

Windsor-Detroit Border Crossing (Submitted by the Windsor & District Chamber of Commerce)

Issue:

Given the importance of the Windsor-Detroit Border Crossing to the regional, provincial and national economy, the age, capacity, technology, and vulnerability of existing infrastructures; there is a need for a significant investment in border infrastructure in the Windsor Detroit Region, including immediate funding for a third border crossing.

Background:

The United States and Canada share the largest trading relationship in the world. Of the 4,000-mile dividing line between the two countries, no single area is more significant than the Southeast Michigan and Southwest Ontario border crossings.

An estimated \$US 1.2 billion in trade crosses the U.S.-Canada border daily—over 40% of it at the four international, land-border crossings in the Detroit/Windsor Region. Of this daily trade, as much as \$US 234 million is automotive related.

Each day an estimated 58,000 crossings occur. Trade between the two countries has climbed at nearly double-digit rates each year since NAFTA implementation in 1994, and economic development means more cross-border employment, tourism and recreation. By 2020 the number of daily crossings could exceed 90,000.

Clearly, the border-crossing infrastructure in Southeast Michigan/Southwest Ontario is the lifeline of the regional economy. Taking into account crossings at both the Detroit River and St. Clair River, this lifeline comprises two bridges, a passenger tunnel, and two freight tunnels. By trade volume alone, the Ambassador Bridge is the busiest border crossing in the world, carrying 25% of the value of trade between the U.S. and Canada.

Prior to September 11, 2001, growing trade volumes, combined with aging infrastructure, brought growing attention to the border crossings in Southeast Michigan/Southwest Ontario. Experts believe that, if no improvements are made by 2030 to border crossing capabilities in the Detroit River area, the two nations will realize losses of up to 80,000 U.S. jobs and 70,000 Canadian jobs and combined annual production losses of \$US 13.4 billion (\$CAN 19.4 billion).

The threat of terrorism has greatly increased concerns about infrastructure redundancy and broad policy shifts affecting the border. Currently there are at least 44 U.S. or Canadian agencies with some form of jurisdiction over border

issues. Although both the Department of Homeland Security and Canada Border Services Agency have streamlined organizationally, regulations have become increasingly complex, and implementation of various individual requirements has had a substantial cumulative effect. Since the Smart Border Declaration of 2001, estimated processing time for shipments entering the U.S. have climbed 300% (from 45 seconds to 2 minutes and 15 seconds per truck by the end of 2004). The result has been at least \$US 14 billion in annual costs to the U.S. and Canadian economies.

The physical security of the Border as well as many of the delays can be avoided by instituting a reverse inspection facilities on both sides of the border.

In considering how U.S. and Canadian governments view the border—whether local, state/provincial, or federal—the following must be kept in mind: Countries do not trade—businesses do. Therefore, border-related policy that strives to strike a balance between economic and national security must consider businesses first.

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Make significant investment in border infrastructure in the region.
2. Ensure that solutions to the border problems address the concerns about redundancy, public oversight and access, short-term solutions, congestion alleviation and environmental impacts on affected communities.
3. Press for any necessary regulatory changes and the infrastructure funding needed to make border management by Canadian and US customs agencies happen as soon as possible.
4. Work to expedite the approval process and to secure the necessary funding for a third border crossing in the Windsor-Detroit corridor as soon as possible.
5. Extending Highway 401 to all existing borders in Windsor.