**The Politics of Management in Public-Private Partnerships**

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INTRODUCTION

The Canada Line, which went into operation in August, 2009, is a 19-kilometer rail extension to the urban rapid transit network in Vancouver, British Columbia. At $2 billion, the Canada Line was, at the time of its opening, the biggest and most expensive transportation infrastructure project ever completed in the province of British Columbia. The cost was financed in part by a design-build-operate-transfer public-private partnership, or “P3” – the first of its kind for public transit in Canada. But more interestingly, the Canada Line used an independent, yet collaboratively-structured, project management technique that ensured that the project would achieve its objectives with minimal political and legal conflict. This technique, which I have called the “Canada Line model”, may be a beneficial method of achieving a transportation P3’s policy goals, especially in jurisdictions where multiple public and private sector actors must collaborate to formulate and implement public policy.

Governments in many countries are increasingly seeking to employ alternative service delivery methods, including the encouragement of private sector finance for public service and infrastructure delivery. This trend does not appear to be bound by partisan affiliations or by any specific political ideology. The transportation sector is a prime venue for private finance, because it is relatively easy to charge (or at the very least, identify) individual users of transportation systems through fares or tolls (or shadow tolls). Because of this, it is possible to quantify financial inputs to transportation systems, so both the calculation of revenue and the assessment of risk are more reliable than they might be in other sectors, where identifying or charging individual users can be problematic. In addition, because of increasingly complex mobility needs, including an increasing trend of suburb-to-suburb commuting (Sööt et al. 2006), the demand for transportation infrastructure ought to be expanding for the foreseeable future. Increasing demand, predictable revenue streams, and reliable risk assessment are all prime conditions for private investment.

Public-private partnerships are a favored method of alternative service delivery. However, P3s are still a relatively new family of service delivery mechanisms, and they are not yet perfectly understood. P3s inherently entail significant political, financial, and legal hurdles that must be cleared before a lasting cooperative effort can be implemented; in many cases, the complexity involved in designing a contractual collaboration between the public and private sectors has resulted in financial disaster or the failure to meet policy objectives. While international examples of P3 failure have been (and continue to be) documented, the Canada Line stands out as an example of unqualified success, as it is a popular public service that met its policy objectives and continues to exceed ridership forecasts. Part of this success may be attributable to the use of the Canada Line model, in which divergent interests were brokered, political forces were deflected, public relations were consistent, and cooperation between the public and private sectors was institutionalized in the form of a central and independent project management corporation.

PUBLIC-PRIVATE PARTNERSHIPS

There is some disagreement among scholars as to what exactly constitutes a public-private partnership (de Bettignies and Ross 2004: 136). Many different forms of public sector-private sector collaboration are possible, and the specific contractual arrangement will vary from case to case. Acronyms are especially popular for describing P3 arrangements, and an alphabet soup of terminologies has arisen to report various forms of partnership. Some common examples include BOOT (“build-own-operate-transfer”) and DBFO (“design-build-finance-operate”), but there are many others. Unfortunately, the concept becomes harder to analyze as it is divided into increasingly smaller units, and in any case the various different forms have more in common than they have points of departure.

It may therefore be more useful to conceive of P3s as representing a family of different collaborative techniques for encouraging private sector involvement in public service delivery (Hodge and Bowman 2004: 203). Many different contractual arrangements will be possible, and their use will depend on the idiosyncratic needs of the particular government and private sector partners involved in the partnership. Thus there can be varying degrees of private involvement in design, finance, ownership, operations and maintenance, and overall decision-making for different P3 projects.

Nonetheless, in the transportation sector, some very similar P3 arrangements appear in many different projects and in different jurisdictions. This is due to two conditions that frequently occur in transportation projects: for one, capital costs for highways, railways, buses, roads, bridges, and tunnels are inevitably high relative to other areas of public service delivery; and secondly, as mentioned before, in transportation it is frequently possible to identify individual users of the final product. These two conditions can produce similar paths to P3 outcomes. In general, in a transportation P3, the private sector will be invited to participate in the project through a tender competition; the winning private sector proponent will contribute some major capital expenditure; the private proponent will then be responsible for designing and constructing the system (for a new project), and also for some degree of operations and maintenance for a designated concession period (usually 25 to 35 years, but sometimes longer); during the operating period, the private partner will have access to some percentage of the tolls or fares charged to the system’s users (sometimes up to 100%), or it will be paid directly by the government through a specified payment scheme that will likely rely on shadow tolls. In other words, the high capital costs and individual user charges that characterize transportation systems enable partnerships in which the private sector is expected to contribute significant capital in exchange for access to a revenue stream over a long period of time. This is the pattern that was followed in the Sydney Airport Link in Sydney, Australia (Ng and Loosemore 2007), State Route 91 in Orange County, California (Siemiatycki 2010), the Chicago Skyway (Ortiz and Buxbaum 2008), and Toronto’s Highway 407 (Poschmann 2003). It is also the formula that was pursued by the Canada Line.

While governments frequently cite private capital as the main reason for using a public-private partnership for transportation development (United Nations 2008: 5), most academics – from several disciplines and representing multiple points along the political spectrum – usually agree that risk allocation is a much more convincing rationale (Poschmann 2003: 3; Vining and Boardman 2008; Sawyer 2009: 50-51). Some observers argue that a P3’s competitive public tender process can produce lower costs and promote technological innovation, which would provide a better product for taxpayers and end users (Moavenzadeh and Markow 2007: 130), while others assert that P3s produce no net benefits that could not be realized by the public sector acting alone (e.g. Daniels and Trebilcock 2000). P3s, therefore, are still characterized as controversial, although scholars appear to be unable to decide exactly how they are perceived: for example, Coghill and Woodward (2005) assert that P3s are gaining in popularity, but Faulkner (2004: 66-67) cites resistance, especially from the public sector. The general public, according to Grimsey and Lewis (2004: 17) might still be skeptical or even “hostile” toward P3s.

To confound matters, in the last 30 years, direct government provision of public services, government intervention in markets (outside of situations of economic crisis), and public ownership of private enterprise have all fallen out of favor as tools of governance. In the last three decades, many sectors in many countries have moved to a new system in which governments, independent public sector agencies, trade associations, stakeholder groups, and private corporations are all involved in the formulation and implementation of public policy. These connections of multiple organizations are often called policy networks, and are thought to be more flexible, more reactive, more focused on results, and less hierarchical than governments and process-oriented bureaucracies had been for many decades in the past (Van Waarden 1992). Policy networks are unorganized, working mainly through negotiation, coalition-forming, and sometimes even competition among network participants (Klijn and Koppenjan 2000). This is especially the case in the transportation sector, where governments in many countries have systematically reduced regulation and increased support for market competition (see Perl and Newman 2012, for example). Governments and companies seeking to pursue partnerships in transportation must engage with these policy networks.

In summary, then, P3s in transportation face several significant challenges. The very nature of transportation projects implies that partnerships will usually require large capital investments and long-term involvement from the private sector in exchange for access to ongoing revenue streams. Because of these factors, transportation P3s demand multi-decade concession periods. However, a government’s motivation for engaging in a P3 project may be unclear or unknown; in addition, P3s remain controversial and the general public’s opinion of their use is still murky. Lastly, in the transportation sector especially, P3s will not always be a simple bilateral agreement between a government and a corporation; in the era of policy networks, partnerships will require the input or even the participation of a variety of public and private sector organizations who are active in the creation of public policy. In short, a lasting P3 agreement must provide benefits to partners and stakeholders over a long time period and successfully navigate political uncertainty, a fickle public, and the often divergent preferences of an entire network of policy participants. Under these conditions, designing a durable contract can be a tremendous task.

It is therefore not surprising that many transportation P3s experience conflict, and some of them meet with failure – both in financial terms and in terms of achieving their policy objectives. In the Orange County case mentioned above, the private concessionaire sued the government over expansion of the highway, which the private sector viewed as contravening a “do-not-compete” clause in their contract. The matter was only settled four years later when the state simply purchased the assets from the concessionaire for $80 million more than the concessionaire’s original investment (Siemiatycki 2010: 51). In London, the private consortium that won the 30-year P3 contract for maintenance and infrastructure improvement for the city’s Underground system went bankrupt after five years, leaving the bulk of its multi-billion dollar debt to the public sector (Jupe 2009: 24). And in Sydney, the privately-held Airport Link Company went bankrupt less than one year into its 30-year P3 concession, which led to a five-year legal battle that was only resolved when the government agreed to reduce its share of the system’s revenue (RailCorp 2005). While there certainly also exist success stories, success in P3s in transportation is not guaranteed. Moreover, when conflict occurs, it can result in expensive and dramatic consequences.

THE CANADA LINE

The Canada Line is the third rapid rail line in Vancouver’s growing urban transit network. It is 19 kilometers long, has 16 stations, and connects Vancouver’s downtown core with the nearby city of Richmond and the Vancouver International Airport. The Canada Line is the first rail link to an international airport in Canada.

Although discussion of a north-south rapid transit connection between Vancouver and Richmond had begun as early as the 1970s (RAV Project Management Ltd. 2003: 20), by the time the project began in earnest in 2001, there were still numerous challenges to be overcome. From a technical perspective, a rapid transit line to Richmond and to the airport would have to cut through Vancouver’s densely populated downtown core, which, at 100,000 residents, is home to 1/6 of the city of Vancouver’s population (Hutton 2011: 250). Secondly, studies had suggested two best routes for the system, but neither was ideal. The first choice, Cambie Street, was a wide thoroughfare, centrally located, and close to several destinations such as shopping centers and hospitals. Unfortunately, as Cambie was populated by single-family homes along most of its length with some pockets of mixed-used commercial and residential neighbourhoods, construction would necessarily be disruptive to residents and businesses. The second choice was an abandoned rail right-of-way running parallel to Arbutus Street, which was privately owned, but which could have been purchased to supply a dedicated corridor. However, Arbutus was more remote and would not have provided a direct route into the city, meaning that the speed of the system would have been compromised. The choice appeared to many observers to be either an at-grade light rail option along Arbutus or a grade-separated rail alignment (either in tunnel or on elevated guideways) along Cambie Street (see IBI Group 2001 for example). The Arbutus option would have meant longer travel times, fewer existing destinations, and therefore likely fewer riders, although it would have been significantly less expensive. The Cambie option would provide a direct and speedy connection and would not interact with automobile traffic, but would be considerably more expensive and would entail construction efforts that would almost certainly meet with opposition from local residents and business people.

As is now typical in many jurisdictions, there are numerous public and private sector organizations operating in the policy network that is responsible for public transit in the Vancouver metropolitan region. Because of the nature of Canada’s federal system, both the federal and provincial governments have some degree of authority over transportation in British Columbia. There are also two levels of municipal government: the City of Vancouver and the various individual municipal councils in the area (including the City of Richmond), and a metropolitan government called Metro Vancouver that is composed of political representatives appointed by the region’s 21 member municipalities. There is a functionally autonomous public transit authority, called TransLink, that is responsible for planning as well as for operations on the region’s public transit network. TransLink also has an independent commission that reviews its major decisions, including fare increases. The Vancouver Fraser Port Authority, which is an autonomous corporation that is governed by the federal Minister of Transport, and the Vancouver International Airport Authority, which is an independent not-for-profit organization, both have a vested interest in transportation issues in the Metro Vancouver region. In addition, there are numerous stakeholder groups and business improvement associations operating in Vancouver, with varying degrees of influence over transportation matters. And lastly, the use of a P3 for the Canada Line involved several private corporations in public transit development, at first as part of the competitive bidding process, and later as a contractual P3 partner.

With this many voices in the mix, it is unsurprising that there was considerable disagreement over how to proceed with the Canada Line project. Tension developed between the regional-level politicians, who mostly opposed a P3 structure for the project for ideological reasons, and the Liberal provincial government, which enthusiastically supported alternative service delivery principles. On several occasions, city councillors voted against moving forward with the Canada Line, which often provoked negative public reactions from the provincial government (e.g. Boei 2004). However, it was recognized early on that the project could not be completed without sizable capital contributions from the province, the federal government, and the Airport Authority, which meant that the willing participation of these bodies was critical.

Governments were not the only entities involved in debate over the Canada Line. There was also considerable public discourse about the route alignment, the choice of technology to use for the system (i.e. at-grade light rail or grade-separated rapid rail), the use of P3 financing, and the priority of the project over other proposals for expanding transit in the region, with highly vocal groups advocating for each side of every issue (e.g. Bridge 2003; Steffenhagen 2004). In addition, several business owners who were located along the Canada Line’s construction corridor undertook to sue the government, TransLink, and the P3’s private sector partner, initially in an attempt to halt construction and later for compensation for damages to business revenue caused by construction-related disturbances. The second of these lawsuits progressed as far as the Supreme Court of Canada before being ruled in favor of the Canada Line (Ivens 2011).

Needless to say, with numerous authorities, collaborators, and stakeholders involved in the Canada Line project, and given that these participants were not always in agreement, it might seem unlikely that a successful product could have emerged in the end. In fact, the Canada Line opened three months ahead of schedule in August 2009, and by 2010 it had reached ridership levels not expected until 2013 (Sinoski 2010). Furthermore, public opinion data consistently showed high levels of approval for the project in general, even if the details of the system were still under heavy debate (Synovate 2003; 2004).

Part of the success of the Canada Line is due to the innovative project management technique employed by the public sector partners. In 2002, before the private sector procurement process had begun, and before the system’s eventual route had been chosen and technical design completed, an independent project management company was created to oversee the process. This company, originally called RAVCO (short for Richmond-Airport-Vancouver Company) but later called CLCO (short for Canada Line Company), was responsible for the entire project, from design to procurement to execution. CLCO was responsible for public relations and marketing, communications among the partner organizations, financial matters, design of the system, and execution of construction efforts. While project management in itself is fairly standard, CLCO was innovative in that it was created as an independent amalgam of all the public sector partners. As will be shown below, CLCO had the unique ability to act independently while still representing its multiple political masters, and this contributed greatly to the overall success of the project.

Some of the information presented in the following section was gathered through 11 personal interviews that I conducted with current and former executives and directors of TransLink, CLCO, the City of Vancouver, and the Canada Line’s private sector operator, Protrans BC. In order to ensure the most candid responses, my interview subjects were promised complete anonymity. However, despite being interviewed separately and not having access to each other’s responses, there was a high degree of agreement among all interview subjects as to facts and interpretations of events.

THE CANADA LINE MODEL

CLCO began as an informal collaborative working group of eight participating agencies: the federal government of Canada, the provincial government of British Columbia, TransLink, the City of Vancouver, the City of Richmond, the Metro Vancouver regional government, the Vancouver Fraser Port Authority, and the Vancouver International Airport Authority. This working group produced several reports and commissioned consultant studies that defined the early stages of the Canada Line project (RAV Project Management Ltd. 2003). In 2002, CLCO was incorporated as a wholly-owned subsidiary of TransLink and given increased responsibility for the direction of the project. However, even though it was technically owned by TransLink, which is 100% owned by the Province of British Columbia, CLCO operated at arm’s length as an independent corporation.

Further to this, CLCO was created with an independent, yet collaborative corporate structure: its board of directors consisted of representatives of the four agencies that were to contribute nearly all of the public sector funding for the project: the federal government, the provincial government of British Columbia, TransLink, and the Airport Authority. Furthermore, while TransLink and the Airport Authority appointed internal executives (including their own CEOs) to CLCO’s board, the federal and provincial governments relied on independent directors who were either technical experts or experienced business professionals. For instance, Eva Matsuzaki, a prominent Vancouver architect who had worked on the iconic Provincial Courthouse building in downtown Vancouver, and Larry Bell, who sat on numerous corporate boards in British Columbia, were appointed to the CLCO board as independent directors. According to one interview respondent who was very familiar with CLCO’s board, it was not even clear to what degree the independent directors reported back to their representative organizations. Thus the fundamental structure of CLCO was at the same time based on collective governance of all the participating agencies as well as functional independence.

The collective structure for CLCO was necessary because effective cooperation among the Canada Line’s major participants was, at first, a serious challenge. It is not difficult to imagine that the participating organizations had different political and financial objectives: for instance, TransLink would have preferred to expand transit services as much as possible, while the provincial government was focused on containing costs; the airport was primarily concerned with using transportation infrastructure to promote its business, while the private sector proponent was focused on earning profit for its shareholders. As the funding partners were each contributing several hundred million dollars toward the project (Canada Line 2006), using CLCO as a collaborative decision-making body helped assuage fears that any single organization could capture the project for its own unique interests.

Moreover, interaction between the Canada Line’s participating agencies was far from perfectly harmonious. As noted above, there was considerable political conflict between the municipal and provincial levels of government over the Canada Line, especially with respect to the use of a P3 financing structure. This conflict bled into the relationship between the provincial government and TransLink, as TransLink was at the time controlled by directors appointed by Metro Vancouver. In addition, tension between the provincial and federal governments mounted over the size of the federal financial contribution to the project, which changed numerous times due to the province’s persistent negotiation strategy and the regional dynamics of Canadian federal politics (e.g. Beatty 2003; O’Neil 2004). Interview respondents also reported that there existed some mutual suspicion between the private sector proponent and TransLink, since TransLink’s board had initially opposed the P3 arrangement and because it was clear that TransLink had always believed it did not have enough control over the project.

CLCO’s collaborative corporate structure and independent mandate therefore also had the effect of institutionalizing cooperation among the various organizations that were involved in the project. Because they were equal foundational partners in CLCO, the funding contributors were forced to collaborate with one another, with no single agency acting as leader. In addition, communications about the Canada Line project were mostly conducted through CLCO, including interaction with the private sector. This ensured that tension would be reduced, because no two organizations were to communicate directly. CLCO thus acted as an institutionalized mediator between the partners.

Part of CLCO’s function, therefore, was to broker the divergent interests of all the parties involved in the Canada Line project. This not only refers to the official partners as mentioned above, but includes unofficial partners, such as the City of Vancouver and the City of Richmond, the business community, and the general public, as well. CLCO engaged heavily with the public in consultation over the design of the system (RAV Project Management Ltd. 2005a; InTransit BC 2006), and created a business liaison program that was mostly well received by the business community, especially in the downtown core of Vancouver and in Richmond (see Sanatani 2007 for example). Moreover, the existence of CLCO allowed the City of Vancouver, which was not an official funding party and therefore had no authority over the project, to have access to the private sector proponent at the highest levels of decision making. This allowed the City to propose some changes to the design of the system that were incorporated, such as the addition of the Olympic Village station, the relocation of the Broadway station, levelling out the tunnels at two locations to accommodate potential future stations, and the redesign of the tunnel portal on Cambie Street (RAV Project Management Ltd. 2005c).

CLCO was only in existence during the design and construction phases of the Canada Line project. Once the Line went into operation in 2009, CLCO was dissolved and responsibility for liaison with the private sector reverted to TransLink. However, the P3 arrangement governing the operation and maintenance of the Canada Line is intended to last for 30 years of operation. It is not difficult to believe that the cooperation that was established and fostered by CLCO had the effect of creating an institutionalized collaborative relationship between TransLink and the private operators that will last into the operating phase.

The use of CLCO had other benefits as well. Because the board of CLCO was composed of directors representing multiple organizations, the company was required to be responsible to a variety of sometimes diverging interests. In other words, CLCO was compelled to appease numerous masters with sometimes differing political requirements. As a result, CLCO proceeded with an abundance of caution, frequently surpassing its minimal legal obligations on many policy decisions in a variety of areas. If CLCO had been responsible to only one government or organization, this may not have been necessary.

For example, CLCO decided early on that it would combine the federal and provincial environmental assessment processes, and ensure that the project was compliant with the more stringent of the two. In fact, the provincial environmental requirements were stricter, and they were also not legally required because the line was shorter than the 20 kilometres necessary to invoke the provincial assessment process. The federal environmental assessment would have been required regardless, since the route crossed a federal waterway and terminated on federal land at the airport. Nevertheless, CLCO elected to go beyond its minimum legal requirements and harmonize the two environmental applications (RAV Project Management Ltd. 2003: 65). In another example, CLCO requested that the provincial Auditor General review the Canada Line’s competitive procurement process “as an added accountability measure that is consistent with best emerging practice” (RAV Project Management Ltd., 2005b: 3). This was in addition to the review of the procurement process that had been conducted by the Canada Line’s “Fairness Auditor”, retired Canadian judge Ted Hughes (see Hughes 2003 for example).

After the Line went into operation, and CLCO was dissolved, TransLink continued the practice of proceeding with an abundance of caution on policy decisions. In October 2009, TransLink applied to the regional Transportation Commission (an independent provincial office with oversight responsibilities for public transit decisions) to approve its proposed surcharge on Canada Line trips to the airport. Previously that year, the Transportation Commissioner had ruled that this was not necessary – that TransLink could levy a surcharge on airport trips without applying to the Commission for approval (TransLink Commission 2009). Nevertheless, TransLink pushed forward with its application for review, which in the end was only partially approved by the Commission (monthly pass holders were exempted from the proposal).

The Canada Line model has a political dimension to it as well. Even though the federal and provincial governments were founding partners of CLCO, and even though the municipal governments were directly involved through their influence over TransLink, none of CLCO’s board members were elected politicians. Therefore, CLCO was protected from direct political forces, such as lobbying, partisan politics, and the pressures of the electoral cycle. One interview subject reported that a convention arose that CLCO would not hold public media events of any kind with politicians during an election campaign at any level of government. This resulted in “a build-up of milestone events during elections” according to this interviewee, because the self-imposed convention meant they could not hold press conferences or media events to promote the milestones. In this way, CLCO’s political independence resulted in a sort of insulation from electoral and partisan influences.

On the other side of the coin, the use of CLCO as a procedural focal point for the Canada Line project meant that all public relations for the project emanated from a single source. Interview subjects agreed that within CLCO’s executive, a high level of continuity of personnel was maintained throughout the Canada Line project’s development. This assured that the same central messages were broadcast throughout the course of the project. This includes phrases such as “on time and on budget”, and the fact that the Richmond-Vancouver corridor is home to “one-third of the region’s jobs and 20% of its population” (see RAV Project Management Ltd. 2004 for example). Statements such as these were ubiquitous in press releases and public statements published by CLCO, and were repeated by the private media (e.g. Bellett 2007). This frequent and regular repetition of claims about the Canada Line – without conflicting messages from multiple organizations – helped to concretize the legitimacy of the project in the eyes of the public. In fact public opinion of the Canada Line was fairly high throughout the project’s development (e.g. Lee 2004).

And lastly, the Canada Line model has a legal dimension. The independent authority of CLCO effectively protected the provincial government from liability against lawsuit. There have been two major lawsuits against the Canada Line that have proceeded to trial: first, a group of business owners along the Canada Line’s construction route sued the Project Assessment Director of the provincial Environmental Assessment Office, claiming that he had erroneously granted an environmental assessment certificate to CLCO to allow it to begin construction on the Canada Line. That staff member at the Environmental Assessment Office was the only representative of the province named in the suit, and CLCO was implicated as a respondent responsible for the Canada Line. No other parties were identified.

This first lawsuit was essentially an attempt by business owners to force the Canada Line project to consider a less intrusive bored-tunnel construction plan over the more disruptive “cut and cover” method that was eventually employed by the project’s construction team. Because CLCO was positioned as the procedural authority over the Canada Line, CLCO was the entity that applied for environmental approval of the project; neither the provincial government of British Columbia nor the federal government of Canada could be named in the suit (see *Do Rav Right Coalition v. Hagen, 2005 BCSC 991*). This lawsuit failed, both at the court of original jurisdiction and then further on appeal.

In the second lawsuit, the owner of a maternity clothing store on Cambie Street sued CLCO, the City of Vancouver, TransLink, the province of British Columbia, the Canada Line’s private sector partner, and the government of Canada. In this suit, the business owner contended that the use of the “cut and cover” tunnel construction method caused a significant disturbance to her business and that she should be awarded financial compensation. Although the case progressed through two appeals to the Supreme Court of Canada, it was dismissed at that level and decided in favour of the Canada Line. Nonetheless, in the original judge’s decision, all claims against the provincial government were dismissed because CLCO *was actually the legal owner* of the Canada Line and the province could not be shown to have been an active partner in the project beyond its financial contribution (*Heyes v. City of Vancouver, 2009 BCSC 651*: para 168). This aspect of the original decision was upheld on appeal.

CONCLUSION

When contemplating a P3 for what eventually became the Canada Line, the public sector was faced with some significant – but by no means unique – challenges. First, there were numerous public and private sector organizations that operated in the local transportation policy network, and because of differing objectives and divergent political opinions, unity on the project might have been difficult to achieve. Secondly, multiple public controversies, including route alignment, choice of technology, and the use of P3, meant that there was some serious potential for a highly partisan political conflict to obscure the public policy objectives of the project. Thirdly, P3s are complex arrangements in which small errors can easily be amplified into financial disasters, as proven by the international record on transportation P3s. Acting with considerable foresight, the public sector in this case produced a novel model for addressing these issues.

The Canada Line model consists of the creation of an independent project management corporation, wholly owned by the public sector but operated at arm’s length, to be the functional and legal owner of the public sector’s portion of the P3 project. It is important that this corporation be functionally autonomous, but at the same time, it is required to be structured as a collectively-directed entity that represents all of the public sector organizations involved in the project (and especially the major funding contributors). This independent yet representative corporation is then charged with all aspects of delivery of the project from the public sector’s perspective: design, procurement, construction, public relations and marketing, and public consultation. The project management corporation should be simultaneously a central processing unit for communications and a clearing house for grievances among the partner organizations and between the partners and the public.

For the Canada Line, this model resulted in the institutionalization of cooperation among the public sector partners and between the public and private sectors, which reduced tension and mitigated conflict. It also motivated an abundance of caution in decision making, since the decision-makers represented multiple diverging interests and preferences. This abundance of caution resulted in fewer errors that might otherwise have led to serious consequences. Furthermore, the Canada Line model insulated the project from political intrusion, lobbying, partisan politics, and influences from the electoral cycle, which could have taken the project far afield from its original objectives, and could have interrupted the project’s progress or introduced changes that would have had financial consequences. In addition, a central source of public communication for the project produced a consistent public message that led to a secure and positive public opinion of the project, once it was underway. And lastly, the use of an independent vehicle for the project shielded the public sector from legal liability. This last point is important, because if the government had been implicated in any lawsuit in which financial compensation was awarded, a precedent would have been set that would alter the way public infrastructure projects could proceed in Canada.

In Vancouver, the Canada Line model contributed to the success of the project, which has enjoyed continuous ridership growth since it opened (Hansen 2012). The challenges faced by the Canada Line are common to P3 projects in transportation in many jurisdictions; it remains to be seen whether or not this model could be applied elsewhere with similar positive results.

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