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**Official Report  
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(Hansard)**

**Wednesday 6 November 2013**

**Journal  
des débats  
(Hansard)**

**Mercredi 6 novembre 2013**

**Standing Committee on  
Estimates**

Ministry of Transportation

**Comité permanent des  
budgets des dépenses**

Ministère des Transports

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 6 November 2013

Mercredi 6 novembre 2013

*The committee met at 1600 in room 151.*

## MINISTRY OF TRANSPORTATION

**The Chair (Mr. Michael Prue):** We have now reached the portion upstairs that's at orders of the day, which means that we are allowed to continue. We are here to resume consideration of the estimates of the Ministry of Transportation. There is a total of seven hours exactly remaining.

When the committee was adjourned, the minister had just completed his 30 minutes of opening remarks. The floor now belongs to the official opposition for 30 minutes. Mr. Leone?

**Mr. Rob Leone:** Mr. Klees.

**The Chair (Mr. Michael Prue):** Oh, Mr. Klees. Okay.

**Mr. Frank Klees:** Thank you, Chair. Minister, I'm sorry I missed your opening 30 minutes. I would have been enthralled, no doubt.

I'd like to take this opportunity to focus on Metrolinx; I see that Mr. McCuaig is here, which may be helpful. I first of all want to thank Mr. McCuaig for responding to my request, which I made formally as well as in the House, to receive a copy of the contract between Bombardier and Metrolinx for the procurement of light rail transit vehicles. I received that, along with a letter from Mr. McCuaig, this morning. In that letter, Mr. McCuaig went to some length to describe the fact that the original agreement, the original contract, which really was between the Toronto Transit Commission and Bombardier, was in fact an open bidding process, which we all acknowledge; we understand that.

Mr. McCuaig went on to point out in his letter, "Building from this competitive process, Metrolinx and TTC exercised"—

**Mr. Mike Colle:** Point of order, Mr. Chair.

**The Chair (Mr. Michael Prue):** On a point of order, Mr. Colle.

**Mr. Mike Colle:** As per usual, can we share that letter that the member is referring to?

**The Chair (Mr. Michael Prue):** If the member is reading from a letter, I think all members of the committee are entitled to see it, and the minister as well.

**Mr. Frank Klees:** Yes. I'm happy to share that with you. If you don't mind, I'll finish reading this, I'll give it to the Clerk, and he can copy it and then distribute it. Is that okay?

**The Chair (Mr. Michael Prue):** Absolutely fair. Go ahead.

**Mr. Frank Klees:** Okay.

**Mr. Mike Colle:** And also the contract he's referring to—our caucus would like one copy.

**Mr. Frank Klees:** I'm more than happy to share that with you. In fact, we'll get that to you before the day is over.

**The Chair (Mr. Michael Prue):** Is that acceptable?

**Mr. Mike Colle:** Well, I'd like to have it sooner, if it's available. If you're going to refer to it—

**Mr. Frank Klees:** I won't be referring to that specific contract in the course of my questions.

**Mr. Mike Colle:** Okay, then tomorrow's fine.

**The Chair (Mr. Michael Prue):** Okay, that's fine, if you're not referring to it. But those things that you are referring to, if you could make them available as soon as possible.

**Mr. Frank Klees:** I will do that.

**The Chair (Mr. Michael Prue):** And please continue.

**Mr. Frank Klees:** To continue: "Building from this competitive process, Metrolinx and TTC exercised the option included in the contract reserving the right to negotiate an acceptable price for up to 400 additional LRVs to operate on the upcoming Toronto light rail transit network." I'm happy to provide this to the Clerk now, if he wants to make copies.

This is where we part company with Mr. McCuaig, because the point that we're concerned with when it comes to the spending of money and the procurement process was exactly here; that is, the original contract that was subsequently assigned to Metrolinx by the TTC did contain an option for the purchase of additional light rail vehicles—up to 400. Metrolinx then assumed that contract and chose, when it came to the acquisition of 182 light rail vehicles, to exercise that option. It's our position that rather than exercising that option at that point, the appropriate thing to do would have been to put that procurement of the additional 182 light rail vehicles into a public tendering process. It's our contention, and we together, I think, want to determine whether or not in fact that was the right thing to do, to exercise that option and then enter into negotiation directly with Bombardier and exclude other proponents. If so, what were the consequences of that? I've made the comment, and Mr. McCuaig, in his letter, wanted to clarify and took issue with my comment that by exercising the option rather

than going to public tendering, it cost the taxpayers of Ontario an additional \$200 million, unnecessarily. I continue to maintain that that is in fact the case.

So I'd like Mr. McCuaig to undertake the following, if he would: He referred in his letter to Metrolinx reliance on an independent expert, LTK, who advised that the average price of \$4.2 million per vehicle, which is what the \$770.4 million under the Bombardier contract, spread out over the 182 vehicles, would translate into on a unit price—that apparently LTK advised Metrolinx and the ministry that that price of \$4.2 million compared favourably with pricing for similar light rail vehicles procured in North America. I would ask that that full report provided by LTK be tabled with the committee, and if that could be done without delay—if at all possible, Mr. McCuaig, if we could have that by Wednesday of next week, we have some committee hearings the following week, and I'd like to have an opportunity to review that study. Could we get a commitment to have that report tabled?

**Mr. Bruce McCuaig:** First of all, thank you very much for the question, Mr. Klees. Just to place this in overall context, there were a number of competitive processes that led to the exercise of the option, which is a fairly standard process to build into a competitive process—the original order plus an option for additional vehicles—so it was not in any way unusual to have a competitive process where there is an option provision that was built into it. The original competitive process that was run by the TTC did have up to 10 companies actually pick up the information related to the procurement, and ultimately there were proposals submitted by two companies, and they were both found not to be compliant, and the TTC cancelled that process.

Subsequently, the TTC entered into what's called a structured multi-phase bid process with three manufacturers, including Bombardier, Alstom and Siemens, all very reputable, international global companies, to deliver on light rail vehicles. Through that process, the TTC came to the conclusion that Bombardier was the best overall bid, both in terms of value and in terms of the quality of the product that was being provided. Again, that competitive process included not just the original vehicles but also the option for additional vehicles, which is what was then subsequently assigned to Metrolinx and then was subsequently exercised.

Now, we realize that in that process we should be looking at, in terms of a negotiation with Bombardier, what are relevant other procurements in North America so that we could have a reference price, and that was the purpose of retaining LTK to do an independent review and advice to Metrolinx in terms of other values. As you said, Mr. Klees, that came up with an average price across North America of \$4.7 million per vehicle, in comparison to the Bombardier price of \$4.2 million.

We will take a look at that report extracted from the material. We will, first of all, touch base with LTK in terms of any commercial information that they may have a concern with in that report, but I can endeavour that if

there are no concerns from LTK, we will supply that report to the committee.

**Mr. Frank Klees:** Thank you, Mr. McCuaig. I'm sure that in the interest of transparency and open government, you would want to provide us with a copy of that agreement.

**1610**

According to Waterloo council meeting minutes of July 10 of this year, the total base vehicle price of the light rail vehicles that they purchased as part of that Bombardier agreement was \$4,497,771. That's the base unit price. Those same minutes confirm that the all-in vehicle price is \$6,346,888.

We would ask that the full agreement that sets out the terms of the purchase of those LRVs by Waterloo region be tabled with this committee, along with all emails, letters or any other records of correspondence that relate to this procurement between Metrolinx, the region of Waterloo and Bombardier and its agents or representatives that relate in any way to this agreement.

The reason we think that's important is that it will help this committee to determine precisely what the discrepancies are between the unit price and the all-in price and what accounts for that. Could we have an undertaking to have that information presented?

**Mr. Bruce McCuaig:** The contract between Bombardier and the region of Waterloo is just that: a contract between those parties. We facilitated that process, but I'd be happy to undertake to go back and have a conversation with the region of Waterloo and Bombardier in terms of the release of that information. But again, it is a contract between those parties.

**Mr. Frank Klees:** Thank you. Given the discrepancy in the numbers that we've just discussed, the difference between the base price and the all-in price, we would request the committee be provided with a detailed accounting of that unit price that is incorporated into the agreement between Metrolinx and Bombardier and the all-in price. I noticed from the agreement that we received that most of that information was redacted. I think it's fundamental to us understanding what in fact Metrolinx was committing to in terms of that price.

So, specifically, we're requesting a detailed summary of the costs of the additional items that are included in the all-in price, such as spare parts, warranty, training, firming etc.—

**Mr. Mike Colle:** Point of order, Mr. Chair.

**The Chair (Mr. Michael Prue):** Yes?

**Mr. Mike Colle:** Is this a motion?

**The Chair (Mr. Michael Prue):** It's a request. The member may ask a request. If he's not satisfied with a request, he is free to make a motion that follows. If the deputy or the minister are willing to provide it, there's no reason for a motion. If they're not willing to provide it, then that avenue is open to the member.

**Mr. Frank Klees:** Thank you, Chair. My relationship with Mr. McCuaig and the minister has always been one of relative openness. That's why I'm putting it in the form of a request to the minister.

What we know is that all of these additional items are, as a rule, accounted for in contract awards, because if you don't include those, you really don't have a basis on which to make a fair assessment of whether or not a fair market price has been established. That's why I'm making that request, and if I could have your commitment to ensure that we have that information, that would be appreciated.

**Mr. Bruce McCuaig:** Thank you, Mr. Klees. We will need to, again, connect with Bombardier Transportation on this. The material that was redacted from the contract that has been provided to you was at the request of Bombardier, because they felt that the information would have a serious impact and seriously prejudice their competitive position, if that information was made available. I believe we have shared that information with you, in terms of Bombardier's concern with the release of additional information because of their competitive position not just in the Canadian marketplace but the global marketplace, and of course we are very interested in making sure that Bombardier is successful in marketing product from the facility in Thunder Bay.

But I'm happy to continue to have that conversation with Bombardier Transportation and see if there's any additional information that can be disclosed.

**Mr. Frank Klees:** Okay. I just want to make it very clear that I believe that that is essential information. It translates into more than \$2 million of a differential in the price of each vehicle. It can impact the overall decision significantly. I can tell you that the competitive information and market prices that we have across North America indicate that in fact the all-in price for similar vehicles has been more in the range of the base price that Waterloo, for example, has paid for its vehicles. So if we don't have the opportunity to analyze that and come to grips with that, I know that there are other light rail transit projects across the province, whether it's Mississauga or others across the province, that are going to be facing this procurement issue. I think we have a responsibility to make sure that all of those details are available to potential parties to the procurement process.

Having said that, my last request relates to the Ottawa LRT project. As we know, that project went out to public tender. We know that Bombardier participated as a proponent. We know that Bombardier did not win that contract. We also know that there was a significant difference in terms of the price that the successful supplier, Alstom, was able to make, compared to Bombardier. That causes us, obviously, reason for concern, because if in fact Bombardier was not competitive in that particular project, where does that leave Bombardier? Where does that leave Metrolinx and the government of Ontario, holding this contract for 182 light rail vehicles at a predetermined price, which, on a go-forward basis, may well not be competitive and may not be of market price?

We'd ask that the contract, that the light rail vehicle procurement for the Ottawa project, be tabled with the committee so that we can get a sense of what the price range was, what the market price was, for those LRVs.

That will help us establish how we go forward and just how competitive, in fact, the Bombardier contract is. Can we have that commitment?

**Mr. Bruce McCuaig:** From Metrolinx's perspective, I can't really comment on the Ottawa procurement. We were not a party to that process. We do not have possession of the contract between the city of Ottawa and the proponent, so I don't think I can undertake to provide that information to you.

In general, I could say that it's very important in all of these kinds of analyses to do a true apples-to-apples comparison. A vehicle from one community isn't necessarily specified in the same way, with the same features and requirements, as a vehicle from another community. So in addition to having just the base information in terms of the relative cost on a unit basis, you actually have to dive deeper in terms of looking at the actual vehicles themselves.

**Mr. Frank Klees:** Which is why, Mr. McCuaig, we would like to have the details of the contract—because it wouldn't take very long for us to be able to make those apples-to-apples comparisons.

I'd like to redirect my question to the minister. There is provincial funding, obviously, supporting that project. Obviously, the minister would have an interest in ensuring that he is well aware of how competitive those prices were and how they compare to the existing Bombardier contract, so I'd ask the minister for his commitment to provide us with that information.

**Hon. Glen R. Murray:** I don't have any problem with it, but again, I think the issue is that there are commercial and confidentiality issues here. I know a number of us in this room have been mayors of cities and towns or chairs of transit commissions that—LTK is a company that I'm very familiar with; it's one of the best in the business. It is not, I would suggest, an easy thing to do, if you think you can get this information and quickly sort out what is a comparative contract, having been through this many times in my days both as a mayor and in dealing with New Flyer, because of the complexity of every purchase—depending on whether you're doing kneeling buses or low-floor buses; what the weather conditions are; whether buses are winter-proofed; the level of disability; the scale; the period of time; whether it's a design, build, operate or maintenance contract associated with it. It is not easy to do comparators. We rely on very reputable, third-party companies that are sophisticated in doing that.

If the objective—and I think it's sincerely felt—is to get a sense of if we are getting value-for-dollar if you compare apples and apples, any monitoring I've seen is highly competitive. What would also be useful—I think Mr. McCuaig and the deputy just said that with the constraints of confidentiality and the permission of other parties, anything that we can reasonably give you is.

1620

But I would also ask the committee: This is not something that a layperson—any of us—could easily understand, and it might be very helpful to actually review some of the third-party studies that have been done.

We're not the only people out there in the field who hire third parties to do that.

The other challenge we probably have, which, as a former transportation minister, you're aware of—whether it's information technology, an Oracle platform—once you start down a road to buy a certain technology, to maintain the economies of scale or to manage those going forward, your choices are restricted as well. The importance of third-party evaluations is critical in those kinds of things to make sure, as you go to the next generation of a project, that you've actually got up-to-date market. It's not as easy as some may be suggesting.

With that proviso, and as long as we understand that it is a little bit more complex and it's hard to find two vehicles that are the same given the variety of contracts, I don't have a problem with your request.

**Mr. Frank Klees:** Okay. I understand that, and thank you for that. The most fundamental issue here for me is the difference between an all-in pricing and a base unit pricing, and, from what I have seen so far, there are some discrepancies that demand some answers here. I hear you, and I realize it's complex; I think most of us have the ability to work our way through some of those fundamental issues, at least, and I would look forward to your undertaking to receive that.

One last request I have for you: I have raised questions about whether or not Metrolinx has in fact exercised some convincing—I've used the term "coercion"—of certain municipalities to buy into or take advantage of the Bombardier-Metrolinx contract. What I would appreciate is if you could provide the committee with copies of any emails or letters, or any other record of communication, with Waterloo and Ottawa when it comes to this issue of procurement of their light rail vehicles.

**Mr. Bruce McCuaig:** Absolutely. We can provide that information. Just to confirm for the committee, we have facilitated Waterloo's interest in accessing the contract that we have with Bombardier, but it was entirely their choice, their decision, based upon what their community's needs are, based upon their analysis of the relative costs and benefits of going back out to the market. It was their choice to decide to go on with the Bombardier vehicle order that Metrolinx had under its control.

There was, from our perspective, no coercion in terms of directing that they take advantage of that, and the same thing holds true in Ottawa. Clearly, Ottawa built the LRT order into their competitive procurement for the project more broadly, so they actually decided that the technical specifications that were built into the Bombardier vehicle that's being supplied to Metrolinx needed changes. It was different than the technical requirements that the city of Ottawa had for their community.

**Mr. Frank Klees:** Thank you. Thank you, Chair.

**The Chair (Mr. Michael Prue):** Further questions? Mr. Clark.

**Mr. Steve Clark:** Thanks very much, Chair. Through you to the minister: Minister, during the Scarborough-Guildwood by-election, you, the Premier and your subway champion, Mitzie Hunter, made a \$1.8-billion

pledge to fund the new Scarborough subway line. In typical fashion, your government then, I say, broke your promise. You compressed the subway to a \$1.4-billion project, and at the same time, you compressed the line itself.

I think that's a shame. The feds and the city, I suggest, were on board with your original plan, and I believe that you are now holding up this much-needed and promised subway.

I'd like you to answer—through you, Mr. Chair—what happened to the social contract your government had with the people of Scarborough-Guildwood? Why did you lie? Why is there no subway—

**Mr. Mike Colle:** Mr. Chair—

**The Chair (Mr. Michael Prue):** Wait a minute. You cannot say it in the House; you cannot say it in committee. I ask you to withdraw.

**Mr. Steve Clark:** Withdrawn. Why is there no subway? I'd like you to take some time to explain what happened to the extra \$400 million that you promised the people of Scarborough-Guildwood.

**Hon. Glen R. Murray:** I appreciate the question, Mr. Chairman. Thank you. The money that was dedicated for the original LRT project that had been advanced by Mayor Miller and the chair of the TTC at the time, Adam Giambrone, was \$1.8 billion. That was our budget for a project that we had.

**Mr. Steve Clark:** And you announced that figure.

**Hon. Glen R. Murray:** At the time, yes. The \$1.8 billion was the cost of the LRT all-in under the original—I won't say "original"; under the MOU that was structured.

Many of our caucus—and you probably know if you talked to any of them, MPPs Balkissoon, Berardinetti, Duguid and others, who had been members of council—have for 20-plus years been arguing for a subway extension and most of the city of Toronto plans at the time had suggested the logical terminus, as it is in our growth plan, as the Scarborough Town Centre. It is the only large, significant cluster of employment lands and in many transportation plans was the proposed terminus and transfer point to other types of technology. There had been a great deal of logic in that.

When one city councillor moved a motion back in May that the city was going to reconsider its position on Scarborough and was prepared to adapt it to a subway technology, I had said to the people who came into my office in that period of time that we were open to that as a government and the Premier was open to that, but we wanted to see as few changes as possible—So we would commit and would like to continue along the alignment that runs through the employment land rather than going, for example, under single-family homes, because we knew that the subway stations would provoke development and we needed land that was employment-zoned and able to handle an upgrade or up-development.

All of the evidence that we've seen from the growth secretariat—what they're doing with the Canada Line in Vancouver—is that there is a very strong policy direction. You'll see that in Places to Grow and our growth plan

and in a plan that, when you were in government, you endorsed—which is to align it with employment. We wanted to continue on that line, and we made that known.

**Mr. Steve Clark:** So did you make a mistake during the election?

**Hon. Glen R. Murray:** We said that we were prepared to support a subway and would dedicate those funds.

The chair of the TTC and I think some other councillors decided that they had a different view and a different route, one that we estimated—Metrolinx and the transportation planning unit ADM—at around \$3 billion, and I would suggest it might be higher.

We had \$1.48 billion. Why was it \$1.48 billion and not \$1.8 billion? Where did the other money go? The other money is money that's embedded in the Kennedy station and in the integration with the Eglinton Crosstown line. That's what could be liberated from the other project, net. It wasn't \$1.8 billion because there were common elements to the Eglinton Crosstown, the Bloor subway and the LRT. So the net benefit was \$1.48 billion.

We advanced, during that period of time, a proposal that would see us commit not to delay it. The province would proceed to get the subway line as far as the Scarborough Town Centre, along the original alignment that had long been not only in the MOU but in previous transportation plans, to get it to what most of our caucus, and most people who have looked at this from a planning perspective in studies past—to the logical terminus, which is the large and denser commercial centre at Scarborough Town Centre.

What we had said, when I said discreetly at the time to my friends at the city—I wasn't able to talk to the province because, as is the habit, we went for six months without a conversation with the federal minister of transportation, who cancelled five separate meetings, most within the last hour before the meeting, to actually talk about this in the months leading up to it—was to extend it. We had a conversation, “Should we pick up LRT there, what's the best way to interface it? Is there an interest in extending it to Sheppard? Would the city and federal government pay a phase 2 to the project?”

We thought that was a rational, prudent approach, because we would deliver earlier than probably possible under other scenarios a subway to Scarborough Town Centre and would liberate the city and the federal government to collaborate on extending the subway further or to continuing with LRT, which is what the studies had shown was the optimal technology.

1630

That was the Ministry of Transportation's view on it. We collaborated with Metrolinx, with the growth secretariat and the Ministry of Transportation. I don't want to speak for Bruce or Metrolinx, because they were quite involved in looking at developing these options, and I appreciated their effort. We at this point have said, as we have before, that we'll respect decisions of the city council on this. We've asked for the EA to conclude both options—but are certainly open to the city, because we

don't want to get into a perpetual debate about which line it is.

I think we've shown reasonable flexibility. The city has taken a very hard line on it. We have some concerns that if the city cannot deliver all the revenue required to complete a much larger, more extensive subway project that looks like it will probably have equal or lower ridership, we don't want to be debating the Scarborough subway for another 10 years. So we have two plans going forward so that one can be a fail-safe for the other, which I think is a prudent and reasonable way to go, and actually gives a double guarantee that we will make good on our commitment to people—not just of Scarborough but on a citywide system. Access to Scarborough Town Centre, for me, is important because I have friends there and I want transit access. I don't own a car, so that kind of subway infrastructure's really important.

We also realize that Scarborough has faced challenges in the attracting and retaining of commercial investment because the subway stopped at Kennedy. So it was important to us, from an economic development and jobs perspective, to make sure that we were following through on what had been 30 years of discussion about actually getting it at least as far as Scarborough Town Centre. If other governments wanted to debate that while we were building, that was fine, but we didn't want to have a debate while no building was going on.

Mr. McCuaig, I don't know if you want to add anything to that, but—

**The Chair (Mr. Michael Prue):** He doesn't have a chance. The half-hour is now finished, and we go on to Mr. Bisson.

**Mr. Mike Colle:** Sorry—just a point of order. I wonder if we could get, for everybody's clarity, the maps of the proposed Scarborough LRT—the \$1.4-billion proposal and the \$3.2 billion—so that we can see the different routes that are being looked at.

**The Chair (Mr. Michael Prue):** I think it's a reasonable request. Can the ministry provide that?

**Hon. Glen R. Murray:** Sure. Yes. Metrolinx would probably have closest access. They're the signatories to the agreement, not the province. So Mr. McCuaig—

**The Chair (Mr. Michael Prue):** Can you get that for today or—

**Mr. Mike Colle:** We can wait until the next day.

**The Chair (Mr. Michael Prue):** All right, if there's no urgency on your behalf. All right, then, we'll ask for that—

*Interjection.*

**The Chair (Mr. Michael Prue):** Okay. Mr. Bisson.

**Mr. Gilles Bisson:** Hello, Mr. Minister. How are we doing today?

**Hon. Glen R. Murray:** As good as a dock in Moosonee.

**Mr. Gilles Bisson:** There we go. Good stuff. Just so people know what that's all about, in the town of Moosonee and Moose Factory, the only way you can cross there is either by boat or by ice, and we were successful this year in fixing the problem in regard to a permanent

docking facility for the water taxis in Moosonee. So that was work well done. Thank you.

Listen, you had given my northern colleagues and I this particular document, which is Ministry of Transportation—essentially, it's all the highways in Ontario and what their classifications are for winter road maintenance. You will know that we have raised this issue—John Vanthof, myself, Mr. Mantha, Madame Gélinas, Madam Campbell—on a number of occasions because of the real sense that winter road maintenance is not what it used to be.

I'm looking at this, and I'll draw to your attention—I don't care what page it is—just the classifications. For example, “A class 3 highway means that the plowing frequency has to be 3.3 hours, and it's 24 hours to restore to bare pavement” etc. Is this different? I don't see it as being different from what it was last winter. Was there a change? I went and looked at my notes from what I had from the year before, and I didn't notice that actually there's an increase in frequency or anything.

**Hon. Glen R. Murray:** I'm going to give this to the deputy for the technical part.

**Mr. Gilles Bisson:** Okay.

**Hon. Glen R. Murray:** The reason I shared those maps was because I found it very easy—

**Mr. Gilles Bisson:** Yes, it's very helpful.

**Hon. Glen R. Murray:** —to understand two things: What are the road classifications, because I've said to each of the members I've given it to—I also gave it to people in other caucuses who were in the north, where we had the complaints, so that if there were issues with the frequency, each MPP would have a chance to give the ministry some feedback on reprioritizing. There's also other valuable information, I think, which is who the contractor is and a bit about the cycle of those contracts.

We have \$9 million more going into snow and winter road maintenance to improve it this year. I haven't made an announcement about the allocation of those resources yet because we've been trying to do this, I think, fairly and in a non-partisan way to ensure that the deployment of additional resources will actually address the concerns. I've also been talking to mayors of northern municipalities on that same thing. But we are very close to that. You and I know many of your colleagues have been very helpful, and I want to thank you.

For the actual details, I will turn it over to Deputy Layton, who has a better handle on this than I have.

**Mr. Gilles Bisson:** Just before you go, specifically what I'm looking for is how this is different to what the standards were last year. That's what I'm looking for, just so we're clear.

**Ms. Carol Layton:** I also have Gerry Chaput here, who's the ADM for provincial highways management. But there should be no difference—

**Mr. Gilles Bisson:** Chaput?

**Ms. Carol Layton:** Gerry Chaput. Well, he's not a francophone, but it is—

**Mr. Gilles Bisson:** Well, it's Chaput nonetheless.

**Ms. Carol Layton:** Okay. I don't believe there's any difference in the classification or in the standards, but the one thing that the minister did note, which is important to appreciate—because we really take the winter maintenance of our highways throughout the province, and certainly in northern Ontario, very seriously—is that the incremental dollars that we will have for 2013-14 should translate into about a 16% increase in the equipment that you will see in northern Ontario, which is very, very important, because we appreciate, between the patrolling, as well as the sanding and the plowing, that that's an important feature.

**Mr. Gilles Bisson:** So you figure that you're going to be spending 16% more this year—

**Ms. Carol Layton:** A 16% increase in the equipment based on the dollars that the minister granted.

**Mr. Gilles Bisson:** In actual equipment; not just in dollars.

**Ms. Carol Layton:** In actual equipment on the roads. I can have Gerry—

**Mr. Gilles Bisson:** So more equipment.

**Ms. Carol Layton:** Yes, more equipment, and that's combination units, single units that have multiple purposes.

Maybe I'll invite Gerry Chaput to provide a little more articulation of that.

**Mr. Gilles Bisson:** Good for you.

**L'hon. Glen R. Murray:** En français?

**M. Gerry Chaput:** En français? Non.

**M. Gilles Bisson:** Mais oui, monsieur. Vous avez bien le droit ici.

**L'hon. Glen R. Murray:** C'est M. Murray qui parle français; ce n'est pas M. Chaput.

**Mr. Gerry Chaput:** Okay. Thank you very much, Deputy. We have increased—

**Mr. Gilles Bisson:** You know that unilingualism is something that can be cured.

**Mr. Gerry Chaput:** Yes, I am aware. My father would be insulted right now. Hector Chaput would be very upset with me right now for not trying to practise my French well enough for you—but for the purpose of making sure the right message gets across.

As the deputy and the minister have clearly said, a \$9-million increase, 42 additional units for the north—combination units. In other words, they're a unit that has both a plow and a large box on the back to spread material, whether it be salt or sand or a combination of those.

As you know, in the north we have a lot of sections of two-lane highway where there are passing lanes and truck-climbing lanes. To ensure that those are plowed at the same time as the main line, we've added these additional units. That removes the windrow that was sometimes created when plows went through on the main line. It certainly improves the capabilities for trucks to climb those hills, to take their time as they're going up and coming down, and it allows a lot more mobility for the people as they travel through the north on those long-distance highways.

**Mr. Gilles Bisson:** So, specifically to my question—I appreciate that—what I’m hearing is that as a result of all of that input from last year and all of those people who went to our website, and we got their horror stories and sent them on to you, there’s been some effect. So you’re saying 42 new pieces of equipment, a 16% increase.

I go back to, as I read my notes from last year—and mind you, these were, unfortunately, my handwritten notes, which were not as complete as they should have been. But as I looked at the classification, for example—I don’t care; pick one. Class 4, frequency versus time to restore highway to surface—has that been changed? It hasn’t, right?

**Mr. Gerry Chaput:** No, it has not, and I’m not sure, unless you’re comparing it to another number that you’ve seen, but—

**Mr. Gilles Bisson:** Okay. Can you open—oh, you don’t have this, but I’ll just go through it with you. For example: Between the city of Timmins and Highway 11 between Cochrane and Smooth Rock Falls is Highway 655. It’s currently classified as a class 3 highway. You’re looking for input? That should go up. That’s a highway that is used commercially, privately—

**Mr. Mike Colle:** Point of order.

**The Chair (Mr. Michael Prue):** On a point of order, Mr. Colle?

**Mr. Mike Colle:** I would really like to get—not right now—a little map of the general area—

**Mr. Gilles Bisson:** Yes.

**Mr. Mike Colle:** —so when referring to a certain highway, at least we have—

**Mr. Gilles Bisson:** I apologize. It’s the only copy I have, and it’s a point well taken, Mr. Colle.

**Mr. Mike Colle:** It doesn’t have to be the whole complete series you have, but just one map of northern Ontario.

**The Chair (Mr. Michael Prue):** I would hope the Ministry of Transportation should be able to provide us with a fairly good, decent map of Ontario for the next—

**Mr. Mike Colle:** Free of charge?

**Ms. Carol Layton:** It’s online, too.

**Mr. Gilles Bisson:** Of course, as we say in French, “je vais prêcher pour ma paroisse,” I will preach for my riding.

Just a couple of things: That 655, which is currently a class 3, is an extremely well-used highway, and I’ve never understood why that’s class 3. It should be at least a class 2. And 144 between Sudbury and Timmins—we’ve had more fatalities on that road, a lot of it due to the condition of the road itself, as far as it’s pretty wavy in a few places. But it’s also a question of the condition of the highway, and I wouldn’t mind getting some feedback on whether it is possible to move 144 and 655 up from class 3 to class 2 highways?

1640

I’m going to skip to one other one. It’s a very small road, but it’s nonetheless fairly important, and that’s Highway 663, which is the road that goes to the reserve in Constance Lake and also services the sawmill. If you

read that, it’s a class 5 highway, and it essentially says that you have up to 10 hours to put a plow on it, which means to say that sometimes we get stuck there, and 24 hours to restore the snowpack conditions. That’s a commercial operation. I’ve never understood that thing, because I have found myself driving up there, and you can’t get in. If you don’t have your four-by-four truck—which I’ve got in my Ford F-150—you ain’t getting in there. So that should be looked at, as far as an increase.

I’m going to speak for my good friend Mr. Mantha from Algoma-Manitoulin. I would be remiss, he would tell me, if I didn’t raise the issue of 631. That’s the road between White River, up to Highway 11, to Hearst. It goes through Hornepayne. That you get stuck on quite often, and it’s, again, that 10-hour thing. We raised this with you before. So I put those into the mix.

The last thing I want to do, just as far as this map, then: I’ve got some estimate numbers I want to go through. There’s this wonderful thing on the map, and I wish I could show it. It shows sections of highways. Here is, for example, a class 2 highway with a white spot on it, and then there’s another class 2 highway with another white spot on it. That means the municipality owns those darn things. Those are highways; they’re not municipal roads. If you try to go across Kapuskasing right now, it’s probably the worst highway in Ontario. Why? It’s not because Al Spacek, as mayor, doesn’t want to fix it; they just don’t have the money.

So what are you prepared to do in order to deal with these stranded highways that were downloaded onto municipalities by the Conservatives when they were in power? I’m taking my little dig there. Darn Tim Hudak—I think he was the minister at the time. Can you imagine?

**Hon. Glen R. Murray:** You and I have had this discussion. There are the standards and there are the standards, right? One of the things that we were looking at was, could we have, in-source, a response team, which—I’ll be quite frank—was my first hope. Because of the nature of the way the contracts are structured, I can’t do that as minister.

I talked to you and I talked to the MPP for Algoma-Manitoulin and the members for Sault Ste. Marie and Timiskaming-Cochrane, the northern members, and what we’re doing is, we’re assigning five, six, seven units to each of these areas in which the greatest problems were. So those additional units will be dedicated to those particular areas where we had MPPs who had that. That 16% will be quite concentrated, so it will probably impact much more significantly. It will give Eric and our regional directors up there the ability to deploy those.

What we’ve also done is, we’ve had sessions—again, our friend Mr. Mantha, if I can be so informal, MPP for Algoma-Manitoulin. We actually sat down, and we had a very lengthy meeting on road conditions, road repair and snow. So we’ve actually got Eric and our regional director to develop a plan with MPPs to do that, and what I’ve asked each MPP to do is to monitor it, realizing that it should be a lot better. But I’ve said to everyone upfront,

we'll screw up somewhere. It's a lot of snow and it's a lot of highways—

**Mr. Gilles Bisson:** That's what happens when you privatize, for God's sake.

**Hon. Glen R. Murray:** Well, you and I have some shared frustration with that.

**Mr. Gilles Bisson:** I thought we'd probably agree on that.

**Hon. Glen R. Murray:** So we're actually looking at remedying some of those things, but the balance between private and public service is here. This is almost all outsourced, and it comes with its challenges, I agree.

I think we've got a good solution to make it a lot better, and if we can maintain the collaborative relationship that we had last winter with the mayors and with the MPPs from the north of various parties—and we all have seats up there—I think that's very helpful. Gerry Chaput, our ADM, has been very much on top of this.

On the issue of that, one of the things that I've asked—and he's also the man who's doing it—is to start looking at highway classification in Ontario: What's a national highway, what's a regional highway and what's a provincial highway? Because I've got to tell you, when I go to eastern Ontario and I look at what is a local road, it looks more like it's part of a national highway system.

We've had 25 years in Ontario of people changing the rules—downloading, uploading, shifting, connecting links, everything—and it's a bit of a dog's breakfast. So this is one of the things I would like to do in this session, and I know my colleagues on the government side who represent those constituencies would, particularly on the Trans-Canada.

This came up at the national transportation ministers—Minister Ashton from Manitoba and I worked quite closely together to try to actually get a Trans-Canada designation and get the federal government to do what it used to do, which is match dollars. We gave them the example of the interstate system in the United States—that if we applied it to what I call the established 400-series highway system and the emerging 400-series highway system, which is the 11 and 17 and those, we could do that.

We're spending two or three times as much money as we've ever spent on northern highways before, but admittedly, that's not going to get us there in the next 10 years, so we need the federal partner. That's where we're at.

**Mr. Gilles Bisson:** Okay. Just for the reason of time—I know my colleague has some questions. I don't want to take up too much time, so you don't have to answer me with what you're going to do as far as classifications now. If you can go back and look at it, and then when I'm back here tomorrow or next week or the week after, whatever it is, we can deal with it—also, the connecting linkage with regard to Hearst and Kapuskasing.

I've got a bunch of questions that I'll hold onto till the next one, but I know my colleague over here, Rosario Marchese—

**Mr. Rosario Marchese:** I came to fill in.

**Mr. Gilles Bisson:** —came to fill in, because he is very passionate about some transportation issues.

**Mr. Rosario Marchese:** Because you have to go.

**Mr. Gilles Bisson:** I have a meeting with the chief of staff. That's where I've got to go.

**Mr. Mike Colle:** I hope you ask about the Dufferin bus. I'm going to ask if you don't ask.

**Mr. Rosario Marchese:** I just don't understand, Mike, why they're not helping you with the Dufferin bus. It's been 10 years.

**Mr. Mike Colle:** Thank you for your support.

**Mr. Rosario Marchese:** Minister and staff, welcome. I want to begin by asking: Why did the government select a P3 model and not a traditional procurement model for the Eglinton LRT?

**Hon. Glen R. Murray:** I think probably the best one to answer that would be Mr. McCuaig, whose project—he and his staff, along with Infrastructure Ontario, were the people who put this together and did the evaluations and can tell you exactly why and how that all came together.

**Mr. Bruce McCuaig:** Thank you very much for the question. Eglinton Crosstown, as the member knows and probably most of the committee members know, is a significant project—19 kilometres long across the width of the city of Toronto—which will have significant benefits to our customers who will use it in the future. It will save 20 minutes in travel time each way for those customers, going forward.

As Mr. Marchese indicated, we are looking to deliver that project as an alternative financing and procurement project. When we looked at this project, we felt it was well suited to being delivered in such a fashion, involving both the design, the build and the maintenance component of significant parts of it. It's really for four main reasons.

First of all, we believe that we and our partners can bring innovation to the table in terms of how we can effectively deliver and maintain the project and get some innovation from other projects around the world brought to us here in the Toronto region. So bringing innovation to the table is one piece.

Secondly, we also felt that—

**Mr. Rosario Marchese:** Can I ask you, Bruce, could you speak to the innovation component of it? What is that, actually?

**Mr. Bruce McCuaig:** For example, on building methodologies: When you think of building upwards of 10 or 11 underground stations across Eglinton going forward, it's going to be a significant construction undertaking and a disruption for the communities. One of the things we'd like to challenge Project Co. ultimately to do is to bring new ideas of how to minimize that period of time. We believe that by bringing this kind of a process together, we'll have an opportunity to bring those ideas to the table.

**Mr. Rosario Marchese:** I understand. And a traditional procurement could not bring such innovations to bear?

**Mr. Bruce McCuaig:** In a traditional procurement, typically what happens is that the owner, in this case Metrolinx, would actually design the construction methodology and set out the details on how we would expect the project to be delivered. What we're doing with an AFP is we're setting out the outcomes we would like to achieve. For example, one of the outcomes would be: How do we minimize traffic during the construction period? And we challenged Project Co. to come forward with some creative ideas on how they have seen different experiences around the world and bring them here to our environment in the Toronto marketplace. So bringing innovation is something that we think will be a big part of the—

**Mr. Rosario Marchese:** And a traditional procurement could not do that, is what you're arguing.

1650

**Mr. Bruce McCuaig:** As I said a few moments ago, traditionally in a design-bid-build process the owner would specify exactly how that would be done, based on our experience. That's not to say that our experience couldn't bring innovation to the table, but we believe that, by having multiple partners who have experience around the world and challenging them to bring forward ideas, we can actually bring some different and creative solutions to the table. So I think that's one really big element.

**Hon. Glen R. Murray:** Just on the innovation model: In the AFP process, there is something called a value-for-money and risk allocation. So if Marchese and Murray Contractors win a contract, and it's a design-build-and-maintain—let's say we're responsible for maintaining the project for 30 years. We've got a new composite material for vehicles or for subways that's easier to clean or easier to maintain and we've got a more energy-efficient heating and cooling system. We'll take the risk of that innovation in our bid. We might have a more competitive price, and we'll be able to manage lower life cycle costs. So it's a permissive system where the risk-allocation components of that—with a traditional design-build, it's hard to do that, because of methodologies prescribed.

**Mr. Rosario Marchese:** Okay. You're going to touch on some of these things as I ask some of the questions.

**Hon. Glen R. Murray:** Okay.

**Mr. Rosario Marchese:** I was just asking Bruce some of the questions because I wanted to know what innovation some outside provider brings to bear that you couldn't.

I want to ask you: When was the value-for-money comparison performed?

**Mr. Bruce McCuaig:** Value-for-money is a big part of the ultimate decision to go forward with the RFP. That's a process that has been performed by Infrastructure Ontario, in conjunction with Metrolinx, over the past months and ultimately will be part of the material that we bring to the Metrolinx board of directors, as well as to the Infrastructure Ontario board of directors, with the recommendation of whether or not to proceed with the AFP. Our target right now is to go forward to our boards in

December with that information, so that we can move ahead.

**Mr. Rosario Marchese:** When was it performed?

**Mr. Bruce McCuaig:** It has been performed over the past months.

**Mr. Rosario Marchese:** Just in this last month?

**Mr. Bruce McCuaig:** Yes—sorry, not in this past month; over the past months. It has been performed as part of the regular process that AFPs go through to ensure that there's value for money before the decision is ultimately taken to go down that path.

**Mr. Rosario Marchese:** Was there just one value-for-money comparison?

**Mr. Bruce McCuaig:** There's a number of times where it's done. Earlier on in the phase, because the decision to assign a project of this nature to Infrastructure Ontario is actually a government decision—and before government makes that choice, there is an earlier value-for-money analysis completed that forms the basis for—

**Mr. Rosario Marchese:** Who did that, again?

**Mr. Bruce McCuaig:** That would be done by Infrastructure Ontario, and that is advice that's given to the province.

**Mr. Rosario Marchese:** So Infrastructure Ontario did one already. When did they do that? Do you know?

**Mr. Bruce McCuaig:** Sorry, I do not have that information.

**Mr. Rosario Marchese:** Deputy?

**Ms. Carol Layton:** I don't have the exact date, but value-for-money is done formally three times. The very first time would be in support of when the submission goes to treasury board/Management Board of Cabinet for the assignment of the Eglinton Crosstown to Infrastructure Ontario. That would have been the first time that value-for-money was done, and that helped support the decision that it should go the AFP route.

**Mr. Rosario Marchese:** Do we have a date for that?

**Ms. Carol Layton:** I could get the date. I don't know whether—

**Mr. Rosario Marchese:** Because if there were three times that it's done, I would like to have the dates.

**Ms. Carol Layton:** It was last year, but we'll get you the date specifically. I don't have it right now, but we'll get it for you.

**Mr. Rosario Marchese:** But for the next meeting, we should have it. Is that correct?

**Ms. Carol Layton:** Totally.

**Mr. Rosario Marchese:** You can send it to me—through the Chair, of course.

**Ms. Carol Layton:** Absolutely.

**Mr. Rosario Marchese:** Okay. Altogether there are three value-for-money audits, and I think you said, Bruce, that Infrastructure Ontario prepared the first one or two and you did the third.

**Mr. Bruce McCuaig:** We worked very closely with Infrastructure Ontario, but they are the ones who are developing the actual value-for-money analysis.

**Mr. Rosario Marchese:** Okay. Minister, would you say that that's a possible conflict if Infrastructure Ontario

does it, given that Infrastructure Ontario exists to administer and promote P3s?

**Hon. Glen R. Murray:** No. They've done, I think, very, very good work. It's part of the process. They can't determine the outcome of it, in the sense that it's based on a formula. I think it's so well done that it is much repeated around the world by other governments and other agencies, and I think it would be fair to say that it's considered the gold standard for it.

If you read IO's annual reports, they summarize those there, and there is a young professor whose report I often recommend people read—Matti Siemiatycki, at Rotman, a very bright, young prof, who has done what is an internationally recognized piece of work on value for money. He's done a very thoughtful evaluation of all of the—

**Mr. Rosario Marchese:** He's a bit critical of it, is he not?

**Hon. Glen R. Murray:** Constructively, yes, and also critical and complimentary. We're doing something new, and a lot of it has been very successful. In our hospital projects, it's been extraordinarily successful. We're doing new and innovative things as a government. There's quite a lot of work that's been done on the evaluation system. It was that kind of input that has actually been used to improve the evaluation system.

One of the things I'm particularly proud of with Infrastructure Ontario and Metrolinx is that they have responded to the research in the field to improve the way they're doing these evaluations. I am signing off on a fairly regular basis for our senior management team and our professionals to go and present in other jurisdictions how to do this.

**Mr. Rosario Marchese:** Okay. I didn't think that Siemiatycki was complimentary, but I'll have to look at it in the meantime and see whether or not you and I have come to different conclusions on that one.

**Hon. Glen R. Murray:** That is entirely possible.

**Mr. Rosario Marchese:** That's right. Can I ask you how the risk premium is calculated?

**Mr. Bruce McCuaig:** Essentially what happens with Infrastructure Ontario is that all the various areas of risk are identified, and risk could be anything from schedule-related risk to budget-related risk to acquisition of property to permitting-approvals risk. The whole risk registry is developed along the range of areas, and in its essence there is an analysis done, both quantitative and qualitative, of how you would identify the risk levels for a traditional delivery model, as well as an AFP delivery model, and any other alternatives that you would like to compare against.

The idea is, through this risk registry and through this evaluation process, to try to quantify risks that are retained in various delivery models and risks that are transferred, since one of the opportunities from an AFP process is to transfer risk to a third party to deliver.

**Mr. Rosario Marchese:** I understand. Can I ask you, does the public get to see the methodology? Do we get to see it? Who sees it?

**Mr. Bruce McCuaig:** The methodology, I believe, in general has been made available in a variety of different forums, so I think the way in which the calculations are done has been made available in general terms.

**Mr. Rosario Marchese:** I was reading from a different—

**Hon. Glen R. Murray:** We'd be happy to get a briefing from Infrastructure Ontario on the methodology and how they do that. That's not a problem.

**Mr. Rosario Marchese:** That would be good, because I was reading an article here in the—a professor you probably know, John Loxley, professor and former head of the department of economics at the University of Manitoba, who does studies on these. He doesn't think these things are clear and/or available. There's a great deal of information that is not made available, and if information is not made available, it's hard to conclude, on balance, what the right one is.

**Ms. Carol Layton:** If I may add, Mr. Marchese, it just took me three clicks right now to Google Infrastructure Ontario and go onto their website. The value-for-money methodology is there, the risk assessment methodology is there, as well as a guide to Infrastructure Ontario's methodology of VFM. There is pretty good transparency there in terms of—in a general way. You wouldn't see it for each of the projects, but you'll certainly see the methodology for risk assessment as well as for value for money overall.

**Mr. Rosario Marchese:** Tell me: Is it proprietary? It's not? Everything is made available except something—

**Ms. Carol Layton:** The methodology is provided on a fairly summary basis, but I think it's pretty useful information—

**Mr. Rosario Marchese:** So we'd be able to see comparisons? We'd be able to see it?

**Ms. Carol Layton:** Right on Infrastructure Ontario's website.

**Hon. Glen R. Murray:** John Loxley is a personal friend. When he was here last year, I hosted a workshop just upstairs, which I think about 20 members of the Legislature attended. John went through his critique. Part of the reason that this methodology is open and transparent and the subject of so much research is because we're doing that. We're actually trying to move our data and metrics out publicly right now because of that critique.

There are badly delivered AFP programs that are not transparent. I would say that what we're doing addresses a great deal of the concern. If you cannot compare the AFP process to a traditional delivery to actually see whether it's a saving that is being achieved or whatever the outcome is, then you can't.

**1700**

We think that's a very good piece of advice, and we don't apply it universally because there are lots of applications in which AFP just does not make sense and there are applications where it does. I think that Mr. Loxley's points are very well made and respected by this government.

**Mr. Rosario Marchese:** We'll review that.

How much do these value-for-money comparisons cost? Do we know?

**Mr. Bruce McCuaig:** I don't have that information, and I would also presume they vary quite significantly from project to project, given the nature and size and complexity of the project. We can certainly inquire to see if there are some references or benchmarks that we could give you.

**Mr. Rosario Marchese:** That would be helpful. Also, connected to that question, how do such costs, as well as other P3 transaction costs, factor into the value-for-money comparison?

**Mr. Bruce McCuaig:** It's a significant part of the evaluation to look at the transaction costs associated with an AFP process, because an AFP, by its very nature, can be a complex process. There are investments you need to make in that process to make sure it's effective and successful in the end. So it actually is one of the factors that's included in the evaluation.

**Mr. Rosario Marchese:** That's good. We know, from the reading that I have done, that these legal costs and transaction costs sometimes are not included in those comparisons, but in this case they are.

**Mr. Bruce McCuaig:** That is correct. Again, if you go to the general methodology and the information on the Infrastructure Ontario website, you may very well see—

**Mr. Rosario Marchese:** You'll see it?

**Mr. Bruce McCuaig:** I wouldn't be surprised if it's there. I will see if there's any other information that I can provide that demonstrates how it's factored into the process.

**Mr. Rosario Marchese:** Okay. Sometimes it's hard for the layperson to see those things, and maybe you see it better.

How much time do I have?

**The Chair (Mr. Michael Prue):** Absolutely nothing. I was just about to cut you off.

**Mr. Rosario Marchese:** Thank you very much.

**The Chair (Mr. Michael Prue):** It now goes to the minister. The minister has up to 30 minutes to reply, if you choose to use it.

*Interjection.*

**The Chair (Mr. Michael Prue):** No, you don't get questions yet. This is the ministerial prerogative to reply to anything you might want to say. If not, it goes back to the Conservatives, to start the rotation.

**Hon. Glen R. Murray:** I'm looking to my team here, as well, because I'm new at this. I'd like to address a few things that were said.

Mr. Clark raises the issue—and I think this is a very important issue. One of the things that we need to start doing a lot better in this government—certainly one Premier Wynne, as a former transportation minister, really drove—was to do three things. One is to actually look at aligning transportation infrastructure with land use. So when we talk about Scarborough—and we've done some interesting mapping of how much money goes in for all the different types of infrastructure in Scarborough and how much money comes out in taxes,

and what has happened over the last 30 years. How does the SRT that was built compare to a subway for economic impact? What are the issues of urban design?

If you've ever ridden the SRT to Scarborough, if you get off at Midland or Ellesmere or McCowan, you will see that in some cases, there isn't even a sidewalk that goes to the employment land. You're not exactly supporting employment with transit if you're not connecting the office buildings with a sidewalk. It's just a huge failure of urban design. There wasn't an integration of city planning with provincial transit investments. If you rode the SRT, you'd see that it had almost no uplift in value. Some of it is a degraded industrial site of abandoned buildings. When I rode the SRT and listened to people, they said it was an industrial wasteland.

Part of the reason for putting a subway in there is that a subway actually will provoke more intense development and higher buildings on land that is industrial, which isn't intensifying on someone's backyard. If you went the other route that the city has proposed right now, through single-family homes along McCowan, you can't exactly intensify. You can't put 30- or 40-storey buildings up because you're going to get upper-middle-class and upper-middle-income people with large lawns getting quite upset. You also know the ridership is going to be very low to zero on those lines, so you're going to be having high operating costs.

When we talk about the iCorridor system we're developing, or GeoPortal—GeoPortal was all the land data, and iCorridor is actually what the ridership is and modelling it. So transparent is this that you'll be able to download this on your laptop and look at different scenarios and actually pick from 17—I think it's the last number I saw—private, public, federal and municipal data sources, cross-referenced data, and actually understand what would happen.

You can't run a subway at a 3,000-people-per-hour capacity. You might as well buy everyone in that line a Porsche, if you want to do that. That hasn't been, for 50 years, the way we did modelling, or did that openly, so we're moving to integrate that.

The second thing that we're trying to do that's important is we're looking at highways and GO service—for 30 or 40 years, Mr. Chairman, we've said in this province that we have transportation corridors. Most of them are not really transportation corridors; they're highway corridors.

I think I made the point the other day that the 401 is 16, 18 lanes—I think, at some points, it's 20—between the service roads, the express lanes and the collectors. You can't make that any wider. You've exhausted the capacity and the cost of how many vehicles you can have on the road.

If you look at the GO system on the QEW, you've got a much smaller highway. It's four, six, eight lanes at most—and eight lanes only rarely—and the planning now between GO is integrated with highway planning.

That's a really critical piece of this that we're not doing.

We're also looking at employment land, because transit, whether it's in a small community or in a larger city, whether it's a bus service or a subway, has to go where people are. It has to be aligned with employment land. We never did that before. Through the 1970s, 1980s, 1990s and up, we never even produced data, as a government, under any party, that actually said where all the employment land was going.

In the last 10 years, we've added—the last numbers I saw—over 32 million square feet of office space to the GTA alone. To give you an idea of how big that is, Calgary has 32 million square feet of office space. We've essentially added Calgary to Toronto. When people say to me that Alberta's under some economic boom—we've actually added a Calgary to Toronto alone in the last decade.

When you go from six million people in the provincial capital to nine million between now and 2031, and you've had probably 40 or 50 years where you spent \$1 on highways and on subways and on rapid transit for every \$4 you should have spent, you're ending up with a huge transportation deficit.

We're looking to the opposition parties for solutions. Now, I know the New Democrats have suggested that this all come from closing corporate loopholes. Well, there just isn't the money there to do that, unless you want to have an uncompetitive tax environment for business. Given the mobility of talent and capital in what is a borderless trade economy right now, that's a tough call. I think, to be realistic, we need to do that.

The idea that you can find \$50 billion in capital and in associated operating from municipalities and partners to actually build that out just in Toronto alone, as my friends in the official opposition suggest, without any revenue source—I'd ask you to find one jurisdiction in the world that has ever done that.

I've watched Mayor Bloomberg in New York. I've looked at what has happened in Vancouver. I look at London, with a \$24-billion national government investment just to build two subway lines right now. I look at Paris; Paris introduced a payroll tax.

Every other jurisdiction that has built any significant transit project over a quarter of a century to solve their problem has done it with more than 50% or 60% or 70% of that coming from that. We're actually trying to beat that; we're actually trying to have new revenue as a last resort. But I don't think we're having a realistic conversation about it.

It's not just a problem in Toronto; it's a problem in Ottawa. Ottawa needs to intensify. Ottawa has a green-belt around it and has not got the infrastructure requirements. The problems in Ottawa are largely related to trucking and to commercial traffic, which isn't properly distributed. It's a constant fight there, because you've got the National Capital Commission; you have the federal government, that has launched and cancelled more regional transportation master plans than any other government has; and then you've got Quebec. It's a bi-

provincial region, and so we try to work closely with Quebec. That's a challenge.

#### 1710

In the north and across rural Ontario, we have a national highway system that's not a national highway system. You won't find any part of the interstate that runs parallel south of our border that isn't twinned, and it's 50% paid for, to this day, by the national government. We're picking up 95% of highway construction and maintenance costs. In the north, where it costs \$5 for every \$1 that it is in the south for a kilometre, five times as much—500% more—to build a kilometre of road is unacceptable.

I think there's a huge opportunity in this minority Parliament for us to actually do something remarkable: Tell people across Ontario the truth, which is that we cannot afford to bleed \$6 billion, \$8 billion, \$9 billion, \$10 billion or \$11 billion in lost productivity and lost summer jobs for our kids as an incredible premium on doing business in this province, because we are quickly devolving into one of the worst congested regions right now in North America. I'm not proud of that.

If you think you're saving money by not spending, you go and talk to the businesses about what this is taking off their bottom line. There's no other cost friction that we hear from the business community. The boards of trade all across the GTHA—the number one priority for government isn't "Cut taxes," isn't, "Don't raise taxes for this"; it's, "Fix the darned congestion problem," because for every warehouse, every business transaction, every employee they have trying to get to work, every good they move, they're paying an incredible premium that's more significant. One of them said, "Thank God for the HST because it cut \$8.5 billion from the cost of doing business in Ontario," but that doesn't even cover the cost of congestion within the economic region.

I don't know how Dryden, Ignace and Marathon compete in northern Ontario when they have to compete along their highway and trade route with the one that runs south of the border that's four-lane twinned, has more intersections, and there are subsidies for secondary highways.

Burlington—the great city of Burlington—right now wants to slap an IKEA right on an intersection. Why? There's no secondary commercial highway. IKEA will increase its retail business by 15% at the expense of taking one of the major feeder intersections and cloverleafs onto the Queen Elizabeth Way. You have 50 years of underinvestment by orders of government in that, and then you try to use your regional highways for big box retail and expect them to be the backbone of your feeder system into the QEW and think you're going to solve congestion.

So when you talk about classifying highways and restricted access, that's what integrated land use planning is. You've actually got to look at a highway. Is it a go-through highway that gets you in and out of a region, or is it a go-to highway that serves a local commercial function?

These are tough decisions. If we want to play traditional politics, where the people of Ontario gave us a minority government—the great advantage of a minority government is, we could actually complete our national highway system if all three parties decided to do it and made the tough decisions to raise the money and find the savings to do it. We could solve our regional transit problems in Toronto and Ottawa if we were honest with people and we actually told them what the real costs of things are.

The deficit in rural Ontario for water and sewer—we just built a sewer treatment plant in Ignace. Now they need a water treatment plant. There is not the tax base in Ignace to do it—and dump all over Toronto all you want. It's the tax surpluses that come out of the big cities—when I looked at the numbers in my tiny neighbourhood, we spend \$70 million more in property taxes than we get and about five times that in taxes, and we don't need it. I live in a small building stacked 300 high. So the tax surplus of large cities goes out to small rural communities, if you look at where the accounts are transferred.

So when you see the Conference Board of Canada's report that people in Toronto pay more than their share right now of highways: Where does that money go? It goes into \$600 million and \$700 million a year in northern highways. It goes into several hundred million dollars in rural roads and bridges because, for those communities to grow, they need the culvert; they need the water treatment plant. Maxville: We've talked about this. It's \$56 million to run it from Cornwall to Maxville, and when you put the roads and highways and transportation infrastructure, and with an aging population—seniors—there isn't the tax base to do that. It's going to have to be redistributed.

There's a huge opportunity for all of us to take the next 12 months and say, "Let's show some remarkable political maturity. Let's actually complete our national highway system, solve our urban transportation system and fix rural infrastructure deficits where there are issues of criticality." What is stopping us from doing that?

I know that a lot of us around this table were municipal politicians. That's how we all worked municipally. You had your differences, but we did that.

I always think estimates is a really interesting opportunity right now, because all of us are talking about real issues that we know need to be solved, and sometimes the biggest impediment to solving them is that we poke each other in the eye and are prepared to take early political advantage of any strong and courageous decision to do that. The Premier has laid out and charged me with, "Fix the problem. Be realistic. Find the savings wherever you can, but fix the problem."

So I'm interested in that conversation today. I think if you go back to your constituents, whether they live on Hurontario or whether they live in Alexandria on a dairy farm—I spent most of my summers, as a kid, on a family dairy farm. I know where the infrastructure and transportation deficits are. They're fixable, but we have tradition-

ally underinvested in this province for decades down that road.

I am very optimistic that we're moving in a positive direction. I think the prices of underinvestment in infrastructure all across Canada—I don't think there is a province that isn't facing these kinds of challenges right now, and I think there is an opportunity for some harmonization of some priorities that we can move forward on.

The Windsor-Essex Parkway project is a really critical one, and we talked about AFP. There's the strength of AFP. People screw up on projects, you have a subcontractor with which there were problems—100% of the bill being picked up by the private sector. No negotiations, no protracted legal suits—it's done. And that's over 500 girders that are being replaced, remanufactured. There's even a benefit. I think there are 900 more jobs that are being created right now, as a result of this, for Windsor-based companies. So I think that's a good contract. Do you know what I mean? People love to point out where governments—and it certainly has happened a lot—where one capital project or a cancellation of a project here or there has caused problems.

We went through, and it's not just what you build; it's what you cancel sometimes. That may sound a little obtuse or odd. The interprovincial bridge in the Ottawa Valley was cancelled. Why? Because the municipalities on both sides and all of our MPPs and city councillors and the public said, "We don't want this there." We responded early, before money was spent, to cancel it and to get it out of the way, and now we're working with the cities and the municipalities to build a better solution along those kinds of lines.

We have to be much more proactive. The presidential bridge in Windsor is a critical piece of infrastructure, all the way up to Leeds-Grenville. Do you know what I mean? That access point isn't just for people in Windsor-Essex; it benefits everyone. I have people saying to me, "Why the heck is the province paying for that? Why don't you just let people in Windsor pay for their own parkways and roads?" Or "Why do I have to pay for a subway in Scarborough? I live in downtown Toronto." Well, we all benefit from that. You can't have a trade route that stops at the border of Essex county and doesn't go on. The value of it to people living in Toronto or Ottawa or Cornwall—pick a community—is based on that kind of integrated, complete system. I think the needs of those communities are so critical in this economy that it requires some sense of consensus, moving forward, on those kinds of priorities.

Mr. Chairman, how much time do I have left?

**The Chair (Mr. Michael Prue):** You have about 13 minutes.

**Hon. Glen R. Murray:** Thirteen minutes.

**The Chair (Mr. Michael Prue):** You don't have to use it. It's your 13 minutes. If you want to, please feel free. If you've said everything you need, then the time left is divided equally among the three parties.

**Mr. Mike Colle:** You should be responding to all their questions.

**Hon. Glen R. Murray:** Okay.

**The Chair (Mr. Michael Prue):** The questions come after. After you're finished, the remaining time, which is five-plus hours, is divided equally, so if you stop—

**Hon. Glen R. Murray:** Okay. So I don't feel so bad. If you guys have five hours, I don't mind taking five or 10 more minutes. I was starting to feel guilty there for a while.

**The Chair (Mr. Michael Prue):** If you stop, the 13 minutes will be four minutes to each party.

**Mr. Rosario Marchese:** Minister, don't forget the buses on Dufferin before—

**Hon. Glen R. Murray:** All right.

**Mr. Mike Colle:** Yes, I hope he refers to the—I got some good news on that front, by the way.

**Hon. Glen R. Murray:** Oh, my Lord.

**Mr. Rosario Marchese:** Let me know.

**Mr. Mike Colle:** I'll let you know afterwards, in confidence.

**The Chair (Mr. Michael Prue):** The floor belongs to the minister. You have 12 minutes left.

1720

**Hon. Glen R. Murray:** Thank you very much, and thanks for the help in knocking off one of those minutes. What a team we are here.

I do want to go back to value for money and the issues. Risk allocation is an interesting concept. What we've generally done is, we've used it as an insurance policy on major billion-dollar-plus projects to protect ourselves from failure. We pay a modest premium upfront, usually something like about 5%, to ensure that the private contract or the private side absorbs all of the risks and costs. It was tested probably more than we ever imagined it would be on the Herb Gray Parkway, and I think it worked.

I think this is an interesting conversation, and when the member for Trinity-Spadina raised it, it was insightful and thoughtful. The risk allocation: If you want to introduce a new material and you've got the maintenance contract for it, or you want to introduce a hydrogen technology for the first time in a transportation vehicle or something like that, and you're prepared to absorb the risk of it and pay the cost of failure or replacement if it doesn't work, you can do that through an AFP process. There's an upside to the risk if you're successful with your innovation, and on the downside, you have to cover the cost, the loss, the replacement—whatever—if it doesn't produce the outcome that it's supposed to.

One of the things for AFP, beyond the ideological debates that sometimes go on around these things, is the capacity for innovation, which is where we're trying to move that more now, into innovation. Can we get more fuel-efficient vehicles? Can we get cleaner engines, cleaner technology, cleaner fuel sources? Can we get lower maintenance? You can't make engines go much faster or use less fuel, but the investments we're making through the Canmet centre and innovation factory in

Hamilton, competing with Sydney as one of the leading centres in advanced composite materials, mean you can make anything from automobiles to airplanes to transit vehicles to trains out of lighter, stronger, safer materials, which require a lot less fuel to move, give you a lot more flexibility in design and are a lot more environmentally sustainable.

There was a great report that came out from the Council of Canadian Academies on how you build innovation into the procurement process. It pointed out that the problem, especially in large transportation infrastructure, is that there is no ability to meet safety standards without a methodological prescribed standard. If you want to do innovation, it's tough. So where we would like to go—at least, I and I think many of the professional staff within Infrastructure Ontario and the Ministry of Transportation—is to look at using risk allocation to actually help manage the innovation agenda going further.

I would be very interested in looking at it through traditional procurement ways—and you asked the question, I think, very sincerely. One of the ways you can do that is, you put out an amount of money and you ask people to bid for whatever value can be created for \$200 million to build that. That does incite more innovation, but it hasn't yet competed with that. When you talked about John Loxley—he's a friend and someone I greatly regard—I think his critique about transparency is very valid. If you compared Infrastructure Ontario's website, with the amount of the information that we've already put out and are putting out, it's important—because I don't think government should be afraid to try something and then find out that the way they were doing it before was better, or that it was a breakthrough in one way but not another, or that it was a complete success. But if you're requiring absolute success, 100%, in every innovation, you're never going to have innovation. There's no capacity for learning.

One of the things I'm trying to do as minister—and I think from what I've heard from my colleagues and certainly my deputy—is to create a space for people in the public sector to be a more innovative public sector. We're looking at all kinds of public sector systems to do that. We're looking at innovation on snow removal. Part of the way we're using those contracts, even though some of your colleagues in the north have raised this issue—we've managed to restructure it to find some capacity to allow new approaches. It's in the shallow end of the pool of innovation, but it's significant on a short-term basis going forward. So those kinds of things are important.

The other thing I want to touch on, which is what the MPP for Newmarket-Aurora raised—this idea that you can somehow compare one contract for subways, buses, GO trains or anything with another is really, really hard, because we change based on aging demographics, all kinds of things that we change based on vehicles. I don't have any issue with really legitimate criticism on fair pricing, but to sort of say that, because X put a whole bunch of stuff in there, or bought at a particular scale in a

particular community in a particular climate, with a complete structure to the vehicle—when you're buying a base platform, how do you compare someone who put in high-speed HVAC heating-cooling in the south to someone in the north in a smaller community who has a bus that does kneeling and has all kinds of kneeling technology? You just simply can't do that.

I think the question about value is—the importance of these third-party organizations is that they actually have an approach to doing that. If the official opposition wants to explore that—I work very hard, as does the deputy, to make sure we're getting the best value for tax dollars. I have been surprised myself, and I come from a background of having managed some large budgets for many years that had large transit and transportation components. At the municipal level, where your budget relationship is much more hands-on, it is very, very hard to do that.

But we're getting excellent, excellent value. If you go and look at anything—that Bombardier is competitive in New York, or any of those kinds of things, and you look in real time about the value of the projects that we're getting, we're doing really, really well. The LTK evaluations are some of the best; some of the very best. When you see them independently doing that—because I've been on the other end of receiving, where I've seen numbers go the way you wish they didn't, where yours were actually higher—that's quite remarkable, that we've got that kind of differential in price, to the positive.

I would hate that we distort that. I think that sometimes in the public service we're very good at shooting ourselves in the foot and eroding what I think is one of the greatest things in Canada and in this province: Whether you're a Liberal, a Conservative or a New Democrat, we have all been served by an extraordinarily professional public service. I know my friend from Newmarket–Aurora and I have often commented on the transportation ministry and the culture at MTO; what a positive and professional organization we have.

We in the Legislature, I think, don't often pay the kind of due to an incredibly ethical, uncompromisingly professional public service—the broader public service in that. When you look at having done work in Ukraine, where you show up with—oh, I don't want to say that, because I don't want to get the Ukrainian community and government—suffice it to say that there are some challenges in dealing with the public service there, in ways that are somewhat challenging.

We take that and we level what I think are sometimes low-grade things, and question the integrity—I don't think there's a process for procurement of public transit vehicles in the world that is as rigorous as ours. I'd be hard pressed to find a jurisdiction right now, a country where we haven't had some positive exchange where they're here looking at our procurement process, our review, our integrity, our accessibility standards for disabled access, the scaling, the bundling, the data and metrics that we use. The Ministry of Transportation is one of the world's teachers about how you run transportation.

Metrolinx is a very new organization. I think it's doing an extraordinarily good job. Their interface and collaboration with the TTC—we've just assembled the Presto card and, for the first time, integrated fares all across the GTHA. Do you know how hard that is to do? That is a remarkable accomplishment that Bruce and the team will be doing and are doing, and our friends here in MTO have provided support.

I may be a half-cup-full kind of guy, but for those of us—I know my friend from Leeds–Grenville—having come from the Prairies for a period of time in my life; I left Ontario and came back after almost 25 years of living in Ontario—when you've lived somewhere else that doesn't have the budgets or the kind of capacity that we have, it's quite remarkable. We sometimes take it for granted. I always used to tease my friends in North Dakota. They would be a really successful place if they had a big city or two.

If we can actually integrate the advantages, whether it's the scale of purchasing or that kind of stuff, we're very, very lucky. We're also remarkably lucky—when you go to my friend's constituency over in Galt, MPP Leone—Cambridge, sorry—I think it's one of the biggest blessings we've got, that we've got communities like that. We're building transportation there. How do we build transportation in Kitchener–Waterloo and Galt to connect those schools without losing the identity and history of those communities, which are historic, foundational and the manifestations of the culture of Mennonites and Scots and all kinds of other folks who settled in there and actually built modern cities that maintain the heritage of the past? That comes up over and over again there.

Mr. Chair, am I close to being put out of my misery mercifully soon?

1730

**The Chair (Mr. Michael Prue):** No, you have three minutes left, if you choose to use them.

**Hon. Glen R. Murray:** Three minutes left? Then how much time do you guys get?

**The Chair (Mr. Michael Prue):** Then there's five and a half hours, that is split evenly, to ask you questions.

**Hon. Glen R. Murray:** It's like that old joke. A politician—

**Mr. Rosario Marchese:** Don't forget the bus problem on Dufferin.

**Hon. Glen R. Murray:** There was an old joke when I first became mayor. Someone said to me, “Now that you're a politician, you're one of those people who sees light at the end of the tunnel and orders more tunnel,” and I finally have a job in politics where that's actually a good thing, I think. Anyway—

**The Chair (Mr. Michael Prue):** You're down to two. You've been very successful.

**Hon. Glen R. Murray:** I knocked one off. Anyone want to jump in at any moment right now? I'm looking to—

*Interjections.*

**Hon. Glen R. Murray:** Pardon me?

*Interjections.*

**Hon. Glen R. Murray:** My deputy, actually, wants to get two minutes in here, I think.

**Ms. Carol Layton:** Yes, just maybe—

**Mr. Mike Colle:** No, no—

**The Chair (Mr. Michael Prue):** No, no, the floor is hers.

**Ms. Carol Layton:** Thank you very much. Actually, I'll compare notes with the Clerk later, Mr. Chair, in terms of the number of requests. I think, by my count, it's about 11. I think I can actually address one of them, which is for Mr. Marchese, and that is, when did the Eglinton Crosstown value-for-money assessment go to treasury board and Management Board of Cabinet? It was about a year ago, about mid-November 2012, and then it would have followed at cabinet just a few weeks after that.

**Hon. Glen R. Murray:** I've read a lot of them. If you're having trouble falling asleep at night, I'm really happy to share them.

**Ms. Carol Layton:** Actually, just on that, I said it takes about three clicks, if you go on the Infrastructure Ontario website. They list a number of the projects that are completed, about 34. They also list those that are under construction, and there's a whole bunch more, and Eglinton is in there under the RFQ.

For all of those 56 or so projects that are either well under way or complete, you can see the value-for-money analysis for each one of them.

**Mr. Rosario Marchese:** Thank you.

**Ms. Carol Layton:** Thank you.

**Hon. Glen R. Murray:** Do we have a minute left? I'd like to keep the—

**The Chair (Mr. Michael Prue):** About 30 seconds.

**Hon. Glen R. Murray:** I was going to try to give you a whole minute back, but I'll settle for 30 seconds.

**Mr. Rosario Marchese:** The Dufferin buses.

**Hon. Glen R. Murray:** I love the Dufferin buses, and we should find some more.

**Mr. Rosario Marchese:** But Mike doesn't.

**Hon. Glen R. Murray:** You don't like them? I'm sorry. I hate the Dufferin buses, and we should shoot them all.

*Interjections.*

**Mr. Mike Colle:** Wait until I get my chance. I've got some good questions for the Dufferin bus.

**The Chair (Mr. Michael Prue):** I can see you'll be quoted in many different ways.

**Mr. Mike Colle:** There are 55,000 people every day that are jam-packed into the Dufferin bus.

**The Chair (Mr. Michael Prue):** All right, that would exhaust the time for the minister. We now go into 20-minute rotations, beginning with the Conservatives.

I just want to say, though, that there may be a bell; I expect one. If there is a bell, depending on the time of the bell, that may conclude us for today, but we'll see when it rings and we'll make the judgment then.

You have 20 minutes.

**Mr. Jeff Yurek:** Thank you, Chair. Thank you, Minister, for that half-hour talk. I'm new at this job. I've been here two years, and I don't think I have the ability to ramble on for 30 minutes.

**Mr. Steve Clark:** Oh, yes, you do.

**Mr. Jeff Yurek:** It's a talent, to keep going, to ramble on. If you talk to my wife, I ramble. I take everybody on rambles.

My wife was here this week, by the way, and my daughter, and they quite enjoyed their time here. It was nice to have them here.

I'll just lead off from what my colleague Rod Jackson asked this morning of Minister Chan about the transportation plan for the Pan Am Games. In reviewing your results-based plan briefing book, you yourself say the transportation master plan would be completed in 2013. How is that coming along? Is it to be released soon, or what have you?

**Hon. Glen R. Murray:** Sure. I'll turn it over to the deputy, because I'm sure she has something to say about it.

I was on the planning committee and have hosted one Pan Am Games in my life—the last time it was in Canada—and I think it was recognized as an international success. It came in under budget.

It is, I want to tell you, one of the most exciting things you'll ever be part of in your life. We've never had an international sporting event, ever, anywhere near this scale and, as a matter of fact, nothing in Ontario that ever came close. There was the Commonwealth Games in Hamilton in the 1930s, but at that time it was a pretty small club.

One of the things that saddens me about this is that—this is pretty exciting. Part of the decision here, which is the challenge, is that it is spread over 10,000 kilometres, because communities like Minden and Welland are very much a part of this. The idea was that this shouldn't be an urban-centric thing. We talked a little earlier about urbanization and how we often don't recognize the importance of small communities.

To transportation and security planning, which is again my second time being involved in this event: I can tell you that we are well ahead of schedule, I think, on a lot of it. I'm very comfortable with it, for the second time having been through security and transportation planning in a system that covered much less geography. We're very close to a master planning process, but there are more variables here because there are security issues. Who's attending affects security—whether the President of the United States comes; there are all kinds of things that are consequential.

There are a lot of components to how you connect communities. How you make those decisions—they aren't unilateral decisions of the provincial government. They have to be worked out. I know that my friend from Leeds-Grenville, as a local mayor, will know that those kinds of things—what streets you use; what transit you use; how you use local transit; how you have the interface between provincial transportation choices and local

transportation choices; security issues with athletes from different countries—having been through Cuban baseball players, if you want to Google “Winnipeg” and “Cuban baseball players,” you will understand some of the conundrums you get into and the unusual things you have to plan for.

It’s not like, “Yes, we’re moving a vehicle from here to there.” The transportation planning is much more complex and much more integrated.

Is it there? Is it covered? Yes. Am I comfortable with it? Yes. It’s not finalized yet, but it is certainly on track and on time. I’ll leave it to the deputy to give you the technical pieces of it.

**Ms. Carol Layton:** Just to add a little bit more to that: The minister spoke about the 10,000 square kilometres; that alone is unprecedented, to do transit planning for that large a footprint. There are 24 competition days, and there are training days as well. We’re talking about 26 different regional local governments involved, as well as 30 competition venues, so there’s no doubt that the transportation planning for that is pretty significant.

The transportation master planning—which is under the leadership of my colleague John Lieou, who’s one of the ADMs with the Ministry of Transportation—is indeed very well in hand. It will be done for 2013, and we certainly would want to be very open in sharing that. We already are sharing it with our many, many partners: the different transit authorities and the different local governments. Metrolinx is a key player, and the TTC is another one in that.

This is not a document to tuck away. This is a document very much to be shared, so people can appreciate it. There are many, many elements to it, but what are critical are two; first of all is defining that games route network that we have. You know that when we travel on our highways we have congestion, and you know that when you travel on city streets we have gridlock. You have that now, and we have to—in considerably less than two years, now—be able to give assurance to the thousands of athletes, coaches and all that who come in, and the 1.4 million ticket holders who come in—first of all, we have to give them reliability on their travel times, but for the rest of the city—the shippers and all of that—we have to give them a city that still functions. So that games route network is something that we certainly are developing in a micro way. That’s the next stage after the master plan is done.

The second thing would be all the opportunities to affect demand on transportation. It’s something called transportation demand management, really focusing on getting people onto the transit system and off of the roads, but working with shippers, workplaces and local governments around roadworks, working on way-finding and working on trip planning. There are many, many aspects to it, and we’d be happy to have the opportunity to share that or take you through it, perhaps through a technical briefing.

**Hon. Glen R. Murray:** Very quickly: The other thing we have to appreciate is, unlike—

*Interjection.*

**Hon. Glen R. Murray:** Okay. Just very quickly, because I think it was a sincere—

**The Chair (Mr. Michael Prue):** It’s a 10-minute bell, so we’re going to proceed for about another five minutes.

**Hon. Glen R. Murray:** Okay. One of the big differences I’m finding in this déjà-vu-all-over experience with the Pan Am Games, the other level of complexity here that is making this very hard, is that this is the first time we’ve had the Parapan Games. The mobility issues, when you have athletes who have physical disabilities or different mobility issues—the complexity of moving people in a respectful and dignified way, to do that and to provide the facilities, is much more complex.

Those are the kinds of challenges. If people suspect that, because we haven’t rolled out a number, we’re trying to hide something: We aren’t, because you can’t determine it. There’s a very large budget for this, in which certain numbers shrink and grow. In my experience last time with the Pan Am Games, we didn’t actually have final numbers until after. As a matter of fact, I can tell you we didn’t put out numbers before because we weren’t sure. We were accountable to meet our budget. It wasn’t because I was trying to be deceptive when I was mayor; it was simply because I didn’t want to put numbers out there that I knew were going to change, because the structure of the games, levels of participation—things happen over the event that actually change the outcome. When you’re running two major events, and you have different mobility issues and different complexity, costs can go up and down from week to week.

Is it covered within the budget? Yes. Do I think there’s a problem? No. Can we give you ballpark numbers at one point? I think so, but that’s not going to be in the next couple of weeks. We’re not there yet because there are too many things and too many interfaces. Municipalities will be covering parts of these costs.

I will tell you what I would say: I don’t think you’ll have definitive numbers. If we have the same experience that we had the last time the Pan Am Games were here, the numbers won’t be very firm, probably, until the event is over. I wouldn’t be fearful about that. It’s not hiding; it’s just the number of variables in these kinds of things is just not measurable. If you put out numbers before, and then they change, then people say, “Well, then, you weren’t telling the truth. You didn’t know what the numbers were.” That’s why the budgets are complex and flexible.

They are within normative budgets. It’s certainly being taken care of. There has been a working committee. Myself, Minister Meilleur and Minister Chan met several months ago when we first got appointed. I’m very confident that we are well on track for that. But this is not as simple as it seems.

**The Chair (Mr. Michael Prue):** Okay. There are about six minutes, so I don’t want to keep us any longer.

We have a couple of choices, and I’m in the committee’s hands, but given that it’s going to be six

minutes and then a standing vote, it will probably take us to about five to 6. I'm not sure whether it makes much sense to reconvene. Is anybody adamant that we reconvene? We can, legally, or we can just adjourn for the day.

*Interjection.*

**The Chair (Mr. Michael Prue):** No, okay. Then I'm just going to order it. We don't need a motion. I don't see

anybody rushing to get back here at five to 6 for five more minutes. Therefore, we will adjourn for the day.

When we return, the Conservatives will have an additional 10 minutes, and then we'll go in rotation to the New Democrats after that.

We will be returning a week from Tuesday at 9 o'clock in the morning. We stand adjourned for the day.

*The committee adjourned at 1741.*







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Mr. Gerry Chaput	

### STANDING COMMITTEE ON ESTIMATES

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#### **Also taking part / Autres participants et participantes**

    Mr. Frank Klees (Newmarket–Aurora PC)

    Mr. Rosario Marchese (Trinity–Spadina ND)

#### **Clerk / Greffier**

Mr. Katch Koch

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