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Government Services**

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Department of Transportation and Works

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Honourable Ross Wiseman, MHA

GOVERNMENT SERVICES COMMITTEE

Department of Transportation and Works

Chair: Clayton Forsey, MHA

Vice-Chair: Dwight Ball, MHA

Members:

John Dinn, MHA
Randy Edmunds, MHA
George Murphy, MHA
Paul Lane, MHA
Calvin Peach, MHA

Clerk of the Committee: Sandra Barnes

Appearing:

Department of Transportation and Works

Hon. Paul Davis, MHA, Minister
Kevin Antle, Director of Financial Operations
Keith Bowden, Executive Director, Works Division
Jamie Chippett, Deputy Minister
Gary Gosse, Assistant Deputy Minister, Transportation
Cory Grandy, Assistant Deputy Minister, Works
Max Harvey, Assistant Deputy Minister, Marine Services
Ed Moriarity, Director of Communications

Also Present

Eddie Joyce, MHA
Kevin Pollard, MHA
Tony Cornect, MHA
Graham Letto, Researcher, Official Opposition Office
Ivan Morgan, Researcher, NDP Office

Pursuant to Standing Order 68, Eddie Joyce, MHA for Bay of Islands, substitutes for Randy Edmunds, MHA for Torngat Mountains.

Pursuant to Standing Order 68, Kevin Pollard, MHA for Baie Verte – Springdale, substitutes for Calvin Peach, MHA for Bellevue.

The Committee met at 6:00 p.m. in the Assembly Chamber.

CHAIR (Forshey): Good evening, everyone.

We are here to do the Estimates of Transportation and Works. We have three hours if we need it, and if we do not, well that is fine. Usually we start with fifteen minutes. We will start with Eddie and then go down to the NDP.

Before we do that, I will ask for the introductions of the Committee. Okay, we will start with –

MR. JOYCE: Eddie Joyce, MHA, Bay of Islands.

MR. LETTO: Graham Letto, researcher.

CHAIR: George, introduction?

MR. MURPHY: Oh, sorry. I thought you were going right down the same row. Ivan's light is on here.

MR. MORGAN: Ivan Morgan, NDP research; thanks.

MR. MURPHY: George Murphy, MHA, St. John's East.

MR. POLLARD: Kevin Pollard, MHA, Baie Verte – Springdale.

MR. PEACH: Calvin Peach, MHA, Bellevue.

MR. LANE: Paul Lane, MHA, Mount Pearl South.

MR. DINN: John Dinn, MHA, Kilbride.

CHAIR: Clayton Forshey, District of Exploits, and Chair.

The first order of business before we get into the minister and Transportation and Works Department, you have copies of the minutes of the Government Services Committee, April 17, 2013, Department of Finance. I will ask for a motion for the adoption of these minutes.

MR. PEACH: So moved.

CHAIR: Do we need a seconder for that? Yes, we will have a seconder.

The Member for St. John's –

MR. LANE: Mount Pearl South.

CHAIR: Mount Pearl South – my apologies.

On motion, minutes adopted as circulated.

CHAIR: Minister, if you want to introduce your staff, or they can introduce themselves, and if you have an introduction before we start questions that is fine.

Please remember, if someone other than the minister is answering the question, to introduce yourself for the media people, because sometimes they cannot pick up who is speaking. If it is the minister, they can get you pretty quick because you do a lot of the answering.

Minister.

MR. DAVIS: Thank you, Mr. Chair, and members of the House, and also staff who are here tonight.

I will start by introducing myself, and if it is okay with you, Mr. Chair, then allow for my staff to introduce themselves. Then we can check their mikes to make sure, and then I have a short introduction that I will run through.

CHAIR: Sure, that is fine.

MR. DAVIS: Paul Davis, Minister of Transportation and Works.

MR. CHIPPETT: Jamie Chippett, Deputy Minister, Transportation and Works.

MR. GOSSE: Gary Gosse, Assistant Deputy Minister for the Transportation Branch.

MR. GRANDY: Cory Grandy, Assistant Deputy Minister for the Works Branch.

MR. MORIARITY: Ed Moriarity, Communications Director, Department of Transportation and Works.

MR. ANTLE: Kevin Antle, Departmental Comptroller for Transportation and Works.

MR. BOWDEN: Keith Bowden, Executive Director, Works Branch.

MR. HARVEY: Max Harvey, Assistant Deputy Minister, Marine Transportation Services.

MR. DAVIS: Thank you, Mr. Chair.

I know most of the members are quite familiar with the department, but I will have just a brief overview of the department, its branches set up, and some of the investments and some of the work that has gone on recently.

The Department of Transportation and Works is divided into four branches: Transportation, Marine, Works, and Strategic and Corporate Services. The Transportation Branch is responsible for the provision and maintenance of our provincial road transportation network. Some of the key areas in the branch include providing summer and winter maintenance, which winter maintenance being snow clearing and ice control on approximately 9,800 kilometres of primary and secondary highways and roadways, and also community access roads.

They are also responsible for the construction of new roads and the management of road improvement projects; the management of our government's fleet, which is in excess of 3,000 vehicles, including our light vehicles and heavy vehicles, heavy equipment, utility vehicles and other vehicles, such as snowmobiles, all-terrain vehicles, et cetera.

The Marine Transportation Branch is responsible for the provision, maintenance and management of seventeen provincial ferries servicing thirty communities throughout the Province. The Marine operations include key areas, such as the transportation of 900,000 passengers annually, 400,000 vehicles, and approximately 20,000 tons of freight.

The provision of fleet modernization through the government's Vessel Replacement Plan also comes under this branch; the provision of vessel modifications and refits of government-owned vessels and the operation of government-owned vessels with a complement of approximately 275 marine staff.

Our Works Branch is responsible for the management and maintenance of 840 buildings on 380 sites across the Province. Key areas under the Works Branch include: the construction of new buildings and the management of other capital projects for government departments and government funded bodies; the provision of space for government departments in government-owned buildings and leased accommodations; the provision of centralized mail and messenger services for government, which includes the processing and delivering of over 8.5 million pieces of correspondence annually, and also the provision of telecommunication services for all government departments.

Our Strategic and Corporate Services Branch is responsible for providing financial services and human resources for the department. It also provides policy planning, evaluation of services for our department, and last, but not least, the Strategic and Corporate Services is responsible for the operation and maintenance of government's fleet of ten aircraft for air ambulance and forest fire suppression services.

The Department of Transportation and Works has the largest number of employees within any government department. Currently, it is 1,777 staff located across the Province. We operate from seven regional offices. We have sixteen depots and sub-depots or units throughout the Province.

Our department has worked over the last ten years in making significant investments to build and improve our major highways and roads, construct new ferries, and refurbish and expand provincial buildings. We have spent and invested approximately \$1.6 billion. Also, our Sustainability Plan for the coming years builds on that work that has already been done.

During 2012-2013, we invested more than \$165 million in roads, bridges and highways, with an additional \$60 million in federal support, for a total investment of \$225 million.

In this year's Budget, Budget 2013-2014, it provides for \$169 million, with an additional \$77 million through infrastructure agreements with the Government of Canada, for a total investment of \$249 million for roads, bridges and highway construction in the Province.

We have made significant progress on the construction of the Trans-Labrador Highway, with a total investment of \$450 million to date. This year we will substantially complete Phase I. It will be the last full construction season for Phase I, and we will begin to start the widening and paving of Phases II and III. We look forward to celebrating, and I know many of you do and many of the people of Labrador look forward to celebrating the completion of Phase I.

Significant road construction projects recently completely include: the Kenmount Road Overpass, that very famous overpass; the Torbay Bypass Road, which has been a significant improvement to the transportation network on the Northeast Avalon; the construction of a four-lane divided highway from Massey Drive Interchange to the Corner Brook Industrial Access Road. That also helped significantly to enhance the flow of traffic through that region.

We will see major Trans-Canada Highway rehabilitation projects undertaken this year, including work near Stephenville and Gander. As well, this year we will see the substantial completion of the Conception Bay South Bypass Road, and construction will continue on the Team Gushue Highway.

Bridge work continues to be a priority. We are replacing bridges at Little Barachois Brook, Robinson's River Bridge on the West Coast, and the E.S. Spencer Bridge which spans the Terra Nova River. Construction will soon be underway on the Sir Robert Bond Bridge. There was some work completed last year on the Sir Robert Bond Bridge in preparation for construction. We will have new tenders let this year for that particular project. Also, work on the Placentia Lift Bridge, we recently announced a tender for that project.

Mr. Chair, that concludes my opening remarks.

CHAIR: Okay, thank you, Minister.

Before we start, I will call for the subhead.

CLERK (Ms Barnes): Subhead 1.1.01.

CHAIR: Subhead 1.1.01.

What we will do, Eddie, is we will give each one fifteen minutes. If one runs over, I am sure I will make it up to you. Like I said, we have three hours allotted if we need to go there. If not, well that is fine. We can start with you, Eddie.

MR. JOYCE: Okay. Minister, I will just ask you a general question at first. You mentioned there are 1,777 people currently with the department. How many was it before this Budget? How many were laid off?

MR. DAVIS: The number in our department is very fluid, greatly due to the seasonal nature of our staffing requirements. As seasons change, our staffing allotment changes from winter maintenance, especially in highways, and our road maintenance, so it changes from winter to summer.

Through this Budget we have had a reduction of twenty-one through attrition, and fifty-five staff through layoffs. We can probably I am sure get into that in a little bit more detail a little bit later. It is fluid and it does change from season to season.

MR. JOYCE: Minister, in 1.2.01, Executive Support, Salaries, last year it was budgeted \$1,192,000, this year it is \$1,095,800. Why the decrease in the Executive Support?

MR. DAVIS: A fair bit of that comes from the retirement of an ADM, and severance and paid leave costs were associated with that. We have also had change in Marine Services, which had an impact on that –

MR. JOYCE: Change in what?

MR. DAVIS: Marine Services. We have a new ADM, and that offset that as well. The retirement of an ADM in Corporate Services was a good part of that.

MR. JOYCE: Okay.

General Administration, 1.2.02, Salaries: We see there was \$1,411,000 budgeted for last year; this year it is \$1,222,400.

MR. DAVIS: I am sorry, which tab –

MR. JOYCE: Subhead 1.2.02, under General Administration, Salaries, 01.

MR. DAVIS: Okay, you are talking on the Administrative Support, which was \$1.4 million last year, and \$1.2 million this year?

MR. JOYCE: Yes.

MR. DAVIS: Yes, a significant part of that is the audit section of government departments now comes under the Finance budget.

MR. JOYCE: So most that decrease is because it moved the audit division or audit part of it?

MR. DAVIS: Yes, that correct (inaudible) my deputy.

MR. CHIPPETT: Yes, \$110,000 of that amount is the movement of positions from our department into the Department of Finance to consolidate all the internal audit function in government.

MR. JOYCE: Okay.

Purchased Services, 06, Minister, there was \$188,700, then again it went to \$275,000 in the revised budget last year, and it is back to \$188,700 this year.

MR. DAVIS: Yes, there were a number of things at play there. One was Placentia Lift Bridge closures. We had closures that we announced and published during the – that is the remediation of the Placentia Lift Bridge. There were a number of times in the evening when we had to discontinue or no longer make available – the lift bridge had to be opened for the work to be done, so we went through a number of notices in regard to that.

We also had increased cost, higher than anticipated advertising cost in relation to moose-vehicle collision initiatives that we have done. Also, for road closures on the Outer Ring Road, we did some road closures last year for blasting operations in a pit, in an operation that is right alongside the Outer Ring Road in the area of Paradise. Also, there were some announcements in regard to Team Gushue Highway. Increased services were mostly on advertising and public notices.

MR. JOYCE: Minister, you mentioned the moose advertisement. How is that going, the sensor? You hear so many horror stories about it.

MR. DAVIS: Yes, there were a number of issues with the moose sensor systems that really have not worked well. When we initially went through this process to set up this pilot project, the tender specifications we used were the same specifications that were used in Ontario, but we had a different successful company. So it is a different company or a different service provider than they had in Ontario.

The operation has not worked well; simply put, it has not worked well. Officials have had meetings on an ongoing basis and discussions with the company, with the provider. Our plan, the president of the company and myself, is to

meet in the near future to have a further discussion on this.

In January of this year, we put notice on it that it was not in operation. I asked that we keep it not in operation until we knew there was significant work done to repair it, so it was more dependable than what it was. The company is looking through that. The company is working through that to make those improvements. All of the work in repairs that have been required since they went into operation have been warranty work and provided by the company.

MR. JOYCE: How much does that cost the department so far, the moose sensor?

MR. DAVIS: It was essentially an initial capital cost. I will just have to defer to officials to get the exact number. The \$1.3 million, was that for both sets?

OFFICIAL: Yes.

MR. DAVIS: Yes, so both sets, the one in Central, which is, I think, two kilometres or 1.5 kilometres, two kilometres in Grand Falls; and 1.5 kilometres on the East Coast. That is for both for them.

MR. JOYCE: The cost after the \$1.3 million. Everything else was maintenance. There was no increase in cost?

MR. DAVIS: That is correct. All of the maintenance issues and failure problems of the system not working properly, all costs associated with that had been warranty costs by the company.

MR. JOYCE: I did not mean to go off on this, but you mentioned it. Is there any evaluation done where there is a moose fence put up?

MR. DAVIS: Where the moose fence is put up?

MR. JOYCE: Yes.

MR. DAVIS: Yes, one of the initiatives, in addition to the sensor system and also the fencing that has been done, is a new process for

actually tracking collisions. It is being partnered with the police who actually do GPS locations as well as our staff who go out to collect carcasses and that kind of thing. There is a better documentation now on exactly where locations have occurred.

I believe there have been two collisions where the moose fencing is, and where the sensor systems are there have not been any. Now, bear in mind, sensors span a total of 3.5 kilometres and the fencing span is almost 17 kilometres. Where the fencing is there have been two collisions within that – within or outside the fencing, it depends how you term it. Some people say it is outside the fencing, some people say the highway is inside the fencing.

MR. JOYCE: In 1.2.03, Policy, Planning and Evaluation, 01. There was \$533,000 budgeted last year, the revised is \$562,000, but this year it is \$470,000. Is that a decrease?

MR. DAVIS: It is. That is part of our expenditure reduction process. That is a senior policy, planning and research analyst position.

MR. JOYCE: Was one position not filled, or retired, or –

MR. DAVIS: That is one position not filled. That is one position that has been –

MR. JOYCE: Okay.

In 1.2.04, Mail Services, General Administration; last year there was \$152,500 budgeted, only \$90,000 used, but it is back to \$152,500 again this year. Was the money not used last year? If not, why was it put back up this year?

MR. DAVIS: My understanding on the decrease for the revised budget from last year was a decrease due to savings on leased equipment. In the mailroom there is a fair bit of mechanical and electronic equipment, and there were some savings there on leasing agreements.

MR. JOYCE: The savings last year, that is not there this year?

MR. DAVIS: That is my understanding, but I can – that is correct?

MR. BOWDEN: (Inaudible) there was a lease renewal that was deferred last year. It is anticipated to take place in the coming year.

MR. JOYCE: Yes.

MR. DAVIS: A new lease comes with an anticipated increased cost?

MR. BOWDEN: Yes.

MR. JOYCE: In 1.2.05, Administrative Support, last year there was nothing budgeted.

MR. DAVIS: 1.2 –

MR. JOYCE: Yes, 1.2.05.05, Professional Services. Last year there was nothing budgeted, the revised is \$139,800, and this year there is nothing. Can you explain what that money was for?

MR. DAVIS: In the Professional Services, just a moment. I know this relates to our – it is a new system on bridge management. Maybe I will let the deputy explain the difference of it.

MR. CHIPPETT: This is the last series of expenditures on our new bridge management system. It is a new risk-based system for bridge inspections. What that actually reflects is a reallocation of funding from Property, Furnishings and Equipment to Professional Services. Professional Services was used, obviously, to put that system in place. It is actually a more accurate reflection of where the funding was used last year.

MR. GOSSE: (Inaudible).

MR. CHIPPETT: Gary is telling me there is a training component as well, and obviously we used an outside company. The consultant who procured the system also provided the training for staff.

MR. JOYCE: Is the system up and running now?

OFFICIAL: (Inaudible).

MR. JOYCE: Okay. I do not know if you want me, that is fifteen minutes, do you want me to – I am just trying to be fair, as usual.

OFFICIAL: I think we started at 6:13.

CHAIR: At 6:14 we started.

MR. JOYCE: Okay. I will keep going, sorry. Two nights –

MR. DAVIS: We are trying to be fair, too.

CHAIR: The only thing I was any good at in school was math.

MR. JOYCE: I got fifty.

Road Maintenance, Mr. Minister, 2.1.01.06, there was no money budgeted for Professional Services.

OFFICIAL: 05.

MR. JOYCE: Sorry, 05. There was no money for Professional Services but there was \$23,000 spent and this year there is \$30,000 allocated.

MR. DAVIS: I mentioned a few minutes ago on our GIS mapping system, and that is where that \$23,600 was utilized. It was for a consultant cost on getting that project up and running. It is our accident reporting system, as I mentioned. That is mapping a number of things, including those accidents. It was a consultant cost to get that started. The system is now operating. We are now putting data into the system.

MR. JOYCE: Okay, thank you.

Purchased Services, 06, \$553,000 budgeted, it went up to \$721,000, and it is back again to \$523,000. Can you explain the increase last year? Why it was increased by almost \$200,000, about \$180,000, and back down again lower this year? In 06 Purchased Services.

MR. DAVIS: I can – just a moment.

The Purchased Services on this I believe relates to electrical costs. I believe it was on the lift bridge. I will just defer to Gary Gosse.

MR. GOSSE: In the Purchased Services there, the electrical cost for running the lift bridge in Placentia comes out of this account.

MR. JOYCE: Last year it was budgeted \$553,000, it went up to \$721,000, and it is back to \$523,000. There was a sharp increase and it back down again below what was estimated last year.

MR. DAVIS: On the reduction, there was a re-profiling of some of the Purchased Services to Professional Services, so that was a small amount. That accounts for the \$30,000 reduction.

As for the increase from budgeted from \$553,000 to \$721,000, it is the electrical cost for the lift bridge and also some training there as well that is involved with that.

MR. JOYCE: It was the lift bridge, mainly?

MR. DAVIS: Yes.

MR. JOYCE: Okay.

Property, Furnishings and Equipment, 07, an increase of \$7,000, was something purchased?

MR. DAVIS: There was.

MR. JOYCE: The budget was \$5,000, it went up to \$13,000, and it is back down to \$5,000.

MR. GOSSE: Are you able to identify that?

OFFICIAL: (Inaudible).

MR. GOSSE: I cannot identify the specifics there. It is a small amount of money. Our requirements for different things go up and down on an annual basis. It is not a constant. Frequently somebody will come up where you need to acquire – I do not know what the specifics are for that \$7,000.

MR. JOYCE: Okay. If you can find out just for the record, but if not –

Grants and Subsidies; what type of grants is that, Minister, of \$60,000?

MR. DAVIS: Local road grants come in there. There are times when we may have a small piece of work to do on a road in a small municipality and sometimes we provide a grant to the municipality to carry out the work.

MR. JOYCE: I can see my time is up, and I am not sure if this is the right time to bring this up with a minute.

Last year, Minister – well, you were not the minister. Just one minute, and I will go up and get it after.

CHAIR: That is okay.

MR. JOYCE: I tried last year with Grants and Subsidies to try to get a grant for a small town or put it on tender. Do you remember Frenchman's Cove, four houses with the four seniors in Frenchman's Cove? I brought it up in the Estimates last year.

What happened – I will get the Freedom of Information if I have to get it – was the department of highways had a culvert that was running, and they changed the direction of the water back in the 1980s and they got flooded out about four or five times. They did not get it this year because the melting was slow, but last year the four houses got flooded again. I brought it up last year and asked the department to look at it.

What happened, I had to apply under the Freedom of Information – and I do have the report from the regional office to show that there is a dry culvert that the department used to use, but they ran the water behind the four houses. They ditched it out in the 1980s, they ditched it out again in the 1990s, but last year they said no, it is private property. It is not; it is Crown land. I have the map and I have the information done.

I do not know if anybody there can explain why last year – I knew there was a report done and I knew there was a dry culvert because I walked through it and now I had to get the Freedom of Information. If you divert water, shouldn't you be responsible for it, especially where it was done twice prior, it is in the report, and also it shows where there was a dry culvert. I see it now in grants and subsidies, I think the estimate last year to do it was \$1,500, and four seniors were flooded out.

MR. DAVIS: I know, because you have talked to me about that one yourself and I know that Mr. Gosse is knowledgeable about it, so I will defer to Gary on that.

MR. GOSSE: We supposedly put the ditch around the back of those houses back in the 1980s sometime. There is some memory, some dispute, about who actually did it. We do not normally go onto private property to do any type of work. We stick within our right-of-way on the ditches and the culverts that we have control of.

MR. JOYCE: Okay.

I do not mean to bring this up, but seeing it was brought up, that is part of the funding last year I was trying to get. I asked last year – it is not private property, it is Crown land, where they diverted the water, and who diverted the water was Transportation and Works in the 1980s. I will show you the map; I will go up and get it when I get a break to show you where the report from Corner Brook shows the dry culvert where the water used to go. It is a shame to have these four seniors flooded out.

It was done twice prior by the department and for some reason now everybody thinks it is Crown land when it is not Crown land. Everybody is saying well, someone diverted it. Well, I do not know anybody down there who is going to divert water about 250 behind their properties and put it into another culvert.

MR. DAVIS: Mr. Chair, just a point of explanation before we move off Grants and Subsidies, under that heading. Just by way of

clarification, just some further information that may be important for you.

MR. CHIPPETT: The grants and subsidies there are based on the Local Road Boards Act and it is based on population in the communities. They bring forward a work plan to the minister, so those grants, that full amount – provided the municipality or the community apply for them. It is not a general granting pot; it is for communities covered under Local Road Boards Act, which tend to be the isolated communities like McCallum and so on and so forth.

CHAIR: I have a feeling that Eddie might want to pick this up again when we come back.

MR. JOYCE: Oh, I am going to go up and get it.

CHAIR: In all fairness to George down there – and, George, you can pick up the extra couple of minutes, not to worry.

We will go to you now, Sir.

MR. MURPHY: Thank you very much, Mr. Chair.

Thank you very much, Minister, for coming out here tonight. Thank you very much to your staff for the hard work that they do. I can appreciate that sometimes they are under some stress with some of the things that they have to go through, either be it with handling the aircraft or government's own fleet or even having to put up with the ferry replacement program and the various problems that they are putting up with. I want to thank you for your efforts in advance. Thanks as well to your staff that are working under you for the rope that they are pulling on and hopefully everybody will pull on that in the same direction as they always have been.

I just wanted to come back, just to lead things off, to one particular section. I have a question on section 1.2.02, General Administration. Line 02, Employee Benefits – Salaries dropped or pretty much stayed the same between your revised and your budgeted last year; Employee Benefits were about \$336,000 in the difference.

I would like to get an explanation as to line 02, what happened there between the budgeted and the revised for last year. I would take it that the Estimates for this year are down as a result of a drop in Salaries, but just a difference there between the budgeted and the revised.

MR. DAVIS: Certainly, and I know that Mr. Joyce asked about this earlier. I am just reviewing my notes; I want to be clear on this.

On the Employee Benefits there were two things that have effected a change in that. The increase that you see there was primarily due to a higher than anticipated payment on workers' compensation. That varies in our department from year to year. It depends on, again, the number of staff, how long they work, the work they are doing and that type of thing, how they are categorized, so that changes.

As well, there was also – and I think I mentioned that; I think he asked a question on salaries earlier than that and I have not given you full information, Mr. Joyce, so I will expand on that a little bit further. The second part on the reduction this year is the move of the audit section, which has an impact on our salaries. I should also point out on our salaries, and I neglected to do this earlier, the transferred audit positions, there were two Auditors and an Audit Manager, which moves from the Department to Finance. I know I did mention that earlier, but not to that much detail.

MR. MURPHY: Your workers' compensation costs have obviously risen, but you have pretty much the same amount of employees for that whole year, right? That is what I am getting out of that.

Did workers' compensation give you a reason as to why they were coming after the department for more money? This is the first time I have ever seen this in one of these line items.

MR. DAVIS: I know I can get our staff to speak to it in more detail, but they do change from year to year depending on staffing, the nature of the work they are doing, and classification. I will let the deputy minister comment on it further.

MR. CHIPPETT: That is actually based on claims, so it would be out of our control. It is based on a number of claims in a given year, and obviously the number of claims would be influenced by the number employees and so on. That is actual payout. At the beginning of year, this is one of those line items in our budget that is very difficult to pinpoint exactly the number of claims or whatever in advance.

MR. MURPHY: So that would be all employees covered under Transportation and Works, or all employees under government altogether? Is that what we are dealing with here?

MR. CHIPPETT: Our workers' compensation numbers would just be for our department.

MR. MURPHY: Just for Transportation and Works? Just for your department?

MR. CHIPPETT: Yes.

MR. MURPHY: Is your department actually running an investigation right now to find out about these injury claims to see how the employees are being injured? It seems to be a bit of a concern there.

MR. CHIPPETT: We would follow up on a case-by-case basis, obviously, and we have an individual in our Human Resources Branch who works with workers' compensation on those issues.

MR. MURPHY: So we do know that there is somebody looking at that one, obviously. I had a bit of a concern there when it came to that.

Do we know when they might be ready to come forward with a report on that, on what is happening here?

MR. CHIPPETT: I think generally speaking it would just be whatever particular claims arose in a given year. There would not necessarily be a pattern or a reason for all of them. It would just be based on when claims – in this case, it may have even been when claims were paid out.

MR. MURPHY: Great, thanks for that. Now I am a little bit clearer on that one.

I want to come back to 2.1.01, Administration and Support Services for Road Maintenance. I noticed a bit of a drop here in Salaries and I just wanted to get this one straightened away; \$7.895 million was the actual revised number for 2012-2013, and \$7,594,800 for this year.

MR. DAVIS: I am sorry, Mr. Murphy, that is?

MR. MURPHY: It is 2.1.01, line item 01 under Salaries, the difference in Salaries. There is about a \$300,000 difference.

MR. DAVIS: Yes. The \$300,000 difference from the revised budget to the current budget you are referring to?

MR. MURPHY: From the revised to the current Estimates, yes.

MR. DAVIS: There were some expenditure reductions that were included in our Salaries. We have a payroll clerk that has not been filled yet, but will be recruited. So there are some savings there.

There is a Director of Highway Maintenance Support Division, a Clerk III, a buyer, a maintenance engineer analyst, and also a Regional Director. Also, as part of those calculations, are changes in payroll steps which offset some of that.

MR. MURPHY: Okay. I wanted to come down to 06 again under Purchased Services. I think we were getting an explanation earlier about some electrical costs that might have been as regards to the bridge, the \$721,700.

MR. DAVIS: Yes, it is a lift bridge that operates on electricity. That is where that is.

MR. MURPHY: Yes, we know that, but the bridge being shut down for maintenance and everything, I was curious as to why the electricity costs were so high on that?

MR. DAVIS: The bridge continued to operate for primarily the year, with the exception of some short times that it was shut down. When we went into the remediation, it was being shut down during the nighttime. For an extended period of time during when the work was done it actually had to be opened and then left open. So, it continued to operate. When the maintenance was being done, like I said, a lot of it was done in the nighttime where it was open and left up.

MR. MURPHY: Okay. All right, it is good there.

MR. DAVIS: I think there was also some training costs with that as well, Mr. Murphy.

MR. MURPHY: All right.

Down to 2.1.02 Sign Shop, Salaries, you have probably about a \$33,000 position, I guess, or \$33,000 –

MR. DAVIS: Yes, Sir. That is the elimination of one sign production worker position.

MR. MURPHY: Okay.

Over to Road Maintenance, 2.1.03 Maintenance and Repairs, line 01 under Salaries again, about a \$3 million difference. How many people are we losing here under Maintenance and Repairs?

MR. DAVIS: This particular piece refers to our summer maintenance of our highways. Part of our expenditure reduction process, we had two part-time positions which were operational supervisors for paint crews that had been reduced; but, having said that, we were looking for efficiencies in our summer maintenance and also our winter maintenance. We were going down a road of reviewing and looking at reducing our summer maintenance staff.

When we carefully considered all the factors, one of the factors we reflected upon and we understand is that the people who do these jobs and these particular operators and labours, are positions that are in high demand in our Province today. As a matter of fact, quite

regularly we will have requests for leaves of absence and also indications from staff that they are leaving public service to either go into private service or retirements or in other ways would leave their roles.

Right now, today, just in one region – I think we have fifteen, is the last count I saw – fifteen who are primarily heavy equipment operators have indicated to us that they have a plan to leave the public service in the foreseeable future. So instead of laying off staff, we have decided not to lay off staff but follow a process of attrition. Also knowing that if we were to lay off staff and we have a large number of our staff leave, then we have to recruit again.

We are reducing our budget and we are looking for efficiencies. We also realize there may be an imbalance between depot to depot, depending on how that occurs, and we are going to manage that as these applications for leaves of absence and other requests for leave come in. That is the difference in it.

MR. MURPHY: These people are leaving for higher salaried positions elsewhere, and just by consequence your budget is reduced. Does that mean we are going to see less maintenance done on our roads now as a result of less people working there? That is the number one question. The second question to that: Is government going to be contracting out in order to get some of the work done?

MR. DAVIS: On your first question, yes. Do we see that this will result in an overall reduction of our maintenance staff? It will, based on the previous experience we have had with attrition and people requesting to leave the public service for long-term temporary, one year leaves, and these types of things.

It will, but what we see that is going to happen here – this is coming clear to us. Again, you have to understand that the department is a large department. It has numerous operations throughout the Province and these processes will affect different areas in different ways.

As I said, we reflected on the public servants that we will need to keep in the system. We reflected on the challenges we may face in recruitment because of the big demand for these types of skills in the Province, but we also realized that it will result in a reduction. How big those reductions will be, will depend on how these requests for leave come in to us and where they come from.

MR. MURPHY: When it comes to the retention of employees here – I am a little bit curious, I guess, now that you brought it up. Obviously, there is a difference between probably winter snow clearing and summer maintenance, that sort of thing, but a lot of these truck drivers who are out there, for example, snowplow operators, I imagine they are also driving the dump trucks too, are they not? So these are still the same people we are losing.

Are we losing, as well, when it comes to snow-clearing operations? Is there consequence there?

MR. DAVIS: What you have to understand is the human resources skills that we need for our winter maintenance versus our summer maintenance is different. We have a bigger demand for heavy equipment operators in the wintertime. We have a larger number of heavy equipment operators in the winter and a small number of labourers. In the summertime that number essentially reverses, where we have a higher demand for labourers and a smaller demand for heavy equipment operators.

A lot of these people that do this work, and sometimes very challenging and difficult work, will quite often see that they get laid off. We will have operators who will get laid off in the winter and do not come back until the next winter. We have operators who are operators in the winter and continue to be operators during the summer months. We will have operators who are operators in the winter but come summer, they become labourers.

We have a whole combination of those types of inputs that occur, and because the workforce is so large it varies from year to year. Sometimes you will call people back to work for their

season, whether it is a labourer in the summertime, and they say: No, I am not coming back because I have work elsewhere. The same thing can happen during the wintertime.

MR. MURPHY: Okay. Government has a problem here now recruiting, I guess, based on that. Is government competitive enough in its salaries to meet the same needs as the private contractors out there? Because what I am wondering is that if we end up turning over to a private contractor, for example, to get some roadwork done, these same people who are leaving the government jobs are obviously ending up getting paid by the private sector. I suppose we are still getting our road paved, but at the same time as that government is losing a cache of employees, if you will.

I am just wondering: Has your department been looking at any kind of a retention program to keep these employees on there, be it if it is going to be blending of winter and summer employees into one department, if you will? Because it sounds like they are kept totally separate from each other, and I do not know if that is the right thing to do.

MR. DAVIS: As I understand it, we have always been able to fill the positions as need be, but what I am trying to express to you is that we would not want to lay off a number of operators and then have another group of operators who come in and put in a request to leave the employment for a short term or a longer period of time, and then be faced with a recruitment problem.

What we have done is retained the employees as planned, as we have done in previous years for summer maintenance, knowing that some are going to leave, a lot of them temporary, a lot of them put in a leave of absence to go for a year or go for a construction season. We do not want to be short. We knew that there was going to be an impact here, but we wanted to still be able to carry on maintenance work in the summer that we need to do.

MR. MURPHY: You are not anticipating any shortfalls, for example, in this summer's paving season or road construction season?

MR. DAVIS: No. Paving is primarily done, when it comes to paving projects, through contracts. Our maintenance workers carry out the maintenance of our highways, so that is fixing guiderails, and repairing the potholes, paint crews, and those types of summer maintenance. When it comes to actual paving, that is done by contract.

MR. MURPHY: Okay.

I will carry on, I think I was probably a little bit long at that, but if you need any more, I will ask you a few questions in the House.

MR. DAVIS: Yes, no problem. I expect the same.

MR. MURPHY: Under line 09, Allowances and Assistance, \$100,000 anticipated, \$60,000 spent, up to \$100,000 this year.

MR. DAVIS: What part of it did you want me to –?

MR. MURPHY: Sorry, just a bit of an explanation on that line. In this particular case it was down to \$60,000. What didn't you allow for or you obviously did not spend some money here that was anticipated to be spent?

MR. DAVIS: We quite often will have matters pertaining to property damage or trying to resolve issues regarding property damage and this reduction was a decrease due to the reduced cost of one of those circumstances.

MR. MURPHY: Perfect –

CHAIR: Probably that would be a good place to stop, right on that one there.

MR. MURPHY: I have another two minutes.

CHAIR: Well, actually, no, you only have one, but you can go with it, if you want.

MR. MURPHY: Just line 06, under Purchased Services, about a \$316,000 difference between what was actually spent and the revised of 2012-2013, and then 2013-2014 back down to the same amount that you initially budgeted for.

MR. DAVIS: Okay. I am glad you went to that one, Mr. Murphy, because you mentioned contracts –

MR. MURPHY: Yes.

MR. DAVIS: – and going to contractors. In Labrador, we use contractors for some of the work that takes place up there. We had an increased cost on summer maintenance contracts for the Trans-Labrador Highway last year, and also we had an increase – sometimes we will rent equipment for utilization by our own forces and there was an increase in machine rentals.

MR. MURPHY: Okay.

Mr. Forsey, carry on.

CHAIR: Okay, now we will try to get back on the fifteen minutes; it is a lot easier that way.

MR. JOYCE: Not a problem.

CHAIR: Nobody will get gypped their time, let me assure you. I will make sure you get your one minute back, George, if you lose it, my dear.

Eddie, back to you, Sir.

MR. JOYCE: I go back to the thing – because I just got the Freedom of Information stuff on Frenchman’s Cove. Is anybody allowed to put culverts under Transportation and Works’ roads? Like, can you put a culvert under a highway?

MR. DAVIS: People do work on our roads with permits. This is also the circumstance where people put in a driveway, for example, and you may require culverts because of how the driveway is put in and where it is. Or people hook up water and sewer services, they dig it out and put it in, actually have to dig out into the public roadway to do that. So, without checking with these gentlemen, I would say the answer is

yes, if you have a permit and what you are doing is –

MR. JOYCE: Okay.

My question is, because I asked this, I do not know if it was last year – it probably was last year – under the highway, my understanding, there is no one allowed to put any culverts underneath the highway. I use Route 450, for example, out in Frenchman’s Cove, let us say Frenchman’s Cove.

MR. DAVIS: I will defer to Mr. Gosse on that.

MR. GOSSE: We would not want someone to put a culvert under our road if it is going to negatively impact our road. We have to be very careful what happens and who is impacted in the area, and how it impacts on our roads. We do not want anybody to do anything there that creates a problem for us maintaining something in the future.

MR. JOYCE: So, is it common occurrence to put a culvert underneath the road of a highway?

MR. GOSSE: For somebody else to do it –

MR. JOYCE: Yes.

MR. GOSSE: It is not common, no.

MR. JOYCE: Okay, perfect.

Under the freedom of Information that I have and I will give it to you – and I know, Minister, I am putting you on the spot here because you have not seen this. Under the Freedom of Information, the dry culvert that was put there, there were two culverts put underneath the highway. There is no individual allowed to put it underneath the highway, only highway officials.

With the information that the department of highways put in the report, that it was done well before I was ever elected in the 1980s, and it was cleaned out in the 1980s before I was elected. With two culverts put underneath the road the only people who could have done that

was Transportation and Works and it shows the water.

As I mentioned last year, these four seniors – which really bothers me because it is not a lot to fix one, they just cannot afford it or they would do it themselves. With two culverts going underneath the road, the only people who could have done it were Transportation and Works.

MR. DAVIS: I do not know if it is fair to put anyone on the spot here and ask what the policy was in the 1980s. Policies do change. I think what Mr. Gosse said it is not normal for that to happen; it does not frequently happen. I think with permits and under certain circumstances it could happen. You are right in your first comment.

MR. JOYCE: Yes.

MR. DAVIS: I cannot answer that tonight.

MR. JOYCE: Can I ask you to revisit this again? It is a thing, when I went through it last year with Estimates, this information said no, it is a public road; no, we did not move the road. It took me to go through Freedom of Information and appeal it to get it. Then again I asked last year to show me where it is private land. Because I went up to Crown lands; it is Crown land where this berm is running.

MR. DAVIS: If I can suggest you provide a copy of that to me and then I will (inaudible).

MR. JOYCE: Yes, this is why I am asking to do that. It really bothered me when I went down and the four seniors were flooded out. Thank you for that.

When we are on that 2.1.04 snow and ice removal for the highways, can I ask – and I will not go through the Salaries part – the criteria for twenty-four hour snow clearing, can you explain? I will use Botwood. From the Trans-Canada Highway to Botwood, there is twenty-four hour snow clearing. From Port aux Basques to Stephenville with 500 cars getting off the ferry, it does not have it.

MR. DAVIS: Yes, I can tell you that this was done some years ago. It was done primarily on traffic counts that were conducted at that time. The frequency of traffic, time of traffic and so on was actually counted by the department. That was a significant part of the assessment that was done when the twenty-four hour snow clearing was implemented.

MR. JOYCE: Can I get a copy of the count?

MR. DAVIS: Actually, we are in the process of doing new counts. We do counts for any number of reasons, but this year we are updating our information to have another look at it. So if you want to wait until that is done, and then we can have a look at it.

MR. JOYCE: Okay, sure. Yes.

Building, Maintenance, Operations; look at Salaries, \$4,564,000 last year, this year it is –

MR. DAVIS: I am sorry, what tab are you on?

MR. JOYCE: I am sorry, Minister. It is 2.2.01, Salaries, there is a decrease there of about \$231,000.

MR. DAVIS: Yes, I spoke to this one just a few moments ago. This is an expenditure reduction. On attrition management we have a Clerk III, a Clerk Typist III, and a Drafting Technician III. For expenditure reductions we have a Regional Administrator, three Engineers, a Word Processing Equipment Operator, Regional Administrator, and an Information Technician.

MR. JOYCE: It says here: administration of the building maintenance, 2.2.01. Is that this building here or?

MR. DAVIS: All buildings.

MR. JOYCE: All buildings?

MR. DAVIS: Yes.

MR. JOYCE: I know there was a lot of temporary staff in Corner Brook. Are they still with the department? Are they included in the

layoffs, if they were laid off? I think some got their layoff notices.

MR. DAVIS: There is a Regional Administrator position eliminated in Western. From the rest of these – do you know offhand which ones are, or which areas for Corner Brook. I cannot comment in more detail on those from Corner Brook. I do not know if Cory can give us further...

MR. GRANDY: There were various engineering positions that were reduced. Again, this is Province-wide. It is not specific to any particular area. Province-wide there were some engineering-type positions that were reduced. That fluctuates based on the number of projects we are doing at any given time as well. So that is an influence.

The minister referenced a Regional Administrator position, two in fact, one in Gander and one in Corner Brook that were reduced.

MR. JOYCE: How about the building maintenance in Corner Brook? There were a lot of temporary employees there. I am assuming that is under here somewhere. There was a lot on maintenance.

MR. DAVIS: I am sorry, on maintenance?

MR. JOYCE: Maintenance, yes.

MR. DAVIS: Are you talking about the Sir Richard Squires Building, primarily?

MR. JOYCE: Yes.

MR. DAVIS: Cory.

MR. GRANDY: We had the reduction of some security at the Sir Richard Squires Building. There is often a trickle-down effect and that may have impacted some of the temporary. Maybe you are referring to some labourer positions.

MR. JOYCE: Labour and maintenance.

MR. GRANDY: Yes. Because those types of positions are broad in their skill level there is often a trickle-down effect when you reduce in one area and then someone –

MR. JOYCE: Do you know how many were let go from the Corner Brook area?

MR. GRANDY: Specifically, no. I do not have that here in terms of specifically what would have been reduced from the Squires Building.

MR. JOYCE: Can you give that to me?

MR. GRANDY: We can follow up.

MR. JOYCE: Okay.

MR. DAVIS: I think I can give you some of that information. There are six in Corner Brook in total: Tradesworker II, Tradesworker I, a Painter/Plasterer, an Engineer III, and two Security Guards.

MR. JOYCE: Is that permanent?

MR. DAVIS: Yes.

MR. JOYCE: How about the temporary employees?

MR. DAVIS: Any of those could be temporary. Yes, that is the total number.

MR. JOYCE: Okay. I think you should check it because I know three or four temporary who have none of those qualifications, who are classified as maintenance and labourer (inaudible) fourteen weeks.

MR. DAVIS: There is a Painter/Plasterer. Could that be what you are referring to? I would not want to get into specifics.

MR. JOYCE: No, that is fine, just if you could get back of how many temporary employees, because I know of three for sure.

MR. DAVIS: When I say specifics, I would not want to get into you naming names.

MR. JOYCE: No, I would not do that. There is one I might, though. I know a couple.

Minister, 2.2.02, Technical Support Services; the Budget was \$1,032,700 last year, it went down to \$853,000, and this year it is \$672,600, in 01 Salaries.

MR. DAVIS: Yes, Sir. We had three funded vacant positions in that division. They were held vacant until the end of the year, and that reduced the Salaries.

MR. JOYCE: Will this slow down any of the projects that are needed to go to tender, or engineering, or contracts?

MR. DAVIS: No. No, it should not.

MR. JOYCE: Okay. Building, Maintenance, Operations and Accommodations continued; Supplies, Minister, went to \$33,000. In 2.2.03.04 it was \$33,800, there was \$2,000 used and it went back to \$33,800. Can you explain that?

MR. DAVIS: In 2.2.03, on Supplies you say?

MR. JOYCE: Yes, 04.

MR. DAVIS: I cannot specifically tell you. This particular budget area is for Building Utilities and Maintenance for operations of government-owned buildings. Other than the fact that there were supplies that were anticipated to be needed that were not, I cannot give you – I do not know if Cory can give us more specifics.

MR. GRANDY: When you are budgeting these low dollar amounts, like \$33,000, it is hard to nail it down in any given year. I do not have specifics in terms of why it went down to \$2,100. It is a bit of an anomaly. We are anticipating that in 2013-2014 we will be back up at a normal level again.

MR. JOYCE: Yes. In Salaries again – sorry I missed that, Minister – it was \$9,985,300 and it went down to \$8 million. How many positions were in 2.2.03.01?

MR. DAVIS: On 2.2.03.01, the number of positions here that include – I can run through them if you want.

MR. JOYCE: Just the positions, yes.

MR. DAVIS: Yes, I will run through the positions.

MR. JOYCE: Please.

MR. DAVIS: Under attrition management: Tradesworker II, Custodial Worker, Tradesworker I, Labourer II, and Mechanical Controls Repairer. We also have a reduction of three Painter/Plasterers; Labourer II; Custodial Worker; a Gardener, two part-time or half-time positions; a plumber; a carpenter; two tradesworkers; three maintenance repairers; two tradesworkers; and three security workers. That is the majority of it, Mr. Joyce.

MR. JOYCE: Okay. Thank you, Sir, again.

Again, Administration, Equipment Maintenance, 2.3.01, Salaries again went down by \$100,000; \$1,481,000 to \$1,363,000. Were there positions vacant?

MR. DAVIS: Can I just go back to 2.2.03, just to give clarification on positions here?

MR. JOYCE: Sure.

MR. DAVIS: Part of this line item here as well was security at the former Abitibi mill in Grand Falls so the persons, there were twenty-seven individuals who were providing security there, many of them received no hours, some of them very limited hours, but we kept those people on a casual call-in basis. They did more than security. They also did some maintenance work there, some cleanup, and some maintenance of perimeter fencing.

MR. JOYCE: Can we get a breakdown or a total cost of what it cost for security for that building since the department started, and are you still doing the security?

MR. DAVIS: We are not doing security any more now, but we still have those people retained because we use them, as I said, for other things, environmental stuff, and cleanup, and now and then you have stuff that is blowing around on the site, that type of thing.

MR. JOYCE: Can we get a total cost of the security that Transportation and Works paid out for the Abitibi?

MR. DAVIS: Yes, we can get that.

MR. JOYCE: One last question.

CHAIR: Okay, go for it.

MR. JOYCE: That would not take long to get that to us, I assume. Who is doing the security now?

MR. DAVIS: As I said, the people who were there for, quote unquote, security did more than just security, but they had a schedule for after-hours security which has been eliminated in this Budget year. There is on-site presence by Nalcor, there are also regular reviews or drive-bys, if you like, by TW officials, but there is no dedicated security on site as there was before or after hours.

MR. JOYCE: There is no one on site now; it is just drive-bys or drop-ins?

MR. DAVIS: Nalcor has a presence on site, but for the defined security purpose only, no.

MR. JOYCE: What did Transportation and Works pay out in wages to the Abitibi site?

MR. DAVIS: Yes, because they did more than security.

MR. JOYCE: Yes, that is fine.

CHAIR: Thank you, Eddie.

George.

MR. MURPHY: Thank you, Mr. Chair.

Mr. Minister, I wanted to come back to the Abitibi mill while the topic is there. I had it on my agenda to ask you about the fire safety that the fire commissioner in Central Newfoundland was talking about, Fire Chief Vince as everybody refers to him as.

I just wanted to ask you about that. He has some direct concerns over I guess you could say the permeability of the premises when it comes to the danger that mill associates. What is government's plan for that?

MR. DAVIS: We actually had a meeting with – he is not the fire commissioner; he is a fire chief. There is only one fire commissioner for the Province. He is a chief and I actually had a meeting with him and my officials late last week to have some discussions.

We had a security presence there. I do not know if you ever toured the site or not, but it is an enormous site. There has been work done there over the last couple of years to clean up the site, to remove items that could be a fire hazard, like loose materials, that type of thing. There has been over twenty – I forget the exact number and I am sure Cory could probably fill me in, but there are over twenty high voltage electrical sites on the site itself that have all been de-energized. So, they have all been shut down. There has been a lot of work done to reduce any fire risk on the premises and on the site there.

Fencing has been beefed up, lock secured, that type of thing. As well, Nalcor does have a presence there. They have round-the-clock presence because they have the power generation facility that they operate and we also have our people from our department who visit the site from time to time.

MR. MURPHY: Are there any on-site storage chemicals or anything that we might be worried about inside the building, ammonias, and that sort of thing? Do we have an inventory of –?

MR. DAVIS: There was a number of that cleaned up – caustic materials removed, those types of things have taken place there as well. Now, is it fully remediated? No, but there is a

fair bit that has been taken out of there. Stuff that was at risk, stuff that we were concerned that could be flammable or fire risk, that type of thing.

MR. MURPHY: We are looking forward one day to see \$110 million line item in the budget one of these days for the cleanup of the site.

Thank you for that.

Under 2.3.01, Equipment Maintenance, “Appropriations provide for the management and administration of the equipment maintenance function, vehicle fleet policy, and the cost of insurance premiums for the vehicle fleet.”

There is a bit of a drop here in Salaries. I wonder if I can get an explanation on that line; and a second question to that at the same time: When we are talking the administration end of things, I guess maybe if you could give me a breakdown probably of 2.3.01 and 2.3.02. I am worried about maintenance of equipment in general that government has if we are talking about the layoff of mechanics and what these positions might be, but an obvious difference in Salaries between 2.3.01 and 2.3.02, and I am worried about that impact.

MR. DAVIS: Okay, on both of those let me talk about some of the reductions and then what remains.

MR. MURPHY: Yes.

MR. DAVIS: On the first one under 2.3.01, this is for management and administration of the equipment maintenance function. That is our vehicle fleet, cost of insurance for the fleet, and that type of thing. We have a reduction of two Equipment Repair Supervisors. Also, there is a Heavy Equipment Repair Supervisor, which was vacant for a period of time. That was a delayed recruitment circumstance there, Mr. Murphy.

On the next one under 2.3.02, we had vacancies in three Heavy Equipment Technicians and an Automotive Body Repairer. Also, we had an Automotive Technician, three storekeepers, an

Equipment Operator, and nine Heavy Equipment Technicians. That is on the other one.

You are asking what the input is. The first thing I would like to tell you a little bit about is just to mention about our fleet. We have 567 vehicles currently in our fleet. That includes –

MR. MURPHY: How many again?

MR. DAVIS: Five hundred and sixty-seven.

MR. MURPHY: Yes.

MR. DAVIS: That is 567, heavy equipment.

MR. MURPHY: Yes.

MR. DAVIS: Of those, we have 307 plow trucks or flyers as we call them. One-third of those, 101, are new within the last four years. We have made significant investments and updating of the fleet.

We also have a number of light vehicles: 1,125 government light vehicles in the fleet in total. We have added eighty-two of those since 2011. There have been some renewing and updating of the fleet.

If I can use as an example the Heavy Equipment Technicians, while we had a reduction of nine through our expenditure process and we had three vacancies, we still have 110 Heavy Equipment Technicians throughout the Province. We still have a very strong Heavy Equipment Technician staffing.

MR. MURPHY: You are not worried about maintenance levels, if there is going to be equipment parked for a long time to get repaired, or anything like that?

MR. DAVIS: No, and the hard thing about this is that a lot of that will come. If you have a heavy snow event, you will have a demand to get out and repair things. Once that event is over and you get those repairs corrected, the equipment gets back on the road again. Then they will work to make improvements to the fleet in the between times, and also during the

summertime as well. So we still have 110 heavy equipment technicians throughout the Province.

MR. MURPHY: Understandable.

When it comes to your trucks, one of the items I had written down here is side guards on government vehicles. I know in 2008 the then Premier, I think, announced – I think Trevor Taylor might have been the minister at the time – vehicle safety side guards. Is government still carrying on that policy for both sides of the vehicle? I know that they –

MR. DAVIS: On the curbside.

MR. MURPHY: Curbside only?

MR. DAVIS: On the curbside, yes.

MR. MURPHY: That is still ongoing, even with the purchase of new vehicles as well? I noticed a couple of trucks down here in back that did not have the side guards on it. I am wondering about the trucks directly down here in the back that are used. Are they just being applied, in other words on the basis as vehicles get replaced, or what is the policy here?

MR. DAVIS: What I am being told here is the vehicles you are referring to, we believe are contractor vehicles.

MR. MURPHY: Contractor vehicles with the government maintenance stickers on them, government Transportation and Works stickers on them?

MR. DAVIS: You can go ahead, Mr. Gosse.

MR. GOSSE: I am not sure what heavy equipment we would have parked here at the building.

MR. MURPHY: Two trucks down there and a white boom truck down in the back. I saw them there yesterday.

MR. GOSSE: That one was purchased before we started installing side guards. That is the bridge inspection unit.

MR. MURPHY: Okay. Will they be getting side guards or are you just going to wait until those vehicles – it comes time for them to be replaced?

MR. GOSSE: We have not retrofit trucks, but as we have replaced them we have had the side guards on the curbside.

MR. MURPHY: Okay. So that is where the program is ongoing. Any older vehicles probably will not have them, but they will be taken out of the fleet shortly anyway?

MR. GOSSE: Correct.

MR. MURPHY: Perfect. Okay, that is what we were wondering.

Carrying on in 2.3.01, under Purchased Services, if I can get an explanation on this line, \$1.055 million budgeted for, \$835,900 was spent. You did not spend all your allocation, but your allocation has gone up to the 2012-2013 budgeted figure for 2013-2014.

MR. DAVIS: Purchased Services for that line item relate to fleet insurance policy. Because of just the nature of the business, it can have a tendency to fluctuate. They were savings this past year on insurance costs.

MR. MURPHY: Okay. The number of vehicles, by the way, while we are on the topic: Has the number of vehicles gone up for government or stayed the same, or up or down from last year?

MR. DAVIS: I do not think it is up, but I will check with Gary again.

MR. GOSSE: It is pretty constant this year. There was an increase last year because we did away with the long-term rentals because it was more cost-effective to purchase than rent.

MR. MURPHY: Perfect; okay.

MR. GOSSE: We are pretty stable this year.

MR. MURPHY: There is a bit of savings there for government at the same time rather than do that, okay.

Down to 2.3.02, under line 02, Revenue – Provincial, if I could just get a breakdown of that line. Maybe you can explain the big difference here between the \$350,000 and the \$25,000.

MR. DAVIS: On this particular line it deals with equipment maintenance of government vehicles. As I understand it, there is revenue received from other departments when we conduct vehicle repairs. It would depend on the amount of repairs and how much is billed to other departments. That was the reduction there. There is a lot less repairs done for other vehicles, vehicles from other departments.

MR. MURPHY: Government's policy on vehicle replacement, is that actually ending up in some sort of a saving here for taxpayers or are we just seeing more –

MR. DAVIS: This line on revenue was related to repairs.

MR. MURPHY: Yes. Okay, that is great.

Line 2.3.03, Equipment Acquisitions, there is a big difference here in the numbers. Property, Furnishings and Equipment, \$8.5 million was budgeted for, that was also your revised number, but this year you are only anticipating \$4.1 million, a difference of \$4.3 million, roughly. I wonder if you can give us a breakdown on what is happening here in this line.

MR. DAVIS: Yes, this is a reduction in acquisition of new vehicles. Bear in mind, as I think I alluded to during previous comments, we have done very well in updating and renewing the fleet. Being cognizant of our budget reductions in our efforts to reduce our costs this year, we are making a reduction for this year in the purchase of new vehicles.

MR. MURPHY: How does government keep track of its vehicles when it is time to replace them? Do they have any sort of a mileage

requirement? Like, for example, Royal Newfoundland Constabulary vehicles, they would probably have a mileage requirement of 120,000 kilometres – 130,000, I think it was, the last time that I seen it.

MR. DAVIS: 130,000?

MR. MURPHY: I think it was about 130,000.

MR. DAVIS: It has come down since I left there.

MR. MURPHY: I am just wondering if they have a set program, where they are reading mileage on cars or what the actual program works like.

MR. DAVIS: It is 200,000 kilometres for vehicles and also consideration is given to age, depending on the vehicle.

MR. MURPHY: Yes, okay. That happens, of course, on down the line with every vehicle.

MR. DAVIS: Yes.

MR. MURPHY: All right. Thank you for that.

Under 3.1.01, Administrative Support and Design.

MR. DAVIS: Yes, 3.1.01.

MR. MURPHY: Yes. Line 01, \$957,000 was budgeted; \$1,314,000 was spent against a projected \$1,046,200 for 2013-2014.

MR. DAVIS: A fair bit of this is attributed to what we refer to as salary recharges. I can explain that if you like.

MR. MURPHY: If you would.

MR. DAVIS: It is charges to capital and road projects. If we have a specific project, than the value of those salaries are recharged out to that project.

MR. MURPHY: Yes.

MR. DAVIS: If we have specific funding for a project, then it moves to there. It is a timing issue as well. There are times when we can have a project where we do work on a cost-shared project, as an example. The expenditure occurs and then there is a process that takes place to recharge that. Sometimes the timing will make a difference in the budget line for the end of the year.

MR. MURPHY: Okay, that is great.

Down to line 06, Purchased Services, \$39,800 was budgeted and \$93,800 was the actual revised for 2012-2013.

MR. DAVIS: Yes, that was an increase in costs for repairs to equipment. That equipment primarily relates to our soils lab. We actually have a soils laboratory located here in the greater St. John's area. There is a fair bit of equipment there. There were some repairs to equipment was the major part of that cost.

I will just defer now to the deputy.

OFFICIAL: Or Gary.

MR. DAVIS: Or Gary.

MR. MURPHY: What do they do in the soils division? Maybe you can explain that. It is one I never heard of.

MR. DAVIS: It is an interesting place, I can tell you. Whenever we do roadwork, we have people on site who supervise the processes being used and also materials that are being dispersed to the site.

MR. MURPHY: Yes.

MR. DAVIS: There are samples of those materials that are taken, and then they are analyzed at a lab. We have a lab that on an ongoing basis is analyzing material.

MR. MURPHY: It is part of the engineering process then, having to do with construction of the roads and everything like that?

MR. DAVIS: Yes.

MR. MURPHY: Okay.

MR. DAVIS: Well contracts require a certain formula for asphalt, as an example.

MR. MURPHY: Right, yes.

MR. DAVIS: We actually take samples of that. The laboratory does an analysis on it to ensure that it is within the contract requirements.

MR. MURPHY: All right. I kind of had a mental picture of that one already but I am glad you explained it anyway and straightened me out on it.

Down to 3.1.02, Project Management and Design, line 01 Salaries, maybe you can give us a break down there. It looks like there was a bit of an addition here.

MR. DAVIS: This relates to recharges to capital projects in other government departments, and also to TW and maintenance projects. The value of the salary recharge was lower than had been anticipated. They were lower than what was anticipated earlier in the year.

MR. MURPHY: That is great.

I wonder if I can ask you a few things about your road planning, now that we are coming up to the end of this section in another page or so. How do you determine when a road has to be replaced or which road is going to be next? Do you have a strategic plan for roads?

MR. DAVIS: There are a number of things that take place. As you know, we have a desire for a greater plan and we work towards that. We know in each year there are a number of things that take place as far as we have jointly funded projects, depending on the project and the progress of them. If you use the Trans-Labrador Highway as an example, that is a project all to itself and a plan all to itself.

When it comes to provincial roads, we expend funds on a yearly basis on a roads program, on

current and also capital. Those are applied. Quite often we know exactly where our own crews in each of the regions identify quite often roads need to be done. Sometimes then it is a work of sitting down and working through which ones we are able to do.

CHAIR: Thank you.

You will have lots of time, George.

MR. MURPHY: I will pick up there after.

CHAIR: Eddie.

MR. JOYCE: Minister, in the construction, I will go back to the design work.

MR. DAVIS: Which paragraph?

MR. JOYCE: I am just going on general, just in the design for the general Administrative Support and Design. Does the department design for other departments, also?

MR. DAVIS: For roads?

MR. JOYCE: No, not just roads, Department of Education, say, or Health?

MR. DAVIS: There are many occasions when we work with other departments. Our involvement, level of involvement, and who leads it would depend on the department, the project, the level of expertise that department may have in the area, and that type of thing.

MR. JOYCE: For example, the hospital in Corner Brook.

MR. DAVIS: The hospital in Corner Brook; I think I have heard of that.

MR. JOYCE: Is Transportation and Works involved with any of the design work now that they finally feel they have something they are going to put forth? Is the department involved with the design work?

MR. DAVIS: The stage we have gotten to now is to get through what is referred to as program.

The next stage then will be design and that will be done through an RFP.

MR. JOYCE: There is an RFP coming out from your department or the Department of Health?

MR. DAVIS: It would come from my department.

MR. JOYCE: Is the Request for Proposals for the design or to design build?

MR. DAVIS: There are a number of steps in process. The full scope of the next RFP – and maybe I will let the deputy give you the full scope of the RFP.

MR. CHIPPETT: RFP, as was stated at the time of the announcement, should be out in early to mid summer. The process right now is to determine exactly whether that is design or design build, or there are also a whole series of other project delivery options that you could chose. So, that is the process that we are going through right now.

At bare minimum, at one end of the scale is just design, part way along the scales is design build, and then there are other approaches such as construction management which enables you to advance construction as well. The RFP could be for any mix of those services.

MR. JOYCE: Whoever gets the RFP, will they do design – your department, will you be doing the design work now or this RFP, or it is not determined yet?

MR. CHIPPETT: The RFP would select a consultant, the actual composition of the consultant, and their team would be determined based on the project delivery mechanism that we would choose. A consulting firm would be responsible for doing design. Depending on how far you went towards design build or as I said something we call construction management, you would also have people on that team who could be responsible to oversee construction and so on and so forth.

MR. JOYCE: I am just making sure I am correct, because I may speak about it sometime. Am I correct when I say that the design is not complete yet for the hospital?

MR. CHIPPETT: Design will start with the RFP.

MR. JOYCE: Can I ask –

MR. DAVIS: Design is not complete.

MR. JOYCE: No, it is not.

What was the \$2.3 million paid to Hatch Mott MacDonald? That was for the design work and –

MR. DAVIS: That was programming and pre-design work.

Before you get to design, you have to grasp: What is it you are designing? To do that you have to do a significant amount of work to determine exactly what it is that the project will include –

MR. JOYCE: Yes.

MR. DAVIS: – what kinds of services will be provided at this facility, how extensive are those services, and then there is how much space you are going to need for it. All those types of very high-level work is done, but it is an intensive amount of study and review and understanding of what is provided in Western Newfoundland, how it is delivered, ways that it can be delivered differently.

So those types of programming, which is lead primarily by Department of Health, that is the work that they do, and once they get to that concept where they say, we know what it is – and you have seen that yourself – this is what the program has come up with, then we take that and move it to a design phase.

MR. JOYCE: I understand the process, but I just have to get it straight so if I am ever asked a question or something, especially with the department involved with it last year – as I

mentioned a couple of times before, last year when I was asking questions on it also, I found it was in the pre-design. So now the pre-design is complete, we are going into the design stage?

MR. DAVIS: Pre-design and program.

MR. JOYCE: Pre-design and program is complete.

How can the department spend, I think it is \$79 million on it this year if it is just going to RFPs, and next year \$131 million or \$237 million?

MR. DAVIS: It is \$7 million this year, but –

MR. JOYCE: \$237 million next year?

MR. DAVIS: No, it will not be that much next year.

MR. JOYCE: Oh, well, that was in the press release.

MR. DAVIS: It is \$7 million this year, so it is \$227 million over three years. So it is \$7 million this year – the enormity of these projects can be staggering to try to understand it.

MR. JOYCE: So, if it is going to the pre-design and you pick someone to do the design – and I do not mean to put anybody on the spot. If, for example, you have what you just said you have done –

MR. DAVIS: The program.

MR. JOYCE: You have the conceptual done, programming done, and the pre-design done, if you go putting RFPs out now, is it going to cost \$7 million to put the RFP, say, from August, it is going to take two of three months to get someone approved, I would assume, so we are looking at August, September, and October. So we are going to spend \$7 million this year on the design phase, and then how much again next year, \$127 million or –

MR. CHIPPETT: It is \$227 million over the entire first three years of the project. Cory, I do

not know if you remember cash flows over the three years?

MR. JOYCE: Can anybody explain to me if it is still in the design stage, what is the money going to be spent on next year?

MR. CHIPPETT: Depending on the project delivery mechanism – so the further you go towards a design build-type approach, or construction management, or slight variations on a theme for some of these things, you can do elements of construction, site work, all that kind of stuff while you are designing. That is the notion of a design build or a construction management type project. The cash flows allow for any of those project delivery mechanisms.

MR. JOYCE: Okay. I will not beat it to death because there is already \$23 million worth of site already prepared. I am just amazed what they are going to spend \$100-something million on next year if the design is not complete.

MR. DAVIS: It is pretty amazing in the enormity of these projects to actually be able to grasp how large and how much of the technical – the specific technical work is so large in these projects. Yes, you are right; it is big.

MR. JOYCE: There may be construction started before the design is complete? Last year, and I am just going on memory, the pre-design stage – well, actually I have them here; the pre-design took almost two years to do. The design work itself is going to take that amount. It may start next year but the pre-design took two-and-a-half years.

MR. DAVIS: In the concept that you saw with multiple buildings, some of those buildings can be designed much faster than others.

MR. JOYCE: Okay.

MR. DAVIS: It is quite conceivable that construction on those buildings, which can be designed quicker, can start before the design is finished on other parts on other buildings.

MR. JOYCE: Hatch Mott MacDonald, \$2,362,000, took two-and-a-half years to do the pre-design work. Now once that is complete, you go into the design work. Did your department have any involvement with Stantec with the design or the due diligence review plan of the Corner Brook hospital?

MR. CHIPPETT: TW selects consultants on behalf of government. We were involved with Stantec in commissioning that work. The work was primarily on health care-related issues in terms of programming and so on.

MR. JOYCE: If I happen to mention it sometime about the hospital that is still waiting to be designed, I would not be wrong. I would not be putting anybody on the spot if I said we are waiting for it to be –

MR. DAVIS: The RFP that will be out later this year, depending on the process taken, then we will conclude the design.

MR. JOYCE: I will not belabour it, but it amazes me how they could commit to spend money next year on the building that is not going to be designed.

MR. DAVIS: I do not know if you caught what I said or not, but you saw the concept for this site. It is multiple buildings. So there are some of these buildings – like, an acute care facility is an enormous amount of design and takes a long time to design just by the very significant amount of technical work and what has to go into an acute care facility versus a long-term care facility that has much less of that type of – it is not as highly technical as the system where you are putting in operating rooms and acute care beds.

One building can be designed and construction could essentially be underway, when the design of another part is not finished yet.

MR. JOYCE: Okay. I cannot wait. It is going to be interesting.

Heading 3.2.03, Provincial Roads, 05, Professional Services, it went from \$450,000,

the budget, revised to \$200,000 and down to \$34,700 this year.

MR. DAVIS: The decrease last year was lower than anticipated consulting services that were related to the completion of road maintenance projects, and essentially the same is again for this year. It reflects the anticipated professional service requirements which would really be consultants associated road maintenance projects in this coming year.

MR. JOYCE: Okay. Thank you.

Heading 06, Purchased Services, it went from \$40 million budgeted, \$45 million revised, down to \$34,847,000 this year. Can you explain what that is, Minister, please?

MR. DAVIS: I certainly will, Sir.

Each year the department receives a \$10 million pre-commitment on the provincial roads program, a combination of current and capital. That allows for the department to tender and commit work for the coming year ahead of time on a pre-commitment.

What happened last year, if you recall, we had an amazing summer as far as the weather. When weather is good and the rain, temperature conditions, and weather conditions co-operate there was much more work done last year than was anticipated. The season was longer than it has been in recent years, and the unusual warm weather allowed for contractors to complete more work than they had anticipated. Early in the year, work that was done that we would expect to be carried over into the following year, that work was completed last year.

MR. JOYCE: How much roadwork that was tendered out last year is going to be carried over into this year?

MR. DAVIS: There is not very much because, as I just said, the weather was so good and the construction season was so long last year.

MR. JOYCE: Usually there is a certain amount, I am sure.

MR. DAVIS: Right; and that is what I am referring to. There is a lot of it that quite often will come forward. There was very low carry over. If you want Gary to comment further on it, I am sure he would not mind.

MR. GOSSE: Why we budget for \$10 million in carry over or pre-commitment into following years is because we have normally seen about \$10 million in carry-over projects. Last year, as the minister said, because of the summer and the weather we had, work went on and there were no delays for weather. As a consequence, we have about between \$2 million and \$2.5 million in carry over this year, as opposed to \$10 million.

MR. JOYCE: How much is budgeted this year for roads, pavement, and repairs to roads?

MR. DAVIS: The total on capital and current is \$59 million this year.

CHAIR: Okay, Eddie, that is a good place to stop, maybe, there.

MR. JOYCE: Yes, that is fine.

MR. DAVIS: Bear in mind, we have less of carry over from last year to this year. So normally we would have more work left from last year this year, but we still have \$59 million for this year.

MR. JOYCE: So \$59 million new money for this year.

MR. DAVIS: Yes, that is right. There is another tab there that deals with capital that you have not gotten to yet.

MR. JOYCE: Thank you.

CHAIR: George.

MR. MURPHY: Thank you, Mr. Chair.

Minister, I just wanted to clue up a couple of things in that particular section. I did have a couple of questions on it.

MR. DAVIS: On 3.2.03?

MR. MURPHY: Well, I guess overall, the road section in general, but yes, in 3.2.03, again, having to do with the carry over. I noticed with the carry over here, the difference between the \$40 million and \$45 million is obviously part of the explanation of that, but it does not climb up to the pre-budget of \$40 million in this year. It stays down at \$34.8 million, roughly.

So I am just wondering, because we got the work done last year, we are not going to get the same amount done as what was originally budgeted for in 2012-2013? I guess I am explaining that right.

MR. DAVIS: You are.

MR. MURPHY: There is a bit of a shortfall overall. About \$6 million, I guess, overall.

MR. DAVIS: No, if I can get you to flip over to 3.2.08.

MR. MURPHY: Yes.

MR. DAVIS: You see on Purchased Services here an increase. It was \$11.8 million last year, it was actually \$9.6 million, and this year it is \$15.6 million.

MR. MURPHY: Right.

MR. DAVIS: That one is capital. That is an increase in capital. Capital expenditure versus current refers to structures. Essentially, bridges, culverts and that type of thing, where current pertains to asphalt and repairs. What you see there is we have a lower amount of current this year and a higher amount of capital. If you add the two of them together –

MR. MURPHY: That is where your rollover is.

MR. DAVIS: - you will find your difference.

MR. MURPHY: Okay. Is that number set then every year, roughly about \$40 million?

MR. DAVIS: It is a budget item. It can change from year to year. On the \$40 million – the \$34 million, again, that is current, but the overall roads budget is a budget set.

MR. MURPHY: I am just wondering about the determination of that. The reason I ask that is because through the Provincial Gas Tax, I know that money goes towards general revenue, but the impression around drivers is that a lot of this money would be sunk into roads and everything, \$176 million collected, and they are anticipated to be collected under the gas tax to go into general revenue.

I am just wondering: does the department have a policy by which they would take so much money from that gas tax revenue – provincial revenue, now, I am referring to – and sink into provincial roads? Is there a dedicated amount they give towards that?

MR. DAVIS: My understanding is it actually goes into general revenue, like most revenue items do. Then the roads budget is done as an expenditure. While it does contribute to that, in theory it contributes to that roadwork, is that actual money taken and specifically put there? No, that is not how the financial operations operate.

MR. MURPHY: Government does not have a dedicated amount from that gas tax revenue to go directly towards roads. I am just thinking it may be an idea for government probably to give the consumer out there a bit of a flavour, if you will, of what they are paying for their gas tax.

MR. DAVIS: How much gas tax do you say has been collected?

MR. MURPHY: About \$176 million, I think, is projected for this year. I think the actual last year was \$173 million. Every year it has shown growth and everything.

MR. DAVIS: That is roughly the same amount of money we have actually that we are expending on our transportation investments for this year.

MR. MURPHY: Yes, okay. All right, perfect.

I guess we can get –

MR. DAVIS: I am sorry, just to add to that.

Those funds also allow us to leverage other federal funding. So when you combine the two together we are up around \$249 million, \$250 million.

MR. MURPHY: Okay, great. That was the next part.

The other part I was going to ask you, I do not think it was a line item – yes it was. In 3.2.04 Canada Strategic Infrastructure Fund, anticipated Salaries of \$1,158,200.

MR. DAVIS: That is anticipated salary requirements to complete the CSIF, or Canadian Strategic Infrastructure Fund, and maintenance projects for this year.

MR. MURPHY: All right.

In 3.2.05, Canada/Newfoundland and Labrador Infrastructure Framework Agreement, Salaries again are through the roof I guess on this one, \$207,000 was the actual that was spent last year against \$998,000 for this year.

MR. DAVIS: The salaries on these change with – again, a lot of this is timing, and timing on approvals. If you look at the bottom line on this you will see the difference in the overall funding allotment, as you referenced. A lot of it has to do with the timing of approvals and then the actual expenditure of the funds. When we expend the funds, the return does not occur until there is an audit process that takes place as well.

We can actually spend the money in 2012, by the time we charge it out and the federal government goes through an audit process and the funds are recouped, it could be a different budget year.

MR. MURPHY: What are you anticipating spending the money on this year, the \$15,600,000?

MR. DAVIS: There is one current project that is approved which is the rehabilitation of the Trans-Canada Highway from Corner Brook Stream to Pinchgut Lake. I think Mr. Joyce knows where that is –

MR. JOYCE: Yes, I do.

MR. DAVIS: - and the other ones are in the application process.

MR. MURPHY: Okay, all right. You say the application process?

MR. DAVIS: Yes. Part of the rules with the application process under federal funding is that until projects are approved and announced we are not at liberty to disclose it.

MR. MURPHY: You are not at liberty to say until the time comes to specially announce them at inauspicious occasions. Good for you. Thank you for that.

I had some questions here as regards to government policy. I had a question here on road signs. I had a question actually on road painting, line painting. Does government have any concrete plans now in the next couple of weeks to start getting the paint crews out?

MR. DAVIS: Well, it is asphalt, not concrete, for the most part that we paint.

Yes, we have an annual program. We have paint crews that are essentially seasonal employees who get on to work on May 1. It is when the paint crews and summer maintenance programs essentially begin.

If there is anything specific to that, I can answer, or if you want me to defer to Mr. Gosse to give you a quick overview on it, I could do that for you as well.

MR. MURPHY: Sure. I am just wondering about the longevity of the paint and everything too at the same time, Mr. Gosse. I do not know if there are going to be any concrete answers as regards to that. What is government looking at?

MR. GOSSE: Actually, right now with the paint trucks that we use, we do all of our own line painting ourselves. The paint trucks are ready to go.

MR. MURPHY: Yes.

MR. GOSSE: What we need to wait for is some of the salt that has been on the asphalt over the winter now to wear off. You need, dare I say, a good dose of rain to get the salt off the asphalt so the paint will stay.

MR. MURPHY: Yes.

MR. GOSSE: As far as longevity of the paint is concerned, we use all latex-based paints now, water-based paints. That is mandated by Environment Canada. We had to get rid of the volatile organic compounds in the oil paints. They are not allowed any more. We use all latex-based paints, as does every other jurisdiction in the country.

We are using the same CGSB – Canadian General Standards Board – specification for traffic paint that everybody else in the country uses. Of course, around here we have pretty severe conditions with salting and sanding, plowing and that in the wintertime. It is like taking a belt sander to the traffic lines. It does wear off, but every other jurisdiction in the country is seeing the same thing.

MR. DAVIS: I would just like to add for Mr. Murphy as well, is that paint is one of those things in many areas – we are always keeping an eye on processes, or changes, or improvements, or efficiencies that occur that other provinces look at, sometimes new technologies. The same as other provinces sometimes look to us if we try something different or something new.

We have good communications with our counterparts across the country with the federal government. We are always looking for new ways to make improvements. What we do here, contrary to what some people may think, is very similar and consistent with what happens in other jurisdictions.

MR. MURPHY: Is government considering any installations of cat's eyes? I asked last year, I do not think there were any plans then.

MR. GOSSE: We have looked at cat's eyes. The problem with cat's eyes of course is if you recess them into the asphalt in the wintertime they get buried with snow and ice.

MR. MURPHY: Yes.

MR. GOSSE: If you leave them above the asphalt, the first time a plow passes over them they are gone.

MR. MURPHY: All right. Thanks for that.

MR. GOSSE: They work fine in warm, ice-free climates, but not so here.

MR. MURPHY: Minister, I will come back to some line items again under 3.2.06. Thanks for that answer, Mr. Gosse, by the way.

In 3.2.06 Canada/Newfoundland and Labrador Infrastructure Framework Agreement, line 01, Salaries. There is a little bit of a difference between the revised this year and the Estimates. Again, it was projected at \$4 million initially, but it has seen a massive cut here. I wonder if we could get a breakdown as regards what we lost in Salaries.

MR. DAVIS: Again, this has quite to do with timing and the timing of the commencement and the completion of capital projects. These are all capital projects. These are projects that have been carried over to this fiscal year, so there is timing on them. The current estimate for this year being lower than the estimate for last year reflects the salary component for what we believe to be the upcoming year.

MR. MURPHY: Why would there be a difference between what was actually projected and the Salaries that were actually made there? It looks like stuff was not done, but we had just talked about an excellent season for doing infrastructure framework and that sort of thing, roads and bridges. I just wonder why a drop in

Salaries when it was actually a good time to be doing work?

MR. DAVIS: Well, it depends on where the project is. Some of these projects include projects like the Team Gushue Highway, the E.S. Spencer Bridge, the TCH Massey Drive Interchange to Watsons Pond, and Robinson's River Bridge; it also refers to, I believe, the Ambrose Shea Lift Bridge. They are projects that are in different stages. Some have not progressed.

Take the Placentia Lift Bridge, for example. We had hoped to be further ahead in that process than where we are now. Therefore the salary would have been expended last year, which has not taken place because the project is not where we expected it to be, as an example. There are a number of those there, depending on where they are and where they are in their billing cycles.

MR. MURPHY: Are we going to be dealing with a cost overrun then, if that is the case, on the Placentia Lift Bridge?

MR. DAVIS: There is a contract in place for the Placentia Lift Bridge right now. It was awarded recently for \$42 million or \$41 million, if I remember correctly. I hear you reference cost overruns, but cost overruns from time to time become a matter of the scope of work and how the work is done, so it depends on the project.

You take a construction like a road project, for example. Phase I of the Trans-Labrador Highway cost \$300 million. The cost overrun, as you would put it, totalled \$3 million. So it was 1 per cent of the entire project. They are built on units. So engineers go out, they look at a road, and they say we are going to evaluate this, we know we need X number of loads of fill, as an example, and we are going to need X number of tons of asphalt.

So if you get into an area where the survey did not show that there is more digging out that you have to do than you expected, then you are into more units. So if you look at a project like the Trans-Labrador Highway, I think our crews did

a very good job in their estimates when they did their tendering.

MR. MURPHY: Understandably so; it was 1 per cent.

I want to carry on with this section, 3.2.06, under line 03, Transportation and Communications. Again, \$600,000 budgeted for last year and this year but it was only \$136,500 spent.

MR. DAVIS: Right, and the very same again because that line item, Transportation and Communications, includes staff that are supervising the project, Transportation and Works crews and engineers who are actually on site when projects commence. If I could use the Sir Ambrose Shea Lift Bridge again as an example, if we are not on site doing the work and the contract was not awarded until a later period of time, which was the case in this one, then we do not have our crews on site doing supervision, and therefore they are not expending transportation and communications.

MR. MURPHY: The same thing basically for this whole section, 3.2.06, I think it is safe to say that because some things were delayed or – it seems like pretty much the numbers are on par with the rest –

MR. DAVIS: That is correct.

MR. MURPHY: Of course we are talking federal revenue here in \$47 million and the \$3 million would be again cancellation of a project or an allotment of funds here by the looks of it and only \$3 million spent.

MR. DAVIS: Right.

MR. MURPHY: So this would have been which project or different projects altogether?

MR. DAVIS: Yes, there are a number of them as I just listed. These are significant projects. If you look at, as I said, the Sir Ambrose Shea Lift Bridge for this year, the budget for this year is just over \$20 million. Team Gushue Highway this year will be \$11 million. Another big one

there would be the TCH out on the West Coast at \$ 7 million. Some of these are big projects. If a couple of these get delayed in awarding tenders or if there is a delay in approval processes or engineering reviews, then you can move a lot of money from one year to the next.

MR. MURPHY: Any chance that some of these monies might be lost if there were time-sensitive agreements or anything like that? There is no expiration date or anything on them that the money would have to be spent?

MR. DAVIS: No, we do not have any concerns in that regard.

MR. MURPHY: All right, perfect.

Down to 3.20.8, Improvement and Construction - Provincial Roads. I am not sure, Eddie I think you touched off on this one.

MR. DAVIS: Yes, that is the capital portion. Remember, I brought us over to that one.

MR. MURPHY: Yes, we will forgo that one.

Under 3.2.09, Canada Strategic Infrastructure Fund, there is a difference here in Salaries again.

MR. DAVIS: This one again is a capital CSIF funding and there was a lower than expected staffing requirement on the construction projects for the work that was done last year.

CHAIR: George, can you turn it over to Eddie.

Eddie, are you ready?

JOYCE: Oh yes.

CHAIR: Okay.

MR. JOYCE: I will just get back to the painting. I know it was discussed earlier. What is the policy? Can I get a copy of the policy of what roads, for example, when you are driving along a road when you see the outer part of each side painted? Is there a policy –?

MR. DAVIS: Gary, can probably give you a quick overview on that.

MR. GOSSE: Any road that is designed with a paved shoulder has the white painted line on the shoulder.

MR. JOYCE: I will use an example and it is Route 450. It used to have the white paved on the lines, but the last number of years it is just not being done. I was told that now – and I am not saying it is correct – by guys who work with the department, any road that ends in 450 is a major highway and it is usually supposed to be done. Port au Port is being done; Bay of Islands 450 is not being done.

MR. GOSSE: If the road was designed with a paved shoulder then they are being done. Route 450 may not have a paved shoulder the full distance; I cannot speak to that right now.

MR. JOYCE: What do you mean by a paved shoulder? I am missing it.

MR. GOSSE: There are some road cross-sections that have the lane width, plus it has a paved portion on the outside, it is a part of the shoulder being paved.

MR. JOYCE: Yes.

MR. GOSSE: If that is the case, then the white line separates the shoulder from the travel lanes. Not all roads have a paved shoulder.

MR. JOYCE: No, this does not have a paved shoulder. No, definitely Route 450. When I look at –

MR. GOSSE: If there is no paved shoulder, then it would not have the white line.

MR. JOYCE: Would not?

MR. GOSSE: No.

MR. JOYCE: When I look at roads now if they do not have a paved shoulder and they have a white line you do not mind me contacting you and saying why not this one? I know it used to

be done in the Bay of Islands but it is not being done now.

MR. GOSSE: Yes, it may have been done before even though it did not have a paved shoulder.

MR. JOYCE: It definitely does not have a paved shoulder, but it was done.

MR. GOSSE: Yes.

MR. JOYCE: Why is Port au Port being done? That does not have a paved shoulder.

MR. GOSSE: It must. It has to. It should. That is where the white line goes. It separates the paved shoulder portion from the drive lanes.

MR. JOYCE: Okay.

MR. DAVIS: I will be sure to check on that for you, Mr. Joyce.

MR. JOYCE: Oh, I will check on it myself. Okay, thank you for that. I did not know that. I always thought anything in the 450 is a major highway going out.

Two things I was going to bring up, Minister, before we get off the roads, or we are still on to it. One thing that the department is doing – and I agree with it totally; I think it is great – is when you go in and do paving you do not do this 100 feet, 200 feet. You do a kilometre, two or three kilometres and get it done, instead of just patching parts to make them look good.

MR. DAVIS: There are places we still do that, to be fair.

MR. JOYCE: Well, I am sure there are places you have to do it, but a lot of times – like I know stretches going for two or three kilometres where you get it done and it is completed and I am sure you get a better cost for doing it that way also. Just to the department, good job, because you can see the difference in the work that is being done.

MR. DAVIS: There are cost efficiencies to doing larger pieces instead of doing a small piece and a small piece. There are cost efficiencies laying kilometre and distance of laying.

MR. JOYCE: Yes.

MR. DAVIS: However, having said that, when you do a larger piece with the same amount of money then you are going to do fewer pieces. So it really depends on the demands for that year, the priority for that year and where you can best utilize your funding. Like I said, there are efficiencies by doing a bigger piece. You can get more bang for your dollar.

MR. JOYCE: I have another question on the roads. I brought this up last year, and, Minister, you were not the minister at the time. I brought it up, and I know the DM and the ADM are aware of it, going through Frenchman's Cove in the Bay of Islands. We brought it up last year. What happened, Minister, is about two years ago there was a big water and sewer project that went right through a part of Frenchman's Cove and it was all new pavement. Within six months, it was torn up.

There was an issue then with Municipal Affairs, if they should get the contractors to come back and do the work. My understanding is that Transportation and Works would not take ownership of the road until Municipal Affairs got it repaved. I do not know if the Department of Transportation has taken that section of the road because it should never have been taken over in that state. I think they paved it in December, and come April there were potholes in it. There are still now – I rode on it and there is a big dip in the road from that construction.

MR. DAVIS: Why was it torn up?

MR. JOYCE: Pardon me?

MR. DAVIS: You said in a short period of time it was torn up. Why was it torn up?

MR. JOYCE: I just think it was done late in the year and the pavement was not very thick. I

brought it up last year. It was a Municipal Affairs job, water and sewer.

MR. DAVIS: You said it was a few years ago?

MR. JOYCE: Two years ago, I guess.

MR. DAVIS: We do have a date now where we really try not to do any paving after a certain date because of what you are just referencing. Late in the year you get colder temperatures and that kind of thing, but I am not familiar with the project myself.

MR. JOYCE: No, I know you would not.

MR. GOSSE: That was a water and sewer project at the time in Frenchman's Cove (inaudible) in our road. They obviously had the road torn up and they needed to pave it, to put some sort of a surface on it for the winter. They did it and it broke up, as I think most people expected, and it was incumbent on the contractor and the consultant who looked after that work for the town to go back and correct the deficiencies that were there. I understand that was done.

MR. JOYCE: No, it is not done.

MR. GOSSE: Not done?

MR. JOYCE: Definitely not. That was the dispute last year when I brought it up in Estimates, is that Transportation and Works would not take control of that part of the road until it was brought up to the proper standards.

MR. GOSSE: It was our position, and would remain if it has not been fixed, that the town and the consultant and the contractor need to fix that deficient work that was done.

MR. JOYCE: It is definitely not done, as of last weekend.

MR. DAVIS: It will be done.

MR. JOYCE: Yes. Thank you for that, because we are trying to get that – I understand it is a

Municipal Affairs project but it was a highways road. Okay, thank you.

In 3.2.09, Salaries –

MR. DAVIS: In 3.2.09, okay.

MR. JOYCE: In 01, Salaries; it is \$1.6 million, it went down to \$578,000, and it is up to \$1.157 million again this year. Why the decrease when it was revised last year?

MR. DAVIS: They are ones that I just referred to a short time ago, lower than expected staffing requirements for construction projects. They included the CBS Bypass road and the Sir Robert Bond Bridge, some maintenance projects. The CBS Bypass road was a major one there and the Sir Robert Bond Bridge. That is because of where the projects were at the time, less staffing requirements than we had anticipated.

MR. JOYCE: Okay.

Transportation and Communications, the next one down, it was budgeted \$379,000, it was revised to \$35,000, and it is back to \$267,000.

MR. DAVIS: Yes, the same thing as the first one, because our staff are not on the ground and doing the work. We have people on the ground supervising work that is ongoing and doing our sampling, as I mentioned and referred to earlier, with soils lab sampling and those types of things. That line Transportation and Communications is their cost for actually transportation (inaudible).

MR. JOYCE: This whole one is compared, the same thing –

MR. DAVIS: Yes. Salaries are down because there was less of our staff requirement, and then less staff requirement means less transportation costs.

MR. JOYCE: Trans-Labrador Highway, the Salaries on that, Minister, are \$2.2 million. It went down to \$2,335,000. Is that the same? Then the revised budget was \$1 million.

MR. DAVIS: Yes, the same thing. It is timing, yes.

MR. JOYCE: The same thing, timing.

MR. DAVIS: The timing of the construction process, where you are when you are there in the construction process.

MR. JOYCE: The same thing, the budget last year was \$44 million, you spent \$42 million. Is that correct? Is that what was spent last year?

MR. DAVIS: Spent last year on Purchased Services?

MR. JOYCE: On 06.

MR. DAVIS: Yes, that is contractors. I should tell you as well, the Salaries component, the reduction in that, part of that is offset by contractors work, but the same thing in Purchased Services. It was anticipated to be \$44 million and the actual was \$42 million.

MR. JOYCE: Is that what was spent last year on the Trans-Labrador Highway?

MR. DAVIS: It was \$42 million last year.

MR. JOYCE: Okay. You are anticipating \$55 million this year?

MR. DAVIS: Well, \$51 million if you include all the other aspects of it.

MR. JOYCE: Okay.

MR. DAVIS: This year it is \$43 million. This year, we have just announced \$85 million to start on Phase II and Phase III, but actual expenditures of that \$85 million this year should be in the range of \$30 million, and \$39 million to finish Phase I.

So, Phase I should substantially be completed. In Phase I, the work is done by widening and preparing for the asphalt. A lot of it has to do with widening and levelling and that type of thing. All of that has been done in Phase I, and now we have to finish the asphalt. It is about

\$39 million to finish the actual paving, so it should substantially be completed this construction year. If we have a good construction year, we will be pretty close to completion at the end of this construction year.

MR. JOYCE: Land Acquisition, 3.2.11.07, Property, Furnishings and Equipment. There was a –

MR. DAVIS: That is an increase in land purchase requirements related to construction projects.

MR. JOYCE: What furniture and equipment?

MR. DAVIS: Well, it is land. It comes under Property, Furnishings and Equipment.

MR. JOYCE: Yes.

MR. DAVIS: So it is property, being land acquisitions.

MR. JOYCE: Okay. It says there, Furnishings and Equipment.

MR. DAVIS: Right, Property, Furnishings and Equipment.

MR. JOYCE: All this money here is spent just for property?

MR. DAVIS: Yes, it is all property acquisitions for major projects.

MR. DINN: Property values are gone to hell, too, right. That did not help.

MR. JOYCE: No, John, I was just confused where it says Furnishings and Equipment. Usually if it is just property, it would be all property.

MR. DAVIS: It is Property, Furnishings and Equipment. That is the line. It is categorized as Property, Furnishings and Equipment.

MR. JOYCE: Minister, where this land is acquired, is that all throughout the Province or in Labrador?

MR. DAVIS: Yes, it is a capital expenditure. That is a number of projects, road projects. I do not know if there is any one in particular that are – I will let the deputy respond.

MR. CHIPPETT: The majority of that would be things like Torbay Bypass, Team Gushue Highway, Placentia lift bridge, Conception Bay South Bypass. The reason the variance is as great as it is, is we do not always know when a property owner is going to settle, because we try to avoid expropriation when we can and reach a negotiated settlement. So, if they take longer – you cannot predict when somebody is going to say, yes, we are going to pass over our property (inaudible).

MR. JOYCE: So even with the Placentia lift bridge, there may be some property you have to purchase because of expense?

MR. DAVIS: With the new lift bridge, the current lift bridge will continue to be in place. We have done a fair bit of work on that to keep that operational for the next five years until the new bridge is completed. The construction of a new bridge will take place next to that. That required land acquisitions for the approaches on both sides to reroute the road to the new bridge location.

MR. JOYCE: Okay. Thank you for that explanation.

Building Construction again on 3.3.01.05 Professional Services, it was budgeted \$6,925,000. It went down to \$2.2 million the revised budget for last year.

MR. DAVIS: Yes.

MR. JOYCE: This year it is back to \$6.6 million.

MR. DAVIS: That is primarily a reduction in consulting fees on building projects.

MR. JOYCE: On what?

MR. DAVIS: On building projects.

MR. JOYCE: Why such a reduction and back up again this year? Do you anticipate the fees again this year or more buildings to be constructed?

MR. DAVIS: It depends on the work that is generally being done. Last year this item included work like on – you may have heard of this – the windows project here at Confederation Building.

MR. JOYCE: I have a question about that.

MR. DAVIS: Yes. That is those types of projects, mechanical and electrical upgrades, and work being done on Sir Richard Squires Building. Also, work on our Inclusion Strategy, which is making public buildings accessible.

MR. JOYCE: Before I get off that, Minister, what work is being done on the Sir Richard Squires Building I ask?

MR. DAVIS: There are two floors. The space essentially that was the former library is being remediated for future use.

MR. JOYCE: Okay. The cost for the courthouse – and you may not have it there. That is fine too. Can I get a copy, or a letter, or the cost when you had to take the tiles off the courthouse because they were falling down, and the cost of the tender to replace or fix the roof itself?

MR. DAVIS: Yes, and Cory can probably give you some of that information. I know he knows it well. I do not know if he knows that well or not.

MR. GRANDY: I do not know the past history in terms of what it cost to remove the tiles. We are currently out to tender now for the installation of a new shingled roof.

MR. JOYCE: Yes.

MR. GRANDY: Sorry, I said currently out to tender, we just awarded that contract. I do not have that value here. I think it was just under \$600,000 in value.

MR. JOYCE: Can you get that to me?

MR. GRANDY: Sure. Yes, okay.

MR. JOYCE: I am just curious because when it was built there were a lot of eyebrows being raised. There were a lot of eyebrows being raised when they saw the plate tile on the roof. Oh, that is not going to go over well. I know they had to take them all off, store them, and wait for the tender to come out.

Back on the Confederation Building here; can you give me the cost to date spent on the Confederation Building, please?

MR. DAVIS: I do not have cost to date. I can tell you last year's expenses were about \$13.5 million, but I cannot give you the total. I do not know if the deputy or if one of the department officials might have that amount in cost to date.

If you actually have a look at the project today, while they are looking for that information, on this wing recently the scaffolding and the tarps were removed. I do not know if you have had a chance to look at it or not, but you can see significant sections where it is all new brick. One of the problems we ran into with the building, and it depends on which section of the building you go to, is that the framing around the limestone around the framing of the windows had to be replaced.

Then there was work where the brick was actually deteriorated because of water, the failure of the systems and the water inside of the building. I actually have video of workers who were with their jackhammers cutting out the limestone and the brick around where the windows are located, the opening of the windows. As they were cutting it, you can see water flowing out from behind the building

A building of this size, it is a large, large building, and some of the work we found out we had to do was not anticipated earlier in the project. You can see where there is new brick now on the outside, especially this area on this side over here.

MR. JOYCE: I am sure you might not have it now, but can I get, again, later when you get that, the cost spent to date on the Confederation Building here in St. John's?

MR. BOWDEN: The cost to date on the windows is about \$30.5 million. That is on the windows.

MR. JOYCE: I am talking about the whole renovations for Confederation Building. It was even more than that just last year, when we asked questions.

MR. BOWDEN: The other piece would be the mechanical-electrical, and that is about \$6.6 million to date.

MR. JOYCE: That is \$40 million. That is the total amount since the reno started on the Confederation Building.

MR. BOWDEN: Just between \$35 million and \$40 million, \$36 million or \$37 million.

MR. JOYCE: On the Confederation Building. Are there any other projects ongoing, or any other projects completed to date? I know you mentioned the renos and the electrical. Last year, Minister, the amount was even higher than that \$36 million.

MR. DAVIS: There are two major projects: one is the windows, limestone, and brick exterior project; the other one is the mechanical and electrical upgrades that are happening with the building. Those are the main components, the main systems within the building itself.

The mechanical and electrical systems throughout the building have not had a significant upgrade since the building was constructed. We have failures from time to time and we have issues that sometimes take a long time to sort out. If you also consider what I just explained to you about the water actually being inside of the building, that as well is taking a toll on some of those systems.

MR. JOYCE: Up to this date, \$36 million is what has been spent on the renovations?

MR. DAVIS: Again, I do not have it in front of me.

MR. GRANDY: There might be some confusion over cash flow versus committed projects. So the numbers, maybe, that were discussed last year would have been in reference to, if you want to talk about the window and exterior renovation project, the total committed value of that project is in excess of \$50 million. The cost to date in terms of cash flow would be the \$30 million number. I think that is correct.

CHAIR: Okay, we are gone over a couple of minutes there, Eddie, boy. Are you finished on that Confederation Building there?

MR. JOYCE: You go right ahead, yes. I will come back at some point.

CHAIR: All right, sorry about that, George. Do you want to pick it up?

MR. MURPHY: Sure. Thank you, Mr. Chair.

I want to come back to 3.3.02. I guess not come back; it is the first time I am in it. Line 01, for Salaries, there was \$325,000 budgeted, \$800,000 was the figure they are looking for this year, the Estimate, and the actual was \$51,500. I wonder if you could fill us in on that.

MR. DAVIS: It is, again, just the lower than expected staffing requirements on construction projects. That is essentially what it is.

MR. MURPHY: When you say lower than expected construction projects, are we talking about delays to some of these projects because of the lack of staffing? Maybe you can explain that a little bit more.

MR. DAVIS: Sure, I absolutely can. A couple of major projects that this includes, projects we are looking at – one of them are, for example, on depots and gearing up for depot replacements. We have done some of that this year. We want to do more. We have done design, or as one person put it to me, design and all that jazz. It is design work in gearing up for that.

The other major project we are giving consideration to involves hangar space and considering our options on hangar space. We have a fleet of aircraft, and especially we have four new water bombers, CL-415s, and hangar space for those. We are looking and considering our options, and best ways to proceed on those projects.

MR. MURPHY: New hangar space where?

MR. DAVIS: Good question and that is part of the consideration.

MR. MURPHY: Still having to do with the same topic while it is there on my list, I am just wondering about the movement of the water bomber from Lab West. Why would you move the water bomber from Lab West?

MR. DAVIS: Well, we have not.

MR. MURPHY: You have not moved it?

MR. DAVIS: No.

MR. MURPHY: Well, somebody up in Labrador was telling me that it was moved.

MR. DAVIS: I heard that report as well. We have two different models of water bombers; we have CL-215s and CL-415s. The CL-215s are aging. They are about forty years old. They run on what is called avgas, which is an older-used type of aviation fuel not readily available any more in airports like it used to be one time. As a matter of fact, in some places we would have to stock it at the airport facility in order to have a supply of it. The CL-415s are four new ones we have, an investment of about \$120 million if memory serves me correctly. They are new technologies, improvements from the CL-215s.

Our intention is, at the end of the firefighting season this year, to divest one of the older CL-215s. This year and next year for that matter, we will have water bomber services. We will have a CL-215 in Wabush. We will have a CL-415 in Happy Valley-Goose Bay, one in Deer Lake, one in St. John's, and one in Gander.

Then the second CL-215, our intention right now is to put that in Gander.

What I have to add to all of that commentary is that it all depends because water bomber fleets are utilized and managed as they are needed. It is not unusual to have an event today which causes a shuffle and movement of those services. So they can be moved as need be, and that is led by our friends in forestry.

MR. MURPHY: A question on the CL-215s, and it is obvious that government is going to be getting rid of this planes and you already explained that.

MR. DAVIS: Well, we plan for one this year, yes.

MR. MURPHY: You plan to get rid of one this year. I hope you are going to keep it for the forest fire season and sell it after the forest fire season is over, so to make sure there is solid placement of aircraft in Labrador. I know Labrador warms up earlier most times than what the Island does, and their forest fire season sometimes seems to be a little bit longer, especially in recent years.

I was going to ask you again about the capability, particularly, I guess in a global warming context at the same time. The number of planes we have now – last year it seems like we got lucky. I do not know if it is just me or not, but it was not a lot of fires, even though there were fires, of course. Is the department anticipating any future problems as regards to –

MR. DAVIS: Are we anticipating any forest fires this year? Yes.

MR. MURPHY: Well, I know there are going to be forest fires, but it seems like last year was such a down year that this year there might be extra pressure on our forest fire resources, if you will, the water bomber fleet. Maybe you can give me some background on preparation for that.

MR. DAVIS: I do not know of any significant pressures from last year, and bearing in mind

last year was a warm, long, and dry summer. It would probably be interesting to point out to you that we also have interprovincial agreements with other provinces that share resources. So if there is a spike or a demand in one province over another, we manage and utilize resources in a shared way in many respects to assist and support each other. So, in June month if there is a problem in Nova Scotia, we could send an aircraft or two aircraft to Nova Scotia to support them. In a very short time that support could be reciprocated back from another Province.

MR. MURPHY: I am just wondering if – well, I guess it is a reciprocal arrangement then if that is the case, but would that impact on your budget, for example, if you had to call in crews from Quebec to fight a fire in Labrador. Is there an appropriation in the budget for that, or is it just a reciprocal arrangement where we would go ahead and counter if the opposite happened at no cost?

MR. DAVIS: If we send resources to another province, then we have a cost-recovery process. They send resources here, the same thing happens.

MR. MURPHY: Okay.

Still on aircraft, I guess –

MR. DAVIS: Just to say that the significant advantage to every province in that regard is that we have the capabilities to back each other up and support each other when need be.

MR. MURPHY: Yes.

While we are on the whole aspect of aircraft, maybe I can divert it a little bit, if you do not mind, divert from the course. I noticed in the – what am I trying to say here? The small white books here –

MR. DAVIS: Hansard?

MR. MURPHY: The tenders –

MR. DAVIS: Oh, tenders, the exceptions.

MR. MURPHY: The exceptions for tenders, yes.

Over the last little while there has been some aviation equipment that has been purchased by the department, and I am just wondering about the repair costs for some of these radios. Some of the costs that I was looking at seemed like they were really high. I should grab one of the books, I guess, and look at it. It was in one of the latest issues here. There was around \$12,000 or \$13,000 repairs for some radios; is that right?

MR. DAVIS: It could be. The operation of aircraft is actually in 4.3.02, I believe. I think that is the right one.

MR. MURPHY: I do not mean to be jumping ahead, but while we were on the topic.

MR. DAVIS: Aircrafts have very stringent federally regulated requirements.

MR. MURPHY: Yes.

MR. DAVIS: They are highly maintained and highly inspected. It is very similar to our ferry fleet, which I am sure you are going to get to before long.

MR. MURPHY: If there is time.

MR. DAVIS: For a very good reason, that they have these very stringent regulations, inspection requirements and maintenance requirements. So there are times, especially with aircraft, where there are changes and improvements that have to be made.

I am just looking at Transportation and Communications and I am not sure if that is where that would come under. I do not know if Gary, you want to –

OFFICIAL: (Inaudible).

MR. DAVIS: Pardon?

OFFICIAL: (Inaudible).

MR. DAVIS: I am told that would come under Purchased Services, under MO 06 and that is where refit and maintenance for those aircraft comes under. If you can see under Purchased Services, we are below budget on that particular line item, if you are looking at that tab. The big difference there, the big savings there, was a lower than anticipated insurance cost, but there are still refits and maintenance costs that were associated with the operations of our fleet.

MR. MURPHY: Okay. So that would include your radio repairs and everything like that, under Purchased Services? Is fuel expense probably under that same column, too?

MR. DAVIS: That would be, I would think, under Supplies. Yes, that is under Supplies, under MO 04.

MR. MURPHY: Okay.

MR. DAVIS: Fuel, of course, is directly associated to usage.

MR. MURPHY: Yes.

Having to do with that, last year we were talking about appropriations (inaudible) air ambulance, if I could diverge again a little bit from that while we are on aircraft.

MR. DAVIS: That is the same place.

MR. MURPHY: That is the same section?

MR. DAVIS: Yes.

MR. MURPHY: All right.

Last year we talked about one of the planes was ‘hangared’ because it only had about 3,000 hours left. Is that plane still ‘hangared’ or is it finally gone out of the fleet or what is being done with that one?

MR. DAVIS: Just one moment.

It was ‘hangared’ because it only had 3,000 or 3,000 –

MR. MURPHY: It was essentially going to be used for a spare.

MR. DAVIS: Yes, and that is the spare.

MR. MURPHY: Is that still in the fleet now, still with 3,000 hours?

MR. DAVIS: It is not used a lot, but it is there in case it is needed.

MR. MURPHY: Does government have a plan to replace that particular aircraft?

MR. DAVIS: We do not have any immediate plans on disposing of that one, no.

MR. MURPHY: How many hours are left on it? Do we know?

MR. DAVIS: I do not know. We can find out for you.

MR. MURPHY: Yes, if you would, please.

MR. DAVIS: When you say hours left, are you talking about hours left before a major refit? Is that what you mean?

MR. MURPHY: Well, no, I think in this particular case it was 3,000 hours left before permanent retirement of that particular craft. It may have been old and that was the concern there.

MR. DAVIS: With aircraft, you can get a lot of years. Like I said, we have water bombers forty years old. You can get a lot of years out of an aircraft. I do not know that one, but we will check it for you.

MR. MURPHY: As well as that, I do not know about the rental of helicopters. It may be falling under the purview of Fire and Emergency Services here, but the rental of helicopters, I am not quite sure if that is done through Transportation and Works. Is it?

MR. DAVIS: It is, but for what purpose?

MR. MURPHY: I know for air ambulance, for example, some of the helicopters were going through a bit of a retrofit. They had a Bell 206, I believe, that was going through some internal changes. Is that one in operation now?

OFFICIAL: That is a charter (inaudible)

MR. DAVIS: That is a charter? We do not own that?

MR. MURPHY: No, it was a lease from Canadian, Universal, or one of them.

MR. DAVIS: So helicopter service we have chartered for a number of different reasons.

MR. MURPHY: They had talked about reconfiguring it at that particular. I do not know if they followed through with it after or not, or if it is in operation now.

MR. DAVIS: I will let the deputy speak to that because you are talking about history now that I am not familiar with.

MR. MURPHY: That is okay. We will break you in.

MR. CHIPPETT: We have a standing op or a contract with Universal to supply helicopters for various reasons, whether it is ice and a ferry cannot operate on the South Coast or for medevac reasons and so on. I will get the model numbers for you, but there was some notion of moving to at least in one bigger aircraft. I am not sure if it is a 20-something or a 40-something, but there was that notion from a health care perspective, utilizing a different – yes, Gary is writing a 407. So I think we do have a 407 that health has access to. That is done through an amendment to our contract with Universal, I believe.

MR. MURPHY: That is great, thanks.

Like I said, we just happen to be on that particular section, so I just wanted to see if it was okay to talk about that, and obviously it was – great job.

Where did we leave off? I think we are going on to section 4 here.

MR. DAVIS: Subhead 3.3.02 is where we left off.

MR. MURPHY: Yes, and I think we covered that one off already. I think just under Purchased Services, though, we got an explanation for that one?

MR. DAVIS: We did, yes.

MR. MURPHY: Section 4.1.01, Air Subsidies, under Transportation Services, Air Support, there was \$300,000 budgeted for in 2012-2013 and \$1,050,000 was the revised in 2012-2013.

MR. DAVIS: This pertains to assistance or support when ferries cannot operate because of ice conditions. In the last couple of years and again this spring we had some ice challenges even on the Northeast Coast of the Island. For this one, it was unanticipated airlift requirements for Normans Bay, also Fogo Island, South East Bight, Rencontre ferry services.

MR. MURPHY: So an extra \$750,000 there.

MR. DAVIS: Yes.

When the ferries cannot sail, if they are down for any more than forty-eight hours, then we try to put in a helicopter service if we can.

MR. MURPHY: Has anybody done a study on – well maybe, it might not have been a direct cause of it – ferry breakdown, for example? Not necessarily ice; with ice, you could see helicopters being an understandable expense. I am wondering about the extra costs that the taxpayer might have incurred because a ferry might have been broken down for some reason. Has your department done any kind of an assessment as regards to the reasons why the \$750,000, where the appropriations went to?

MR. DAVIS: I do not know, and I can defer it to the deputy, if any of this was a result of mechanical failures. I do not believe it was. It was because of ice, because mother nature

would not allow vessels to transport. Up to this year, we have two swing vessels that operated. Now there are times we use helicopter service. For example, there is a helicopter service right at South East Bight waiting for the new contractor to begin service down there. That is not really a mechanical failure of a vessel per se; we are waiting on a new contractor to start the service.

MR. MURPHY: What happened in the case of South East Bight then, it was a delay for him coming on?

MR. DAVIS: There has been. South East Bight has a bit of a history. There was a vessel there previously, the contract ended earlier, then had been anticipated, and then there has been a lengthy process to put a new contract back in place. We have utilized swing vessels down there. We used the *Sound of Islay* there for a period of time. We had a shared service with the vessel from Rencontre for a period of time as well. Right now they are under helicopter service and they have some freight service available to them as well.

MR. MURPHY: Is that the *Northern Seal*? Is that the boat I am thinking of down there?

MR. DAVIS: No, there is a new one going down there, but the one that was down there before that was the *Winchester*.

CHAIR: It does not take long for eighteen minutes to go, George.

MR. MURPHY: Carry on, Sir; I digress.

CHAIR: Eddie.

MR. JOYCE: Thank you, Mr. Chair.

I will just get back to the Air Support. Were there any cuts to Newfoundland air services in Gander?

MR. DAVIS: For our air services this year?

MR. JOYCE: Yes.

MR. DAVIS: Yes, we have a reduction of one crew.

MR. JOYCE: One crew?

MR. DAVIS: Yes, it was a pilot and co-pilot and I think in the maintenance –

OFFICIAL: A mechanic.

MR. DAVIS: A mechanic.

MR. JOYCE: What significance will that have?

MR. DAVIS: It should not have significance – it depends on the demand driven, but our four new CL- 415s which are better, new, improved capabilities and that type of thing and then we still have the two CL-215s, one is being held this year as an extra aircraft, an extra water bomber. We did cut on one crew.

MR. JOYCE: So one crew was the pilot –

MR. DAVIS: Pilot, co-pilot, and the mechanic.

MR. JOYCE: Three people, thank you.

I am not sure if Atlantic Gateway and Trade Corridor was –

MR. DAVIS: Which –

MR. JOYCE: Subhead 4.1.04, Purchased Services.

It went up \$5 million, went down to \$3,900,000, back up to \$7 million (inaudible).

MR. DAVIS: There are two projects under Gateway funding: one for Gander and one for St. John's. The Gander project is significantly completed or substantially completed. The St. John's project has not began; it has not been significantly progressed.

MR. JOYCE: Marine Operations.

MR. DAVIS: The tab, sorry?

MR. JOYCE: I am going to the Marine Operations, 4.2.01, Minister.

MR. DAVIS: I am sorry; all my tabs are here in numbers.

MR. JOYCE: Subhead 4.2.01 for policy development, strategic planning and refit management for the intra-provincial ferry system, Salaries were \$1,408,000. This year it is down to \$1,234,000.

MR. DAVIS: Right. This piece here is a current expenditure and it is for administration of our Marine Operations. It is the administration part, not the operational part of our Marine Operations.

There are two positions that have come under the expenditure reduction. One is a Public Information Officer and the other one is a buyer. They are reflected in the new salary lines.

MR. JOYCE: There are two, one was a public –

MR. DAVIS: Public Information Officer and the other one was a Buyer II, actually.

MR. JOYCE: Buyer II. Okay.

Marine Operations continued, Ferry Operations, Salaries were \$15 million, it went up to \$16,702,000, the revised budget is down now to \$12,900,000. Can you explain the difference in that, Minister?

MR. DAVIS: I certainly can, and there are a number of things happen here. The most significant one is the *Nonia*. The *Nonia* has a reduction of twenty crew members.

We are also making reductions on other vessels. We have vessels that have a vessel capacity of eighty passengers and when we did an analysis – eighty passengers is the capacity of the vessel. When we did our analysis of the actual usage of the vessel, we determined that if we reduced the crew by one crew member that the vessel now has a capacity of fifty passengers, based on Transport Canada requirements.

When we looked at how often the fifty capacity was exceeded, we thought this was an appropriate reduction in staffing. We had ferries that, throughout a year, exceeded fifty passengers like on two occasions or three occasions – so that is six crew there.

MR. JOYCE: Six crew, but just on that – and I am just assuming now. If the crew for the *Nonia*, and the other six crew, I am sure that some of them are still on recall or still certified to operate. On many occasions you hear in the Province that the crew has to take a rest time. Is there other call-in crew that you can use?

MR. DAVIS: Yes, there is, but a lot of times when you hear about rest times, it will be if a ferry is called out overnight. Our ferries are docked in the remote community.

For example, in Bell Island – which is close by here, we are all quite familiar with – we will have a ferry docked at Bell Island overnight. If there is an emergency overnight, a medical emergency or otherwise and the ferry has to travel, Transport Canada requires a certain amount of rest between that call out and then the next time they operate. They have to have so many hours of rest in a day.

The crew stays on board with the vessel at all times. Their accommodations, they eat, they do everything aboard the vessel. They stay on the vessel for their week or two weeks, depending on their schedule and how long they are on shift. That is the crew assigned to that vessel for that period of time. If they have a required rest period, the vessel has to stay where it is until –

MR. JOYCE: So, you cannot have people called in?

MR. DAVIS: If we had the *Winsor* that had a required rest period after an overnight trip, the *Winsor* is in Fogo Island. Now you have to bring a crew in and get them to Fogo Island to board the vessel.

MR. JOYCE: Okay, so it is not feasible.

MR. DAVIS: It is not feasible.

MR. JOYCE: Okay.

In 4.2.02, Purchased Services, it went to \$21 million, the revised was \$20 million, and this year the budget is \$24 million. Can you explain the –

MR. DAVIS: I can. The reduction last year, that line on Purchased Services refers primarily to refit costs, and the refit costs last year were lower than anticipated. This year there is an increase of about \$2.5 million. There are a number of smaller items there, but a lot of additional funding for vessel refits. Vessel refits, and another vessel refit. There are costs associated with that, which are all required by Transport Canada. All our vessels go through a refit process, inspection processes on a regular basis.

MR. JOYCE: Revenue – Provincial, 4.2.02. For whatever reason here, 02 down at the bottom, Amount to be Voted, Provincial, is \$2,256,000. Is that the amount you get from ferry fees?

MR. DAVIS: That is the amount from ferry fees, yes.

MR. JOYCE: With the increase in ferry fees this year, what is the anticipated extra revenue?

MR. DAVIS: It is only 10 per cent.

MR. JOYCE: Okay.

MR. DAVIS: So, 10 per cent of the \$2,046,000 puts us up to where we are.

MR. JOYCE: That is the anticipated funds taken –

OFFICIAL: In Labrador, too.

MR. DAVIS: Yes, that is right. There are revenues on the Coastal Labrador Ferry Operations, which is under 4.2.03, but this is for the Island portion, significantly Island portion revenues. It is about the same, if memory serves me correct, for Labrador.

Labrador revenue is a little bit higher, about \$3.5 million and goes to \$3.9 million. So if you are getting a ferry that cost you \$2.50 before, now it is going to cost you \$2.75.

MR. JOYCE: The 10 per cent, that is right across the board?

MR. DAVIS: Ten per cent is across the board, yes.

MR. JOYCE: Okay.

MR. DAVIS: Ferry services are subsidized by the Province at over 90 per cent.

MR. JOYCE: Okay.

Before I get into Coastal Labrador, what is the status now of going to tender with the two new ferries that was announced last –

MR. DAVIS: The RFP is out for the two new ferries. The closing date is the end of this month. I should tell you as well that it is not unusual if we get a number of requests from potential bidders for extensions. It is not usual to extend it for a couple of weeks, or two or three or four weeks kind of thing, but the closing is actually May 1 – May 15 it is closing. It is a closing date for May 15. There appears to be a fair bit of interest on it.

MR. JOYCE: That is the Request for Proposal for the two ferries?

MR. DAVIS: For two ferries. The two ferries are – the *Hazel McIsaac* and *Grace Sparkes* are forty-two metre vessels. They have a capacity of sixteen vehicles and eighty passengers. To build a third version of that forty-two metre vessel, some changes on it, nothing substantial but some changes on it. The other vessel is a replacement for the *Winsor*. That is an eighty-metre vessel, a much bigger vessel and much larger capacity.

MR. JOYCE: Which routes will they be assigned to, or is that decided yet?

MR. DAVIS: The replacement for the *Winsor* is for Fogo Island, Change Islands, and the forty-two metre vessel is anticipated right now to be a swing vessel.

MR. JOYCE: For what?

MR. DAVIS: A swing vessel.

MR. JOYCE: Okay.

MR. DAVIS: I always like to look at our fleet as a provincial ferry fleet and we assign those assets to be utilized to the greatest efficiency as our services throughout the Province require.

MR. JOYCE: Minister, I ask this question, and I will give you a chance to respond because obviously when the *Grace Sparkes* went into refit everybody knew it was going. Why wasn't there consultation with the communities involved to say, look, here is what we have to do because of Transport Canada? It was almost like it was done on a Friday afternoon and it was starting Monday. I know that it was delayed. The refit was delayed, I think, on two occasions. The third time it had to go.

MR. DAVIS: On the *Grace Sparkes*?

MR. JOYCE: Was it the *Grace Sparkes*?

MR. DAVIS: The *McIsaac* went in for refit.

MR. JOYCE: *McIsaac*, I am sorry.

MR. DAVIS: The *McIsaac* went in for a refit. That is the vessel that services Green Bay, Long Island and Little Bay Islands. We anticipate and make our best efforts on planning our refits, but in the ferry business they are major vessels; they are big operations. They have significant oversight, regulatory inspection processes, and so on. It is not unusual for refits to get delayed and extended. I know we are experiencing that right now with the *Beaumont*, as an example. We had hoped to have it back this week, but it is going to be another few days by the look of it, maybe a little bit longer, before we get that back.

We do the best we can to try and stay on schedule, but when one vessel comes out of refit then the next one goes in.

MR. JOYCE: In this case - and correct me if I am wrong - everybody knew it was going into refit. The department knew it was going into refit. If you knew the date it was going in, if you go to the communities and say, here is what we have to do, and here is what we are going to do, at least people would understand.

MR. DAVIS: You are not confusing the *Hazel McIsaac* and the *Grace Sparkes*, are you? There are two different circumstances that play with both of those vessels.

The *Hazel McIsaac* went in for a refit; they had a swing vessel that was utilized. I think the *Sound of Islay* was over there during that refit. That is a vessel that can carry pretty much the capacity that Long Island – Little Bay Islands requires.

Then the change in the *Grace Sparkes* was when we assigned the *Grace Sparkes* to Bell Island because the *Beaumont* had to go in for a refit. Bearing in mind that last July –

MR. JOYCE: Rencontre East and those areas.

MR. DAVIS: Rencontre East down on the South Coast?

MR. JOYCE: Yes.

MR. DAVIS: Yes, so Rencontre East was affected by the South East Bight circumstance that we talked about. The South East Bight on the other side of the peninsula – they are contracted vessels, they are not ours. They are vessels that are owned and operated by contractors.

We have vessels owned and operated by contractors. We have vessels we own that are operated by contractors, and we have vessels that we own that we operate. On the South Coast for the most part, with one exception, they are contractor operated and vessels that are owned by contractors.

They went in, the Rencontre ferry required a refit, the South East Bight ferry came out of service. The contractor took it out for a refit and essentially walked away from the contract. They said, I have too much work to do on it. When it got in Transport Canada had a look at it. There was too much work to do and that put us in turmoil on the South East Bight ferry. Rencontre is the closest ferry service to South East Bight, and then tried to alleviate the circumstances but with the assets we had available to us.

MR. JOYCE: If there is any way to have better communications because I know at the time there was an issue there that people could have – and everybody knew. It was confirmed that it was going into refit.

MR. DAVIS: Yes, I have to say it is a valid point you have. We have a new Assistant Deputy Minister of Marine who just came in and started with us in January. We have had really good discussions between the deputy, myself, the new assistance deputy, and him with his staff about the need for communications.

I can tell you in recent months in visiting ferry communities myself I have received positive feedback on the communications that have come from the Marine Branch in recent months. We need to work on that and we need to continue to make sure. They are users, they rely on the service. It is very important aspect of their life, the service is important to them. We are very cognizant of the fact that communications is important.

MR. JOYCE: Good job. Just one last question and then we can go back to Mr. Murphy.

MR. DAVIS: Go for it.

MR. JOYCE: When do you anticipate the two new ferries to be in service? When is the completion date?

MR. DAVIS: Generally speaking it takes about two years to construct a ferry. It depends on the shipyard, the bid, and so on. Until we get the RFPs in, it could be eighteen months, it could be

sixteen months, and it could be thirty months. Until we get the RFP closed and we have a chance to analyze it, I would not be able to give you a closer date.

MR. JOYCE: Okay, thank you.

CHAIR: Okay, thank you, Eddie.
George.

MR. MURPHY: Thank you, Mr. Chair.

Mr. Minister you mentioned about the RFPs coming in on the boats. Do we have Newfoundland companies in amongst those people?

MR. DAVIS: We will not know until the RFP closes and we assess the submissions. We do know that there is only one company in Newfoundland that could compete to build vessels of these capacities and that it Peter Kiewit.

We have had some discussions with Kiewit and they have an interest in this RFP, so we will just have to wait and see. I have encouraged them to participate. I hope they do participate in the process. I hope they make a submission.

MR. MURPHY: How about the yard in Clarenville, have they expressed any interest? I know that they can build anything from forty-two metres down I believe.

MR. DAVIS: The way this RFP is written is you can submit to build one, or the other, or both of the vessels. You can make a submission to do two or you can do one or the other. I am not sure to be honest, Mr. Murphy. I will ask the deputy to comment on it, if a shipyard other than Peter Kiewit has the capacity to construct forty-two-metre ferries.

MR. CHIPPETT: As the minister said, our expectation is that Kiewit would be the primary company that would likely look at putting forward a submission. Normally, the projects undertaken at the other yards, as I understand it, have been obviously smaller than the *Winsor*

replacement which is an eighty-metre vessel. If they are in the mix then their submission would be evaluated along with everybody else's.

MR. MURPHY: You have not heard anything from those companies yet?

MR. CHIPPETT: No. I mean obviously I cannot remember if they have taken out the RFP documents or not. We have not had specific representation from them saying that they are going to be bidding.

MR. MURPHY: Okay.

Mr. Minister, I wanted to ask you then, you mentioned Kiewit. I do not know if there were some problems as regards to setting the last deal on the last two boats. Is there any progress there? Can you give us an update on that?

MR. DAVIS: I can. Under the contract to construct ferries there is an arbitration process to resolve such differences. It is incumbent on one party or the other to submit, or to enter into that, or to activate that arbitration process. Kiewit has not done that.

MR. MURPHY: They have not picked up on that process yet even through it is available to them?

MR. DAVIS: That is correct.

MR. MURPHY: The Newfoundland and Labrador government has made an offer to Kiewit through arbitration?

MR. DAVIS: I do not think it would be appropriate to get into the specifics of it. I can tell you that they have a process where, if they feel that they are deserving of other revenues and we do not agree, then there is an arbitration process that they can invoke under the contract to resolve that. They have not initiated that process.

MR. MURPHY: Is there any reason why they have not?

MR. DAVIS: Well you would have to ask them that.

MR. MURPHY: Yes, okay.

Has government informed them that process is there though?

MR. DAVIS: It was clearly articulated in their contract.

MR. MURPHY: Okay.

Is government hesitant about letting Kiewit build the next boats then, if that is the case?

MR. DAVIS: The two vessels that we have operational here in the Province provide good service to the areas that they provide those services. One of the vessels, the *Grace Sparkes*, which is normally assigned to St. Brendan's ferry service which is a very low – as far as pressure and demand of service goes it is quite low.

The *Hazel McIsaac* provides services to Green Bay to Long Island – Little Bay Islands. The *Grace Sparkes*, in recent weeks, has been operated as a second vessel on Bell Island. It is a very high demand service. Both vessels have been performing well.

MR. MURPHY: They have been keeping pace on Bell Island, obviously.

MR. DAVIS: Well, I do not know. It does not have the capacity required for Bell Island. I think the first two days that the *Grace Sparkes* operated on Bell Island it left vehicles behind. It just does not have the capacity to deal with the demand. Bell Island is a very high demand. It carries about 500,000 people a year, so it is a very high demand service.

MR. MURPHY: Load and go.

MR. DAVIS: Essentially, but then you have to build in your Transport Canada regulated break times, rest times, and that type of thing.

MR. MURPHY: Hard to service then sometimes, I guess, in some cases.

While we are on the ferry end of things, I wanted to ask you about the *Apollo*. She has the contract again for another year. Any concerns? She is forty-six or forty-eight years old, I think.

MR. DAVIS: It just went through a refit process. I know, again, it is a contractor-owned and contractor-operated vessel. As part of that contract, it is required that it meets all of the specifications, licensing, and requirements, very rigorous requirements of Transport Canada, and recently came out of refit fully certified for operations.

MR. MURPHY: So she passed the Transport Canada criteria?

MR. DAVIS: It did.

MR. MURPHY: I wanted to come back to the Bell Island run again. We did have an incident with the *Beaumont Hamel*, what was that, a year-and-a-half ago now, I guess. Any update on that, what the status was, and what the cause of that accident was?

MR. DAVIS: It was prior to my time, but I know there was an electrical failure and some equipment had been installed since then to detect and minimize the likelihood of a repeat occurrence.

MR. MURPHY: She was into St. John's harbour, I think, for a while getting that work done.

MR. DAVIS: It is in there now undergoing its annual refit.

MR. MURPHY: So no problems since that time period?

MR. DAVIS: No, we have not had any difficulty.

MR. MURPHY: Do we expect to see a report from Transport Canada out about that particular incident; and if so, when?

MR. DAVIS: We do. I am not sure when, but we do. We do expect that.

MR. MURPHY: So you have no idea of the time frame? What if we approached Transport Canada to get that?

MR. DAVIS: There is your answer, no.

MR. MURPHY: Okay.

I am almost done here. I wanted to come back to roads and I wanted to ask you about bridge inspections and where we are with bridge inspections. I know the Auditor General had some serious concerns I think two years ago. He expressed some concern in that. I know Barb Sweet of *The Telegram* had a very extensive story, a very good story, on it.

You mentioned earlier, I think, or one of your deputies mentioned about a bridge monitoring program you had out there.

MR. DAVIS: The software.

MR. MURPHY: Yes, the software that was out. Can you give you us an update on the bridge inspection program, what is happening there, and of course the ongoing work? Maybe you could give us a bit of a breakdown as regards what is going to be happening with bridge maintenance as well.

MR. DAVIS: I will comment on it, and then maybe I will pass it over to the deputy or ADM to comment further. Yes, there is a piece of software we are utilizing. We have, I think, 850 bridges in our inventory, roughly; roughly about 850. So this piece of software will assist us in monitoring age, condition, and so on.

I do not know if the deputy wanted to expound on that.

MR. CHIPPETT: In 2003, actually, the AG did a report on the bridge inspection regime or system in Transportation and Works. At that time he recommended that we move to a more risk-based management approach, so in other words older structures or structures deemed to

have more risk would be inspected more often. We discussed in one of the other line items that we have, in fact, procured such a system. Our staff has been trained in that system, so we are ready, I guess, Gary, to move over full to that.

The AG report you mentioned a couple of years ago was actually about Labrador. I think it was a matter for discussion last year. What had happened was weather had set in early in Labrador and we could not get to inspect those bridges prior to the season; it just would not have been safe to put our inspectors on it or under it or around it. So there were a number of bridges like that that were done immediately following winter letting up in Labrador.

Gary can speak more to the details of the bridge management system and the work plan for bridges.

MR. GOSSE: We have fully implemented the new bridge inspection database. It allows us to track deterioration on structures and it will allow us to predict when you are going to need to do significant repairs on a structure.

As I said, the system is fully implemented. The staff that will be doing the inspections have been trained, and by trained I am not talking two hours sitting in a classroom. They sat in a classroom for two weeks and actually did an exam at the end to be certified, so they are all well-qualified professionals in the department. We have two people full-time now dedicated to populating the data into the new system as we move forward, and more detailed inspections in the new system than in the old system.

MR. MURPHY: The program for sure is not going to be circumvention the need for the visual, the hands-on inspection of a bridge, though?

MR. GOSSE: No.

MR. MURPHY: Okay. That gives everybody a little bit of confidence in it anyway.

When it comes to bridges, the rate of inspection that is done, the actual visual that is done, can

you give us an idea of the time frame, when that is? Is that a once a year thing, once every two years?

MR. GOSSE: Our policy right now says a maximum of two years in between inspections.

Going back to the Auditor General's report and risk-based inspections, obviously if a structure needs more inspection or more diligent monitoring then we step up those inspections. That is the engineering inspections; they are done either by our regional engineering staff or by staff dedicated in our bridge office.

We also do, what we call, a maintenance inspection which is done by technicians in our maintenance branch about every six months.

MR. MURPHY: Okay, that is great.

I do not know if I have anything else here. I do have one little thing. I told this person that I would ask. I do have a couple of things. I will get to the last item later on. I will save it for last. I will save the best for last. It is a fun little one that I think the highways crews might take up as a bit of a tourism thing. I will get to it.

I wanted to ask you about the West Coast Training Centre. I know it was only a \$200,000 cut in the Budget, and some people may say only with quotation marks around it. The Tourism department, I believe, was footing in about \$80,000 or \$90,000 as regards the operations of that building, but still we are talking about taking out the cornerstone in Stephenville. That building, I think, is under the guise of Transportation and Works.

I was wondering what the justification was for cutting out the operation of that building and shutting that building down.

MR. DAVIS: Like all buildings, all buildings and property comes under Transportation and Works and comes under part of our inventory. I do not want to speak for Tourism, but it was operated by Tourism. Most recreational facilities, with some very few exceptions, such as Stephenville, are operated by municipalities

and not by the provincial government. There were a number of considerations included in that particular one. Right now what we are doing is we have had an interest by the municipality in it. Failing that, we will go to an RFP process for someone to take over the building.

MR. MURPHY: I think government of the day got it off the Americans for \$1 way back.

MR. DAVIS: It could have been. I do not know. I have no idea.

MR. MURPHY: Yes, I got that through family history; I have some relatives out that way. I do not know if that is true or not. Anyway, I am hoping the Newfoundland and Labrador government is going to sell it to the municipality for \$1 and keep the thing open. It is a great initiative.

MR. DAVIS: In cases like that, municipalities have an interest in assets. We are usually able to work those out without any problem.

MR. MURPHY: I urge government to at least do the utmost anyway to keep that place open, if not under the guise of the Newfoundland and Labrador government, then under a municipal regime.

MR. DAVIS: Again, I do not mean to speak for Tourism, Culture and Recreation, but there are numerous community centres around the Province operated by municipalities, a collection of municipalities, or community groups, but not by the Province.

MR. MURPHY: No, but in this particular case I think there was a payoff in Stephenville. I know there were a lot of people over in the facility, working within the facility, who were telling me there were a lot of people who were using that for health reasons. I guess in this particular case there was an obvious health payoff and people were keeping themselves healthy and staying out of hospital. So it was probably a good reason to keep the expenditure at \$200,000, but I just digress on that one.

MR. DAVIS: Just to be clear, my understanding is that what was being operated inside the building was being operated by private businesses.

MR. MURPHY: Yes.

Minister, I wanted to talk about the Flower's Cove hospital as well. I know it is probably a health care item, but still I guess run under the guise of Transportation and Works – Flower's Cove on the Northern Peninsula. When is this hospital opening or do we have any hint from the Department of Transportation and Works or do we have to go to the Department of Health to find out?

MR. DAVIS: What happens in contracts, in building contracts like that, and I will again defer to Cory on it momentarily. If a contractor is completing the construction of a building or any project and there are deficiencies in the building, then essentially the building is not turned over to TW, as the landlord, until those deficiencies are corrected. So in Flower's Cove right now, there are some deficiencies which have not yet been corrected, as I understand. I will just defer to Mr. Grandy to comment further on that.

MR. GRANDY: Yes, we are into what I will call the final strokes of completing that construction project. The contract is reached or nearly reached what we refer to as substantial completion.

As the minister indicated, there are some deficiencies that we need to work through before it would be appropriate for the Department of Health to take that over and operate it as a health care clinic, but we anticipate that will happen very soon.

MR. MURPHY: What would be some of those deficiencies? Are they anything serious?

MR. GRANDY: No, these would be normal construction issues. I do not have a list here now to be able to speak to –

MR. MURPHY: They are not structural?

MR. GRANDY: No.

MR. MURPHY: Okay, thanks for that.

I think that is probably about it for me, but I am going to leave you with this one. It has to do with Transportation and Works; I will keep it short.

Down in Witless Bay there is a gentleman down there by the name of Juergen Schau who is a German tourist. He was pretty big in the German film industry by the way. He worked with a lot of famous American actors. He works on a little project down there called the Puffin Patrol. I do not know if you have ever heard of it, but we all know what the puffin means to the Province.

I did go out with him on a Puffin Patrol one night, him and his wife and the kids who were out – it was a very educational program by the way – we saved about fifty-four puffins from some sort of imminent destruction, whatever happens to puffins in the overnight, be it from cars, traffic, whatever.

This one might be easily addressed, I guess, giving this gentleman a little bit of a hand, as regards the setting up of a road sign warning motorists in the area to dim headlights and that sort of thing. It is a cute project. I know the gentleman works at it diligently every summer. A sign, if you will, warning motorists about headlights and about their speed and everything, and warning them that there might be puffins in the middle of the road sitting.

I am wondering if government might be able to give the gentleman a hand by the creation of a small sign, if you will, or a billboard, if you will. I do not know in this particular case, but you might want to give him a call and see if you might be able to help him out as regards to putting up some signs, some warning signs, or some other signs.

MR. DAVIS: How big an area is that? That is an issue.

MR. MURPHY: That could be in an area from Bay Bulls down as far as Tors Cove, from my understanding. The thing is with puffins, once they are hatched and once they come out of their burrows, they are attracted to moonlight and sometimes they get confused with the likes of streetlights, the lights from stores, that sort of thing, or car headlights. The puffins end up not flying in the direction of the real moon, but in the direction of the fake moon.

It is a great little project. It made some big headlines around here last year and attracted a lot of tourists to the Avalon Peninsula area. This Puffin Patrol thing made headlines in *The Globe and Mail* as well. It is a small issue that he is dealing with, but it could be very big in the context of Transportation and Works probably helping out and on an environment and conservation basis as well. So I figured I would just take that, throw that at you, and leave that with you to see maybe if you could come up with signage. Maybe work with Mr. Juergen Schau down there as regards to what kind of sign he would need. I do not think he is asking for anything big here.

It would be actually nice to see the government give him some funding so that he can carry on with some of his programming that he does. He is working with schools and kids down there and everything during the summer, working with tourists. He takes them all out there, just takes these puffins, puts them in his garage, and lets them go on the beach the next morning after the people from the wilderness reserve do some banding and everything like that. The puffin needs protection. Hopefully Transportation and Works might be able to address probably just a little cornerstone of some of the issues dealing with the bird down there.

MR. DAVIS: Duly noted.

MR. MURPHY: Thank you, Sir.

CHAIR: Is that it for you, George?

MR. MURPHY: Yes, I think that is it for me. I cannot think of anything else here right now (inaudible).

CHAIR: We still have a bit of time left, but I was going to ask the question, if there were some extra questions that needed to be asked, I was going to ask the minister if he wanted to stay back for a few minutes.

MR. DAVIS: Go ahead.

CHAIR: You have no issue with that?

MR. DAVIS: Oh, no.

MR. JOYCE: (Inaudible).

MR. DAVIS: Oh, yes, go ahead.

CHAIR: We have a bit of time left –

MR. DAVIS: I am fine.

CHAIR: – but if he is willing to go extra that is fine, too.

MR. DAVIS: We are used to being here in the nighttime.

MR. JOYCE: Okay, thank you.

Ferry Vessels, 4.2.06.

MR. DAVIS: Subhead 4.2.06?

MR. JOYCE: Yes, Sir, 01, Salaries. Last year nothing was budgeted. It went to \$266,000. This year it is \$287,000.

MR. DAVIS: Yes, Sir. Last year the full dollar value of funding under this category was allocated under Property, Furnishings and Equipment, which does not properly reflect the expenditure. To properly reflect the expenditure it was charged to the correct account which is the Salaries.

MR. JOYCE: I see there Professional Services was down. First there was nothing in the budget, then it was \$1,050,000 and then it was down to \$600,000 this year. Can I ask what that Professionals Services was last year?

MR. DAVIS: Yes, again the full dollar value of the funding approval for vessel replacement was against allocated as previously mentioned there. It did not properly reflect the expenditure. We have changed it to correct accounts in Salaries, Professional Services. I should have added it the last time when I commented on it. It is the same for Professional Services. It was moved into Professional Services.

MR. JOYCE: Okay. How about Property, Furnishings and Equipment: \$49 million?

MR. DAVIS: Yes, so that is the *Winsor* replacement and the new swing vessel.

MR. JOYCE: Okay.

MR. DAVIS: That would be for the first year of construction. We anticipate construction to get underway this year on those two vessels.

MR. JOYCE: Okay, perfect.

I just have some general questions on some things. The assessment on roads that need to be repaired, say, for your capital works for the roads, how is that done? Is that done on a regional basis, a provincial basis? When you see some places that are a bit of an emergency and it is not getting done, but then again you see other places in other areas that is not even near as a safety concern. Are there some rules and criteria set up for assessment?

MR. DAVIS: Yes, there are a number of factors considered. Also considered along with that is the usage of the road. Is it a heavily used road? Does it have high traffic volumes or lower traffic volumes? Is it a thoroughfare versus somewhere that is leading you to a dead-end roadway or leading you to an isolated area, that type of thing? There is a whole number of considerations that are given to that, but our crews have a good list.

I am looking to Gary now because I know his department and his regional directors have a really good working knowledge of roads in their own districts, in their own regions, and quite often will identify essential work that needs to

be done right away and work that can wait. Is it roads that are slowly deteriorating versus quickly becoming a problem? They look at all those, a whole number of different aspects of requirements.

MR. JOYCE: Is there a criteria set out? Do you get input from the regional managers?

MR. DAVIS: Yes, regional directors and regional managers, the supervisors. The supervisory staff from the depots and so on all filter up through to the depots, to the regions, regional directors, and from the regional directors then to the assistance deputy minister. It is one of those circumstances that, we can put a lot of money into roads every year and you still would not get to the bottom of the list.

MR. JOYCE: There is no doubt; it is a lot of roads to maintain.

MR. DAVIS: Yes.

MR. JOYCE: I was just wondering because I know sometimes when I get a little something on my mind I keep pushing it. There was a little spot there from Cooks Brook Bridge up probably 200 feet or 300 feet and the ruts were very deep. I know there was nothing allocated for the Bay of Islands last year, but this section was very dangerous. It was identified as being – it was only 100 feet, but it was (inaudible). I do not know how to find some other way to – and it is a safety concern. I am just using that as an example.

MR. DAVIS: The other aspect of this year too is we have a higher allotment, as I mentioned very early tonight, about a higher allotment being focused to capital versus current. We have work to do on culverts and bridging and so on.

From the public's perception, quite often you do not see that work being done. It is a higher cost in doing a bridge or culvert than it is doing a stretch of pavement. You do not see that as the same investment as doing an allotment of pavement.

MR. JOYCE: Okay. That was a concern of mine last year.

MR. DAVIS: It is a budget allocation; the early budget allocation. We essentially have the same budget as we had last year.

MR. JOYCE: Okay.

Confederation Building, when is the expected completion date?

MR. DAVIS: Of the window project or the mechanical?

MR. JOYCE: Yes, both.

MR. DAVIS: Cory.

MR. GRANDY: The window project is scheduled to be complete in late summer, early fall, 2014, so next year. The mechanical and electrical project will be a phase project over a number of years. You are looking at least six, seven years. We do not have a schedule for every phase, but because you are doing work in an existing building it is going to take a number of years to –

MR. JOYCE: The mechanical, is that for the six, seven –

MR. DAVIS: For the whole building.

MR. JOYCE: For the whole building.

MR. DAVIS: The mechanical is for the entire building. If you go up in the attic, right up in the very top of this tower is where the central mechanical systems are all located. That work has to begin and then come down through the whole building.

Every part of this building will have to go through this mechanical and electrical upgrade as we come down and spread through the building. That means getting in the ceilings, getting in the walls. It is fairly significant work. It means moving people around. It is a significant project that is going to take many years to complete.

MR. JOYCE: Okay.

The Sir Richard Squires Building, you mentioned earlier that you are doing some renovations to two floors. Is there any anticipated budget or any budget put aside, or is it tenders?

MR. DAVIS: Yes, you know the two floors I am talking about. You are familiar with the building.

MR. JOYCE: Yes.

MR. DAVIS: Where the library used to be, it used to be an open area there. There will be two full –

MR. JOYCE: Yes.

MR. DAVIS: It has been many years since I have seen it when it was a library. There is a significant amount of work to do there. If you analyze – I am just looking for the page now.

Do you know where it is offhand? Do you know the tab number Cory?

MR. GRANDY: It is 3.3.01.

MR. DAVIS: In 3.3.01. There is a significant amount of work there, but it is an asset that we have available to us. There is work to do. It gives us more office space and operational space that we require. The Sir Richard Squires Building renovations are just over \$2 million.

MR. JOYCE: Okay. What is the anticipated completion?

MR. DAVIS: It is about a two-year project.

MR. JOYCE: Two years.

MR. DAVIS: I have to say, Mr. Joyce, I am always hesitant to put timelines on projects.

MR. JOYCE: Anticipated.

MR. DAVIS: I know that with timelines sometimes you have a tendency to remind us of

and others, especially when you get into maintenance projects. If you did a maintenance project in your own home and decided I am going to renovate your kitchen, for example, or a bathroom as an example. Once you get into it, it is not unusual to find more work than you had anticipated. You find a rotten floorboard, and then I have a window, or insulation, or electrical that you did not anticipate. That is what happens when you do modifications, and quite often, maintenance to buildings.

On the Sir Richard Squires Building, one of the key aspects of that is that is going to create working space for us, which will reduce the requirement for lease space in the Corner Brook area.

MR. JOYCE: The RNC building, will that be completed soon?

MR. DAVIS: It will be. Some of the RNC have actually moved back into portions of the campus over there. Again, it is a significant project that was first raised and talked about, about five or six years ago, but the work is moving along. They have been on that site since 1871, if my RNC history reminds me of it.

It is a big project; there is no doubt about it. It is a significant amount of work done. I was actually thinking about it just a few days ago, that at one point in time we used to be out taking pictures of the work to keep a chronology of the work that went on because there is a significant amount of work underground that cannot be seen there now. The parking lot is over a significant amount of the work that was already done.

MR. JOYCE: Are there renovations being done here to the Premier's office or is that part of the whole –

MR. DAVIS: That is part of the mechanical and electrical. There is mechanical and electrical work being done. That is the mechanical and electrical work that is going to come down through the tower. It is spread out so every part of the building, every wing of the building, and every floor of the building –

MR. JOYCE: The work that is being done on that floor is part of mechanical and electrical?

MR. DAVIS: Yes.

MR. JOYCE: We were hearing about the buckets up there and the water, that is why we were wondering.

MR. DAVIS: Yes. What is happening there is that the window project is progressing as well and the tower part is the next part to do that, on the window project. As well, we are started on the mechanical and electrical. So what we have done there is we have created swing space here in the building. The fourth floor of the building, East Wing, is being converted to swing space.

What happens is, as we do eleven, ten, nine, eight, seven, and six, people who work there will utilize swing space. Then as that is finished, they move back to their office and then somebody else moves into swing space. Then their wing is done or their floor is done, they move back and then someone else moves in. We use swing ferries, and that is what we refer to as a swing space, swing floor, or swing wing.

MR. JOYCE: Okay. I am sure I have it somewhere in the press release, but can the department provide me with the Corner Brook hospital on how much is going to be spent over the next three years?

MR. DAVIS: Two hundred and twenty-seven million dollars I think is the number. We had it noted here. Yes, \$227 million.

MR. JOYCE: Okay. That is a lot of money to be spent on designing it; I can't wait.

MR. DAVIS: You do not want us to spend it in Corner Brook? Is that what you are saying?

MR. JOYCE: I would like for it to have what was committed to, like the PET scanner.

MR. DAVIS: There is someone here in the room who likes to say yes or no. Do you want us to spend that money in Corner Brook?

MR. JOYCE: You already mentioned about the (inaudible). One question now, and I do not want to put anyone on the spot either, is about Hatch Mott MacDonald. They did the work, \$2.3 million. Would I have to go through Freedom of Information to get a copy of that design work they did?

MR. DAVIS: On the –

MR. JOYCE: The hospital in Corner Brook.

MR. DAVIS: On the pre-design and the programming? What do you want?

MR. JOYCE: I would like to see what work they did and what conceptual design they came up with for the hospital in Corner Brook when it was completed back in September.

MR. DAVIS: Yes, I would say I do not have it. I do not know if the deputy would want to make a comment on it.

MR. JOYCE: Okay, so I will look forward to receiving that. Thank you very much for that. Perfect.

The Trans-Labrador Highway recently announced Phase III, including the original amount for Phase II. The total amount of the work for Phase III, is that included in the original amount for Phase II?

MR. DAVIS: For Phase II and Phase III, what we have right now is \$85 million, which is cost-shared on a 50-50 basis with the Government of Canada. That will not complete Phase II and Phase III.

The first stages in the tenders we have out right now are for a stretch of the Trans-Labrador Highway in the Red Bay area. What that is for is to prepare for the hard surfacing. It is the underlying work that has to be done. There are some areas there where there are some rock cuts and where we have to do some work, either raise up the road, widen the rock cut, or go around. Some of the areas, we have seen videos and photographs of some of the snow that can build

up in those areas. It is significant. That is that part of it.

The \$85 million will not finish Phase II and Phase III; it will not come near it. That is the funding we have in place to utilize over the next few years. We have two tenders: one for the Red Bay - South Coast area, and then one also to start work from Goose Bay and go south.

MR. JOYCE: Thank you.

What is the estimated completion date for the Labrador West medical centre and the total cost? Is there any?

MR. DAVIS: Now you are asking something I cannot give you an answer. I will go to Mr. Grandy.

MR. JOYCE: If you do not have it close by, you can get it to us in the next day or two.

MR. DAVIS: Again, I always hesitate on expected completion dates. Where is it in the process? I think Mr. Grandy can give you some indication on it.

MR. JOYCE: If you had an idea of where it is at in the process, you will know.

MR. DAVIS: Oh, yes, he can give you some idea.

MR. GRANDY: Similar to the Flower's Cove facility, we are getting down to the end of that project. We are somewhere between 80 per cent and 90 per cent complete on that project. So sometime this calendar year we are anticipating handing that over to the Labrador Health Authority for occupancy.

MR. JOYCE: Okay.

Minister, the reason I asked is because some of these projects have been going back well before you were the PR person with the Constabulary and that is why I have to keep asking the question.

MR. DAVIS: I have learned since I came in here that the enormity of some of these projects is – until I came into this department, I had no idea. I really could not comprehend the side of it and some of them I still struggle with.

MR. JOYCE: The tender for the two ferries; we have that done.

The *Apollo* schedule.

MR. DAVIS: The what, sorry?

MR. JOYCE: Will they change the *Apollo* schedule to accommodate more runs on Fridays and Sundays?

MR. DAVIS: Sunday is the day, particularly in the fall of the year towards the end of the schedule, and is the one that has been brought to our attention. The issue there is we have a policy that ferries will make extra runs. I think it is ten vehicles. If ten vehicles are left behind that they cannot accommodate, then they will make an extra run.

So what we are assessing and the ask that has been made of us, and I had discussions on this when I was down with the Combined Councils recently, is if the frequency of the extra run on Sunday is significant, which it appears to be, then it would be more advantageous to users of the ferry service to have a scheduled run instead of an additional run. You cannot schedule booking an additional run, but you can book it if it is already scheduled. We are doing an analysis on that and we are considering that request, but we have not made a decision on it yet.

MR. JOYCE: Okay.

The tender for the Strait of Belle Isle ferry; when do you anticipate going to tender on that?

MR. DAVIS: We went through a tender process which was ultimately cancelled, as you know, and we are having a look at that. We obviously want to do it earlier than what we did last year; much earlier than what we did last year. We are going through that process. So I cannot give

you an exact date, Mr. Joyce, but we want to go through either a tender or an RFP process, maybe one or the other.

MR. JOYCE: Do you expect swing vessels in some of the areas left without ferry services, for example, when the ferry is taken out of service?

MR. DAVIS: We are doing our best to manage with the assets that we have available to us. We have been doing okay so far, but we are also looking at if there are other ferries available. You would think in the world, the size that it is and the number of ferry services that exist around the world, we would be able to find something that meets the needs and that can be used in Canada. So far we have not been successful in finding that for a short-term basis.

MR. JOYCE: Kiewit, and I know George brought that up earlier; is that almost negotiated with Kiewit to try to get it built in Newfoundland, or do you just leave it up now for Kiewit to put in the proposals? It is up to them to put it in?

MR. DAVIS: Yes, we had significant discussions. When I first came to this department last fall, Mr. Chippett and I made a trip to visit with key people in Kiewit to try and move forward on the construction of the next vessels. That also involved resolving the first two vessels. From our perspective the next step would be Kiewit's step to take, and they have not taken that step yet.

MR. JOYCE: Okay.

The North Coast freight service; is there any decision made for the transporting of freight to the North Coast and Black Tickle for the next couple of years?

MR. DAVIS: There are a number of services and I know Mr. Chippett can give us the full rundown on what is expiring when. I think I can give you the overview, but I think I will let Jamie give you the specifics of it.

MR. CHIPPETT: In terms of the freight service, the *Astron* is under contract until 2015

with an option for a one-year renewal. The *Northern Ranger* is under contract until the end of March 2016. The *Apollo* you already mentioned, and the *Bond* is under contract until 2014 with an option to extend for four years after that or up to four years after that.

CHAIR: Eddie, I think George might have another question or two. I can go back to him now.

MR. JOYCE: Okay, sure. I have about ten minutes left and I will go after George.

CHAIR: You can have a glass of water.

MR. MURPHY: Thank you very much, Mr. Chair.

I just have two or three more. I wanted to ask you again, Mr. Minister, about snow clearing on the Northern Peninsula. It is a concern up there. I know our Member for The Straits – White Bay North was asking about that. Are there any plans to extend the snow clearing again? It is the wrong time of the year maybe to ask, considering the weather.

MR. DAVIS: Our snow clearing operations occur in most all areas of the Province essentially from 4:30 a.m. or 5:00 a.m. until 9:30 at night, with the exceptions of the areas where we have twenty-four-hour snow clearing. Most of those areas are twenty-four hours, five days a week, and a couple of areas are twenty-four hours, seven days a week.

The snow clearing policies, philosophy, and practice that we follow is, if there is a snow event in the evening – so come 9:30 at night when the crews are normally finishing up their shifts - if there are indications that the snow is going to snow all night, we send our crews home. They have to rest in order to snow clear the next day or the next morning when the snow event ends.

If the indication is the snow event is soon going to end – and weather forecasting today is much better, as you know, than it has been in decades gone by, so they can predict these much more

accurately than they used to - if at 9:30 it is anticipated that by 11:00 o'clock or 12:00 o'clock the snow is going to be over, then we would keep our crews on to clear the roads.

MR. MURPHY: Would that be seven days a week on the Northern Peninsula?

MR. DAVIS: That is everywhere in the Province.

MR. MURPHY: That is everywhere in the Province.

MR. DAVIS: If they are ploughing 9:00 o'clock at night and you say we have a storm that is going to hit us for the next twelve hours, we send our crews home.

MR. MURPHY: Okay.

MR. DAVIS: They have to rest, so we send them home and bring them back in. Then we have the morning crew who comes in at 5:30 o'clock and starts work again.

MR. MURPHY: I know there was an extra call for the Northern Peninsula as well as the South Coast down below Stephenville and Port aux Basques and along the South Coast.

MR. DAVIS: I would say many MHAs have made a case for their own areas.

MR. MURPHY: Yes, indeed.

I want to ask you as well about a highway camera. I have presented in the House of Assembly a petition on behalf of the people of the Burin Peninsula, who are asking for a – I think there are two cameras down the boot of the peninsula now. Their concern was actually taking either, A, one camera and moving it farther down the boot so they can pick up the weather in the worst part of the highway they would be driving during the winter; or getting a third camera and putting it in that particular area using different technology.

MR. DAVIS: If memory serves me correct, Mr. Murphy, this past year I think we added two new

cameras. I have to ask Gary. My memory just cannot recollect now where those two new cameras are, but I am sure Mr. Gosse can tell us.

MR. GOSSE: I believe the two cameras this year were installed at St. Anthony and Burgeo.

MR. MURPHY: No, this would be down the boot of the Burin Peninsula.

MR. GOSSE: I think you are referencing the Terrenceville area.

MR. MURPHY: No, down through Goobies and heading down to Marystown.

MR. GOSSE: Yes, we have two cameras now down on the boot area; one in Grand Bank, I believe it is, and one in Salt Pond. The request for a third camera was set to Terrenceville junction.

MR. MURPHY: There is a third camera going in?

MR. GOSSE: No, the request was for there. We do not have the technologies to be able to make a secure connection to government servers to put the camera at the Terrenceville junction.

MR. MURPHY: I think I may have found it, the technology. I do not know the process as regards to that.

MR. GOSSE: It is the technology to make it a secure connection.

MR. MURPHY: Yes.

MR. GOSSE: It is the security issue. It is no trouble to put a camera in through satellites and so on, but it is not the secure connections that the Chief Information Officer requires –

MR. MURPHY: It would have to be secure.

MR. GOSSE: – to be able to access the government Web site.

MR. MURPHY: Okay. All right, I will make note of that and keep looking.

The last thing I wanted to bring up having to do with that – by the way you were talking about working on the tower of the building. I do not know if they know about it, I figure it is just as well to let you guys know. When I was outside down there today, outside the lower security area, there is a huge crack. It looks like it is on the corner of the building on the tower. I do not know if they are aware of it or not. Somebody must be, surely to God, but if they take a second look, where the employees' entrance is.

MR. DAVIS: I do not know if Cory knows it himself. Are you familiar with that Cory?

MR. GRANDY: Yes. Up on the back of the building next to the elevator shafts, on the back of the elevator?

MR. MURPHY: Yes, I guess it is on that side of it.

MR. GRANDY: There have been some structural reports that have been monitoring that. I guess I will call it a stable crack. It is something that our facilities people are aware of.

MR. MURPHY: Okay, so they would know about that one? All right, perfect, as long as it is covered anyway.

The last thing I wanted to bring up, Minister, was probably a concern that was brought up at the Combined Councils of Labrador, and that was a road for Cartwright. I think they were talking about eighty-five kilometres of roadway coming from Cartwright to meet the main highway.

I am just wondering about when government would see fit – in their road building policy if you will, or the road construction policy, or road paving policy – to do something? For example, the people of Cartwright have talked about well now for the last year anyway that I know of – they may have been talking about it the year before – the possibility of having a Dutch company coming in and using Cartwright because of its deepwater port.

There is an economic opportunity here for Cartwright, and of course the people right up and down the coast probably as well. Cartwright in this particular case has pretty much a sheltered harbour, according to the mayor.

I am just wondering about the guides that would be used for the Department of Transportation and Works to be putting any community, for that matter, as an economic priority when it comes to road construction, if they use that in their criteria for the paving and for the construction of roads? It is a concern with the people of Cartwright and nearby communities to Cartwright in themselves. I am just wondering if you have a set policy when it comes to that, and if they would be looking at that when it comes to road construction.

MR. DAVIS: Well, Mr. Murphy, the Trans-Labrador Highway, as I mentioned earlier, is a project all to itself. We made a commitment that we would complete the Trans-Labrador Highway essentially from the coast of Quebec to the coast of Quebec, from the south to the west.

There has been significant investment. We have made significant investments in Trans-Labrador Highway in the last ten years, \$450 million as I referenced earlier, and \$300 million just on Phase I.

Our priority right now is to complete the Trans-Labrador Highway. Roads such as the Cartwright access road would be roads that would be considered subsequent to that. Right now, our priority is on completing the Trans-Labrador Highway.

I am familiar with the request you are referring to. The position we have is that if we start focusing the funds on the side roads and off roads, then it does not complete the highway. We feel the appropriate need is to complete the highway first and then move to other priorities after that.

MR. MURPHY: How many years are we talking about before we can probably see government address that? The Trans-Labrador Highway is due to be done when?

MR. DAVIS: We have another six, seven, or eight years of work to do, I would anticipate, on it, to complete the Trans-Labrador Highway. I have to tell you, there are so many variables there. That is just giving you an idea of the enormity of that project.

MR. MURPHY: Yes.

MR. DAVIS: There are so many variables that could change the timelines on the completion of the Trans-Labrador Highway. We have made a commitment to that. We have been able to stick to that commitment, and we will continue to make that commitment in this Budget year.

MR. MURPHY: Perfect, as long as the idea is there, anyway.

MR. DAVIS: We have to continue with the Trans-Labrador Highway. As I said, and that is our first priority, and then once we get that completed, we will look at following priorities.

MR. MURPHY: Mr. Chair, I have nothing else. I am good for now.

CHAIR: Okay, thank you, George. That is fine.

Eddie, what is left is yours.

MR. JOYCE: Yes, I will not be much longer. I apologize for that.

What vessel will be transporting freight to the North Coast and Black Tickle for the next two years?

MR. DAVIS: Transporting freight?

MR. JOYCE: Yes.

MR. DAVIS: The *Astron*, as Mr. Chippett referenced earlier, has a contract until 2015 with an option for an additional year. As you are aware, we are working on a long-term RFP for ferry services for the North Coast of Labrador and also for the Strait of Belle Isle. Our goal is to have that begin in 2016. The other services that we have talked about, including the *Apollo*, the *Astron*, the *Northern Ranger*, and the *Bond*

services, would be services to bridge us to get us to that new long-term RFP in 2016.

The *Astron* will be used again for freight until 2015-2016. The *Northern Ranger*, which is our vessel operated by a contractor, will provide ferry services in the summertime. The *Bond*, which is our vessel operated by a contractor, would provide services in the winter months.

MR. JOYCE: The *Northern Ranger*; did you say that is a contract boat?

MR. DAVIS: No, it is our boat operated by a contractor.

MR. JOYCE: What was the total cost of the repairs for it?

MR. DAVIS: Good question. Does Mr. Harvey know offhand?

MR. HARVEY: No, I do not.

MR. JOYCE: Can you just get it back to us sometime?

MR. DAVIS: It was substantial repairs. The vessel came out of operation in September. A gearbox failure is what occurred. It went to a shipyard in Quebec and underwent significant repairs. It came out of the shipyard in mid-January, if memory serves me correctly. We have actually utilized the vessel in other services since January to alleviate some of the other pressures we have had.

MR. JOYCE: The *Astron*; do you have any figures on how much it costs to operate that? Is there a total amount of how much?

MR. DAVIS: We do. We may have that here.

MR. JOYCE: You can get it.

MR. DAVIS: I might have it, actually. The *Astron* for this year is \$3.8 million.

MR. JOYCE: Thank you.

The *Sir Robert Bond*; will that be used for the North Coast during the 2013 season?

MR. DAVIS: The *Bond* is used primarily for – you know yourself the *Bond* is an aging vessel. We have utilized it for winter service from Corner Brook to Labrador. Of course, it is a much longer run than it is for the one the *Apollo* takes.

As far as utilizing it this year for services on the North Coast, we do not have any plans this year. We have used it before as a support vessel for freight or other deliveries when we needed them late in the year. It depends on – like I said, it is an aging vessel – the scope of the refit and how long it is in for a refit.

MR. JOYCE: Air ambulance; are there any cost savings or any amount that is saved by moving the air ambulance to Happy Valley-Goose Bay from St. Anthony?

MR. DAVIS: I do not have that. I do not know if the deputy or if the assistant deputy can comment. No, I do not know. The costs associated with that are combined between the Department of Transportation and Works and the Department of Health. I think both of us have line items on the operations of air ambulance, so the aircraft themselves come under –

MR. JOYCE: So was there savings?

MR. DAVIS: I cannot give you an answer to that.

MR. JOYCE: You can find out, if you can, please.

MR. DAVIS: Yes.

MR. JOYCE: Snow clearing twenty-four seven, I know you mentioned earlier about it. Is there a review to expand the twenty-four seven snow clearing?

MR. DAVIS: We do not have a review to expand it but we are, as I mentioned earlier, redoing some of the traffic counts. Traffic

volumes were a major, significant factor when it was set up as a pilot project originally, so we are doing those traffic counts again. Of course, it is an annual budgeted item and it is subject to change from year to year, but we are looking at it.

MR. JOYCE: That is it. Just in closing, thanks; I know there is some information that you are going to get back to us on, like the cost for Transportation and Works with the Abitibi and other stuff, and the Hatch Mott MacDonald design stuff. I look forward to getting it.

Minister, I thank everybody for this. Sometimes when I get a little issue like this in Frenchman's Cove, I have a habit of pushing forward a bit, but on a personal side, I would just like for you to pass onto Cyril McCarthy and the staff out there that they do a great job for the West Coast and the Bay of Islands. I know they are accessible.

Minister, to you personally, I just wanted it on record that over the last year there are some issues that I brought to your attention. I may not always get the right response, but I know it will be addressed. So I just want to thank you publicly for that and on the record, because I know that you would take an issue, try to get it resolved, and work on it. I just wanted to thank you and thank everybody for putting up with this for three-and-a-half or four hours because sometime it does get tedious and some of us do get a bit repetitious.

Thank you very much for that.

MR. DAVIS: Thank you, Mr. Joyce, I appreciate your comments.

I just want to echo. You mentioned Mr. McCarthy. I have had the opportunity to meet with Mr. McCarthy now on two or three occasions, as well as other regional directors and officials in our department. You are absolutely right; we have some really good, quality people.

If you look at what Mr. McCarthy does, as an example, and other regional directors, they are the people who quite often are facing on the

front line and trying to assess and deal with issues of concern from citizens. Sometimes it can be a tough job to balance between following policy, keeping within budgets and operational requirements, while balancing the needs of the citizens.

You cannot always do that. As I said, you cannot always do that, but I know these folks do a good job in our department. In all branches, too, we have good people.

MR. JOYCE: I agree.

CHAIR: Did you have something to say there?

MR. MURPHY: Yes, thank you, Mr. Chair.

Just one question before I give you final remarks and Eddie reminded me. Thank you very much, Mr. Joyce. On the air ambulance there was talk about moving air ambulance service from Happy Valley-Goose Bay over to Lab West. I know the former Health minister, Minister Kennedy, had talked about that last year or the year before, when he was Health minister, anyway. It was probably about two-and-a-half years ago.

I wonder if you can give us an update, if that was done and if the airplane is crewed. I know there was a problem with crew retention. That might have been outside of your purview, though, as regards to the air crew on that plane.

MR. DAVIS: Yes, all of your questions, actually, are probably outside of my purview.

MR. MURPHY: That is what I was wondering.

MR. DAVIS: Operational decisions on air ambulance are made through the Department of Health.

MR. MURPHY: Okay. Has that plane been moved, though? It is still in Happy Valley-Goose Bay.

MR. DAVIS: No, not to my knowledge. Any questions about is it going to be, is it being considered and so on would have to go through the Department of Health.

MR. MURPHY: Okay. Thank you very much for that, Mr. Minister. Thank you very much for your efforts.

I would like to thank the staff as well for being tied up. I know we are not in the playoffs season yet so we did not miss any really good hockey games yet.

MR. DAVIS: They have missed hockey this winter.

MR. MURPHY: They missed hockey this winter for sure.

MR. DAVIS: I made the comment earlier, just to acknowledge them. I know, so I hear, I can be a little bit demanding sometimes when it comes to our staff. We never get any pushback if there is something we need and it requires people working after hours in the evenings, weekends, and so on. I know I mentioned it in jest earlier, but it is a regular occurrence in my department.

It is a big department. There is a lot that happens. There is a lot going on. Our staff, and the deputy in particular, I know he punches a lot of hours. He does not do it for himself, I can assure you that.

MR. MURPHY: I would just like to thank them for all their efforts and thank the employees who are all underneath the purview of Transportation and Works.

Mr. Chair, that is it for me. Thank you very much.

CHAIR: Okay, thank you.

I will call for the subheads, please.

CLERK: 1.1.01 through 4.3.03 inclusive.

CHAIR: Shall 1.1.01 to 4.3.03 inclusive carry?

SOME HON. MEMBERS: Aye.

On motion, subheads 1.1.01 through 4.3.03 carried.

CLERK: The total.

CHAIR: Shall the total carry?

SOME HON. MEMBERS: Aye.

On motion, Department of Transportation and Works, total heads carried.

CHAIR: Shall I report the Estimates of the Department of Transportation and Works carried without amendment?

SOME HON. MEMBERS: Aye.

On motion, Estimates of the Department of Transportation and Works carried without amendment.

CHAIR: Okay. Before we adjourn I would just like to inform our Committee that our next Government Services Estimates will be tomorrow evening, Wednesday, April 24, at 6:00 p.m. here in the House.

CLERK: At 5:30 p.m. Wednesday.

CHAIR: Oh, at 5:30 p.m. on Wednesday I have just been informed. Sorry. Thank you, Sandra. We will be doing Service Newfoundland and Labrador, Government Purchasing Agency, OCIO, and WHSCC.

I would like to thank the minister and his crew as well, my Committee, and especially Sandra.

I will ask for a motion for adjournment.

MR. PEACH: So moved.

CHAIR: So moved by the Member for Bellevue, seconded by the Member for Bay of Islands.

Okay, that is it. Thank you.

On motion, the Committee adjourned.