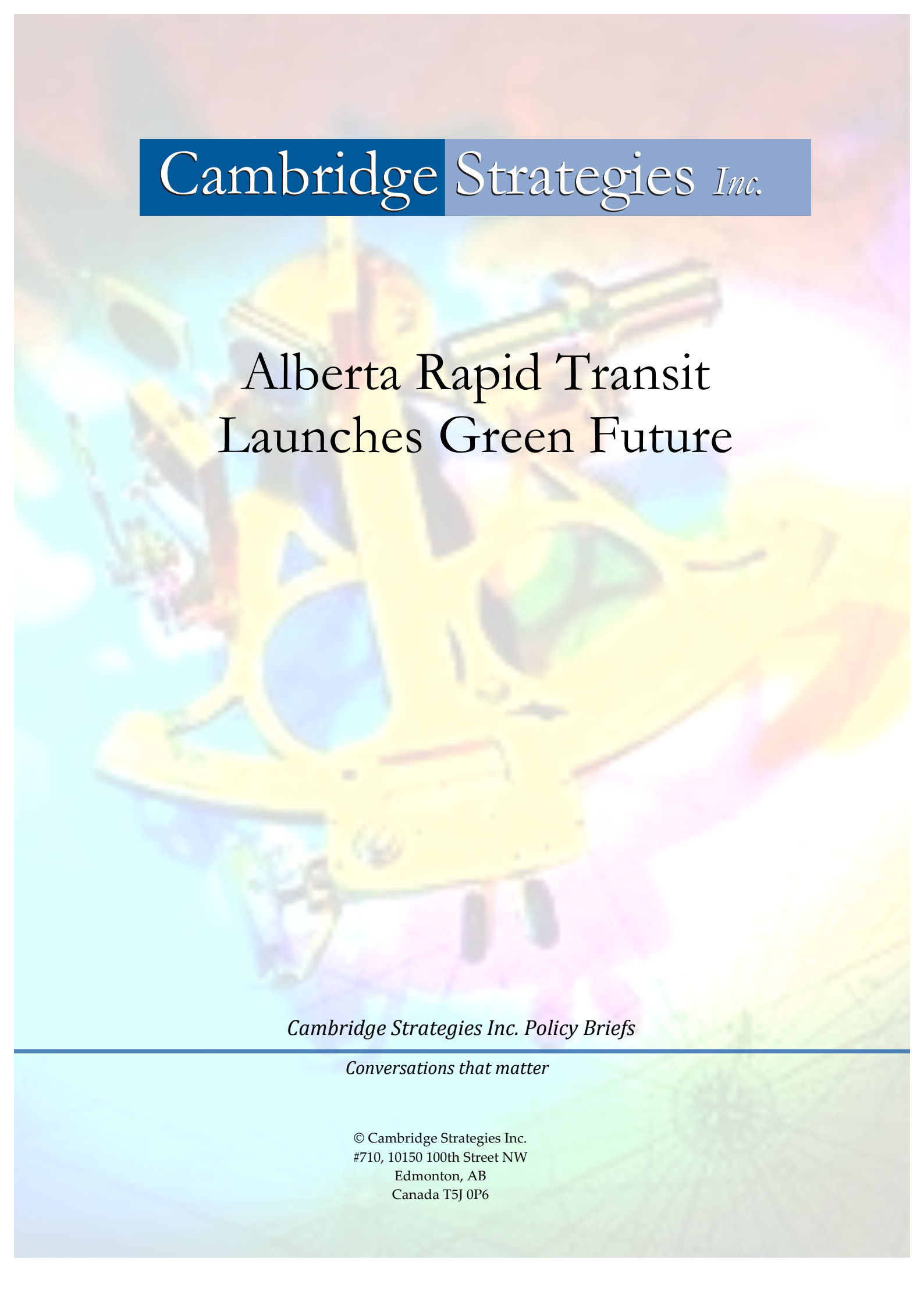




Cambridge Strategies *Inc.*

Alberta Rapid Transit Launches Green Future

Cambridge Strategies Inc. Policy Briefs

Conversations that matter

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Launching mass rapid transit all across Alberta would be a bold way to demonstrate Alberta's leadership in adapting to climate change and evolving a low-carbon future, Satya Brata Das writes in the fourth of four policy briefs on using our resource wealth for the benefit of our planet

ART: Alberta Rapid Transit. Mass transit in the big cities, with rail and express buses. Quick intercity links built around high-speed rail, spreading across the province. All of it blended and coordinated for seamless connections.

The idea has limped along ever since Edmonton opened its first Light Rail Transit (LRT) line more than 35 years ago. It's time to make it real.

This essential 21st century infrastructure would be a bold demonstration of Alberta's leadership, in using its hydrocarbon

resource wealth to build a greener and more sustainable future.

It would be a fine, pioneering first use of the Commonwealth Climate Fund (CCF) concept I've been promoting. As set out in recent policy briefs, The CCF would be a catalyst in achieving the many energy platforms and technologies that will bring in a Green Future.

It will take the lead in funding clean tech, green tech, and climate change adaptation and mitigation. It could be set up as an arm's length entity within the aegis of the Commonwealth Secretariat. It could be modeled on Alberta's Climate Change and Emissions Management Corporation, funded by the Alberta's carbon tax. The difference is the CCF would have a lot more resources to dispose, since it would skim off a levy on every barrel-of-oil equivalent produced in the Commonwealth. (By way of illustration, a \$1.50 levy on a barrel of produced oil would be the same as

a \$15 per tonne tax on carbon emissions, using the rule-of-thumb formula of University of Alberta professor Andrew Leach).

Building ART, Alberta Rapid Transit, would be a great way for Alberta to show the way, in adapting to climate change, and evolving a low-carbon future. Combining LRT in Edmonton and Calgary with high-speed rail in the Fort McMurray to Calgary corridor, this would be an “all of the above” strategy.

If Alberta were to commit \$30 billion from non-renewable resource revenue, over the next 10 years, ART would become a reality. To put it into perspective, that’s less than we spend on health care in two years.

And there is compelling reason to move ahead. An investment grade feasibility study commissioned by former Premier Ed Stelmach’s government concluded that high speed rail on the Edmonton-Calgary corridor would be feasible if only one per cent of drivers switched to rail. At that time, it proposed a stand-alone electrified line on a Greenfield route for \$3.8 billion (in 2009 dollars) that would enable a downtown-to-downtown trip in 80 minutes for \$149 round-trip fare, with stops at both airports and in Red Deer.

Extending it to Fort McMurray, with eventual networks linking Grande Prairie, Lethbridge and Medicine Hat, would make it a true Alberta-wide system.

There are many ways to structure and leverage such an investment. One place to start would be to give Edmonton and Calgary more capacity to expand their LRT systems, without waiting for additional funding from the provincial and federal governments. This could be done by easing the rules around how municipal debt is calculated, without having to raise debt ceilings (municipal debts are backstopped by the province).

Edmonton, for instance, is constrained in its ability to borrow for LRT, because it guarantees the loans Epcor took to its energy production. Yet since the Epcor debt is self-supporting, with a fixed and predictable means of repayment, it shouldn’t impede Edmonton’s capacity to borrow. Thus, a simple administrative change from the province would enable Edmonton to borrow the entire sum it needs to fast-track the 33 kilometre LRT line from Mill Woods to Lewis Estates, without having to wait for other orders of government to come through.

Similarly, high-speed rail could be envisioned as a public-private partnership. The province would set the operating standards and performance standards. Experienced private sector players could build and operate the service. In essence, it would be a regulated utility, as power generation and delivery once used to be. In a regulated utility model, the private sector would be guaranteed a return and would be required to meet publicly-set standards of safety and service.

In effect, ART would apply the powerful concept used by many of the most successful enterprises in the world, namely to anticipate needs based on demographic growth and change. In the case of the government, it means “just in time” provision of infrastructure and government services to respond to reasonably anticipated demands.

This means an emphasis on assuring that transportation systems and energy capacity are commensurate with economic and demographic growth, that the government isn’t caught by surprise, if Alberta surges to a population of five million in less than a decade.

In terms of planning transport infrastructure, population growth justifies serious consideration of decisions that ought to be taken now, to further expand urban transit, particularly the LRT systems that have been effective in Calgary and that can be made more effective in Edmonton.

An Alberta population of four million, growing by half a million people every four years, makes it possible to envision high-speed rail service linking the two metro cities, and Alberta’s major energy production centre, the Regional Municipality of Wood Buffalo.

It would also make sense to link fast rail to the major tourist destination, the Rocky Mountains, to which each is a gateway. Indeed, one could justify not just a high-speed rail link between Calgary and Edmonton, but extended also to Banff and Lake Louise (from Calgary) and to Jasper (from Edmonton). If Jasper is accessible by rail from Edmonton in 90 minutes covering the 370 km distance, it will boost the tourism potential of both Edmonton and Jasper, and make all the mountain centres even more attractive as year-round destinations.

It should be remembered, the only thing modern rail transport has in common with the older word “railway” is that both use tracks. With a population of more than four million, of whom three million live in the Edmonton-Red Deer-Calgary corridor high-speed rail becomes a viable, efficient, weatherproof complement to our superb highway system. It is vital to emphasise the complementarities of highways and modern rail, each should be understood as an essential part of Alberta’s competitive advantage.

It would effectively make Edmonton and Calgary into connected cities. If a dedicated high-speed connection were built, the travel time between the two cities would be the same as driving from one remote neighbourhood to another within those cities.

It would also enable a substantial increase in tourism, and brand Alberta as a modern and forward-looking business and investment destination. The proposed links, including the province’s metro cities and mountain resorts should also be

connected by road-based transport completing the loop between Lake Louise and Jasper.

Best of all, ART could be powered by renewable energy. There is enough wind energy capacity installed now, to make this feasible.

Lastly, ART could be set up as a Crown corporation. Operating at arm's length, much as Epcor does from the City of Edmonton, ART could enter into strategic partnerships with municipal transit systems across the province, to ensure a seamless flow of people and commodities across Alberta.

And let's keep in mind why we need to make a bold statement of Albertan leadership and commitment to a more sustainable future.

Even though Alberta's oil sands contribute minimally to planetary climate change (0.15 per cent of global emissions of CO₂), we know we have a moral obligation to the future of the planet.

Until we corral investments of billions of dollars per annum in alternative and renewable energy sources, we won't make a dent in the consumption of fossil fuels. The multi-platform energy companies pursuing this goal – Suncor, Shell, BP among many others – need a transparent and sensible policy and regulatory framework to build a greener future.

In this quest, as Martin Luther King once said, we are impelled by the "fierce urgency of now." Climate change is unstoppable, and irrevocable. And scientists now believe that the effects of today's fossil fuel consumption will last not decades but centuries, and perhaps millennia.

Our Alberta political consensus – all parties now agree on the need to address climate change – at last empowers us to cope with the effects of climate change, to fund adaptation, to pay for the creation of more sustainable energy sources for the planet.

Let's begin with mass rapid transit across the whole province, as vital 21st century infrastructure. It's time to build ART.

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