cent this year and up just about 20 per cent over the last four years. The minister's office over the last four years has increased 31 per cent. Communications is up 53 and a half per cent over the last four years. My concern is that we see continual increases in the ministry support services over the years. May I suggest that these staff should lead by example and find ways to control their costs before expecting front-line workers in highway maintenance and preservation to shoulder the load? We see the decrease in highway maintenance and preservation, and with that I would close . . .

The Chair: I apologize for the interruption, but I must advise the member that the time allotted for this segment has concluded.

I would now invite a member from the third-party opposition to ask their questions.

Mr. Drysdale: Thank you, Madam Chair. Minister, thanks for being here tonight. I know you have good staff behind you and around you who are familiar, so you're well supported.

Mr. Mason: Thank you for that.

Mr. Drysdale: Thanks for a good budget. It looks pretty familiar, with some pretty good increases, so thanks. I think you have better luck with Treasury Board than I did maybe.

Mr. Mason: Well, I'm on it.

Mr. Drysdale: Maybe because your Treasury Board will borrow money. I don't know. But I could never get money out of it for Transportation. I know all Transportation ministers want to increase the highways, you know, the maintenance and the safety in Alberta, but you always have to get the money from Treasury Board. I know how that works.

You know, a bunch of my questions have been answered. I'll try not to repeat them. They're a little different.

The Chair: Hon. member, can you please clarify if you would like to go back and forth with the minister?

Mr. Drysdale: Oh, sure. We can try it back and forth if that's all right.

Mr. Mason: Yeah. Sure. I'd be happy to.

The Chair: Thank you.

Mr. Drysdale: Sorry about that.

I'll start with the ring road in Calgary. I see in this summary you put out the request for proposals for the P3 project there.

Mr. Mason: Yes.

Mr. Drysdale: So I assume that you think that's the way to go, a P3 to finish that ring road.

Mr. Mason: Well, I do. I think I need to provide you with a bit more of an explanation than that. In my view, we need to assess P3s with a view to seeing whether or not they actually provide the best value.

Now, having not completed that assessment, the fact is that the arrangement negotiated with the Tsuut'ina provides a seven-year time limit. Now, they have received a substantial transfer of land in the Bragg Creek area in exchange for the land where the ring road will go as well as a very substantial cash payment of \$275 million.

If we don't complete the ring road in seven years, that section of the ring road, to the specifications that have been negotiated with the Tsuut'ina Nation, then that land and the road revert to them. They keep the money, and they keep the land. So there is a really serious risk, in my view, and we need to make sure that we do complete that project in accordance with the agreement, within the time frame specified in the agreement.

Now, my officials advised me that if we take our time to review whether or not we want to go ahead with the P3 on that issue or if we try to bring it back in a more traditional way of delivery, it could risk the time frame. So I made a conscious decision to proceed with the P3 as had been envisaged at the time that our government was elected. That was not because I'm satisfied that the P3 is the best model to deliver these projects, but it is because I'm convinced that the risk of cancelling the P3 and proceeding with the traditional method of procurement would have created an enormous risk to the province of Alberta.

8:20

Mr. Drysdale: Okay. I guess I knew it would be harder to navigate down than that, but I agree that the P3 is the right way to go. They get done on time and on budget. I just wanted you to admit it here, because I think that for about three years you told me they were no good. I was happy to see you move forward with this P3 project.

Mr. Mason: Yes, but that was why, hon. member, not because I'm convinced.

Mr. Drysdale: Okay. I tried.

Provincial highway rehabilitation, you know, is an important program, and I always tried to increase that quite a bit, too. It got down to as low as I think 700 kilometres per year, and we were up to about 900. I know it needs to get to be at least 1,300 kilometres per year. You've got a substantial increase here, a hundred million dollars plus. Could you tell me how many kilometres? Will that get us to the 1,300 kilometres a year?

Mr. Mason: I think that gets us pretty close. I mean, I think the intention is to get us to that point. Not necessarily, going forward, will we be able to keep up, but it does get us to that point now.

Mr. Drysdale: Okay. Well, thank you for that. That'll help improve the road conditions in Alberta if we can strive to get to that 1,300. That's good to hear.

Now, I was a little confused listening to you tonight about, you know, water infrastructure, whether it was water for life or waste-water transportation grants. Earlier on in your remarks you said that you'd be increasing the budget some \$500 million, and then later on you said that you would increase the budget \$750 million, so I'm not sure what that is. I can go back in *Hansard* and qualify that. Whatever it is, it's great. We need to increase that budget. I tried for that. Even \$500 million is good. So I'd like to confirm whether it's \$500 million or \$750 million, and if that's the case, do you have a list of where that money would be going or at least a breakdown?

Mr. Mason: Yeah. I can answer that question, yes. Overall, over a five-year period there is \$750 million in capital grants for municipalities all together. That includes a \$100 million increase over five years for MSI, CFEP is a \$50 million increase, STIP is a \$100 million increase, the new transit initiatives will be \$330 million, and water for life and waste-water management programs will see a \$170 million increase. That adds up to the \$750 million, which is the number. I used the \$750 million to signify the overall increase over five years in all of those capital grant programs to municipalities.

Mr. Drysdale: Okay. You know, you said water or water for life, but it's more.

Mr. Mason: Yeah. I'm sorry.

Mr. Drysdale: I was happy to hear that, but now I see it's not quite as good news.

Any increase in that water – like you said, every municipality has a good case where they need improvement. You probably don't have an idea yet in the next year what projects will be approved.

Mr. Mason: No. That will be based on the applications and evaluations of the projects. I can say, based on my conversations with the AUMA and the AAMD and C, that they were very pleased with this direction from the government.

Mr. Drysdale: But those projects will have to be, you know, in the ground in the spring to get done, so any idea when they'll know which projects are approved so that they can get started on the tendering and all that stuff?

Mr. Mason: Yes. After the budget is approved, then the call will go out for projects, and we'll move as quickly as possible. There needs to be some time to plan and evaluate. But based on my conversation with a large number of mayors and councillors as well as the two provincial municipal organizations, there are many excellent projects badly needed, and a lot of them are ready to go.

It would be my expectation that next year we would be proceeding with a number of them.

Mr. Drysdale: Happy to see another \$100 million in the budget for twinning. You know, in order for that to move forward in the next year or two, there has to be some indication of where that's going to go. I just want to remind the minister that I think it was in '95 that the government committed to twinning the Canamex highway from border to border. We almost got there, but it seems like when you get away from the big cities, the last 40 kilometres get forgotten about. Hopefully, you don't totally forget about it, and we can fulfill that commitment. We seem to do the ring roads around Edmonton and Calgary and twin the 63 pretty fast, but we've been almost 20 years trying to finish that one, so hopefully you would consider that going forward.

Mr. Mason: I can't answer for the last 20 years, hon. member, but I can tell you, you know, that we've certainly had conversations with local municipal officials on that. That's something that's on our radar, and we'll stack that up against the other projects and try to provide an objective evaluation and go forward when we can.

Mr. Drysdale: Okay.

Mr. McIver: I'm going to continue with the time, Madam Chair, okay?

The Chair: Ten minutes, yes.

Mr. McIver: Okay. All right. Thanks, Minister, for being here. The sunshine list: where can I see it today, please?

Mr. Mason: You can't.

Mr. McIver: Okay. When and where will I be able to see it?

Mr. Mason: Well, you know, we want to make sure that we get that right. We are looking at that very carefully. My officials in Infrastructure – it is an Infrastructure question, hon. member.

Mr. McIver: Okay. Then I'll move on. You don't know, so I'll carry on. Time is short, so I hope you'll appreciate my abruptness, but don't take it as being rude, if you don't mind.

Mr. Mason: I know you appreciated mine when our roles were reversed.

Mr. McIver: You know what? I always appreciated you.

Okay. On the alignment of highway 19 particularly, you talked about it. Is the alignment settled between highway 60 and highway 2? Is the highway 19 alignment finalized?

Mr. Mason: I think it is. No? I'm getting yes; I'm getting no. It's not.

Mr. McIver: Okay. All right. I couldn't tell from your earlier answers.

Mr. Mason: I couldn't tell from my answers either.

Mr. McIver: That's not a shot. I just couldn't tell.

Mr. Mason: Yeah. I know. Fair enough.

Mr. McIver: On gravel pits, are you the guy that's dealing with having people bid on the new gravel pits and stuff like that to get the right to extract the gravel?

Mr. Mason: I think I am.

Mr. McIver: Okay. Are you concerned that it's going to cost more money based on that fact that people will bid high to get the gravel and then they'll turn around and invoice you for the very same gravel to build your highways and not, at the end of the day, save any money for the taxpayers? Have you considered that possibility?

Mr. Mason: I had not considered that possibility, but that's a question I will now ask my officials, so I appreciate your experience in that.

Mr. McIver: No, I appreciate that.

On the three-year operating plan instead of five, why is that, if you don't mind?

Mr. Mason: We just felt that it's too difficult to make, you know, accurate projections that far out.

Mr. McIver: Okay. On transit investment, you talked about what you're making. Does that include the southeast LRT, otherwise called the green line, in Calgary?

Mr. Mason: That has not been evaluated. There's not a specific thing there. It could be funded from our funding. We have not yet received a request from the city of Calgary.

Mr. McIver: Haven't decided. Okay.

On the Deerfoot Trail, any plans to do any work there in this capital plan?

Mr. Mason: We'll just check on that.

Mr. McIver: Okay. I'll keep rolling if you don't mind, Minister.

Mr. Mason: Please go ahead.

Mr. McIver: On tendering, are you considering tendering earlier in the year to get the lower prices when the contractors are hungrier rather than contracting later in the year, when they're taking maximum profit because they're already booked up with the stuff to keep their doors open? Are you actually looking at that possibility?

Mr. Mason: That's a very good question, which I'll pass on to my officials. Well, the answer is yes.

Mr. McIver: On which? On the tendering?

Mr. Mason: We have already started for 2016.

8:30

Mr. McIver: Already started? Beautiful.

We all love caribou, but you might not like, as you stick around, what you're going to have to pay to accommodate them as you're building roads. Have you got a strategy to minimize the costs of bringing gravel in and such when you're building roads in caribou breeding areas?

Mr. Mason: No.

Mr. McIver: Okay. All right. We'll keep going here. Highway 1A west of Cochrane . . .

Mr. Mason: It's great to have two former Infrastructure ministers here. It gives me lots of good ideas.

Mr. McIver: Highway 1A west of Cochrane. Are you aware that the province now has the right to build that road?

Mr. Mason: Yes, I am.

Mr. McIver: Okay. And are you aware of what's in the contract and what the government's obligations are?

Mr. Mason: Well, we met just today with the mayor and some of the councillors and officials from Cochrane with respect to that, and they've identified a very serious problem in terms of congestion where highway 22 intersects with highway 1A, so that is something that's very much on our radar.

Mr. McIver: But you haven't made a commitment to it yet by the sounds of it.

Mr. Mason: No. No.

Mr. McIver: Okay. Thank you for that answer.

The Fort Saskatchewan bridge across the river near highways 17 and 35 and a third highway number which escapes me right now: have you committed in your capital plan to put in another bridge across that river to ease congestion on the one that's always packed up every single day?

Mr. Mason: No. No, we haven't.

Mr. McIver: It's not in your plan? Okay.

Have you considered the feasibility of highway 686 from Fort McMurray to Peace River as, amongst other things, a heavy-load corridor, as an alternate to the circuitous route that the heavy loads now have to go across?

Mr. Mason: Yeah. It's certainly something that I've been briefed on. I don't believe that there are any specific plans to bring that forward. There has been a planning study that's been completed, so at some point in the future that decision will be made but not as of now.

Mr. McIver: Okay. I presume you're still the liaison for the Port Metro Vancouver?

Mr. Mason: Uh-huh.

Mr. McIver: Have you talked to them about what we need to do together to get a pipeline out to them?

Mr. Mason: Yeah.

Mr. McIver: And?

Mr. Mason: Well, we've had several discussions about how we can get pipelines to tide . . .

Mr. McIver: No decisions, though?

Mr. Mason: No. There are no specific decisions.

Mr. McIver: All right. What about other things? The Wild Horse border crossing in southeastern Alberta: have you looked at the highway leading to the border crossing to the U.S., usually called the Wild Horse crossing, and are you considering any upgrades to the road leading to it?

Mr. Mason: Okay. I'm going to just check. We'll get back to you on that.

Mr. McIver: Okay. I'll keep rolling if that's okay. Results-based budgeting: are you continuing with it? What's the status of the results-based budgeting in Transportation, please, sir?

Mr. Mason: Well, we've taken a look at the results. We have the summary of the first three cycles, and those are being implemented. There's been no direction in the government as a whole to continue with that.

Mr. McIver: Rail capacity: have you talked to the railroads at all about getting better service for our agricultural goods, for our lumber, for our energy?

Mr. Mason: Yes, I have.

Mr. McIver: Any progress, please?

Mr. Mason: I've had meetings with both Canadian National and Canadian Pacific with respect to that. I also have an advisory committee that the railways are present on. There is an ongoing commitment on the part of government to work with the railways to increase capacity and to make sure that the various industries, particularly grain and forest products, receive adequate support. There has been a drop in the amount of petroleum products that are being shipped by rail, which frees up additional capacity as well.

Mr. McIver: Okay. Now, I'm just going to put it on the record here and not really expect an answer. At some point will you be asking about how we're going to pay for all of the stuff you're doing? Everybody agrees that we need to build infrastructure and transportation infrastructure. Have you actually considered with your colleagues in Treasury Board how we're going to pay that back?

Mr. Mason: Well, I don't think that's within the scope of my responsibility, hon. member.

Mr. McIver: That's a good answer, and I'll accept that happily. I just want to put it on the record, that I'm aware of that, and we'll ask the other ministry, if that's okay, sir.

Mr. Mason: Yeah. Sure.

Mr. McIver: Okay. Thank you very much. I appreciate that. Sorry. I'm running short on time. I'm doing the best I can.

The connections with other provinces on the roads: have you been in contact with Saskatchewan and B.C., where we have highways – for example, the Canamex corridor, in British Columbia – to make sure that when we build a road, the other provinces are onboard with us so that we get the connections?

Mr. Mason: Yes, absolutely. At the administrative level there's ongoing contact with other provinces, making sure that we plan with what they're doing in mind as well.

Mr. McIver: Have you looked at the new standards being considered for inhalation of particles at gravel pits? If they go through, they will cost you and your ministry probably a lot more money for gravel. Are you aware of that, and have you done anything with that so far?

Mr. Mason: I have not, but I will.

Mr. McIver: Okay. The toll roads and toll bridges: what are your plans, if any, on those, please, sir?

Mr. Mason: No plans to toll roads.

Mr. McIver: None whatsoever. Okay.

The Chair: One minute remaining.

Mr. McIver: Okay. One minute remaining. There's an Albertan with a driving range and putting green on one of the places where we built an interchange for the Calgary ring road. Any chance that he'll get that back before the end of the decade so that he can try to recover his investment?

Mr. Mason: I haven't gotten to that level of detail, hon. member, but if you want to bring that to my attention or make a representation, I'd be happy to look into it.

Mr. McIver: Okay. I heard you say tonight that highway 28 is on the list to get done. Thank you for that. I think I heard you in the media the other day musing about widening highway 2. What are your plans, please, sir?

Mr. Mason: Well, we're beginning to do the initial planning. There's a study that we're going to be undertaking with regard to what the requirements will be. Of course, there are certain other portions; for example, the interchange at Red Deer, where we've had that conversation with the city of Red Deer as well.

Mr. McIver: Thank you. Water for life and waste-water programs: with the additional funding you put in – and I think people will appreciate that; thank you – will you be oversubscribed, fully subscribed, or undersubscribed? Give me your best estimate, please, based on what's in the budget.

The Chair: I apologize for the interruption, but the member's time has expired.

Mr. Mason: I think we will still be oversubscribed, but I'm just guessing.

Mr. McIver: Thank you, Madam Chair.

The Chair: You're welcome.

With the consensus of the group we could break for five minutes. Is everyone agreed?

Some Hon. Members: Yeah.

The Chair: Everyone must be back at 8:42.

[The committee adjourned from 8:37 p.m. to 8:44 p.m.]

The Chair: I would now like to invite the independent member to speak. Would you like to go back and forth between yourself and the minister?

Mr. Clark: Yes. Speaking as the leader of the Alberta Party opposition, yes, I would. If it's all right with the minister, I'd love to go back and forth.

Mr. Mason: Before we begin his time, I have a couple of answers that I'd like to add from the previous questions. Can I do that?

The Chair: My understanding, Minister, is that they're supposed to be tabled in the House.

Mr. Mason: Okay. That's fine.
Sorry, Greg. Go ahead.

Mr. Clark: That's all right. Thank you, Minister. A sincere thanks to you, Minister, for being here and to all of your staff for being

here late in the evening on a Tuesday. We're doing important work here on behalf of the people of Alberta.

An Hon. Member: It's Monday.

Mr. Clark: Monday. Wow. I've been here so long already that it feels like Tuesday.

I'm going to jump in. I'm going to start with bridge inspections and the follow-up report that the Auditor General issued this past July. His overall conclusion was that many of his findings from the 2012 report, which was troubling, have been addressed, which is very good news. He found no evidence of unsafe bridges, which, again, is also good news. However, he did find a couple of deficiencies remaining. The processes to contract inspections for independent third parties still require improvement. As well, the department's decisions on selecting contractors lack clarity. He suggested that an analysis should be completed on the cost-effectiveness of contracting out those services. Can I ask, Mr. Minister, what has been done to address those two outstanding issues?

Mr. Mason: Okay. Thank you very much for the question, hon. member. I want to stress first of all that the office of the Auditor General did not find evidence of unsafe bridges in either the 2012 report or the 2015 follow-up. We're preparing a draft cost-analysis evaluation for outsourcing bridge inspections compared to doing this work in-house. We're going to take a good look at whether or not that's the best way to deliver the service. Ernst & Young has completed an independent review of this analysis and has provided feedback to Alberta Transportation to incorporate into the report. That report will be presented to Transportation's executive team for a decision.

As well, a scoring guide for selecting contracted bridge inspectors has been developed, is being reviewed internally by technical experts within the department. The guide will include all of the office of the Auditor General's recommendations regarding all required qualifications for contracted bridge inspectors.

We've already responded to the office of the Auditor General's 2012 recommendations that the department ensure that all inspectors have up-to-date certifications.

Mr. Clark: Thank you, Minister.

Now, given the importance of this work has your department considered including measures around bridge inspections as part of your performance measures in the Transportation department business plan?

Mr. Mason: No, not to my knowledge, hon. member, but that's certainly something we're considering.

Mr. Clark: Okay. We've talked briefly – one of the disadvantages of going third, of course, is that many of the questions I had intended to ask have already been asked, but I'll ask perhaps a slightly different take. Can you tell me a little bit about the prioritization process around choosing which projects you undertake, what criteria are used to prioritize those projects, if and when such criteria and the list itself will be made public?

Mr. Mason: I think I can give you some ideas about how projects are prioritized within the department. With respect to the overall list, the sunshine list and so on, that's something that's still under discussion and consideration and that more properly forms part of the questions for the Infrastructure minister, which is me, but not tonight.

Alberta Transportation staff develop the provincial construction program based on a number of criteria, including available funding and highway and bridge information such as pavement condition, traffic volumes, and collision data. Projects are further prioritized based on safety, the benefit to road users, and the cost-effectiveness, which considers all factors such as construction and maintenance costs and costs associated with travel delays.

We're also assessing and including economic and social considerations to ensure that we're focusing our resources on the projects that will bring Albertans the most benefits. As part of the process field staff contract local municipalities to identify concerns and to co-ordinate activities. These data are used to identify deficiencies in our network that require attention. However, during the year, as projects progress, the program lists can be revised. So we're moving forward with critical projects and are taking the time to develop a timeline for future projects using due diligence, develop business cases, and make sound decisions without political interference.

8:50

Mr. Clark: Thank you, Mr. Minister.

Given the scale of the increase to capital spending in this budget what measures will you use to ensure that that capital is effectively deployed without unintended consequences in terms of inflation? We've seen some challenges in the past, where school construction, for example, would only draw a single bid. Have you done any analysis to determine whether Alberta's construction industry, in fact, has the capacity to build out at the pace which your budget intends us to do?

Mr. Mason: That formed a significant part of Mr. Dodge's work, and he recommended numbers that were actually somewhat higher than we've chosen in terms of what would be an acceptable increase in capital spending that could be absorbed within the provincial economy.

I should say as well that many of the difficulties that we have seen with respect to projects not being completed on time or being the wrong project in the wrong place have resulted from previous decisions to make political announcements with respect to projects, including price tags in some cases, and then departments were forced to design to the political announcement and to the budget that had been announced when, in fact, none of the planning work that was essential to decide the scope of the project had been done. That has resulted in a number of difficulties.

With respect to the school projects we'll see what the Auditor General says, but certainly I think that the decision to proceed with so many because a political announcement was desired and then with departments and school districts playing catch-up is what led to the problem. In some cases sites were not even identified when some of these announcements were made.

What we want to do – and this is a very important thing. It was one of the things that my deputies advised me very soon after my appointment: do not make the political announcements on projects until you've carefully evaluated them, created a business case, and make sure you know what it is that you need and that you have an effective way of delivering that project. We're going to stick to that.

Mr. Clark: Thank you.

When discussing the southwest ring road, you said that you followed the P3 model because in essence, to paraphrase, it was already in place, and it really only made sense to move forward given the other constraints, which related to the seven-year agreement with the Tsuut'ina. Are you open to P3s in the future? Is

there ever a scenario under which you feel that a P3 may work going forward?

Mr. Mason: I can tell you that we're doing a review of P3s and an evaluation to give us guidance as to when, if ever, a P3 would be an appropriate model. My feeling is that we need to make this based on a good analysis, a solid analysis, and based on evidence.

Mr. Clark: That pivots fairly nicely to my next question. Your government made what I think is an evidence-based decision related to the Springbank dry dam, which will protect many of my constituents in Calgary-Elbow as well as downtown Calgary. I'll just be on the record again as saying that I do think that's the right thing to do, and your government deserves credit for taking an evidence-based approach. In that light, then, there are 17 homes that were bought out under the floodway relocation program. I believe your department is responsible for the upcoming demolition. There's a request for proposal.

Mr. Mason: That would be the Infrastructure department. I'm sorry.

Mr. Clark: Oh, right.

Mr. Mason: But come back.

Mr. Clark: I will. This has been a real adventure. That's right; there are so many double ministries. I got a little confused. I apologize for that one, Mr. Minister.

GreenTRIP. That, I know for sure, is under Transportation. We will go to page 234, 7.3, GreenTRIP, which we know about. I've tried to pay close attention, and my apologies if I've missed that this has already come up. In line 7.3 the actual spend in 2014-15 was \$208 million; the estimate for this year is \$166 million, down 20 per cent. I'm just curious if you could explain that discrepancy, please.

Mr. Mason: We've had two calls on the GreenTRIP funding, and I can indicate to you that there's a \$38.4 million decrease, which is related to funds being profiled to future years to match the anticipated cash flows required by the city of Edmonton with respect to theirs. So we're just moving the budget numbers to years when they will be required. Then there's a \$42.3 million decrease related to funds being reprofiled to future years to match the anticipated cash flows required by the city of Edmonton as well. So that's two, in different years, 2014-15 for the first one and 2015-16 for the second one.

Mr. Clark: Okay. Is that at all related to line 7.4, the municipal transit initiatives, which you had earlier indicated related to the Edmonton valley line, or is that something entirely different?

Mr. Mason: It's the valley line, yes.

Mr. Clark: Okay. Am I correct to say that the \$30 million that we see under municipal transit initiatives, line 7.4, is a significant portion of what was reprofiled from 7.3, or is that totally unrelated?

Mr. Mason: No, hon. member. That's new money to match the federal building Canada fund.

Mr. Clark: Moving on, then, just to pick up on a question my colleague across the way asked earlier, is there ever a scenario under which you would consider toll roads, either on ring roads or other infrastructure, as an alternative revenue source? Would you ever consider toll roads?

Mr. Mason: We don't think the people of Alberta would support toll roads, so that's not a direction our government is planning to go.

Mr. Clark: Okay. I appreciate the clarity on that.

Under the Transportation business plan, desired outcome 3.6: "Work with partners to ensure Indigenous communities have reliable access to clean and safe drinking water." Are there specific initiatives that you can tell us about, and if so, are those clean and safe drinking water initiatives to be cost shared with the federal government? Further to that, will there be training included for First Nations to ensure they have the knowledge to maintain the system?

Mr. Mason: We're working with our colleagues in Aboriginal Relations and Municipal Affairs as well as Environment and Parks and First Nations and other aboriginal communities and their partners to ensure that safe, quality drinking water is available in all of the communities. We'll work closely in partnership with the federal government to address the water infrastructure needs of our indigenous communities together. At this point, hon. member, I need to leave that answer as general as it is.

Mr. Clark: Okay. All right. A brief follow-up, maybe just to be on the record in encouraging you, as you consider that, not only to include training dollars to ensure that First Nation communities have the knowledge they need but also to ensure that maintenance dollars are accounted for year over year, not just one-time funding, to ensure that we don't find ourselves in a difficult spot down the road.

Mr. Mason: I understand that. That's a very valid point.

Mr. Clark: Let's see. What I think I'll do is that I will cede the remainder of my time to any other member who wishes to have it. Thank you.

9:00

The Chair: There are five minutes remaining. We have to follow the order of this, so you can take the five minutes.

Mr. Clark: I can take my five minutes? What can I do with my five minutes? Can I bank it for another . . .

The Chair: Or if you don't want it, we can then move on to the next.

Mr. Clark: Well, I will cede the floor and move on to the next member. Thank you so much.

The Chair: Thank you.

I would now invite the member from the government caucus to speak, and I inquire as to whether or not you'd like to share your time with the minister.

Mr. Sucha: I'd like to share my time with the minister. I will be asking questions with my colleague from Calgary-Northern Hills as well, if that's all right with you, Minister.

Mr. Mason: I'm happy to do that.

Mr. Sucha: Excellent.

I just want to address this. I know it's been touched on by some of my colleagues from multiple parties here as well, but I find that it's an issue that's very important to my constituents and also to the growth of Calgary as a whole, especially with the development of south communities like Providence and Silverado, and then also to my colleagues from Edmonton. So it's kind of a twofold question

here. Looking long term, how does this budget support the Calgary and Edmonton ring roads that are planned?

Mr. Mason: Well, thank you very much for that question, hon. member. Of course, the Edmonton ring road project, in this case the northeast section, is well under way, and as someone who uses that route fairly regularly, I will be very, very glad indeed when the construction is finished. It has created some inconvenience, but that project is nearing completion. I believe that in the fall of '16 that section of the Edmonton ring road will be complete.

Then, of course, we have just issued the request for proposal for the southwest Calgary ring road, and as I indicated, we're going to be proceeding on that project as originally planned, not because we're convinced that the P3 approach is the right one but because my officials indicated that attempting to change horses might result in the loss of a full construction season, and with the seven-year limit and the high risk that that agreement brings to the province, it was a risk that we didn't feel we could undertake.

Both of these projects bring the complete ring roads in Edmonton and Calgary one step closer to completion. We believe that there is considerable economic activity generated by that, and that will be a very positive benefit for both the Calgary and the Edmonton regions.

Mr. Sucha: Excellent.

Just a follow-up question as well. With the change in the federal government is there any concern about federal funding coming that way as well?

Mr. Mason: Well, as you may know, we received federal funding for the southwest portion of the ring road, \$583 million of federal infrastructure funding, which was very gratefully received. We are counting on the new federal government following through with that commitment, and it will be very helpful with respect to our ability to complete that road.

Mr. Kleinsteuber: I'd like to thank the hon. minister and the staff as well for joining us here tonight at this late hour. My first question. I realize parts of it have already been touched on, but just to sum up: how much is the government investing in transit in general?

Mr. Mason: Well, hon. member, that number is a combination of the GreenTRIP . . .

Mr. Kleinsteuber: Or perhaps more specifically in the LRT expansion in Edmonton and Calgary.

Mr. Mason: There's a total of \$450 million for those projects, for transit initiatives.

Mr. Kleinsteuber: I would just follow up there. One concern that I've heard in the media lately and in Calgary-Northern Hills specifically is regarding congestion on the QE II between Edmonton and Calgary. I drive this one, as many people in here do, on a frequent basis, and I'll tell you that at times it's not quite a pleasant experience. I'm just wondering what the minister is planning to do about some of the congestion on that highway.

Mr. Mason: The highway in general?

Mr. Kleinsteuber: Yes.

Mr. Mason: Well, you may appreciate that the congestion is most seriously a problem south of Edmonton to Leduc, north of Calgary past Airdrie, and in the area where it passes through or by the city

of Red Deer. Local traffic adds very much to the congestion, so one of the solutions, I think, is to provide some alternative routes for local traffic. That's one of the possibilities.

We have included in the budget \$6 million for a comprehensive study of this corridor, and the study is expected to be completed by the end of 2017. We are reviewing proposals from consultants to undertake a study to consolidate the planning and to develop an implementation plan to determine the future needs and use of the QE II between Edmonton and Calgary. Based on future traffic growth, the study will confirm what QE II capacity upgrades are required, including six and eight lanes where those are required, and cost estimates will have to be determined for all potential upgrades.

Mr. Kleinsteuber: Okay. Just a follow-up to that question as well. Red Deer's Gaetz Avenue interchange with the QE II highway is a bit problematic. I'm just wondering what, if anything, is being done to upgrade that interchange.

Mr. Mason: Yes. Well, we recently had a meeting with Mayor Veer of the city of Red Deer and her city manager with respect to this matter. There is a proposal that is under consideration to improve that particular interchange. I think what you're alluding to is the fact that local traffic from Gaetz Avenue enters the highway, and often the vehicles are travelling at a much lower speed than the highway traffic. In fact, I had that experience myself, where I almost rear-ended somebody who was just doodling onto the highway at about 50 or 60 kilometres an hour. All of a sudden they were in the lane in front of me, and I was going approximately the speed limit.

There is a proposal for an overpass that would take the traffic from Gaetz Avenue, bring it across alongside Gasoline Alley, and allow acceleration and integration of the traffic onto the highway at an appropriate speed. That is one of the projects that is currently being considered. It's not in the current three-year construction program, but it is considered an important component when we do get moving on, you know, the upgrades and changes to the highway.

Mr. Kleinsteuber: Okay.

Mr. Sucha: Just in recent discussions that we've had at AUMA conventions as well as just in comments that I'm getting from some of the rural members in our caucus, too, a lot of municipalities have raised concerns about the cut to the strategic transportation infrastructure program, that funds major local and regional roads, bridges, culverts, community airports. Even looking at its website, it seems like there are no applications being solicited as well. To what extent is Alberta Transportation considering the funding of this program?

Mr. Mason: Are you talking about the STIP program?

Mr. Sucha: Yeah.

Mr. Mason: Oh, yeah, we're certainly funding it. We're adding a hundred million dollars over two years to restore that program. The program was never ended, but the previous government had not funded it, and it was in the process of being wrapped up. But as I indicated earlier, I received many strong representations from rural municipalities about the importance of that program. They have hundreds and hundreds of bridges, many of which are in very poor condition, and in a number of cases they've actually had to close bridges. These are under the control of counties and municipal districts. That's been a major concern that we have responded to in this budget.

9:10

There are other concerns from other communities, especially in areas where there's heavy truck traffic as a result of resource development. So there needs to be some support for those communities and the roads, the damage that occurs to the roads as a result. As well, local airports are a priority. Given our focus on funding capital projects that actually produce an economic development and an economic return for the province or for municipalities, that was also an important priority for us, so that's why we've restored funding to that program.

Mr. Sucha: Going back to sort of a further extent on highway 2 – I'm referring to both the corridor that we see, Calgary to Edmonton, which also serves the south end, and also highway 19, which continues to have issues with it being over capacity – could the minister provide information about what the government is doing to address this past, what we're starting to see as we wait for study results?

Mr. Mason: I'm sorry. This is in connection with highway 19?

Mr. Sucha: Highway 19 and highway 2.

Mr. Mason: And highway 2. Absolutely. As I indicated earlier, the interchanges at the QE II and at 60 at Devon will be the first priority. We're finalizing the alignment in between, and that will be brought forward for completion as we go forward.

Mr. Kleinsteuber: Minister, the twinning of highway 63 is important to improving the safety of Albertans and improving market access. Can the minister please update this committee on the status of the highway 63 project?

Mr. Mason: Almost finished. There are three kilometres to go. Unfortunately, there's work being done on a pipeline crossing, which kind of ruined our plans to have it all finished this fall, but otherwise the work is completed, and it should provide a safer environment.

It will require, I think, changes to enforcement on that highway. It was a very dangerous highway before. It's probably safer now, but there are going to be ongoing issues with the management of speeding and safe driving on that highway. Those are challenges that are ahead, but I think that we can say that that is a project that has been completed well ahead of schedule, and we're very pleased with that.

Mr. Sucha: There is one thing I found very remarkable in the last six months, having been a person who lived in a large municipality for his entire life. Having connected with a lot of rural mayors and councillors, it's quite remarkable to see that one thing we take for granted living in a big city is a supply of clean water and also the handling of waste water. For us it's something that just seems to happen and that we don't really concern ourselves about, but for smaller municipalities it's a major concern, especially as the infrastructure continues to age. I know we touched a little bit on water for life as well and how it supports our rural municipalities. What other funds are available for Albertans to have access to clean, reliable drinking water?

Mr. Mason: Well, we're providing in this budget more than half a billion dollars in funding to critical water grant programs over the next five years, to those two programs. It's actually \$545 million. It's a \$170 million increase compared to the March budget, or an increase of 45 per cent.

We had a question earlier: what was our guess about whether or not that would be sufficient to meet the demand? Would it be oversubscribed? I'm not sure that even this is going to meet all of the demand, but I think you've identified that it's critically important for the health of Albertans and for the growth and prosperity of communities to have access to adequate drinking water and effective treatment of waste water. I've been present at a number of announcements of funding under these projects.

There's a waste-water line that runs now from Olds to Red Deer, to be treated in Red Deer, which not only provides improved sanitation along the route but actually significantly improves the environment. The outlets into the water courses are eliminated because it's all treated at the Red Deer plant. That's just one example – and there are many throughout the province – where these funds have been put to excellent use in order to improve the quality of drinking water and the sanitation available to Albertans in small and medium-sized communities throughout the province.

The Chair: Four and a half minutes remaining.

Mr. Kleinsteuber: Okay. Over to me for the final question here this evening. Many Alberta bridges are in need of repair and replacement. I was just wondering if the minister can explain what is being done to help, especially in rural Alberta, communities with their bridges.

Mr. Mason: Well, as I indicated earlier, there is the restoration of the STIP program, and that will assist the local communities. Having said that, I want you to know that the province has many, many bridges, and as the Auditor General has reported, we need to make sure that those are properly inspected and that we can be sure that they are safe. I think we've got 4,500 bridges on provincial roads that also need attention as well as a very large number of bridges on county and municipal district roads.

So it is a concern. We are attempting to address it with this budget. As I indicated, the STIP program is being refunded in this budget to the tune of a hundred million dollars, and I think that I can say that I have received very, very warm thanks from municipal governments throughout the province with respect to that.

Mr. Kleinsteuber: Thank you.

Mr. Sucha: I think we'll defer the rest of our time here as well. I think most of the questions have already been covered for us as well by many of the other members across the way here.

Mr. Mason: Thank you.

The Chair: Thank you.

I'd now invite members of the opposition to speak.

Mr. van Dijken: Thank you, Madam Chair. I've just got a few more questions, just to clean up here.

Mr. Mason: Sure.

Mr. van Dijken: I'll start with where I kind of left off. We'll look at ministry support services, page 234, line 1. Specific to line 1.2, I see that last year the deputy minister's office overspent by about 35 per cent of their budget, or \$257,000. Are you aware of why this occurred, and are you satisfied that this will not occur again?

Mr. Mason: Yes. Thank you very much for that. The deputy minister's office is higher because of staff changes in the office and a severance payment for the previous deputy minister. That's the main reason.

9:20

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

I'm going to go back to where I left off. The ministry support services budget, page 234, line 1, has continued to increase, up 6 per cent this year again, up just about 20 per cent over the last four years. I look back into 2012-13 and 2013-14. Over the last four years we've seen an increase in the minister's office of over 30 per cent. We have seen an increase of over 50 per cent in communications, line 1.3, over the last four years and in strategic services the last four years an increase of 18.4 per cent.

Overall, the budget, \$32 million, has increased just shy of 20 per cent over the last four years. I am troubled by the cut that we have seen to provincial highway maintenance and preservation, and I would suggest that these staff need to lead by example. We've got to lead from the top, and we have find ways to control our costs before expecting other front-line workers, essentially, in highway maintenance to shoulder the load.

With that, I would hand it over to my colleague, if I may, from Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. I have an amendment that I'd like to move. Do I need to table that first? Okay.

The Chair: Was it submitted to Parliamentary Counsel?

Mr. van Dijken: Yes, it was.

Mrs. Aheer: Thank you. I'd like to move that the 2015-16 main estimates of the Ministry of Transportation be reduced for the minister's office under reference 1.1 at page 234 by \$72,000 so that the amount to be voted at page 233 for expense is \$850,463,000.

This is, again, to follow up with my colleague, to lead by example at times like this, to show that we are cutting waste. It's a symbolic cut, and it's an important one.

Minister Mason, would it be all right with you if we carried on with questions?

Mr. Mason: Please. We can't debate the motion, so we . . .

Mrs. Aheer: Is that all right with you?

Mr. Mason: Yeah. Please. Go ahead.

Mrs. Aheer: Okay. Thank you so much. Thank you to you and your ministry for being here tonight and to everyone else and for the opportunity to participate. I see that line 3, traffic safety services, is up by almost \$7 million, \$6,999,000, over last year's actuals. Have those employees ever created maps that indicate high-collision areas on the province's highways?

Mr. Mason: We track that very carefully, hon. member, and I think we identify high-collision intersections and sections of roadway for remediation. Absolutely one of the highest priorities for the ministry is highway safety. So yes.

Mrs. Aheer: Thank you for that. Within identifications I don't know if you've ever considered maps just to be released to your public websites. The maps themselves would certainly help to identify for people the high-collision areas. I understand you have identifications, but is that available on your website?

Mr. Mason: I do not know the answer to that. Just give me a second here.

Mrs. Aheer: Thank you.

Mr. Mason: We'll get back to you on that. I'm not sure that it's actually mapped on a, you know, map like this if that's what you're asking, but we certainly track the collision data. It's an important tool that we use in the development of our planning for improvements.

Mrs. Aheer: Thank you. I mean, when we look at, for example, ConocoPhillips, they release maps to the public where collisions have occurred on highway 63, for example, and 881. Respectfully, it seems like we can't get that. Isn't it in the public interest for the public to know these dangerous pieces of highway?

Mr. Mason: I will undertake to get you a complete answer on that question, hon. member. It's a good question.

Mrs. Aheer: Thank you so much again.

When you put projects forward with the road optimization and decision-making application, what is the weighting of safety over economics in the engineering variables?

Mr. Mason: We can provide you with that information as well.

Mrs. Aheer: Thank you again, Minister.

I know that it would mean a lot, especially, as you had mentioned before, due to fatalities and so many things – and thank you so much for the work you've done so far with trying to fix some of these more difficult intersections. But would you be able to commit to an undertaking to table in the House the current safety assessments, then, for these following intersections in comparison to the ideals: for highway 791 and highway 1; highway 1 and range road 283; highway 1 and Conrich road, which is range road 284; and highway 1 and range road 285.

Mr. Mason: I'll undertake to get you that information, hon. member.

Mrs. Aheer: Thank you so much, Minister.

Mr. van Dijken: I will continue on.

The Chair: One minute, 56 seconds.

Mr. van Dijken: Pardon me?

The Chair: One minute, 52 seconds.

Mr. van Dijken: Thank you very much. I'd like to ask a question with regard to the GreenTRIP program. When GreenTRIP was envisioned, it was envisioned as a \$2 billion project: \$800 million in the Edmonton region, \$800 million for Calgary region, and then, essentially, \$400 million for the rest of Alberta. When I look at GreenTRIP here and then I look at transit initiatives, I need to ask the question. You said that you had some difficulties with being able to get the GreenTRIP program to work. Are you essentially eliminating the over \$340 million in allocation to the rest of Alberta?

Mr. Mason: No, not at all, hon. member. That's not the intention at all. I didn't indicate that we had trouble getting it to work. It's just that there were some outcomes that we consider to be not optimal, so we want to look at something, as I indicated, that would incentivize regional solutions to transit rather than each small municipality creating its own small transit system, which is not an effective use of public money. I can indicate that there is still \$415 million of uncommitted GreenTRIP money. So \$130 million is available for the Calgary Regional Partnership and \$285 million for other municipalities throughout Alberta. The Edmonton portion of the money has been fully expended.

Mr. van Dijken: Good. Thank you for that, Minister.

I'm going to then start . . .

The Chair: I apologize for the interruption. The time has expired.

Mr. van Dijken: Okay.

The Chair: I would now invite members from the third-party opposition to speak.

Mr. Drysdale: Thank you, Madam Chair. I guess I understand that over the last few years the department staff has been going through a major reorganization, the staff and the chart. You know, I maybe take blame or whatever. It went on too long, and it disrupted the staff. But we finally wrapped it up last spring, and there were lots of vacant positions. The ones that concern me, specifically, are a lot of the people that monitored our contractors' performance on the road – those positions were still vacant and unfilled – and some of our regional managers. I guess the question is: have most or all of the vacant positions from last spring been filled, and are they budgeted for?

Mr. Mason: Yes. Well, we're certainly working hard to fill those positions, hon. member. The intention is that we would fill all of them. The vacancies have been reduced from about 120 down to about 60 at the current time.

Mr. Drysdale: Okay. Thank you for that.

In reading the David Dodge report, he stated – I'm not sure of the exact words, but basically he said that the methods for road evaluation that were used by Transportation, such as traffic count safety and beam deflection and all the methods they used, were good and sound. He thought it was a good process. If that's the case, will you continue to use the same methods, or will you change them going forward?

9:30

Mr. Mason: Well, we'll always be updating the methods as new techniques arise. But if they work effectively and they've been proven, there's no reason to give them up.

Mr. Drysdale: So the lists going forward of the projects that we had, you know, in the priority list probably will look pretty similar to yours?

Mr. Mason: Maybe.

Mr. Drysdale: Well, you just agreed that the methods were sound and good.

Mr. Mason: Well, I said: those that are sound and good. I also said that where new methods show real promise, we'll try them as well.

Mr. Drysdale: You know, we were always accused of politically interfering with the decisions, so now that the Dodge report said that what we did was good, maybe you're going to politically interfere with the decisions. I'm not sure.

Mr. Mason: I don't think that we would ever do anything like that, hon. member.

Mr. Drysdale: You know, I guess fair is fair. You accused us of that for years, so I can't help it. But if you're going to change them, I assume that's why you're changing them or something.

Moving on, you talked about the STIP program and the \$100 million in funding, which is good. I tried to get that out of Treasury Board for a few years and was unsuccessful. You said that the total

was \$100 million, and they were asking for about \$35 million in bridge funding, so do you know if bridge funding will be restored to \$35 million or more?

Mr. Mason: Within that envelope I don't think those decisions have been finally made, but obviously it's going to depend a lot on the needs of municipalities.

Mr. Drysdale: Okay. You know, we did a lot of work over the last year and a lot of consultation with the public on the Alberta transportation strategy. It was pretty much done and wrapped up last spring and ready to be released this summer, but I haven't heard anything more about it.

Mr. Mason: Are you talking about the 50-year transportation strategy?

Mr. Drysdale: Yeah.

Mr. Mason: Well, I'm not aware that it's about wrapped up. I've been briefed on the 50-year plan. I have provided some additional feedback to the department with respect to that. I can tell you that it's a matter of ongoing work in the department. It's not finished. But I can give you some idea of what its objectives are. It's about connecting communities, strengthening our economy, and building an even better quality of life for Albertans. When it's complete, the strategy will inform future transportation policy decisions and help create a multimodal transportation . . .

Mr. Drysdale: Actually, you don't need to read it.

Mr. Mason: You probably wrote it.

Mr. Drysdale: I wrote it, probably. Also, if you had read what I wrote, it was going to be released this summer. The question was: when is it going to be released?

Mr. Mason: Thank you. When is it going to be released? I'm not sure that we have an answer for you, hon. member.

Mr. Drysdale: Okay.

Mr. McIver: I'll continue with the time, please, Chair.

The Chair: The time is yours.

Mr. McIver: Okay. Water issues are spread across several ministries. Now, your government has said that they want to take this seriously as part of the environmental plan. Is the plan to keep it spread over four or six ministries, or is it going to be consolidated into one ministry at some point?

Mr. Mason: All I can tell you, hon. member, is that this ministry is responsible for administering the water for life program. That's all I can tell you.

Mr. McIver: All right. I'll just take the knowledge you do have. Thank you. I appreciate that.

At some point there was talk about cost sharing a high-load bridge over the Clearwater River near Fort McMurray. Is that still under discussion, and what's the status?

Mr. Mason: It's still being worked through. There's a transportation working committee that's dealing with it, and no final conclusions have been reached.

Mr. McIver: Okay. Thank you.

On page 237, an item under capital investment amounts funded by credit or recovery, northeast Alberta strategic projects, it talks about JACOS, Japan Canada Oil Sands, providing funding to the ministry, and it looks like \$3 million. Is this a model for future industrial roads with cost sharing that could be expanded across the province?

Mr. Mason: Sorry. Could you guide me to the page?

Mr. McIver: Page 237, right at the bottom of the page, northeast Alberta strategic projects. Did you find it, Minister?

Mr. Mason: Yes. I've got it here now.

Mr. McIver: Do you know enough about that to know whether it would be a model for future cost sharing with industrial partners, where these roads are needed?

Mr. Mason: Okay. That's the pipeline that we're waiting for in order to finish highway 63. What's your question? Could you repeat the question again?

Mr. McIver: Is this a model that could be used for cost sharing on transportation projects? It's a piece on the road, according to this, that the company using the infrastructure is helping to fund a road.

Mr. Mason: Yeah. I think it's a model that we certainly have considered with highway 19 and, as well, I think, at the airport area on highway 2. I think the answer to your question is yes.

Mr. McIver: Okay. Thanks, Minister.

I think I heard you musing the other day in the media about high-speed rail. Are you considering spending money on high-speed rail in this five-year capital budget?

Mr. Mason: Not at this time, hon. member.

Mr. McIver: Okay.

Mr. Mason: I think my comments maybe got a little bit blown out of proportion.

Mr. McIver: I find that hard to believe, but I'll take your word for it, Minister.

Mr. Mason: It never happened to you, eh?

Mr. McIver: It never happened to me.

Now, on highway 2 north of Calgary there's an area where signs used to be posted: median widening. At a time when I was the minister, I stopped the ministry's plans to plow up the two middle lanes to make, if you can believe it, the median wider. And I know that good people did it, with good intentions for safety. Nonetheless, on a road that's over capacity, I couldn't possibly see plowing up a lane. Are you going to make sure that lane doesn't get plowed up by some well-meaning, safety-conscious bureaucrat?

Mr. Mason: Do we have any here?

Mr. McIver: It's a serious question, Minister.

Mr. Mason: Well, it certainly is a serious question. I'm not aware of the previous plans to widen the median. Maybe you could expand a little bit on that. Was it actually going to lose a lane to widen it?

Mr. McIver: After widening the lane on the road on the right, they were going to actually plow up the lane closest to the centre so that the distance between the opposing traffic was greater on that road.

Mr. Mason: Yes. Okay.

Mr. McIver: I just want to make sure that you're not going to let it happen, Minister.

Mr. Mason: Yeah. Well, I don't think we can afford to lose any lanes if that's . . .

Mr. McIver: Well, just for the record that's the right answer.

Mr. Mason: Yeah. I mean, you want to widen it, you want to make it safer, but you want to make sure you can do that without losing capacity on the road. So until we can meet those conditions, I would agree with you.

Mr. McIver: Okay. Now, we talked a little bit earlier about water for life and the waste water . . .

The Chair: I apologize for the interruption, hon. member.

Mr. McIver: The same questions got shorted two times in a row. That's just the way it is.

Mr. Mason: It's your timing. Timing is everything.

The Chair: At this point the floor would be open to the independent member. However, there is no one present that's available to speak for that time, so I would now invite members from the government caucus to speak.

Mr. Sucha: Thank you, Madam Chair. Just referring to the business plan that we have, it speaks to developing a long-term infrastructure plan with governments and industries that supports the outcome of our transportation strategy. What does the ministry ultimately envision this looking like?

Mr. Mason: Well, you know, one of the components on that is to make sure that the infrastructure, including transportation infrastructure, is considered according to relatively objective criteria. That's part of the ongoing work that we're dealing with there.

We also want to make sure that we're meeting the needs not just of the Alberta of today but the Alberta of the future. It involves as well doing some planning and some forward looking. For example, we already have the electric car, so going forward, how do we accommodate electric vehicles? Just around the corner are driverless cars, driverless vehicles. How do we accommodate that, going forward, in terms of transportation infrastructure? The future might look quite different than it does today; the future often does. We need to make sure that we are providing not just necessarily more lanes and more capacity for the vehicles of today but that we're planning for the transportation needs of the future.

9:40

You know, relative to the question about high-speed rail I certainly didn't indicate that we're in any way moving towards doing that, but we're always open to considering whatever is necessary to move goods and people in an efficient and effective way. We need to look at some of these corridors as not just corridors for moving vehicles. They are corridors, really, for moving goods and people, and how we do that is something that we need to be, I think, quite open minded and forward looking about as we develop long-term transportation plans in this province. So I'm looking forward to doing that.

We're doing a study of the QE II corridor, and that will involve more than just necessarily making six or eight lanes on the existing highway and adding all of the interchanges that everybody would

like to see but how we can effectively move goods and people. Now, that does not include high-speed rail at this time – I want to make that clear – but it does look at a range of opportunities for the effective movement of, as I said, goods and people.

Mr. Sucha: Excellent.

Just making reference to line 3 on page 234 of the government estimates, it outlines traffic safety services. Could you break down what falls under that umbrella and what it covers?

Mr. Mason: Traffic safety services is responsible for providing leadership and direction in the development, planning, and delivery of transportation safety programs, including implementation of the Alberta traffic safety plan and overseeing the 511 Alberta service.

I'd also just mention that we do have the Transportation Safety Board, that does play an important role. It conducts hearings to review driver licensing, independent appeals of driver, vehicle, and safety decisions. It administers the ignition interlock program and hears appeals for the Alberta administrative licence suspension program – that's the 0.5 program – the zero alcohol tolerance program, and the vehicle seizure program. The board is also responsible for appeals of decisions and actions under the Railway (Alberta) Act.

Mr. Sucha: Okay. Going down to the next line, grant to Alberta Transportation Safety Board, what do these grants generally get allocated to, which departments traditionally?

Mr. Mason: It goes to the board, hon. member.

Mr. Sucha: The board as a whole?

Mr. Mason: Yeah.

Mr. Sucha: Does it get allocated to anyone else as well?

Mr. Mason: No.

Mr. Sucha: Just kind of touching back on the business plan, there are three desired outcomes there. Now, a transportation system that supports environmental stewardship and the quality of life for all communities: again, what does that look like, and how does the ministry envision this?

Mr. Mason: Do you have a specific place in the plan that you're referring to, hon. member? Is it desired outcome 3?

Mr. Sucha: Yes. Sorry. I meant to phrase that as desired outcome 3.

Mr. Mason: Yeah. Thank you very much for that. It just helps me find it. We want to, first and foremost, find ways to develop transportation going forward in our plan in a way that reduces greenhouse gas emissions as a result of transportation, which, as you know, is a significant source of greenhouse gas emissions in the province. I think that there are some real opportunities there to do that, including, as I mentioned, the growing use of electric vehicles. Of course, the degree to which we can save energy in this is also an important objective.

It means as well, as we've talked about, access to clean drinking water and effective sanitation. We want to include in that working with indigenous communities in order to make sure that they have, in particular, reliable access to clean drinking water and sanitary services.

So there are a number of components. It also involves – and I should mention this as well – working in partnership with municipal

governments as well as First Nations in order to provide effective planning to meet the needs of those communities specifically.

These are not answers that are always something that we can just come up with as a provincial government or a provincial department. It is important that we pay close attention to our municipal partners as we plan our provincial transportation network going forward.

Mr. Sucha: Okay. Tying in with initiative 2.1 here, creating and implementing a transparent infrastructure plan to sustain an efficient and effective road network in Alberta, what are some of the ways that you hope to achieve this initiative?

Mr. Mason: Well, as I mentioned as well in terms of the transparency piece, we'll be going back to the sunshine list. It involves basically doing comprehensive transportation planning, and doing that, as I mentioned, with our municipal partners, in particular, as well as other partners. We, for example, meet regularly with the trucking companies. We meet with railways. We have contact with the Airports Authority and have discussions with them. We deal with road builders, any number of strategic partners that have a stake in our transportation system. It's important to include input with them and have good, open dialogue with all of them in order to make sure that we do provide the very best transportation system that's inclusive, meets the needs of all Albertans, and promotes economic growth in our province.

Mr. Sucha: As it pertains to the discussion that consistently comes up – and I remember hearing this when I was five years old – about rail between Calgary and Edmonton, have there been any discussions with any stakeholders related to that?

Mr. Mason: There has been some discussion with proponents of various ideas relative to the high-speed rail system. I can't say that beyond that there has been any discussion with stakeholders or proponents with regard to more traditional intercity rail.

The Chair: Your time is up.

I would now like to invite the member from the Official Opposition to speak.

Mr. van Dijken: Thank you, Madam Chair. I'm going to go into discussion with regard to the 50-year transportation strategy, that my colleague from Grande Prairie-Wapiti spoke about. Just before I was elected, there was a large, multipanel, trade-show-style wallboard touting the 50-year transportation strategy placed in the tunnel between the Legislature and the Annex, in the pedway there, at the election time, and then it disappeared. I don't know where the strategy went. When you became minister, did you find the 50-year strategy lacking something, and if you did, can you share what that something was?

9:50

Mr. Mason: Well, you know, I wouldn't say that I found anything lacking. I think that there were some changes in emphasis, maybe, that I wanted to see. To be honest with you, I think we needed to have some more discussion. I think we needed to broaden the group of organizations that were being consulted in that. That's one of the things that I wanted to do. We wanted to take it out for some more public input as we went forward. Frankly, there's just an awful lot in a 50-year transportation strategy, that is going to take more than just one or two briefings for the minister to have confidence that we're in the right direction. So I would say that. I wouldn't say that I thought it was lacking. I think that we need to broaden the outreach with that plan, broaden the sources of input and take some time.

I mean, there are some disadvantages when governments change. I think, you know, we'll probably see . . .

Mr. McIver: Forty-four more years.

Mr. Mason: Forty-four more years. Yes, it will be 44 more years, hon. member.

I do think, you know, that new governments need to take a fresh look – we can't just adopt everything that had been done before – and that may take a bit of time. I know that it has disappeared from the pedway. But we elected a different government, and the government needs to make sure that it, in fact, fits with the direction of our government, and that may take a bit of time.

Mr. van Dijken: How much time?

Mr. Mason: A bit.

Mr. van Dijken: We get a 50-year strategy started five years ago, we get this, and then it goes here . . .

Mr. Mason: Well, we can't be held accountable for the last five years. I think, you know, we do want to go forward with the plan. But, obviously, a 50-year plan that takes 10 years to come up with is not a 50-year plan; it's just a 40-year plan.

Mr. van Dijken: Yeah. I hear you.

I'm going to ask a question with regard to – we talked about the infrastructure deficit on our highways. How much do you calculate your department infrastructure deficit to be, and will this budget commence to eliminate some of that?

Mr. Mason: Just to give you a quantification, which is what you asked for, we value the infrastructure deficit at more than \$2.6 billion, and I'll break that down for you a little bit: \$908 million in pavement needing rehabilitation; \$350 million in bridges needing rehabilitation, approximately 200 bridges altogether; and \$1.36 billion in highway capacity upgrades, for example, adding shoulders to secondary highways, and so on. So it's very significant, and it's going to take some time to deal with.

Mr. van Dijken: Current assets, may I suggest, need to be maintained and need to be taken care of. We see a direction of adding more assets with regard to transit initiatives and other items like that. We have a need in the current system to upgrade with regard to safety. Can we get a commitment that we are going to be dealing with the infrastructure deficit alongside the new investment?

Mr. Mason: Yes, absolutely. One of the decisions that I made early on in the development of the budget – and this applies in infrastructure – is that we were going to fund deferred maintenance. That was a needed change, in my view, in the overall philosophy of developing the budget. It's not just about being able to announce new stuff. You have to protect your existing assets. And before you announce new stuff, you need to make sure that it's the right stuff and that there's a business case for it and that the basic planning has been done so that when you release a figure, you know, it's within an order of magnitude accurate. It's got to be in the ballpark. That didn't always happen in the past. So we want to make sure that we take care of what we've got and we know that we're making a good decision going forward when we announce new things.

Mr. van Dijken: So with that we can see that part of it is business case analysis to find the criteria with regard to maintaining and improving the current infrastructure.

Mr. Mason: Absolutely. You'll actually find this is a good government.

Mr. van Dijken: I have a couple of questions with regard to amounts not required to be voted. I'm not exactly sure. On page 238 we have these amounts not required to be voted. Can you please give me an idea of what – the \$197 million under capital investment: is that essentially P3 contracts?

Mr. Mason: Where are you, hon. member?

Mr. van Dijken: Page 238 in the estimates, capital investment of \$197,617,000.

Mr. Mason: Okay. So that includes donated capital assets: capital for emergent projects, \$556,000 for a donated asset related to an agreement with the town of Penhold to assist with upgrading the intersection of highway 42 and Waskasoo Avenue; provincial highway construction projects, including \$16.2 million in 2014-15 actual primarily due to the city of Edmonton's contribution for construction of the highway 2 and 41 Avenue interchange program and a \$32.2 million increase from 2014-15 actual to 2015-16 estimate primarily for the city of Edmonton's contribution for construction on the highway 2 and 41 Avenue interchange project under the interchanges, intersections, and safety upgrades program.

Under alternatively financed capital assets: ring roads, a \$6.4 million decrease from the 2014-15 budget to 2014-15 actual mainly due to the completion of the southeast Calgary ring road and a \$45.7 million decrease from 2014-15 actual to 2015-16 estimate primarily due to the capital plan reprofiling of the southwest and west Calgary ring roads; northeast Alberta strategic projects, \$7.8 million in the 2015-16 estimate due to a transfer from Infrastructure for the Fort McMurray land exchange.

Mr. van Dijken: Okay. Thank you, Minister.

I am going to turn to page 237 now, line 3, special areas water supply project. Could you provide details on this project on the record for my colleague from Drumheller-Stettler?

Mr. Mason: Okay. The special areas water supply project will provide a reliable, good-quality water supply from the Red Deer River to the special areas region in east-central Alberta and parts of the counties of Stettler and Paintearth.

Mr. van Dijken: Thank you.

We discussed earlier preservation, line 5.3 in estimates, with geotech slide repairs, and we mentioned the highway 2 Dunvegan bridge situation. Are there any repairs for this road in this budget or a long-range plan to save this critical crossing?

The Chair: I apologize for the interruption, but I must advise that there is one minute left until the end of the committee.

Mr. Mason: And what do we do with the one minute, Madam Chair?

The Chair: We would give it over to the third-party opposition.

Mr. Mason: Okay. Carry on.

Mr. Drysdale: Well, that's a good question, but I'm going to get a couple of pet projects in before I lose my minute.

You know, hopefully, you finish twinning highway 19. It really needs it. I know you're going to get started on it, and it will be nice to get done. But when that's finished, then when you hit highway 60 it needs to be twinned all the way up to the Yellowhead because there's lots of congestion at Acheson there, too, that industrial park on the rail track. I think that would be the start of your outer ring road in the future.

The Chair: Again, I apologize for the interruption. I have to advise the committee that the time allotted for this term of business has concluded.

I would like to remind all committee members that we are scheduled to meet again tomorrow, November 3, to consider the estimates of the Ministry of Treasury Board and Finance.

I'd like to thank everyone for attending. This meeting is now adjourned.

[The committee adjourned at 10 p.m.]

