



The Empire Club Presents

THE HONOURABLE STEVEN DEL DUCA, MINISTER OF TRANSPORTATION

March 20, 2017

Welcome Address, by Paul Fogolin, Vice President of the Ontario Retirement Communities Association and President of the Empire Club of Canada

Good afternoon, once again, ladies and gentlemen. From the One King West Hotel in downtown Toronto, welcome, once again, to the Empire Club of Canada. For those of you just joining us through either our webcast or podcast, welcome, to the meeting.

Before I introduce our distinguished speaker today, it gives me great pleasure to introduce our Head Ta-

ble. I would ask that each of our Head Table Guests rise when their name is called. Usually, this is when the master of ceremonies says, “Please, do not clap until the end,” but for anybody who has been to a lunch this year, we do not do that anymore, so clap as much as you want.

HEAD TABLE

Distinguished Guest Speaker:

Honourable Steven Del Duca, Ontario Minister of Transportation

Guests:

Ms. Utilia Amaral, Wife of Minister Del Duca

Mr. Steve Baker, President, Union Gas Limited

Mr. Chris Benedetti, Principal, Sussex Strategy; Director, Empire Club of Canada

Ms. Teresa Di Felice, Director, Government and Community Relations, CAA South Central Ontario

Ms. Kim Donaldson, Vice President, Ontario, Insurance Bureau of Canada

Mr. Stephen Hewitt, Senior Manager, Corporate and Public Affairs, TD Bank Group; Director, Empire Club of Canada

Mr. Tim Smitheman, Manager, Government Affairs, Union Gas Limited; Second Vice President, Empire Club of Canada

Once again, my name is Paul Fogolin. I am the Vice President of the Ontario Retirement Communities Association and your President of the Empire Club of Canada this season. Ladies and gentlemen, your Head Table.

Transportation has been a prominent theme at the Empire Club this season. Earlier this year, we hosted a panel debate on road tolls with Mayor Crombie from Mis-

sissauga, with the chair of the TTC, and Teresa and others. A few weeks later, we hosted Mayor John Tory. He spoke prominently about transportation as a cornerstone of city-building.

Today's lunch, featuring the Honourable Steven Del Duca, feels like the natural culmination of a series on this very important issue. Why is transportation at the forefront of public discourse? Simply put, it matters. I would like to quote Robin Chase. She is the co-founder of Zipcar, one of the pioneers of ride sharing. I quote: "Transportation is the centre of the world. It is the glue of our daily lives. When it goes well, we do not see it. When it goes wrong, it negatively colours our day, makes us feel angry and powerless and curtails our possibilities." What can be done? What measures are taken to, in Ms. Chase's words, make sure it goes well? How do we build a transportation system that moves beyond adequate and strives for exceptional, one that transcends the needs of today by anticipating the needs of tomorrow?

We are fortunate, today, to have Minister Del Duca here to address this very question. He is going to provide us with his government's vision on the future of transportation, starting with transit investments and going through to Ontario's automated vehicle test pilot. His plan will combine long-term planning with short-term investment, without cutting the services that so many Ontarians rely on.

Steven Del Duca has a proven track record of out-

standing community involvement and a clear dedication to public service. He was first elected to the Ontario Legislature in September of 2012 as the MPP for my home riding of Vaughan. Del Duca was re-elected again in June of 2014 and appointed as Ontario's Minister of Transportation in Premier Kathleen Wynne's cabinet.

Since becoming minister, the Honourable Steven Del Duca has remained committed to the expansion of Highway 427. He has also overseen the development and construction of the \$1.4-billion York Viva Bus Rapid Transit project set for completion in 2020.

Minister Del Duca obtained a law degree from Osgoode Hall in 2007, and, previously, studied political science and Canadian history at both the University of Toronto and Carleton University.

He lives in Woodbridge with his wife and two daughters.

Ladies and gentlemen, please, provide a very warm welcome for Ontario's Minister of Transportation, the Honourable Steven Del Duca.

The Honourable Steven Del Duca

Good afternoon, everyone. I am absolutely thrilled to be here with all of you in this wonderful room, in this gorgeous room. I was saying to Paul and others that this is my first time being at this particular venue, and it really is stunning. To see all of you here today is something that I am particu-

larly grateful for.

I want to thank Paul for the introduction, of course. Paul and I had the opportunity to speak in the other room just behind the stage and behind the podium before we started today, and I had the opportunity to sign the book. Many of you will know that it is a time-honoured tradition of the Empire Club to have guest speakers sign the book, right Paul? Paul explained to me that this is the third, I believe, book in the history of the Empire Club, dating back now more than a century. The other two books have been shared with the University of Toronto Archives. I am getting all my lines right. Paul is nodding his head. You cannot see that up here, but he is doing it. Anyway, Paul wanted me to know that I have joined a fairly illustrious roster of speakers over that last more than 100 years. For some strange reason, the three examples Paul selected for me were Winston Churchill, the Dalai Lama and Gandhi. I am not quite sure why Paul selected those three speakers, but it may have something to do with the hairstyle. Right, Paul?

I really am thrilled to be here. This is a great opportunity, as Paul mentioned in his introduction, for me to share some of my thoughts about what I would like to call the “Transportation Transformation” that is taking place here in the Greater Toronto and Hamilton area and many parts of the province of Ontario—and, frankly, in many parts of many jurisdictions right across North America.

I do, again, want to thank the Empire Club for invit-

ing me here today and for giving me the chance to share my thoughts, for giving me this opportunity. As I was walking around the room and having a chance to see many of you, I did not get a chance to see everybody, but I promise I will do my best to get there. It is truly wonderful to see so many familiar faces, so many individuals, not only that I have had the chance to work with over the last number of years, but so many people who are such strong advocates for making sure that our government and, frankly, that all governments find a way to continue to work together to make sure that we are making the investments in the transportation infrastructure that our province needs.

I should also note, we are joined here in the room today by a couple of former members of the Ontario legislature. We have Joe Cordiano, and we have David Turnbull, who are both here in the room today, and I wanted to acknowledge both of them. I want to thank them for being here, and also Adrian Foster, who is the Mayor of Clarington. He is here in the room as well.

I have now served in the role as Ontario’s minister of transportation for just about 33 months, but who is counting? A few weeks back, after just a little bit of research, I realized that I am actually now the longest-serving Ontario Minister of Transportation since 1994. That is about 23 years. In case you could not tell, I am a bit of a student of history, or, as my little brother calls me, a geek. I did some additional digging. This time, Paul, I did the digging

about the Empire Club. The Empire Club, again, as we all know, has such a prestigious history, dating back more than 100 years. It turns out, I guess not surprisingly, that I am not the first guest speaker to be here in this forum, at this podium, discussing transportation. For example, in 1907, Member of Parliament W. F. Maclean was here warning Torontonians to not fear a new subterranean transit technology called ‘Subways’. He said—this is a great quote—and I quote, “If Toronto is to grow to half a million people, and that is right at our door, now is the time to outline the policy for a system of tubes in this city.” In 1915, the year before the Ministry of Transportation was formally created here in this province, another speaker was here to discuss the City of Toronto street railway question: Streetcars. In 1943, the role of transit and community planning was a hot topic. In 1950, an Empire Club audience heard all about big plans for rapid transit in Toronto. Lastly, by way of example, in 1953, five years before my father arrived in this country from Italy, an audience just like you gathered to hear about automobiles of the future.

In many respects, this helps all of us understand that all of the debates, discussions, analysis relating to transportation is nothing new for this city or for this region. In fact, in my time in this role, I have come to learn that there are three topics that seem to cause the most hand-wringing amongst GTA residents: First, whether the Maple Leafs will make the playoffs. Secondly, whether this winter weather

will ever give up and let us enjoy spring. Thirdly, people like to talk and think about the state of traffic on our roads and our highways. Many of you, today, will know that I am a lifelong resident of this region. I was born in Etobicoke in 1973. We lived there, my family and I, until I was about 15, and that was when we moved up to Vaughan. Like every single one of my friends, I went to get my 365 when I turned 16—literally, the week after I turned 16. I got my full driver’s license just a few months later, and I have largely been driving, more often than not, alone in my car since then. That does not mean I do not have friends; it just means that is the way that I have been driving for all those years.

So much of how we commute, our patterns, our rhythms, our preferences, comes to us early in our lives, and then it becomes very hard to change. I believe that we will only successfully shake up these patterns once we have given current and future commuters reasonable, accessible, affordable and reliable alternatives. To me, that means, most importantly, that we have to move beyond the endless discussions and the endless debate, the focus on process, the arguing over which transit plan is preferable. At all times, and this is something I have said in a number of speeches over the last three years, we have to make sure that we do not let the perfect become the enemy of the good. We have to get shovels in the ground. We have shovels in the ground. We have to keep building, and we have to keep producing more positive transit outcomes for the people that we are

proud to serve. That is exactly what the Kathleen Wynne government is doing.

I have been talking almost nonstop since June of 2014, since the premier gave me this responsibility, and I have been talking about the progress that we have been making with each passing month with respect to our transit plan and our transit expansion, and I know that sometimes it is very hard for all of us to understand or accept that we are tantalizingly close, tantalizingly close to the seamless and integrated transit network again that we need, but we are. I hear it from my constituents; I hear it from my family; I hear it from my friends and neighbours. It is understandable that, after so many years of starts and stops, there is a little bit of a credibility deficit that has taken hold. From my perspective, this is the kind of deficit that can only be reduced and ultimately eliminated once we have consistently demonstrated that we have done what we promised to do.

Let us take a look at the facts. Let us take a look at the facts and consider how our transit map will evolve over the next six or seven years. In just a few months, before the end of this year, the Toronto-York Spadina Subway Extension will start running, taking thousands of commuters up to York University, and for the first time, into the 905, connecting with the Barrie GO line, the Viva BRT and, ultimately, the Finch West LRT. The Eglinton Crosstown, the single largest public transit project in Ontario's history, a 19-kilometre line running along a major east-west artery,

connecting with GO lines and not just one, but three, subway stations as well as the Union Pearson Express and a wide variety of TTC bus routes, will be in service by 2021. The Finch West LRT will be complete also in 2021. The Hurontario LRT, in Mississauga and Southern Brampton, will be in service by 2022, and Hamilton's own LRT will be in service by 2024. GO Regional Express Rail, which was at the foundation of our campaign platform in 2014, relating to transportation, GO RER, a truly transformational project that will serve as the backbone for our entire network and will help enable the delivery of Mayor Tory's SmartTrack system, will be in service by 2024. This means that on most of our GO network, trains will be running in both directions and up to 15-minute intervals, seven days a week. And those trains will be electrified, meaning that they will run cleaner and quieter and quicker.

In addition, we will be extending GO Train service to Bowmanville and to Niagara Falls, and we will be continuing to invest in the planning and the design of a number of other critical projects, such as Durham's BRT, the Regional Relief Line, and the Yonge North Subway Extension to Richmond Hill.

In short—and this is so critical—while we build for today, we will continue to plan, so that we can keep building for the future. At the same time, as we successfully deliver traditional transit projects, I think we have to accept the undeniable reality that the world of transportation is literally

changing under our feet. Like so many other sectors and industries, transportation is not and should not be immune to innovation and disruption. Moreover, from my perspective, government has an obligation to step up to both encourage and channel the innovation so that it produces positive results. We cannot afford to be spectators in this regard.

Not every aspect of this conversation is comfortable for every single participant, but, again, we cannot afford to sit back and simply watch because we know that the pace of change is accelerating and the consequences of missing out are more immediate and more costly than ever before. To me, this notion of accelerating change is the most important aspect for us to consider when we are discussing transportation planning for the 21st century. With each passing month, new technology, new trends and new consumer choices will continue to impact transportation, and we see it everywhere across society. Challenges and opportunities that arise from the emergence of new forms of innovation, disrupt the way that things have always been done.

Let us think back for just a moment. In 2003, when Ontario Liberals returned to government at Queen's Park, no one had ever heard of Facebook. In 2007, when we were reelected for the first time, Twitter was brand new. It was brand new, and Instagram, which I only recently joined, did not exist. In 2011, the year in which we were reelected for a second time, Snapchat was created, and, now, just six years later, it is valued at approximately \$20 billion. In 2012,

when I was first elected to the legislature, Uber had not yet launched its service in Toronto, and it and other on-demand transportation options continue to impact the traditional taxi and limousine industry and, frankly, the traditional transit as well. Sensors today can gather more and better information and are being deployed pervasively. Computers can process greater amounts of data at faster speeds, and the limitless human imagination keeps coming up with new ways of analyzing and applying data to solve problems, both in transportation and in other critical areas. In a province that is proudly home to the world-leading Institute for Quantum Computing at Waterloo University, we are in such a strong position to be a leader. In fact, we are already living in this era, the era in which the only constant will be how quickly and how often disruptive innovation, action and commercialization will upset traditional thinking and approaches.

The first mandate letter that I received from Premier Wynne in 2014, called on me to advance a regulatory framework that would permit the testing of automated or driverless vehicles on Ontario's roads. I do not mind telling you that just about three years ago when I saw that in the letter, I was a little bit surprised because, at that point in time or leading into that point in time, I did not know a lot about this particular technology. I can still remember the first time—I think it was in 2013—when my wife, Utilia, who had been in California for work, came home from that trip and talked to me all about driverless cars, automated

technology. It sounded more like science-fiction to me than anything else.

After doing some research, and doing it very quickly, my perspective has changed. I am proud to say that Ontario was the first province in Canada to create a pilot regulatory framework for the testing of automated vehicles, which started January 1st of 2016. Just a few months ago, I was in Waterloo, alongside my Parliamentary Assistant, Daiene Vernile, one of our local members, and we announced at our first three participants in this pilot would be the University of Waterloo, the Erwin Hymer Group and BlackBerry QNX. Today, I can confirm that another participant, Continental, has now held the first test of an automated vehicle on a road, in Ontario, and that their test lasted approximately four hours.

By embracing all of the potential that this technology offers, we are leveraging the significant talent pool that exists in our province, something that we need to be proud of but that we need to keep working on. That is a talent pool that exists both in the automotive and the technology clusters that exist in Ottawa, in Waterloo, around the GTA and elsewhere. In fact, last June, General Motors announced that they would be hiring 700 people in Oshawa and in Markham as the company expands its engineering and software development staff in Ontario. In response, the *Wall Street Journal* called it an effort at keeping pace with Silicon Valley. It also talked about it being another vote of

confidence in Ontario's tech industry credentials.

None of us knows for certain how quickly automated vehicles—not just cars, but trucks, transit vehicles—and the impact of this new technology will be felt. I acknowledge that we still have to resolve some very important issues relating to ethical decisions that machines may be called upon to make, as well as decisions as to how we will insure vehicles when no licensed driver has to sit behind a non-existent steering wheel.

Some observers believe that widespread adoption of this technology will occur within ten years, while others suggest that it will take longer. The Institute of Electrical and Electronics Engineers forecasted that by 2040, another 23 years from now, automated vehicles will account for 75% of all vehicles on the roads. Most analysts predict that this kind of deployment, this kind of widespread deployment of this technology will mean, at the end of it all, a very steep decline in the total number of vehicles on our roads because traditional car ownership will be less attractive to consumers who will be more inclined to use technology to order a driverless car or a driverless vehicle, as needed.

While it is very difficult to predict exactly how this will play out, we do know some things for sure: The shift towards this technology is underway, and its emergence over whatever horizon will have a profound impact on our transportation systems and on our economy. As we plan both our transit projects, and I would say, in particular, our

highway projects in urban and suburban areas, we must take great care to not inadvertently allocate hundreds of millions or potentially billions of taxpayers' dollars in what may become stranded assets in less than a generation. Perhaps it is time for the provincial government to contemplate including a robust assessment of the impact of emerging technologies as part of the analysis before approving funding and building the next generation of traditional transportation infrastructure. With respect to Ontario's economy—we all know this, and some in the room know it very well—there are literally thousands and thousands of current jobs, from transit operators to truck drivers that could be displaced by automated vehicle technology. Governments around the world are grappling with the consequences of increased automation, in general, and, to date, no one has landed on a comprehensive solution.

From my perspective, it is critical that we examine how best to rapidly realign or rapidly align, retrain and provide retraining opportunities for those workers who may be displaced, at least as part of a transitional response; for example, according to a recent report that was produced last October, it is expected that 147,000 jobs will need to be filled within the next 15 years alone because of the infrastructure industry's requirements to build everything that the government and all governments are talking about, along with the private sector. These jobs include the need for thousands of skilled tradespeople, and we are blessed in Ontario be-

cause we have the most talented skilled tradespeople and construction industry in the entire world. These jobs will include estimators, engineers, surveyors, the skilled tradespeople themselves, administrative staff support and more. It is important to note that this analysis does not include jobs that would be created by additional, not-yet-approved transportation and other infrastructure investments, so it is entirely possible that both the total number needed and the term of 15 years itself could extend, or it could grow.

I simply point that out to say that, though we have not landed on specific solutions, there is tremendous opportunity, as long as we keep building to produce those positive outcomes themselves, the transit, all of the other items that I have referenced here today. At the same time, we must make sure that we are comfortable enough with being prepared to make the shifts that are provided to us.

We see innovation and disruption occurring in other areas relating to transportation as well. We started an electric vehicle incentive program back in 2010. To me, this is one of the best examples of how support that government provides can work so well with industry and market responses. In 2010, we started the incentive program. There were two vehicles on the market that qualified at that point in time. In its first year, 140 incentives were given. Today, because the market responded not just to what we were doing here in Ontario, but to the realization that more, globally, needs to be done, particularly, with respect to the

fight against climate change, last year, 25 vehicles were eligible for our incentive program, and 3,500 incentives were given, again, last year alone. It shows tremendous growth, and there is more that we expect to see.

There are a number of other transportation challenges and opportunities that we will be facing and embracing in the coming weeks and months. I do look forward to providing continuing updates, whether we are talking about high-speed rail—and there is going to be some news coming about that in the next number of days, but I am not allowed to scoop myself and tell you what it is going to be from this podium today—or we think about some remarkable technological innovations and achievements that are happening as we speak.

Some in this room will know, for example, that a Mississauga-based company called Hydrogenics is actually in the process of partnering with others to produce and provide hydrogen fuel cell trains to Germany. In fact, I believe the first train just went into what is called ‘dynamic testing’ very recently. I point that out to say, as I was saying earlier in my comments with respect to automated vehicles, we need to be, at all times, nimble. We need to be supportive. We need to build the kind of ecosystem that will help produce both a strong economy and also the strongest and most resilient transportation system that our province needs.

Very often when I get to this point in my speech, and I think about all that we have achieved in transportation

over the last couple of years, with a very clear recognition that we still have so much more to do, what is mostly going through my head is the fact that, at home, my wife, Utilia, and I have two young daughters. Talia is nine years old. Grace is five years old, soon to be six. She acts a little bit more like she is 16. When I think about the horizon of the kind of infrastructure investments that we make as a government—the five years, the six years, the ten years—it reminds me that when we are completed, the current installment of the massive transportation building that we are doing right now, that seven-year horizon I referenced, that magic year of 2024, our nine-year-old will be 16.

You remember earlier when I talked about how at the age of 16 I rushed out to get my 365 and got my license, and I have kind of been stuck in that pattern of commuting since then? If we get our work right, if all three levels of government that are well aligned right now, continue to make the investments, continue to keep the shovels in the ground, continue to stick to the job that we are determined to do, it will mean to me that Talia and Grace and, literally, the tens of thousands of other children across the province that are growing up and that will be contemplating their careers and where they want to settle will have the transportation system that provides them with options. It is why we are doing the work that we are doing. It is why we are going to continue to be open-minded. It is why we are going to keep building and, fundamentally, ladies and gentlemen, it

is why *I* am determined to make sure that we get it right.

Thank you very much for having me here today.

Questions & Answers

Q: Thank you very much. Mr. Del Duca. I am wondering if you can tell us what is going on with the \$170 million Green Commercial Vehicle Program that was mentioned in the Climate Change Action Plan. It was announced back in June. We have heard nothing since then.

SD: The MTO is continuing to work with MOECC and a couple of our other partner ministries. As with many of the things that are included in what is a very ambitious Climate Change Action Plan, there is some additional work that we have to make sure that we are getting right before we can provide additional updates. This is the way a politician tells you they do not have a clear answer for you at this particular luncheon, at this point in time, but I can put your mind at ease in terms of saying to you that we are committed to make sure that we fulfil not only the commitments that we are making around that particular element, but the rest of the Climate Change Action Plan. Thank you for your interest in that.

Q: Just wondering, Minister, if you could provide the room with an update on the Vaughan Subway Extension.

SD: The Spadina Subway Extension, which is being built right now, will be open by the end of this year. In fact,

I saw in social media a couple of weeks ago, one of the test trains, one of the TTC's test trains was all the way up at the Vaughan Metropolitan Centre Station, which is located at Jane and 7. That subway extension, the first one that is being built up into the 905, will be open a little bit later this year. Sometimes in my riding or in other parts of the GTA, I get these funny looks: "Oh, sure, a subway is coming to Vaughan because you are the Transportation Minister." I just want to say, for the record, though, that I am thrilled about the fact that it is coming to Vaughan, and it was predecessors of mine that actually made sure that was going to happen.

Note of Appreciation, by Kim Donaldson, Vice President, Ontario, Insurance Bureau of Canada

Thank you, Paul, and thank you, Minister Del Duca for your remarks. I know everyone here can see the passion that you bring to Queen's Park.

My name is Kim Donaldson, and I am with the Insurance Bureau of Canada. We are the industry association that represents home, car and business insurers in this province.

And, Minister, the subject of autonomous vehicles is something that we have been thinking about, contemplating, for the last few years. As the minister mentioned, Ontario is thinking ahead to the introduction of automated vehicles on our roads. This is exciting news for our province, the insurance industry and Ontario drivers, and it represents a turning point in driver safety.

As it stands, roughly 90% of road traffic collisions are caused by human error. In a world of automated vehicles, accident rates will almost certainly fall dramatically, while a greater proportion of accidents will be caused by software malfunctions and hackers. Beyond improved road safety, automated vehicles will have a tremendous impact on how the insurance industry offers auto insurance coverage and how government regulates insurance, a re-engineering that is currently underway. We are working closely with insurers and the province to prepare for these changes.

Minister, I applaud you for working with us to make Ontario a Canadian leader in adapting to technological change. Thank you, again, for your remarks, and we look forward to the government's upcoming budget where I know we will hear more about your plan to make Ontario's transportation system among the most innovative in the world. Thank you.

Concluding Remarks, by Paul Fogolin

Thank you. All right, ladies and gentlemen, we are almost at the finish line. Thank you very much for attending today. I would like to thank, in addition to our lead sponsor, IBC, our VIP reception sponsor, CAA. Let us give them a round of applause as well.

Again, as a not-for-profit club, we could not host these exciting lunches without our sponsors' support. It means a lot to us. I would also like to thank mediaevents.ca, Canada's online event space, for live webcasting today's event for thousands of viewers around the world.

Although our club has been around since 1903, we are active on social media—maybe not as active as the minister—but we are on there. Follow us at Twitter, Instagram and Snapchat. We are on LinkedIn as well and, of course, Facebook.

Finally, please, join us. We have some exciting lunches coming up. This Friday, March 24th, the Honourable Bill Morneau, Minister of Finance, will be with us at the Royal York. Then, next week, at the Delta Hotel, we will have the Honourable Tracy MacCharles, Minister of Government and Consumer Services.

Thank you, once again, for your attendance today. Have a fantastic afternoon.