

# Milke: Airport tunnel report should be released by city

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Presented By:



In the mid-1990s, a British Columbia politician, Glen Clark, thought faster ferry access between greater Vancouver and Vancouver Island was a necessity. At a 1994 press conference, Clark, then employment and investment minister, promised three new ferries would cost no more than \$70 million each to build.

"It's all in the price, right down to the toilet paper," he assured reporters.

Except, as was later discovered, Clark and his political aides deliberately lowballed the projected cost. Over the years, the original \$210 million "estimate" (for all three) escalated to \$240 million, then \$300 million, and, eventually, to a final \$463 million.

Clark's credibility took a major hit. That scandal, combined with a 1996 budget where numbers were fudged, permanently damaged Clark (then premier) and his NDP government. Their popularity plunged and never recovered.

I note this bit of B.C. history because it appears Calgary city council might tread a similar path. Much of council seems intent on building a tunnel underneath the airport without full disclosure of the financial and other risks involved.

The tunnel is unnecessary because other routes exist that could be expanded. A new tunnel would, at best, save five or maybe 15 minutes here or there, and would not prevent road upgrades elsewhere in the quadrant anyway.

Then, there's the cost issue. Various estimates were bandied about over the past few years. One was from the Calgary Airport Authority and the city; it pegged the tunnel at \$520 million, before interest.

Then, after Mayor Naheed Nenshi and the new council took office, they commissioned a new report. Released in February, it forecast a \$295 million cost, a project amount subsequently approved by council pending an agreement with the airport authority. (The airport leases the land from the federal government. The authority's position is, sensibly, if the city wants the tunnel so badly, city taxpayers must take the risk.)

But that secret report was never publicly released. In February, the Herald's Jason Markusoff reported how city administrators, in in-camera discussions, warned council "the tunnel project features various risks that could wind up costing the city even more." Markusoff quoted former city roads manager Ed D'Antoni, also skeptical of the mayor's numbers.

I phoned the mayor's office last week to ask for a copy of that internal report. No luck. The mayor was

available to chat -a nice gesture. But I declined, because until the assumptions behind that \$295 million figure can be publicly assessed, the discussion would be about the mayor's claim the tunnel is a necessity, or on my end, city hall's non-transparency here.

If there's nothing in the secret February report to raise airport or taxpayer eyebrows, council should happily make it public. But the mayor's office said it could not be released because of negotiations with the airport authority. In other words, if the authority knew the full gamut of potential cost overruns, that would harm the city's negotiating position.

Of course it would. That's why the report should be released. Ultimately, any liabilities assumed by the airport could dramatically affect the fees and charges to passengers, airport shops and airlines. If the city is fully on the hook, cost overruns would show up on the property tax bills of Calgarians. Or tax dollars will be redirected away from other spending priorities more than already planned.

Ald. Gord Lowe wants that secret document (and others that tout the tunnel's necessity) to be made public. He also wants them subject to peer review.

And rightly so. There are good reasons for skepticism on the proffered \$295-million tunnel price tag. In their 2003 book, *Megaprojects and Risk -An Anatomy of Ambition*, three European urban planners involved in transportation issues found a troubling pattern on government megaprojects around the world.

Here are just three examples: The Channel tunnel between the United Kingdom and France -an 80 per cent cost overrun; the Great Belt rail tunnel in Denmark -a 110 per cent cost overrun; Boston's artery/tunnel project -a 196 per cent cost overrun.

Bent Flyvbjerg, Nils Bruzelius and Werner Rothengatter quote one definitive study that looked at 258 projects worth a total of \$90 billion. Initial costs were underestimated in nine out of every 10 projects. The initial underestimates were not the result of errors. Instead, "strategic misrepresentation" was the reason.

Nenshi came to office on promises of transparency and increased accountability. Secrecy hardly fulfils that pledge. For the sake of democratic accountability, the mayor and his council supporters should release the report and thus the assumptions behind a new and improved \$295-million tunnel estimate. If transparency isn't motivation enough, they should recall the negative example of Glen Clark and do it for another reason: politically -it's in their long-term self-interest.

Mark Milke is the Alberta director of the Fraser Institute. [mark.milke@fraserinstitute.org](mailto:mark.milke@fraserinstitute.org)

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