

House Appropriations Transportation Subcommittee Hearing -
Detroit River International Crossing Study
June 26, 2008

Testimony by Dave Wresinski, Project Planning Division Administrator
Michigan Department of Transportation

We've heard from Chrysler, the world's largest private automaker and a major shipper of parts and finished vehicles in both directions across the Detroit River (over 1,500 truck shipments over the Ambassador Bridge each day):

“The DRIC Project has been something Chrysler has been a supporter of, as well as many other corporations around the Detroit area. Our interest in seeing the project through is basically around three points...first is the direct access that the DRIC would provide to the 401...the only non-freeway stretch between Montreal and Miami is the mile and a half between the EC Road Expressway and the Ambassador Bridge. That's a problem for people traveling in their cars, but much more of a problem for tractor-trailers trying to navigate down Huron Church. The second point is operational flexibility...there's still hour delays at times...it supports the dual-path of having multiple access points at the border. And the third is quite simply, it would be a better competitive alternative. We've seen the tolls go up steadily, outpacing inflation...right now it costs approximately \$30 for a loaded tractor to go across each way. That's more than just about any other crossing into Canada. We feel like there needs to be some competition, and building a new DRIC would do just that. Also we'd like to comment on the projections that were shown earlier that show a decrease in traffic. Over the 80 year history of the Ambassador Bridge, those projections into the future were based on what appeared to be about 5-6 years of declines. I don't think that's relevant to projecting out 20-30 years into the future, just looking at the last 5 to 6 years of declines.”

- *Matthew B. Diesch, Manager, Logistics Systems & External Affairs, Chrysler (May 19th testimony)*

We've also heard from Ford Motor Company, a major presence in Michigan with capitol investments exceeding \$10 Billion since the year 2000, and annual supplier purchases in Michigan of approx. \$17 Billion:

“Southeast Michigan and Ontario are central to Ford's international competitiveness. The border crossing alone plays a key role in Ford's business operations. On a typical day, 600 of our vehicles cross the border....simply put, the Detroit-Windsor border is the busiest trade corridor in the world...we urge the Governor and legislature to support the completion of the DRIC.”

- *Mr. Charlie Pride, Governmental Affairs Manager for Michigan, Ford Motor Company (May 19th testimony)*

From the UAW, one of the largest and most diverse unions in North America; UAW-represented workplaces include some 2,000 employers in the U.S., Canada and Puerto Rico, with approximately 640,000 active members and over 500,000 retired members in the U.S., Canada and Puerto Rico (over 400,000 in Michigan):

“Just-in-time deliveries account for close to \$300 million daily passing through the Detroit-Windsor region. This translates into thousands of jobs...if additional capacity is not created at the Detroit River Crossing, Michigan will see these jobs negatively impacted and possibly lost. On the other hand, thousands of new jobs will be created in construction and the automotive industry and their partner suppliers, as well as other industries and businesses with the building of a new crossing and the enhanced accessibility it will provide. Moving ahead with the DRIC will position Michigan to remain competitive well into the future. It will lead to reduced border congestion, enhanced security and future growth to the economies on both sides of this U.S. - Canadian border crossing. It is for these reasons that the UAW asks for your support for the necessary resources needed to ensure completion of the DRIC Project.”

- *Ms. Nadine Nosal, Legislative Coordinator, UAW Michigan (May 19th testimony)*

From MAGNA International, a bi-national organization with 83,000 employees, over \$26 Billion in sales, and over 225 facilities dealing with automotive parts manufacturing and vehicle assembly:

“The interaction between the United States and Canada, between our various manufacturing locations, is a key part of our ability to service the customer base that we have, which are the original equipment manufacturers that are here in the North American region. So, efficient travel back and forth is most important to us. We are in support of continuing the DRIC Study to understand truly what that will bring to us in terms of efficiency.”

- *Mr. Scott Paradise, Vice President of Marketing and Business Development for the Americas, MAGNA International (May 19th testimony)*

From the Brookings Institution, a nonprofit public policy organization based in Washington, D.C. - one of America's oldest think tanks and generally considered one of the top influential policy institutes in the U.S.:

“It is critical to our economic future for Michigan, with our Canadian partners, to join together and develop a 21st century transportation infrastructure that consolidates and enhances our position as a world-leading bi-national trade location - and that signals and enables our ability to be a player in today's global knowledge economy...Our bi-national economic relationship with Canada is the largest on earth - over \$500 Billion a year in two-way trade, larger than any other economic relationship on the planet. This trade is not so much us selling things to each other, as making products together that pass back and forth across the border as they are built - before we sell them to the world.

And as we know, that exchange is concentrated in just a few points of exchange - 28% of that trade, or over \$113 Billion a year, passes through the Detroit-Windsor border, and another \$35 Billion at the Port Huron-Sarnia crossing. The trade, just at this crossing, is more significant than our trade with Japan and most every country on earth. If Detroit and SE Michigan want to participate and lead in the global economy, we have to put in place the 21st century infrastructure that facilitates trade, commerce and the movement of goods and people. If we don't do this, the opportunity to build on and reap the benefits of transportation and logistics business locating here, to use new bridge, rail, and multi-modal infrastructure to support community economic development on both sides of the border, to signal we are joining the 21st century - will not occur.”

- *John C. Austin, Senior Fellow of the Metropolitan Policy Program at the Brookings Institution; Vice President of the Michigan State Board of Education; Director of the Brookings Institutions' Great Lakes Economic Initiative, and author of a number of leading Brookings Institution reports that detail the economic condition and opportunities for our state and region (May 12th testimony)*

From the Detroit Regional Chamber, representing more than 23,000 businesses throughout the 10-county region of Southeast Michigan, with offices in Detroit, Lansing and Washington, D.C.:

“...this region’s transportation system supports over 40% of Michigan’s jobs and population...in 2004, the Windsor and Detroit Regional Chambers passed a joint policy position supporting the need for a new border crossing. Given the future needs in terms of truck traffic and the increase in the global logistics business, both of our chambers recognized the importance of the regional border infrastructure, the current vulnerability of our existing structures and the need to insure redundancy relative to those existing structures. We also decided that any new structure would need to be subject to public oversight making sure there was structural maintenance, integrity and security, and that while the study for a new crossing was underway, that short term redundancy solutions should be investigated. If we do not take any action, what this will mean for our region is lost jobs, lost production, lost investment and lost competitiveness. Specifically, it’s estimated that if the Detroit crossings are not updated, there could be a loss of over 3,200 jobs in Detroit and Wayne County and an additional 9,700 jobs in the rest of the region...if you look specifically at what congestion costs are costing this region, they add approximately \$200 to the price of every vehicle manufactured in Michigan.”

Melissa Roy, Senior Director for Government Relations, Detroit Regional Chamber (May 19th testimony)