

GATEWAYS AND TRADE CORRIDORS INITIATIVES : A PARADIGM-SHIFT FOR TRANSPORTATION PLANNING IN CANADA?

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Introduction

The Asia-pacific gateway and corridor initiative has drawn considerable attention in Canadian transportations circles in the last few years. No doubt the success of the formula in developing a strong rationale for a reinvestment in transport infrastructures has been noted. Particularly because it was instrumental to gain the commitment of significant amounts of money from all levels of governments. The West Coast initiative has been turned into a countrywide policy by the federal government. In parallel, federal-provincial agreements have been signed to create or reactivate gateway projects in the other principal entry zones for international trade: the Atlantic and the St. Lawrence Great Lakes axis.

The initiative is important because its announces level of investments that have not been commonly seen for a few decades. But it is also far reaching beyond the infrastructure issue: for example, the complex merger of all three Canadian Port Authorities of the Vancouver area

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into a single entity has been lead in good part by that assumption that it would make for a more coherent organisation to meet the challenges to become a gateway of choice on the international market place. In a more analytical perspective, the gateway initiatives also present some fundamentally new characteristics. For one, it is a piece of transport policy that is not rooted in the classic modal divisions, clearly stating that a gateway by definition encompasses infrastructures of all four major modes. It is this general aspect that is investigated in this paper: what does the gateway approach changes in the fundamentals of Canadian transport policy and planning?

Conceptual and methodological considerations

Our interest for the changes signal by the initial successes of the gateways and corridors initiative spurs from a wider comparative study of policy interventions aimed at increasing the competitiveness of marine transportation (Guy and Urli, 2008). This work highlights the specifics of a wide range of such measures used in western economies, but is set in the perspective of studying the process through which the public support and control of shipping is transformed. In this context, three funding assumptions guide our evaluation of the gateway initiatives:

1. A “play of power” among the stakeholders has a great influence on the policy cycle and transportation planning as conceptualised by Everett (2005).
2. because it’s the role of governments to protect the interest of a variety of stakeholders, public policy initiatives will seek to achieve multiple objectives. Yet poor arbitration among goals may often results in contradictions leading to diminished efficiency and dissatisfaction.
3. The process of analysing situations to be improved, of evaluating possible responses, of selecting and implementing the most appropriate is essentially a group decision and can be studied as such (ie with the approaches developed in decision science).

Everett's (2005) model draws from an extensive study of port planning and policy in Australia. It argues that policy directions and concrete measures are first the out come of a play of power among the stakeholders that modifies everyone's request and official planning into a mixed solution indicative of respective influence of individual stakeholders. This normally resulting in less than optimal solutions being implemented.

In a recent study we conducted we find that this play of power are not only evidenced by in the historical process that lead to adoption but remain in the matrix of objectives and effective measures that form a given policy. They are a variety of oppositions and incoherence that can be found specific public interventions and typically they appear to be three common type (see figure 1):

- Contradicting goals. It is the nature of Most commonly though, the contradictions appear between some of the for example the European Commission has the objective to generate a modal transfer in its transportation policy, but is organised around the central objective of revoking the state-lead market distortion. Such opposition are generally acknowledged and the policy presented a balanced proposition. Yet, close examination frequently reveal that such compromises are often are the base of policy underperformance.
- Sometimes apparently coherent goals appear in contradiction once a specific means is retained for achieving each specific objectives (type b in figure 1).
- By extension inefficiency or under performance will result form incoherence among goals and means and can be seen as contradiction between goals and results (type c in figure 1). This is the case for example of protectionist regimes under which a sector as not reverted regression and where the actual evolution of the specific indicators are going in the opposite direction of that identified by the initial objectives.

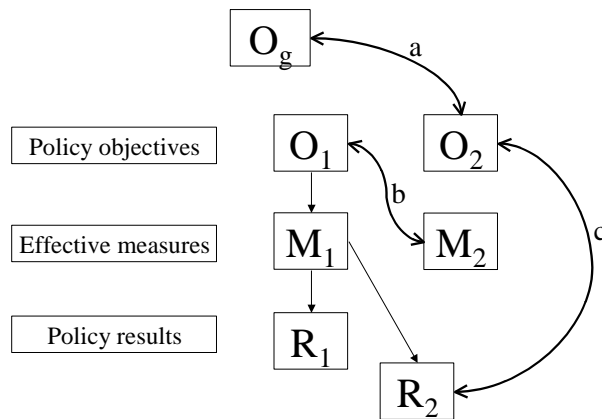


Figure 1 – Common contradictions within the public framework for transportation

The third influence to our approach is directly derive from looking at the policy process as a decision process. This analogy is useful to show other important characteristics of the policy cycle and areas where a play of power may occur. It can help define the elements at stake within stakeholders' interplay through the standard divisions a decision: information available, criteria to judge upon, existing potential options, evaluation methods and selection (see figure 2).

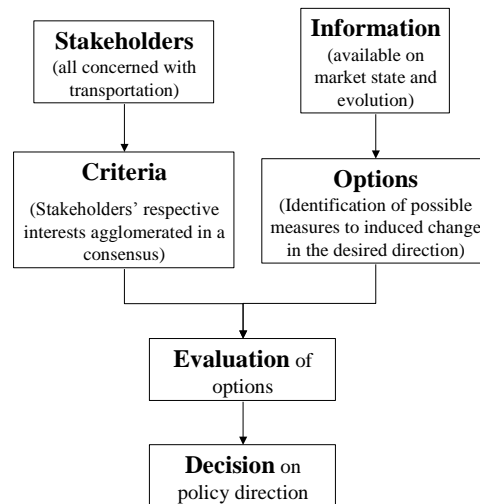


Figure 2 – Transport policy as a decision process

These conceptual considerations combine to form a simple grid by which to evaluate the significance of the gateway and corridor initiatives and the importance of the changes introduced by the adoption of this perspective in transportation planning in Canada. It can be formulate into a set of straightforward questions:

- Does the new approach recognized new stakeholders?
- Is the new approach linked to a redistribution of power among existing stakeholders?
- Does the new approach single out new policy objectives?
- Does the new approach provide new information that may lead to a different understanding of the situation?
- Does the new approach identify new options to generate change in the desired direction?

Does the new approach recognized new stakeholders?

Gateway and corridors initiatives are formalized by the creation of councils that received the mandate to develop the vision for a gateway or corridor in a specific region and oversee to its implementation. Yet, such associations are not necessarily new. On the West Coast, the Greater Vancouver Gateway Council exist officially since 1994. It was funded as an association of transportation operators under the leadership of the main seaport and airport of the area with the mission to promote – mainly to governments – the adoption of a gateway approach. With the broad acceptance of their vision and propositions by the Federal Government a second type of gateway councils appeared. It takes form through a formal memorandum of understating between the federal transport and trade authorities and their provincial counterparts in the area concerned by a specific gateway or corridor initiative. These agreements include the creation of committees through which high public servants and ministers' representatives engage in the coordination of their respective efforts. These agreement also stress the importance to maintain a close and frequent consultation with the industry. As a result, the model so far is to maintain these separate types of gateway councils, but develop formal means to ensure they work together in an efficient manner.

So it could be said that gateway initiatives generate two types of new stakeholders: councils formed of the main transport operators from all modes and inter-governmental committees to exchange information and coordinate the action investments. Yet in both cases, it is clear that members are their to oversee to their interest in a project that span beyond their own activity. It is a recognition that as transport stakeholders their own development is heavily dependant of every components of the international trade chain; that they need for this reason to work together, but in doing so all stakeholder maintain its claim to its own identity and the specificity of its situation and interest. Gateway and corridor initiatives developed in Canada in recent years are therefore best described the creation of news forum for transportation stakeholders then new stakeholders.

Is the new approach linked to a redistribution of power among existing stakeholders?

This is obviously a variation of the previous point, but allows to greatly strengthen our evaluation of the limited redistribution of power. Given the importance of reinvesting in the infrastructures in the concept, it is interesting to look at the sources of contribution as an indicator of relative influence of the stakeholders. If the federal government as claimed a role of leader in the Asia-Pacific Gateway and Corridor Initiative with its announced investments nearing 2 billion dollars, by its own estimations long term private investments are expected to be three time as high (Transport Canada, 2008). More revealing is the distribution of private/public money by modes of transportations. Some 691 millions of the confirmed public investment went so far to road infrastructures. That represents 83% of total public investments. The figures posted do not include any private investments from the road freight sector to combine to these public spending. In contrast, complementary and/or competing modes of the rail and marine sector will be boost by advertised private investments totalling 2.4 billions (this includes long term projects) (Guy and Urli, 2008). Such comparisons require care, but it serve to illustrate that if the gateway approach is innovating in planning from a truly multimodal perspective, it does not deeply modify the comparative situations of the respective modes.

The relatively slower development of the gateway project in the Atlantic region is also an indication that in itself the integrated approach proposed in gateway initiatives do not modify substantially the relative power of respective stakeholders involved in freight transportation. Although there is there is a recognition of the virtue of the concept and a will to contribute among stakeholders of the region, a lack of consensus on what infrastructure exactly should be most directly involved and what should the respective roles of the authorities looking after them is observed and seems to constitute a clear barrier to the progress of the project (McCalla, 2007). So much so that the bulk of the objectives of the memorandum of cooperation are dedicated to building this consensus around a common vision (see

section 3.4 of the Atlantic Gateway Memorandum of Understanding (<http://www.tc.gc.ca/GatewayConnects/docs/Atlantic%20Gateway%20MOU.pdf>).

Does the new approach single out new policy objectives?

Overall, gateway and corridors initiatives in North America have traditionally been supported by a mix of objectives ranging from the urge to avoid the externalities – both economic and environmental – of increasing urban congestion to the urge of making the most of significant business opportunities created by a growing international trade sector. Congestion avoidance is certainly part of the of the gateway equation in the Canadian model, but there is an apparent priority attached to the goal of creating a international trade friendly environment. This arbitration is particularly evidenced by the *National Policy Framework for Strategic Gateways and Trade Corridors*. Although this public oriented document is certainly less important than the conducting of the gateway and corridor projects themselves, it is illustrative that authorities have refrain from over mixing goals and retain a clear focus on trade. This is in our view among the most far reaching implications of the gateway and corridor approach for transport policy: a clear arbitration of objectives in favour of trade. That is stating that the transportation systems to be developed are to support international trade, firstly because there is interesting economic growth that will spur from the activities related to the handling and carrying of the merchandises themselves. More importantly however, because the overall national and regional economic growth increasingly depends on its connectiveness with the international market place.

Does the new approach provide new information that may lead to a different understanding of the situation?

The gateway approach certainly claim a new interpretation of information: international trade is increasing rapidly, the actual capacity of the infrastructures can not cope with the expected level of growth, this should be of great concerned as our economy

increasingly dependant on international trade. Yet, all the raw data used to develop this rationale has been available for some time and indeed even its interpretation itself as testified by the longstanding action of the Western Transportation Advisory Council for example. Paradoxically, it is common to find that once the stakeholders go past the promotion of the general rationale, it is found they lack the information necessary to back the development of a specific action plan. As a result, the foundation act of a given gateway project is commonly the undertaking of a study to identify where are the main bottlenecks to target. The project along the St. Lawrence and Great Lakes axis is currently going through this phase (see SODES, 2008). Other corridor projects, perhaps more orientated towards traffic management issues like the I-95 Coalition, have information systems at the centre of their activities. The very idea of optimizing the passage of trade flows through a region calls for a detailed knowledge of these flows. So it can be assumed that gateway and corridor projects being develop will produce better transportation data, but much remains to be done.

Does the new approach identify new options to generate change in the desired direction?

A very similar diagnostic than with the previous question can be made here. The gateway initiatives are composed of concrete options that have been know for some time. For example, amendments to the legal status of port authorities to facilitate their access to financing have been on the table since the creation of the Canadian Port Authority entities. Development of blue sky agreements with Asia-Pacific countries are presented as important progress in the developments for the gateway in Vancouver, but these are issues rooted in wide debates in the sector that long precede the official gateway. More important, all the individual concrete solutions whether technological, infrastructure or regulation that are regrouped under the gateway and corridor umbrella in a specific region that could be undertaken successfully without this particular framework. This apply equally to road infrastructures investments that make the biggest part of current initiatives.

Discussion and conclusion

We started this analysis by postulating that a circumstantial dynamic play of power among numerous stakeholders to reach a vision agreeable to most is a more effective conceptualisation of the production of policy than a cartesian evaluate-consult-implement-re-evaluate cycle. From this we present an original grid to evaluate the significance of gateway and corridor project currently developed with the financial backing of federal and provincial governments. By looking at the nature of the interactions between involved stakeholders, the creation of policy objectives or decisional information, we find that gateway and corridor approach in the form currently develop in Canada is more of a new arena than a new paradigm. That is a new forum through which government authorities and industry stakeholders can dialogue on their requests and capacity/willingness to act upon and coordinate their actions accordingly. A new arena for these interactions to take place under a new rationale where intermodality and trade are given more importance. Yet these exchanges are lead among the same pre-existing stakeholders with unchanged primary interests and an unchanged relative balance of power between them.

Aside these conceptual considerations, we argue that our analysis has concrete implications for the policy makers and industry stakeholders involved in the development and running to the three Canadian gateway and corridor initiatives:

First, infrastructures by themselves won't be sufficient. In this, we reach similar conclusions than other observers who point out that not just infrastructures are needed but of equal importance is streamlining the regulatory environment in an North American perspective (see Brooks, 2007).

Secondly, and of great importance, our analysis suggests that stakeholders should be cautious that the success of the gateway approach had in building a consensus over a strong rationale for infrastructure reinvestment may be more difficult to reproduce for

regulation issues. By and large, gateway and corridor projects currently enjoy a good level of backing from a wide range of stakeholders. But this participation is done on the principle of representation. Organisation A is part of a gateway council to provide the input and knowledge from its specific sector of activity and the council is careful to be representative of the principal actors as its legitimacy is derived from this. But “provide the input” also imply to defend its interests. With little redistribution of power from the stakeholders, the initiatives risk being paralyzed on eventual non-consensual issues. Even more so, given the unofficial double structure that lead the initiatives between inter-governmental committees and industry groups. The “managerial” structure that are being develop appear in this context all the more crucial to the future success of gateway and corridors initiatives and should received sustained attention.

Among the possible difficult issues, the fluidity of goods passage through the Canadian-American border has to be ranked at the top. Although opposing visions of the optimal security-prosperity equilibrium are more likely to be found at national levels on either side of the borders than within the Canadian gateway stakeholders. In the marine transportation sector, it is already clear that the gateway rationale questions the protectionist cabotage regime which is central to the current industry structure. However, identifying agreeable responses will still require considerable debate.

This being said, we have an indication with the example the merger of port authorities of the Vancouver area, that the important sums of money granted in the gateway initiative for infrastructure renewal can act as an effective lever to engage in regulation updates long debated and speed-up a complex policy process. The currently undergoing update of the Canada Maritime Act to allow a better access to funding for Canadian Port Authorities is another significant example suggesting this potential. On top of the investments themselves, the gateway and corridor approach has been successful at promoting the sheer importance of trade on our economy and the important role transportation plays therefore increasing the potential lever effect on

the sense of urgency to advance with the policy issues. It remains to be seen what can be achieved under the gateway and corridor umbrella in terms of producing a better equilibrium between policy objectives in situations where they are more direct oppositions among these objectives.

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