

DRIC Overall Economic Impact Results – 2004 Report Errata/Updated Forecast

As part of the Detroit River International Crossing (DRIC) Project Environmental Assessment work, HLB updated the forecast of overall economic impact that was done in 2004 as part of the Canada-U.S.-Ontario-Michigan Border Transportation Partnership Planning/Needs and Feasibility Study (P/NF). The economic impact forecast update was based on new travel demand forecasts developed for the DRIC Study. Those forecasts show that overall traffic at the crossing in 2035 is projected to be approximately 15 percent lower than projected for 2030 in the Planning/Needs and Feasibility Study. Reasons for the decline in forecasted volumes are documented in IBI reports dated August 2005 available at the Web site www.partnershipborderstudy.com.

In HLB's updated economic impact forecast, the employment losses if a new crossing is not built are now projected to be approximately 98 thousand by 2035.

As part of the update, it was determined that the tourism impacts published in the January 2004 P/NF study were misreported. The forecasted tourism-related job loss of 23 thousand in 2030 represented the cumulative person years of employment to 2030 (i.e., from 2000 to 2030) and not the impact in 2030. The annual job loss impact in 2030 should have been reported as 3.3 thousand jobs. Table 1 provides a summary of the original and corrected study results from the January 2004 report.

Table 1: P/NF Study Results – Comparison of Reported and Corrected Employment Impacts (Thousands of Jobs)

Impact	Original January 2004 Report (2030)	Corrected January 2004 Report (2030)	Difference from Original Study
Trade	-126.1	-126.1	0
Tourism	-23.2	-3.3	-19.9
Total	-149.4	-129.5	-19.9

Comparison of Current Results to Corrected Results

Table 2 provides a comparison of the corrected original and updated results. The combined employment impact in 2035 is approximately 25 percent lower than the 2030 estimate in the original study.

Table 2: Comparison of Corrected Original and Updated Study Results – Employment Impacts (Thousands of Jobs)

Impact	Original Report – Corrected (2030)	Draft Updated Report (2035)	% Difference from Original Study
Trade	-126.1	-94.4	-25%
Tourism	-3.3	-3.2	-5%
Total	-129.5	-97.6	-25%

Impacts on freight and productivity constitute almost all of the total economic impact of congestion at the border. Given the fixed crossing capacity, growth in vehicle traffic at the border crossings results in increasing congestion over time. The non-linear relationship between congestion and vehicle speeds imply that vehicle crossing times rise at a faster rate than traffic flows. Rising truck crossing times raise the transportation costs of businesses operating on both sides of the border, ultimately impacting production, output and employment. In the study update, the 2035 forecast of total vehicle traffic is around 15 percent lower than the original study forecast. The lower traffic implies slower increases in travel times and correspondingly smaller economic impacts in terms of output and jobs as reported in Table 2.