



Tuesday, June 19, 2007

Senator Alan Cropsey
Majority Floor Leader
S-8 Capitol
PO Box 30036
Lansing, MI 48909-7536

Dear Senator Cropsey:

The Ontario Chamber of Commerce (OCC) is a federation of 160 local chambers of commerce and boards of trade in the province of Ontario, representing 57,000 businesses of all sizes, in all economic sectors and from every area of the province. The OCC's mandate is to advocate strong policies on issues that affect its membership throughout Ontario's business community.

With nearly 23,000 members, the Detroit Regional Chamber is the largest chamber of commerce in the country. The Chamber's mission is carried out through business attraction efforts, public policy advocacy, strategic partnerships and quality products and services for members.

Ensuring safe and efficient cross border travel across the Ambassador Bridge is of critical importance to the US and Canadian economies. As you are aware, commercial traffic across this border represents the world's largest trade relationship with more than 40 per cent of the Canada-US truck traffic crossing this bridge. Any border delay causes a chain reaction of economic loss that affects every business and individual.

Overall, Canada-US trade supports 7.1 million US jobs, 221,500 Michigan jobs, and one in three Canadian jobs. Last year, Canadians made more than 1,239,000 visits to Michigan, spending \$208 million. Michigan exports to Canada totaled \$13.5 billion, representing 61 percent of its foreign sales. Canada also traded more with Michigan than with any other US state. This partnership generated \$71.8 billion in bilateral revenue in 2005. Consider too, that the US exports to Ontario about \$135 billion worth of goods every year. To put this in perspective, the US sells \$55 billion worth of goods annually to all of China.

Close to \$300 million worth in daily just-in-time deliveries alone, passes through the Detroit-Windsor region. The integrated US and Canadian auto industry for instance is heavily dependent on sufficient capacity at the Ambassador Bridge. Every day, this sector sends over \$100 million dollars

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and thousands of cross-border truck shipments through this border crossing. Assembly plants creating hundreds of thousands of jobs in Michigan as well as many other US states and Ontario rely on the just-in-time transport of automotive parts.

The interconnectedness of our economies goes beyond the auto industry. The New Jersey-based Campbell Soup Company is such an example. This multinational US firm purchases ingredients in both Ontario and Michigan, and produces over 90% of products in Listowel, Ontario. Canadian-made soup contains about 60% of US ingredients, so the product will cross the border twice if not three times before the product goes to market. The Listowel facility employs over 500 people and the company has invested \$1 million in new technology. The company also has a Toronto facility that supports over 400 jobs.

Congestion and inefficiencies at the border crossings however, pose a challenge to the efficient movement of goods and people. In the next 30 years, total US-Canada trade by truck is expected to increase by 128% and vehicle traffic could climb by 57%. Research has indicated that this border crossing could reach capacity as early as 2015. It will not have sufficient infrastructure to support future growth. Indeed, we are dealing with pre-NAFTA infrastructure in a post-NAFTA world, and it is no longer meeting our economic needs.

An additional border crossing in the Detroit-Windsor region will enhance security, competition, and future growth to economies on both sides of the border. The OCC and the Detroit Regional Chamber are strong proponents of building a new crossing between Detroit and Windsor as this will serve to ease existing and future capacity, as well as security issues.

The OCC and Detroit Regional Chamber believe that the proposed amendment to the Michigan Department of Transportation budget to withdraw state support for the Detroit River International Crossing (DRIC) project reverses the significant steps forward to resolve congestion and security issues at the Detroit-Windsor crossing. Removal of state funding for the DRIC process will not likely stop the project but will certainly remove Michigan state government from the decision making elements of the process. Michigan government plays a legitimate role in management of our international border with Canada -- whether through purely government funded efforts or public / private partnerships. Continuation of the DRIC process, with Michigan at the table, is critically important to job providers throughout the Detroit region. Efforts to slow down this process will be interpreted by business as efforts to limit our ability to compete in the global marketplace.

As borders continue to be the chokepoint of our economies, traffic congestion caused by insufficient infrastructure will reduce our competitive advantage. This leads to lost trade opportunities, and endangers employee recruitment and retention. Businesses

and people will continue to be hurt through lost production, lost investment, and high prices of goods. This can have serious repercussions on the economy. The US could lose up to 80,000 jobs, and Canada could lose up to 70,000 jobs. According to the 2005 OCC report, *Cost of Border Delays to the United States Economy*, both countries could experience over USD \$10 billion a year in lost production. The US in particular absorbs 40% of this cost at about USD \$4.13 billion a year.

The impacts of declining jobs in the manufacturing sector are of particular concern in Michigan. Border delays further exacerbate manufacturing job losses, as *The Jobs Tunnel: The Economic Effect of Adequate Border-Crossing Infrastructure* report illustrated:

- By 2010, if the regional economic impacts in Southeast Michigan of growth in employment are 25% lower than the current baseline (due to border delays) Southeast Michigan could stand to lose 1, 592 jobs across all sectors.
- By 2010, if the regional economic impacts in Southeast Michigan of growth in employment are 50% lower than the current baseline (due to border delays) Southeast Michigan could stand to lose 14, 591 jobs across all sectors.

The Detroit-Windsor gateway is both strategically and economically important. We strongly urge you to continue to fund the DRIC project which will lead to a new crossing in the given 2013 timeframe.

Thank you for your consideration of this important matter. If you have any questions or concerns, you may direct your staff to contact Stuart Johnston, OCC Vice President Policy and Government Relations, at (416) 482-5222, extension 232 (stuartjohnston@occ.on.ca), or Sarah Hubbard, Detroit Regional Chamber Vice President Lobbying and Relationship Management, at (517) 372-2278 (shubbard@detroitchamber.com).

Yours sincerely,



Len Crispino
President and CEO



Richard E. Blouse Jr.
President and CEO

cc:

Governor Jennifer M. Granholm, Governor of Michigan
State Senator Jason Allen, Majority Whip
State Senator Glenn Anderson, Assistant Minority Floor Leader

State Senator Raymond Basham, Minority Whip
State Senator Michael Bishop, Majority Leader
State Senator Cameron Brown, Assistant Majority Floor Leader
State Senator Nancy Cassis, Majority Caucus Chairperson
State Senator Hansen Clark
State Senator Irma Clark-Coleman
State Senator Tom George
State Senator Jud Gilbert
State Senator Bill Hardiman
State Senator Tupac Hunter, Assistant Minority Leader
State Senator Gilda Z. Jacobs, Minority Caucus Chair
State Senator Mark Jansen, Assistant Majority Caucus Chairperson
State Senator Ron Jelinek
State Senator Roger Kahn, Assistant Majority Whip
State Senator Bruce Patterson
State Senator Randy Richardville
State Senator Mark Schauer, Minority Leader
State Senator Martha Scott
State Senator Tony Stamas
State Senator Buzz Thomas, Minority Floor Leader
State Senator Jerry Van Woerkom
Representative Andy Dillion, Speaker of the House
Representative Steve Tobocman, Majority Floor Leader
Representative Hoon-Yung Hopgood, Transportation Chairman
Secretary Michael Chertoff, U.S. Department of Homeland Security
Secretary Mary E. Peters, U.S. Department of Transportation
Hon. Lawrence Cannon, Minister of Transport, Infrastructure and Communities,
Canada
Kristine Burr, Assistant Deputy Minister, Policy, Transport Canada
Hon. Maxime Bernier, Minister of Industry, Canada
Hon. James Flaherty, Minister of Finance, Canada
Hon Dalton McGuinty, Premier of Ontario
Hon. Donna Cansfield, Minister of Transportation, Ontario
Hon. Dwight Duncan, Minister of Energy and Chair of Cabinet, Ontario
Hon Sandra Papatello, Minister of Economic Development and Trade, Ontario
Robert Noble, Consul General of Canada, Detroit, Michigan
Louis Ranger, Deputy Minister, Transport, Infrastructure and Communities,
Canada
Mayor Kwame Kilpatrick, City of Detroit
James J. Steele, U.S. FHWA Michigan Division
Rick Capka, U.S. Federal Highway Administration
Jeffrey Shane, U.S. Dept. of Transportation
Nicholas E. Mpras, U.S. Coast Guard, Office of Bridge Administration
Michael P. Jackson, U.S. Dept. of Homeland Security

Kirk Steudle, Michigan Department of Transportation
Detroit Regional Chamber of Commerce
OCC Members

As the most diverse and most influential business group in the province, the Ontario Chamber of Commerce works closely with governments, labour, academia and various other groups to create a stronger and more vibrant economy in Ontario and the surrounding regions.

The OCC represents 57,000 members through 160 affiliated chambers of commerce and boards of trade throughout the province. The OCC has worked on behalf of business since 1911.