



June 2, 2008

Representative Lee Gonzales  
Chairman of Appropriations Sub-Committee  
PO Box 30014  
Lansing, MI 48909-7514

Dear Representative Gonzales:

**RE: HOUSE TRANSPORTATION APPROPRIATIONS SUBCOMMITTEE  
HEARINGS ON DRIC**

It was a pleasure meeting you and testifying before your Committee on May 12, 2008.

It is not my intent to inject myself or the Peace Bridge Authority (PBA) into the Detroit River border crossing debate. I take no position on which alternative best meets the needs of Detroit and Windsor.

However, I would like to correct comments made about the Peace Bridge by Mr. Stamper and Mr. Blashfield and point out inconsistencies in their testimony before you on May 19, 2008. For ease of reference I will not differentiate between Mr. Stamper and Mr. Blashfield and simply refer to their comments as "Ambassador Bridge."

The Ambassador Bridge stated:

*"Instead of self-sustaining itself from tolls, the Peace Bridge seeks public subsidy for it to fulfill its mission"* and that the Peace Bridge is seeking a "\$90 million earmark from FHWA" for its capacity expansion.

Yet earlier in the Ambassador Bridge's testimony it stated:

*"...Gateway Project embodied three specific goals:*

- 1. Facilitate direct connections to the three interstates while improving access for the local community.*
- 2. Accommodate a second span next to the Ambassador Bridge.*
- 3. Host a "Welcome Center" at the foot of the Bridge.*

*So far the MDOT/FHWA have dedicated \$230 million to accomplish these Gateway goals."*



The \$90 million attributable to the Peace Bridge is not an "earmark from the FHWA" but rather is the amount identified in the State of New York's five year transportation capital improvement plan similar to how MDOT funded the Gateway Project.

The \$90 million is actually not dedicated to the construction of a new bridge but rather will be used for:

- improving interstate connections and local access
- constructing an interpretive/welcome center
- accommodating a second span and a new Customs plaza.

Sound familiar? So how is the \$90 million at the Peace Bridge a "subsidy" but the \$230 million for the Gateway Project is not?

Ambassador Bridge goes on to state the federal/state funds will be "*complimenting the \$76 million Canadian contribution*" at the Peace Bridge yet no mention was made of the \$1.6 billion the Canadian federal government and Province of Ontario was committing to improve highway access to the border, something the Ambassador Bridge has been demanding for years to compliment the government funded Gateway Project. In the Ambassador Bridge's own testimony it states:

*"The Gateway Project is evidence of the ongoing sacrifice of all community stakeholders. It is unconscionable that MDOT would be so willing to duplicate such sacrifice when Canada has failed to fulfill its obligation by fixing the road to the current crossing."*

So here we have this bastion of so called free enterprise extolling its entrepreneurial prowess relying on and demanding government "subsidy" to provide everything outside its bridge and plaza for its own financial benefit. What should be particularly galling to taxpayers in Michigan and Ontario is that here the Ambassador Bridge is saying that its proposed new crossing over the Niagara River will be done solely at its own expense. Here, they say, they will build a new bridge, new plazas, all interchange connections and highway improvements, and a new five mile long freeway from the bridge to the QEW, all at no cost to the taxpayers. Relying on what they have stated here, why did the Ambassador Bridge not pay for the Gateway Project in Michigan and why are they not paying for the connection to the 401 in Ontario? If they did, then they could say they do not rely on public subsidy.

On the matter of public funds it is also important to consider the cost of tolls. The Ambassador Bridge in its Niagara River website states:

*"Note that all of the PBA funds are from public money (tolls and public funding)"*



Applying the Ambassador Bridge's own premise that tolls are "public money" perhaps the Ambassador Bridge should justify its \$4.00 car tolls compared to the Peace Bridge's \$1.35 (E-ZPass rate). Now factor in the public subsidies being received by the Ambassador Bridge described above and ask yourself if Michigan taxpayers are well served by the Ambassador Bridge. At the Peace Bridge you can answer that question because our financial records are public. Of course, the Ambassador Bridge's are not.

On the Ambassador Bridge's reference to the \$18 million Environmental Impact Statement at the Peace Bridge, you should be aware that environmental process is required to comply with the National Environmental Policy Act (NEPA) and has as its lead agency the Federal Highway Administration (FHWA). As I testified, that is paid through a federal earmark and is similar to the DRIC process – seven corridors and 59 different alternatives within these corridors were assessed.

Much of the Ambassador Bridge's testimony related to declining traffic and denigrating the DRIC traffic projections. Yet for its proposed crossing over the Niagara River it relies on government traffic projections which shows long term traffic increases as their justification to proceed. I attach for your convenience a copy of my testimony which extensively quotes reasons given by the Ambassador Bridge in their Presidential Permit application for a new bridge just downstream from the existing Peace Bridge.

The Ambassador Bridge talked about how it should be permitted to expand capacity at the existing Ambassador Bridge because it *"addresses business confidence concerns, ... maximizes all the U.S. investments made on the U.S. side, ... prevents cannibalization of the existing crossings."* Yet here on the Niagara River the Ambassador Bridge with its proposal demonstrates zero regard for business concerns, the investments made in a new Canadian plaza and cannibalization of existing crossings.

The Ambassador Bridge stated in response to a question about adding four more lanes over the Niagara River:

*"The problem in Buffalo isn't the lanes over the water either. The problem is Customs facility. They are on an urban area and the only expansion they can do is to take homes and businesses."*

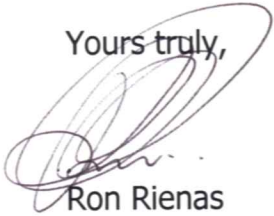
That statement does not comport with the reasons given in their Presidential Permit application.

Interestingly, the Ambassador Bridge also makes no mention of the fact that the New York State Department of Transportation and City of Buffalo oppose their application. Nor did the Ambassador Bridge state to you that the very situation that it says exists in Buffalo at the Peace Bridge also exists in Detroit and Windsor at the Ambassador Bridge and indeed is exacerbated in Windsor by Canada Customs because secondary commercial inspection is required to be contiguous to the bridge. This is likely one of the reasons for the DRIC project.

In summary, the Ambassador Bridge cannot credibly say one thing in Detroit and then say the opposite in Buffalo. Likewise, the Ambassador Bridge cannot hide behind its private sector persona when it is clear that it relies on public funds equally as much and more so when the cost of tolls are considered.

I would be pleased to respond to any questions you may have.

Yours truly,

A handwritten signature in black ink, appearing to read "Ron Rienas", is written over the "Yours truly," text. The signature is stylized and somewhat cursive.

Ron Rienas  
General Manager

RR/kak



CROSSING PATHS  BUILDING FUTURES  
THE PEACE BRIDGE

House Appropriations Sub-Committee on Transportation  
Presentation by:  
Ron Rienas, General Manager  
Buffalo and Fort Erie Public Bridge Authority

May 12, 2008  
Detroit, Michigan

**Peace Bridge Capacity Expansion**





Good morning Chairman Gonzalez and members of the Appropriations Sub-committee on Transportation. Thank you for the invitation to testify before you today. I trust that our experience on the Niagara River will be helpful to you as you consider options here on the Detroit River.

To provide some context, the Peace Bridge is just under 300 miles from the Ambassador Bridge. The Peace Bridge is operated by the Buffalo and Fort Erie Public Bridge Authority, governed by five appointees from New York State and five from Canada. It is one of four



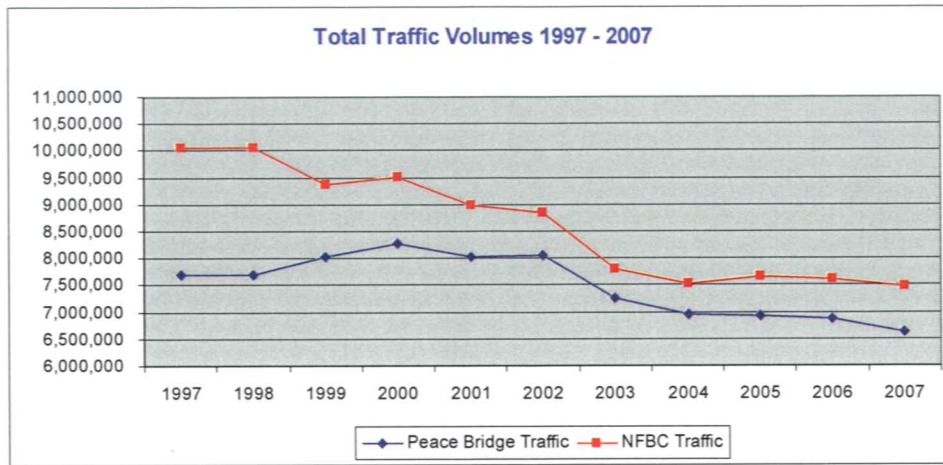
bridges that cross the Niagara River. The other three are operated by the Niagara Falls Bridge Commission, also a public authority but governed by four provincial appointees and four U.S. federal appointees. NFBC operates the Lewiston-Queenston Bridge, Whirlpool Bridge, and Rainbow Bridge. Both authorities are self sustaining and do not rely on any government funds to operate.

In total there are 14 lanes of traffic over the Niagara River. Lewiston-Queenston has five lanes, Whirlpool has two lanes (restricted to NEXUS users only), Rainbow has four lanes for cars only. Peace Bridge has three lanes with the center lane being bi-directional.

Only the Peace Bridge and Lewiston-Queenston allow trucks. Only the Peace Bridge and Rainbow Bridge allow cyclists and pedestrians.

In 2007 the combined traffic volumes crossing the Niagara River were:

Buses	74,958
Trucks	2,203,926
Cars	<u>11,853,613</u>
	14,132,497



Given the tourist characteristics of the Niagara Region, car traffic is much heavier through the three to four month summer season and there is significant cyclist and pedestrian traffic. Truck traffic is much more diversified than the predominance of automotive industry related traffic in this region. Truck traffic at the Niagara River crossings has a much lower rate of FAST compliance and is concentrated into the late afternoon, evening hours Monday through Friday.

Tolls at all the Niagara River crossings are only collected in one direction (round-trip toll), Canada bound and are the lowest on the border. To compare to crossings over the Detroit River, it costs \$1.50 to cross the Peace Bridge, \$1.35 if you have E-ZPass (electronic toll collection). It is \$4.00 to cross the Ambassador Bridge. The objective of both the Peace Bridge and NFBC is to keep tolls as low as possible so as to not have tolls be a disincentive to cross border movements, particularly tourist traffic.

Contrary to popular belief, the bridges over the Niagara River do make payments akin to property taxes to both countries, amounting to almost \$2,000,000 in 2007.

The Peace Bridge capacity expansion is often times confused as simply a transportation project to put more lanes across the river. That is not correct. A border crossing over a river is nothing like an interstate highway over the Mississippi River.



The Peace Bridge project is a "border improvement project." It is an expansion and modernization of the customs plaza. The new bridge construction is treated as an expansion of the plaza to facilitate the NEXUS/FAST program. It is a national economic security project creating additional redundancy for the existing Peace Bridge and the Lewiston-Queenston Bridge. It is designed to allow for maintenance flexibility, particularly to allow for

extended lane(s) or even bridge shutdown. It will permit improved traffic operation especially for wide or special loads which currently have to wait to cross.



It is a project designed to enhance the communities on both sides of the river by reducing current environmental impacts. It will have a positive economic benefit in that it provides greater investment certainty for manufacturers and tourism operators. Last, it is a long term project to address changes in political and socio-economic climate. Imagine the traffic demands placed on border crossing infrastructure if Canada and the United State had borders like in Europe?

The Peace Bridge Capacity Expansion is a bi-national environmental process. It began in early 2001 to consider as a single action bridge lane, plaza, and connecting road capacity to relieve border congestion. In many ways it is similar to the DRIC process here. There was an extensive scoping process reviewing 59 alternatives in seven different corridors. As a result of the environmental process, the key participants - City of Buffalo, New York State DOT, Town of Fort Erie, and Ontario Ministry of Transportation all agreed that capacity expansion should occur within the existing Peace Bridge corridor.

The "purpose and need" of the Peace Bridge project is to address the following:

- Border Crossing Operations
- Safety
- Bridge Structure
- Capacity
- Environmental
- Economic
- Modal Interrelationship
- System Mobility
- Social Demand and Economic Development



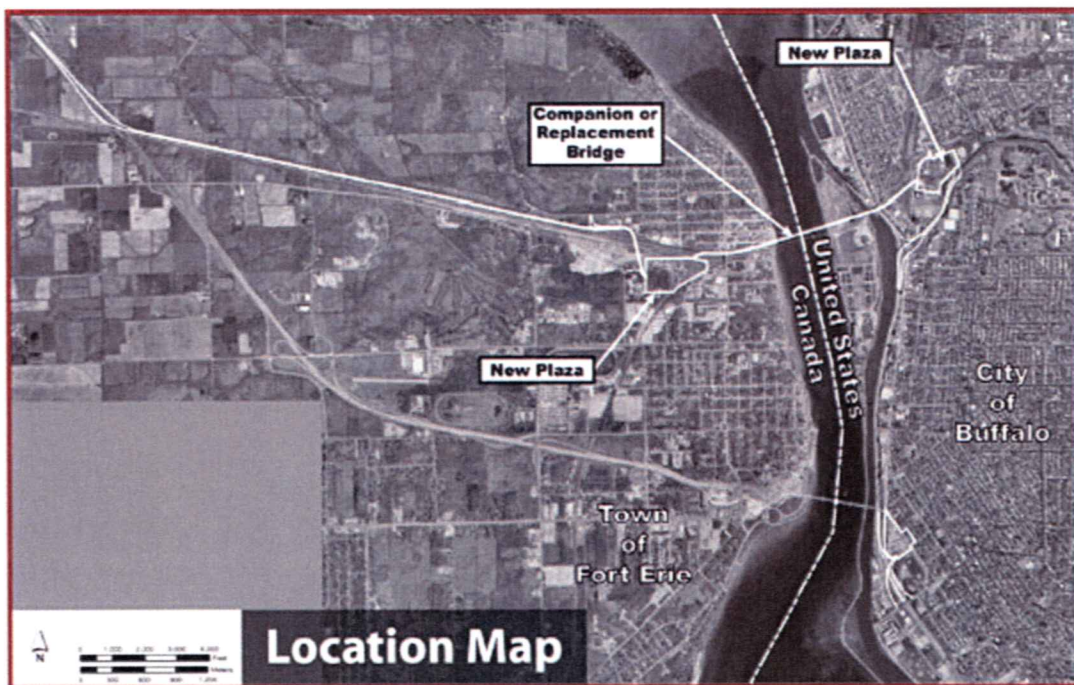
Existing Peace Bridge Customs Plaza (2007)



Strictly in terms of traffic capacity, bridge and plazas are being designed to accommodate a doubling of truck volume to 3 million trucks and a 25% increase in car volume to 7 million vehicles in the design year of 2040.

Notwithstanding that we already have 14 lanes crossing the Niagara River and given the purpose and need described above, there is still clearly a need to address the border at the Peace Bridge. Although international border bridges constitute critical infrastructure properly controlled by governments, it is significant that the private sector also believes additional capacity is required at the Peace Bridge.

Since 1999 the Ambassador Bridge has been aggressively seeking to construct an additional crossing over the Niagara River one and a half miles north of the existing Peace Bridge. In spite of the traffic declines, less than four months ago the Ambassador Bridge submitted an application for a Presidential Permit to U.S. Department of State and filed an Environmental Assessment along with their application. The project is approximately six miles in length, consisting of a bridge and toll plazas, customs plazas, and Duty Free shops in both countries. It is designed to service all truck traffic and 50% of the car traffic crossing the Peace Bridge now and in the future.



The following quotes are taken directly out of the Ambassador Bridge's Environmental Assessment for its proposed Niagara River crossing:

- a. Description of Peace Bridge
  - *"The Peace Bridge is outdated and modernization will be difficult. It is approximately 80 years old and needs to be re-decked."*

- *The Peace Bridge cannot be re-decked because it cannot be closed to traffic. The capacity limitations of the current Peace Bridge are a major impediment to the growth of foreign commerce in the Buffalo-Niagara region and beyond.*
- *While expanding the Peace Bridge would provide additional highway capacity between the US and Canada to meet future transportation demands, it would not do so in a manner which minimizes impacts to the human and natural environment relative to other corridors studied."*

b. *Purpose and Need for the Action*

*"The proposed bridge and plaza system is compatible with the national interest. This project will provide a higher level of service to the business and commerce interests engaging in international trade by eliminating border delays and opening the door to opportunities for intermodal transportation linkages. The Proposed Project will not only provide a safe and efficient corridor for traffic flowing into and out of the US, but will serve as a catalyst for local business development bringing jobs and prosperity to the City of Buffalo."*

c. *Primary Project Purpose*

*"The primary purpose of the Proposed Project is to provide improved border crossing operations for truck related freight shipments between the US and Canada in the Niagara River Region that will not only meet existing and future transportation demands, but will minimize the impact to the human and natural environment. This project will establish an additional international border crossing that will provide a state-of-the-art transportation system linking the Queen Elizabeth Way (QEW) in Canada with the Interstate Highway System in the US."*

d. *No-Build Option*

*"The No-Build Option does not meet future traffic needs, intermodal linkage and establishment of redundant trade corridors and, therefore does not meet the purpose and need of this project. In the long term, air and noise pollution would continue to worsen in both Buffalo, New York and Fort Erie, Ontario due to traffic congestion and idling trucks."*

e. *Project Need*

*"The need for an additional international crossing within the Niagara River Region has been intensely studied for more than a decade by various independent agencies and organizations. All these studies have reached the same conclusion – that additional cross border capacity is needed between Canada and the US.*

*The Greater Buffalo Niagara Regional Transportation Council (GBNRTC) long range plan for the region (2030 Long Range Plan for the Erie and Niagara Counties Region, GBNRTC, June 2007) provides a convincing summary of the*



*importance of the need for improved, efficient border crossing facilities in the Niagara River Region. The plan indicates that:*

*Canada and the United States are the largest trading partners in the world. Their economies are highly integrated with enormous dependence on cross-border trade. A modern border that provides for safe and efficient movement of people and goods is therefore critical to both nations to maintain continued growth in the economy and trade. The increased security demands since September 11, 2001 have resulted in the need to focus even more closely on the operations of our border crossings and approaches, so that efficiency improvements are made in concert with the implementation of enhanced safety and security measures.*

*The four highway bridges and two active railway bridges across the Niagara River also make the Niagara Frontier the second busiest commercial border crossing on the entire Canada-US border, carrying about 19% of all Canada-US trade. Consequently, the development and continued management of safe and efficient border crossings and approaches at the Niagara Frontier is of vital importance to the region, the province/state and the two nations.*

*In terms of value, trade crossing the U.S. and Canada border total over \$400 billion per year, with the Buffalo-Niagara crossings totaling \$32 billion per year. According to the Bureau of Transportation Statistics, in 2000 10 ports accounted for about 73% of trade by land with Buffalo-Niagara Gateway at about 12% of that, ranking the gateway third to the Michigan-Ontario region and the Texas-Mexico region."*

*f. Future Traffic*

*"The current bridge crossing has become a border "chokepoint" that restricts the movement of traffic, harms tourism, delays the shipment of goods and materials, including cargoes needed for "just-in-time" inventories, and adds considerable air and noise pollution to the surrounding residential neighborhoods. Construction of an additional bridge in the vicinity of the Peace Bridge might provide some relief from traffic congestion, but offers no long-term solution for the increasing volume of commercial traffic that is a direct result of NAFTA."*

*g. Safety Needs*

*"The new bridge and connecting highway system will comply with the most up-to-date, modern transportation standards on both sides of the border including American Association of State Highway and Transportation Officials (AASHTO)*

and Canadian Standards Association (CSA) as well as incorporating best management and engineering practices.

*Wider shoulders have been incorporated into the deck for use by emergency vehicles and maintenance equipment that will, under most circumstances, allow the bridge to remain passable. In the event that a spill occurs, a closed drainage and collection system would be available to direct spill material to a safe land-based location for collection or treatment, thus reducing the time needed to clean up and reopen the span."*

*h. Security Needs*

*"The addition of another international crossing provides the redundancy needed to ensure the uninterrupted movement of traffic at the international border in the event another bridge is taken out of service. Security threats, adverse weather, vehicular accidents and maintenance activities are events that can result in the closure of any bridge, and this contingency has been taken into account in the design of the ANSBG Project. The proposed location also allows for a reasonable buffer between the bridge operations and residential neighborhoods to better protect the human environment from potential security issues."*

*i. Economic Impact*

*"The potential economic impact of this new crossing would be very positive for both Ontario and New York, as the efficiency of commercial cargo transport across the border will be increased and an economically depressed region will be revitalized. The area in which the Preferred Corridor will touch down in Buffalo has had little economic growth in the past half century.*

*The construction of a major international trade route in this region would stimulate major economic development in the area and the region. Project related intermodal opportunities exist in both countries offering the potential for productive partnerships with regional railroads and possibly water borne shipping interests. The intermodal concept can also leverage the function of the existing transportation system by reducing the need for new or widened roads, conserving energy through reduced fuel consumption and reducing the emission of atmospheric pollutants that adversely impact respiratory health."*

*j. Basis for Choice of New Crossing*

- *"Extensive economic growth potential;*
- *Rail and truck intermodal opportunities;*
- *Ample space for efficient plazas with state-of-the-art technology for traffic management and security to expedite the movement of trucks across the international border;*
- *Revitalization of depressed economic areas;*
- *Reuse of brownfields;*
- *Potential for regional air quality improvements;*



- *Neighborhood noise reduction;*
- *Redundancy of critical infrastructure;*
- *Compatibility with surrounding land uses;*
- *Minimal need for relocation; and*
- *Ability to expand within the Proposed Project footprint to meet future needs.”*

In summary, the Peace Bridge Authority concurs with the Ambassador Bridge as contained in the Peace Bridge environmental documents. The purpose of the project *"is to provide operational, functional, and security related improvements that will relieve congestion and improve the overall efficiency and functionality of the existing Peace Bridge Border Crossing Facility."*

Thank you for the opportunity to address you today. More information is contained on the Peace Bridge Capacity Expansion website – [www.peacebridgex.com](http://www.peacebridgex.com). I would be pleased to respond to any questions.