


INSTITUTIONS, PLANNING AND DEVELOPMENT OF TRANSPORT INFRASTRUCTURES: THE CASE OF THE CENTREPORT CANADA WAY (CCW) PROJECT

INSTITUTIONS, PLANIFICATION ET DÉVELOPPEMENT DES INFRASTRUCTURES DE TRANSPORT: LE CAS DU PROJET CENTREPORT CANADA WAY (CCW)




Source: HMC

Adolf K.Y. Ng
 DPhil (Oxon), Associate Professor
 Université du Manitoba, Winnipeg, Canada

Something about Myself

Adolf K.Y. Ng

Position	Associate Professor	
Department	Supply Chain Management	
Office	686 Drake Centre	
Phone	(204) 474-6594	
Fax	(204) 474-7545	
Email	adolf.ng@ad.umanitoba.ca	


Website: www.porteconomics.eu/associate-members/adolf-k-y-ng.html
 Adolf Ng Curriculum Vitae (pdf)

Areas of Research Interests:

- Port economics, policy and management
- Institutional systems and transformation of transport nodes
- Transport geography, regional development and dry ports
- Green management in shipping and ports
- Climate change and seaport adaptation
- Piracy and maritime security
- Maritime education and training

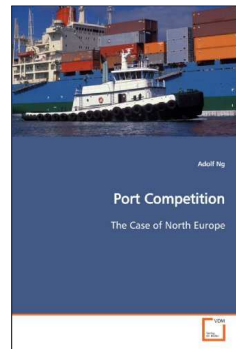
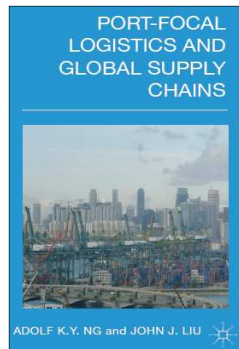
Dr Adolf K.Y. Ng is Associate Professor of Maritime, Transport and Logistics Management at the Department of Supply Chain Management, I.H. Asper School of Business, University of Manitoba (Canada). He received his DPhil from University of Oxford (UK) in Transport Geography, and MPhil and BA with First Class Honours from the University of Hong Kong (China) in Transport Geography and Human Geography, respectively. Before taking up his current position, he was Assistant Professor at the Hong Kong Polytechnic University (China) and Erasmus University Rotterdam (Netherlands), as well as Visiting Scholar at Stanford University (USA) and Australian Maritime College, University of Tasmania (Australia).

Tel: +1 (204) 474-6594
 Fax: +1 (204) 474-7530
 E-mail: adolf.ng@umanitoba.ca
 Web:
https://www.umanitoba.ca/faculties/management/faculty_staff/academic_professors/adolf_ng.html



Go to Google > and type "Adolf Ng Manitoba"

Something about Myself



Ng, A.K.Y. and Liu, J.J. (2014). *Port-Focal Logistics and Global Supply Chains*. Palgrave Macmillan, New York, NY.

Ng, A.K.Y. (2009). *Port Competition: The Case of North Europe*. VDM Verlag, Saarbrücken.

3

Other Contributors to this Study

- **Alberto Valesco**
Project Manager, WTC Winnipeg, Canada
Executive Director of Int'l Business Development
CentrePort Canada (until October 2013)



- **Tianni Wang**
MSc Student
I.H. Asper School of Business
University of Manitoba, Canada



4

Contents

- The Study Approach
- Canada, Manitoba, Winnipeg and CentrePort
- The CCW Project: The Origins and Idea
- The CCW Project: Planning and Construction
- Conclusion
- Acknowledgments

5

Contents

- [The Study Approach](#)
- Canada, Manitoba, Winnipeg and CentrePort
- The CCW Project: The Origins and Idea
- The CCW Project: Planning and Construction
- Conclusion
- Acknowledgments

6

The Study Approach

- A very recently completed project (officially opened by Stephen Harper, the Prime Minister of Canada, in November 2013)
- A historical analysis on the idea, and the project's planning and development (initiated in 2008, and undertaken in 2009-2013)
- Mainly looking from the institutional perspectives (how institutional and political factors have shaped the planning and development of the project)
- The CCW project prompted (forced) a number of 'paradigm shifts' in infrastructure planning by the Manitoba Provincial Government (MPG), which were unprecedented in Manitoba

7

Contents

- The Study Approach
- [Canada, Manitoba, Winnipeg and CentrePort](#)
- The CCW Project: The Origins and Idea
- The CCW Project: Planning and Construction
- Conclusion
- Acknowledgments

8

About Canada, Manitoba, Winnipeg and CentrePort

Winnipeg is the centre of Canada

Longitudinal Centre of Canada
96° 48' 35"

9

About Canada, Manitoba, Winnipeg and CentrePort

Manitoba Exports by Industry
(2012 Exports: \$11.4 billion)

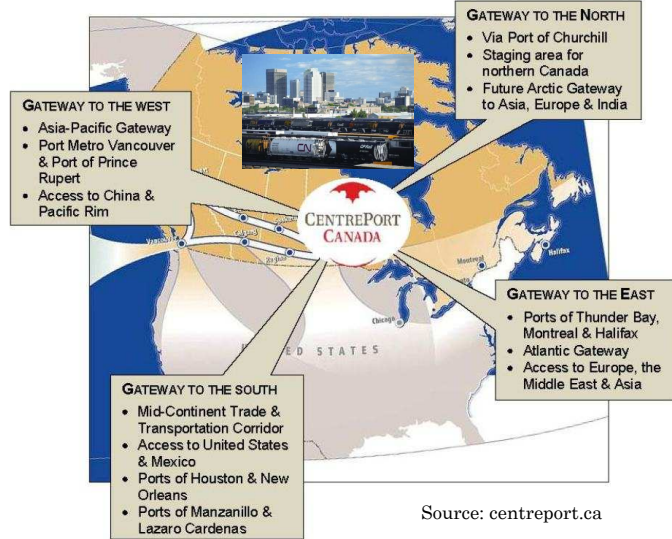
Industry	Percentage
Manufacturing	64%
Agriculture	19%
Mining	10%
Other	4%
Electrical Power	2%

Among the Manufacturing Sector:
Food processing; Agribusiness Manufacturing; Heavy Vehicles; Building Products

Source: MPG

10

About Canada, Manitoba, Winnipeg and CentrePort



6/16/2014

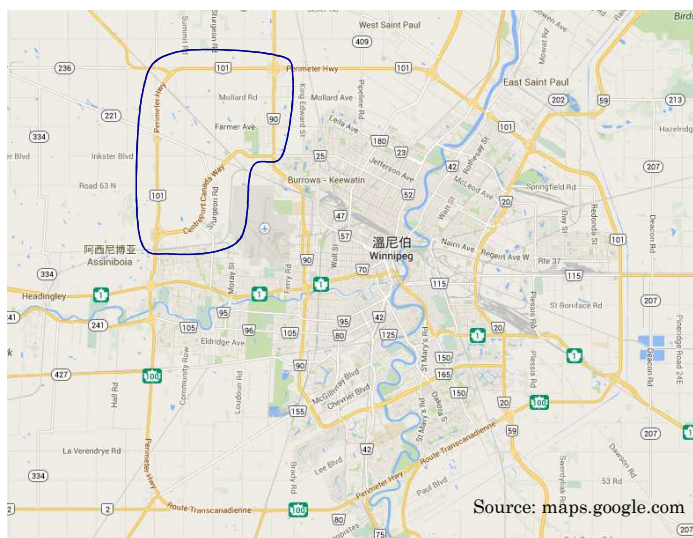
11

About Canada, Manitoba, Winnipeg and CentrePort



12

About Canada, Manitoba, Winnipeg and CentrePort



13

Contents

- The Study Approach
- Canada, Manitoba, Winnipeg and CentrePort
- **The CCW Project: The Origins and Idea**
- The CCW Project: Planning and Construction
- Conclusion
- Acknowledgments

14

The CCW Project: The Origins and Idea

- The traditional industrial district of Winnipeg was concentrated in the Northwestern part
- Since the 1970s, there had been discussions on relieving congestion and improve mobility for Inkster Blvd. and Provincial Highway 221 (PR221) which were, by then, the only access to the Perimeter Highway (PTH101)
- This was not surprising, as the idea of establishing CentrePort Canada ('CentrePort') was only initiated by the MPG in 2008, after the idea of the CCW project began to take root.
- The question: **why suddenly a change of heart by MPG?**

15

The CCW Project: The Origins and Idea

- The original ideas became obsolete since the mid-2000s...
- The Asia-Pacific Gateway and Corridor Initiative (APGCI) (initiated by the Mqrtn Government through the Pacific Gateway Act, Bill C-68, October 2005; further promoted by the Harper Government in 2007)
- It was **the very first time** that the concept has been transformed from a 'regional' (mainly British Columbia and Alberta) to a 'national initiative'

16

The CCW Project: The Origins and Idea

Potential Impacts on Manitoba:

- It offers a valuable opportunity to Manitoba to 'get connected' with the world through international trade (to transform from an inland, regional region to an international inland hub in Canada, or even North America)
- How can Manitoba, and not (just) other provinces, gain from this initiative? ← a political issue involving inter-provincial competition
- This was not helped by the 'single-location' strategy undertaken by MPG and other Canadian provincial governments

17

The CCW Project: The Origins and Idea

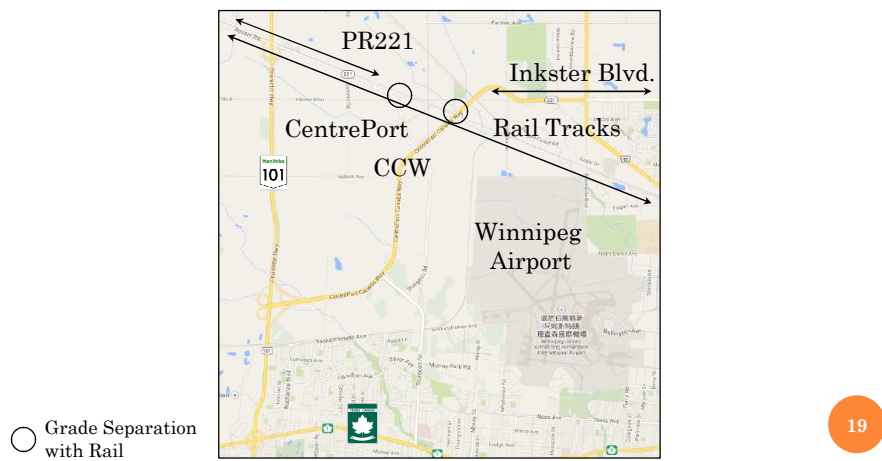
What did the MPG decide/need to do?

- The establishment of 'CentrePort' (an inland port)
- The rapid installation of infrastructures to connect CentrePort with the major transport networks in Canada (especially the TCH and Provincial Trunk Highway 75 (PTH75) connecting to the US), so as to (1) reduce transport and logistics costs; and thus (2) enhance the competitiveness of CentrePort

18

The CCW Project: The Origins and Idea

Inkster Blvd. and PR221 improvement would unlikely achieve such objectives...



The CCW Project: The Origins and Idea

There were other (secondary) considerations:

- The proximity of the Winnipeg airport (as an aviation hub)
- Social and environmental issues (like reducing air pollution and traffic flows along the Saskatchewan Avenue)
- The need to construct (more) road-rail grade separations in the original plan (higher costs for the original plan)

The CCW Project: The Origins and Idea



Source: centreport.ca

21

The CCW Project: The Origins and Idea

- A revised proposal would look more appealing to the Federal Government for funding
- The **first 'paradigm shift'**: proposed actions (as reflected in the funding proposal), and later the functional design, were built upon (sometimes more hypothetical) economic (e.g., forecasts in regional economic development, figures international trade, etc.) rather than (empirical) engineering indicators (e.g., traffic flows, mobility, etc.)
- Although the Federal Government was not completely happy with the proposal (mainly due to the lack of a strategy to inscribe rail into the project), but they decided to support the project due to the MPG's 'trade-based' strategy, and willingness to commit resources on the APGCI.

22

The CCW Project: The Origins and Idea

- The Federal Government paid nearly 50% of the **C\$212.4 million**
 - > Build Canada Fund (**C\$68.35 million**, administered by Infrastructure Canada)
 - > Asia-Pacific Gateway Fund (**C\$33.25 million**, administered by Transport Canada)
- The **second 'paradigm shift'**: after the CCW project, MPG starts to develop 'shovel-ready' proposals dedicated for funding application from the Federal Government.
- It implied that the direction of infrastructure planning in Manitoba gradually moved upwards towards 'national objectives' (note: the CCW itself was actually a 'provincial' project)

23

Contents

- The Study Approach
- Canada, Manitoba, Winnipeg and CentrePort
- The CCW Project: The Origins and Idea
- **The CCW Project: Planning and Construction**
- Conclusion
- Acknowledgments

24

The CCW Project: Planning and Construction

- However, the Federal Government's funding on the CCW project would only last for 5 years (in other words, the MPG would bear all the financial consequences for any delays)
- Traditionally, all infrastructure projects in Manitoba were planned and constructed *via* the Design-Bid-Build (DBB) approach (which usually lasted for 6-7 years)
- The potential financial consequences → not least the financial cost of the latter stages, like construction ('build'), was often much higher than the 'design' stage, was usually higher
- The political pressure to get it done as quickly as possible due to regional competition (must build 'faster than Regina (SK), Calgary (AB), etc.')

25

The CCW Project: Planning and Construction

- The **third 'paradigm shift'**: the design-build (DB) approach.
- The contractors were responsible to **design and build** the infrastructure, based on their past experiences, techniques and know-how.
- For instance, quoting Hugh Munro Construction Ltd. (one of the contractors of the CCW project): "the project involved the design and build of grade separations for the CCW transportation corridor." (source: hmcl.ca)



26

The CCW Project: Planning and Construction

- Given the lack of precedence, the use of DB approach caused substantial uncertainties on how to proceed, especially in view of such a tight deadline (5 years).
- The **interactions between institutions** (the Federal Govt. and the MPG) had created '**institutional uncertainties**'.
- Institutions were established to reduce uncertainties and chaos through the creation of 'normalities' and 'procedures' (rather than innovation). **In facing uncertainties that an institution (MPG) had to solve, how did they deal with it?**

27

The CCW Project: Planning and Construction

So, what did the MPG (through the Manitoba Infrastructure and Transportation (MIT) do?

- The MIT communicated with Alberta, of which during that time they were also involved in a DB project, namely the Stony Plain Road/Anthony Henday Drive Interchange Project
- For instance, the MIT actually developed the DB contract for their project contractors based on a public private partnership (PPP) contract from Alberta.
- **The primary approach of solving institutional uncertainties by institutions was to find alternative 'certainties' so as to blanket such uncertainties.**

28

The CCW Project: Planning and Construction

The consequences (the positive side):

- The 'design and bidding' stage became much quicker (only took about 12 months from call for proposals to signing contracts with contractors). Most of the time was used on construction.
- The project was indeed completed within 5 years (and opened in November 2013)

29

The CCW Project: Planning and Construction

The deficiencies and challenges:

- Quality assurance (QA) and quality control (QC) became much more difficult to maintain.
- The dilemma from MPG/MIT: how should they impose control (like closed down the construction at some points), but faced the risks of delays, and possible claims from contractors later?

30

The CCW Project: Planning and Construction

The deficiencies and challenges:

- Clear priorities were placed on the 'tangible' items, i.e., the physical construction, while the 'soft' side of the project had been seriously lagging behind.
- In some ways, the MPG retracted from its traditional role as the focal point of the infrastructure project, sometimes leaving contractors a bit 'lost' on the planning and construction process.
- For instance, at the time when the CCW was opened (and vehicles started to flow), some documents/permits (like the RTAC and LCV permitted route status) had not been obtained. ← *what would be the consequences if any accidents happen?*

31

The CCW Project: Planning and Construction

A matter of political risk calculation?

- "Compared to allowing a million-dollar project to be completed but could not be used, ignoring those 'silly' safety standards and paper works were trivial."
- "Would you allow such 'silly' things to trump against the long-term competitiveness of CentrePort and Manitoba?"
- One thing for sure: *the planning approach by the MPG became much more 'single-target-oriented', duly forced by institutional and political pressure.*

32

Contents

- The Study Approach
- Canada, Manitoba, Winnipeg and CentrePort
- The CCW Project: The Origins and Idea
- The CCW Project: Planning and Construction
- Conclusion
- Acknowledgments

33

Conclusion

- To a large extent, the CCW project was politically- and institutionally-driven
- Inter-institutional dynamics had created 'institutional uncertainties', which caused a number of 'paradigm shifts' in infrastructure planning in Manitoba
- The primary approach was to find alternative 'certainties' so as to blanket such uncertainties.
- There were signs that the MPG retracted from the traditional role as the focal point of the project, and became more 'single-target-oriented' in the planning approach.

34

Conclusion

- It has certainly created a new alternative for infrastructure planning in Manitoba (and likely to increase in the future)
- Is it the appropriate approach? How to address the challenges and deficiencies?
- To what extent is the 'upward direction' (towards national initiative) beneficial for Manitoba?

35

Acknowledgments

The authors would like to thank the following organizations:

- Transport Canada (Federal Government of Canada)
- Manitoba Infrastructure and Transportation (MIT), MPG
- Manitoba Trucking Association (MTA)
- CentrePort Canada
- The University of Manitoba VPRI and I.H. Asper School of Business Research Funds (code: 314942)
- IFSTTAR, Université Paris-Est
- CENIT, UPC

36

