

# Regional Transportation Paper (RTP)

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## Windsor-Essex Regional Chamber of Commerce Transportation Committee

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Essex Regional Chamber of Commerce Board of  
Directors on Monday, January 28, 2013

**Windsor-Essex Regional Chamber of Commerce  
REGIONAL TRANSPORTATION PAPER (RTP)**

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## **EXECUTIVE SUMMARY**

This statement presents positions of the Windsor-Essex Regional Chamber of Commerce on transportation infrastructure, planning and policy. Transportation is especially important to the economy of the Windsor-Essex region both because our economy is driven by freight-dependent industries (manufacturing and agrifood) and because of our border location puts us at the nexus of road, rail and marine transportation networks. These facts create both challenges and opportunities for the Windsor-Essex region.

### *Overview*

By road, Windsor-Essex is connected to the rest of Ontario by Highway 401 and to the US by the Ambassador Bridge and the Detroit-Windsor Tunnel. The Detroit-Windsor truck ferry serves hazardous goods and oversized loads. The E.C. Row Expressway provides rapid east-west highway access within the region. Our region enjoys relatively low congestion, except for the corridor connecting the 401 and the Bridge. The Herb Gray Parkway, which is under construction, and the planned Detroit River International Crossing (DRIC) Bridge will reduce congestion in the cross-border corridor.

Both CN and CP Rail serve our region, with the Essex Terminal Railway providing rail access to local facilities. CP provides cross-border freight service via a Detroit River tunnel. A planned replacement tunnel will enhance the rail connection to the US. VIA Rail provides passenger service to Toronto and points beyond, but there is no passenger rail link with the US. Windsor has one of the busiest commercial ports in the Great Lakes. Windsor International Airport provides expanding passenger services to Toronto and connections worldwide, plus seasonal services to Calgary and Cuban resorts. Transit Windsor provides bus-only public transit within the City of Windsor and to downtown Detroit, but does not extend to Essex County. Windsor has a low transit share by Canadian Standards.

### *Infrastructure and Regulatory Priorities*

The Windsor-Essex Regional Chamber of Commerce has identified a number of policy priorities concerning both infrastructure development and adjustments to public regulations. For border crossings, the first priority is the rapid completion of the DRIC Bridge, which should be available to all traffic (including hazardous goods) and have dedicated trusted-trader lanes. Inspection services by Canadian and US officials should be expanded at the Ferry and the Tunnel and provided at reasonable cost. The Chamber supports rapid implementation of initiatives in the *Beyond the Border* agreement.

In order to improve access for local business, our first priority in domestic infrastructure is completion of the Lauzon Corridor to the 401. We also call for

greater flexibility in land use planning regulation to permit commercial development in high-accessibility zones around 401 interchanges.

In order to improve freight rail access the Chamber urges the federal government and the government of Ontario to support the construction of a new Detroit River Rail Tunnel as an integral part of the overall border infrastructure improvement plans. We also urge the federal government to explore options for a passenger rail connection across the Detroit River and to conduct a more comprehensive review of higher speed options in the Quebec-Windsor corridor.

In marine transportation, we recommend that the Government of Canada engage the Government of the US on two crucial issues. The first is effective, efficient and enforceable rules for ballast water treatment and control in the Great Lakes. The second is a long-term plan for infrastructure renewal of the St. Lawrence Seaway that ensures the continuing competitiveness, safety and reliability of the system. We also call for action to address the issues of low water level and the growth of algae and contaminants.

The chamber encourages the Windsor International Airport to continue its successful efforts to expand passenger services. Ongoing efforts to attract air cargo service should also be continued. Over the longer term, the establishment of pre-clearance services by US officials for both passengers and air cargo has the potential to greatly expand aviation activity at Windsor.

Recognizing the challenges of providing service to our region's dispersed residential and employment patterns, the Chamber encourages Transit Windsor and the business community to work together to develop strategies to improve transit access to major employment clusters. We also encourage the City of Windsor to work with nearby municipalities to extend public transit service into built-up areas around its borders.

Like all regions in Canada, Windsor-Essex faces the challenge of addressing pressing infrastructure inadequacies. If infrastructure needs are to be met in the future, environmental regulations imposed by all orders of government need to be reasonable, risk-based and consistently enforced.

#### *Transportation and Economic Opportunities*

Transportation figures prominently in a number of potential – and as yet unexploited – opportunities for economic development in Windsor-Essex.

Firms in our region currently provide surprisingly few services to this enormous moving market of cross-border trucks. One or more large mall-like food, accommodation, fuel, and repair service centres located at 401 interchanges could be major sources of regional employment and income. Regulatory and

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administrative barriers to such development should be eliminated to the extent possible.

Windsor-Essex's central location in the cross-border Great Lakes region suggests it's potential as a hub for transportation, distribution and logistics (TDL) activity. Developing such a hub is a complex challenge that will require input from CP Rail, the Airport, the Port and all levels of government. Most importantly, it is Windsor-Essex business community that can ultimately make it happen. Steps should be taken to bring all parties together to explore this possibility in a cooperative way.

Because of the central role of cross-border commerce in our region's economy, the Windsor-Essex business community should seek to achieve a uniformly high level of border readiness. The Chamber of Commerce, along with other government, academic and civic institution can help achieve this goal through coordinated outreach and education efforts. The common goal should be to establish Windsor-Essex as the *Border Ready Region*.

## **INTRODUCTION**

This statement presents positions of the Windsor-Essex Regional Chamber of Commerce on transportation infrastructure, planning and policy. It was drafted by the Chamber's Transportation Policy Committee, comprising representatives of the transportation, manufacturing and professional services industries as well as government and academia. In order to gain broader input, the Transportation Policy Committee hosted a workshop on October 29, 2012 in which participating chamber members shared their challenges, concerns and recommendations on transportation issues.

Transportation is especially important to Windsor-Essex for two of reasons. First, the production of manufactured and agricultural goods is central to our economy, so our competitiveness depends on high quality freight transportation. Second, because we are located at one of the busiest international trade crossings on earth, our region is at the nexus of road, rail and marine transportation networks. These facts create both challenges and opportunities for the Windsor-Essex region.

This statement starts with an overview of transportation systems as they currently stand. This is followed by a discussion of the most important transportation issues from a public policy perspective, with statements of the Chamber's positions and recommendations. The paper ends by identifying some areas of great economic development potential that are related to or highly dependent upon transportation.

## **OVERVIEW**

### **Road Infrastructure**

The Windsor-Essex highway network includes two limited access roads (Highway 401 and the E.C. Row Expressway), three Provincial Highways (401, 3 and 77), and an extensive system of rural and urban arterial, collector and local roads. Only the Highways 401, 3 and 77 are provincial roads, with all others under the control of municipalities. Highway 401 supports a huge volume of truck traffic leading to the Ambassador Bridge. Because the highway terminates at South Windsor, trucks destined to and from the U.S. must use Huron Church Road, which is property of the City of Windsor and has numerous signalized intersections.

The E.C. Row expressway supports the largest volume of local traffic, serving as a major East-West link. All other regional arterial roads have limited capacity, yet the

urbanized area of Windsor-Essex enjoys low levels of congestion relative to other Canadian metro areas.

The Ambassador Bridge and Detroit-Windsor Tunnel provide cross-border access by road. The Ambassador Bridge, which is privately owned and over 80 years old, has only two lanes in each direction: one for cars and one for trucks. With the completion of infrastructure improvements on the Michigan side, there is now seamless access from the Bridge to the Interstate Highways I-75, I-94 and I-96. The Detroit-Windsor tunnel has one lane in each direction and its roof clearance excludes a large proportion of the cross-border truck traffic, leaving the Bridge as the only option. The Detroit-Windsor Tunnel carries a larger passenger volume than the Bridge and is the main connection for several thousand Windsor residents who are employed in the Detroit metropolitan area. Hazardous material (HAZMAT) cargoes, which are excluded from both the Bridge and the Tunnel, may be moved via the Detroit-Windsor Truck Ferry, as may oversized loads.

The addition of a new border crossing route is the most important infrastructure project to occur in the region in decades. The project has two elements. The first is the Herb Gray Parkway (formerly known as the Windsor-Essex Parkway), which is a limited access expressway extending from the end of the Highway 401 to the old industrial area of Brighton Beach. The second is the DRIC (Detroit River International Crossing) Bridge<sup>1</sup>, which is planned to span the Detroit River from Brighton Beach to the Del Ray neighbourhood of Detroit, where it will connect to the I-75. The Bridge project also includes a large customs plaza at the end of the Parkway and the foot of the new bridge. The Herb Gray Parkway is under construction and is planned to open late in 2014. Construction of the DRIC/NITC Bridge will commence once environmental approvals are received and will likely not be open to traffic until 2017 at the earliest.

## **Rail Transportation**

Both the CN and CP Class I railroads provide freight services to Windsor-Essex. CP's main cross-border service uses a 100 year old rail tunnel under the Detroit River that it owns jointly with Borealis infrastructure (Division of OMERS). The Windsor-Detroit Tunnel is on CP's main line in Eastern Canada and part of the global freight supply chain from Montreal to Chicago. The line carries approximately 400,000 rail cars per year, which is equivalent to 1 million trucks. Most of CN's cross-border movements pass through a tunnel under the St Clair River near Sarnia.

The Essex Terminal Railway, which extends from Windsor to Amherstburg, connects the Class I railroads with major industrial, agricultural and (salt) mining

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<sup>1</sup> Also known as the NITC (New International Trade Crossing) Bridge.

sites and with marine terminals on the Detroit River. Freight rail yards occupy a significant quantity of centrally located land in the City of Windsor.

VIA Rail provides passenger service between Windsor and Toronto along a corridor that includes stops at London and Burlington (near Hamilton). Connections to the entire VIA network can be made via Toronto. Windsor's Walkerville station is among the top ten busiest VIA stations. There is no passenger rail service between Windsor-Essex and any point in the United States. The U.S. Secretary of Transportation Ray LaHood has made recent comments (May 2011) about re-examining the option of bringing passenger rail service between Michigan and Canada.

### **Marine Transportation**

According to the Windsor Port Authority, Windsor has one of the busiest commercial ports in the Great Lakes, receiving nearly 1000 commercial and ocean ships annually and handling over 5 million tonnes of cargo. This does not include the Detroit-Windsor Truck Ferry, which makes over 1000 trips per year. The Windsor Port Authority oversees federal lands, hosting 14 active goods movement terminals as well as a number of other marine facilities. Cargo tonnage is dominated by aggregates and other dry bulk, but grain, petroleum and general cargo are also significant.

### **Air Transportation**

Windsor International Airport, which is owned and operated by the City of Windsor, has seen rapid expansion of passenger activities in recent years. As recently as 2008, service was limited to Air Canada flights to Toronto's Pearson Airport. Porter Airlines service to Toronto Island Airport, WestJet seasonal service to Calgary and Sunwing Airlines service to Cuban resorts have since been added and total number of passengers boarding an aircraft at the airport has more than doubled.

Advances in airfreight activity have been slower. Past experiences with large shipments of auto parts have demonstrated the Airport's capability to handle high volume freight movements, but at present most airfreight is expedited service in relatively small loads.

The construction of an MRO (maintenance, repair and overhaul) facility, which is owned by the City of Windsor and operated by Premier Aviation, represents a new activity for the Airport. Because the facility is large enough to accept multiple planes simultaneously, including planes in the largest size classes, MRO has the potential for significant expansion.



## **Public Transit**

Windsor-Essex is one of the most automobile-dependent regions in Canada. Because the original settlement pattern in the area consisted of many nodes stretched out along the Detroit River, a high density urban centre did not materialize, and instead the industrial employment base occurred in many large factories and employment centres spread out across the urban area. Low density residential subdivisions also developed in the area, in large part because of the original municipal jurisdictions consisting of rural townships outside the original boundaries of the City of Windsor. As a result, the development pattern has not resulted in high density corridors and is difficult to service effectively by public transit.

Transit Service in the City of Windsor is provided by Transit Windsor, which is a Corporation owned and operated by the Municipality. Typical peak hour modal splits are in the 5% range. Some service is provided in neighbouring urban areas and discussions continue about expanding transit role in this regard.

## **INFRASTRUCTURE AND REGULATORY PRIORITIES**

The Windsor-Essex Regional Chamber of Commerce has identified a number of policy priorities concerning both infrastructure development and adjustments to public regulations. Specific recommendations are presented below in *italics*.

### **New Border Crossing**

The number one infrastructure priority for the Windsor-Essex region is the completion of the new border crossing project, including the Herb Gray Parkway and the NITC Bridge. The Parkway is under construction and on schedule, but there are still uncertainties surrounding the timely completion of the Bridge.

The rapid completion of this project is important for a number of reasons:

- While cross-border delays for both trucks and cars have fallen in recent years, there are still sporadic delays that are especially problematic for cross-border supply chains in the automotive, agricultural and other sectors. Delays will only increase as the economic recovery progresses.
- The absence of competition for cross-border truck movements gives the Ambassador Bridge monopoly power in setting tolls and the quality of its services.
- A new bridge will provide redundancy in the cross-border transportation system. Under the current conditions an event that leads to the closure of the

Ambassador Bridge would cripple the Windsor-Essex economy and have major negative impacts throughout Canada.

- Creating additional lanes across the Detroit River will make it possible to designate an exclusive lane for trucks with loads qualifying as low-risk under the Canada-US FAST (Free and Secure Trade) program. Designation of an exclusive NEXUS lane is also a possibility.
- Ambassador Bridge is over 80 years old. It was designed and built to accommodate trade and tourism in the 1930's.

The June 2012 agreement between Governor Snyder and Prime Minister Harper and the defeat of Proposal 6 in the November election have eliminated some uncertainty but potential obstacles remain. *The governments of Canada and Ontario should take whatever steps are within the bounds of federal and provincial legislation to prevent frivolous lawsuits from delaying the project further, and should encourage their counterparts in Michigan and Washington to do the same.*

The Windsor-Essex Regional Chamber of Commerce submitted a letter of support to the U.S. Federal Government in favour of the Presidential Permit sought by the Canadian Government and the Government of Michigan regarding the advancement of the NITC Border Crossing.<sup>2</sup>

In order to reap the maximum benefit from the DRIC Bridge once it is completed, we recommend the following:

- *The new bridge should be open to all commercial traffic, including hazardous goods.*
- *The new bridge should have dedicated lanes and extended working hours for trucks with loads that qualify as low risk shipments such as the FAST (Free and Secure Trade Program) program and for travellers programs such as NEXUS*

Since under the best of circumstances the new bridge will not be available before 2017, steps that can be taken to ease cross-border movement in the near term should not be neglected. These include:

- *Expand the range of goods that can be cleared by Canada and US customs officials at the Detroit-Windsor Tunnel.*
- *Expand the hours of operation of customs officials at the Detroit-Windsor truck ferry.*
- *Remove the existing cost recovery mechanism for Customs and Immigration services and provide these services on the same basis as they are provided for*

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<sup>2</sup> Appendix

*other border crossings and other areas of the country and at the same cost to Canadians.<sup>3</sup>*

- *Continue to implement the Beyond the Border agreement signed by President Barak Obama and Prime Minister Stephen Harper.*

## **Regional Highway Infrastructure and Land Use Policy**

Completion of the new border crossing will vastly improve the border access provided by Highway 401. Construction of the Herb Gray Parkway will eliminate the friction that currently exists between the 401 and the border, so locations around interchanges throughout the Windsor-Essex region will all have exceptional border access. In short, the 401 is the artery through which the accessibility benefits of the new crossing can be extended across the region. Recognition of this fact leads to two important recommendations regarding highway infrastructure and land use policy.

The first is for the *extension of the Lauzon corridor to a new interchange with Highway 401*. This is especially important because it will improve the accessibility of two areas with high potential for new economic development: the Airport Lands and the South Sandwich Lands. The former have the potential to house a major centre of transportation, distribution and logistics activities while the latter contain most of the new land available for commercial development in the City of Windsor. The Lauzon connection is the key missing link needed for the Windsor-Essex region to fully capitalize on the new border crossing project. Other projects – most notably the widening of Manning Road – are also critical to expanding regional accessibility via the Highway 401.

The second recommendation is for *flexibility in land use regulations to allow commercial development in areas adjacent to Highway 401 interchanges*. While the preservation of agricultural land is an important objective of land use planning, it should not preclude the development of non-agricultural activities that consume relatively little land but produce significant economic benefit such as employment and increased tax revenue. Again, completion of the new border crossing will enhance the importance of the Highway 401 as an economic resource. Access to the highway is only possible via a small number of interchanges, so it is crucial to make locations around those interchanges available to activities that can most benefit from high accessibility.

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<sup>3</sup> This is a recommendation from a Canadian Chamber of Commerce Resolution in 2012 titled Canada Border Services Agency – Customs & Immigration Programs that was supported by the Windsor-Essex Regional Chamber of Commerce

## **Regional Rail Infrastructure and Policy**

The volume of rail movements through the Windsor-Essex region is somewhat limited by outdated cross-border infrastructure. The existing rail tunnel built in 1909 at the Detroit River has insufficient clearance to accommodate the largest category of marine containers (measuring 9', 6") in a double stack configuration or the largest class of vehicle carriers. (The latter is important since the majority of cars and light trucks are delivered by rail.). The worldwide trend in multimodal shipping and logistics is double stack 9', 6" containers.

The Continental Rail Gateway project, which is a partnership of the Windsor Port Authority, the Canadian Pacific railroad and Borealis Infrastructure, proposes to build a new high clearance tunnel. Most project funding will be from the private sector, but the partners are reviewing opportunities for federal public participation on both sides of the border. Similar projects in the Northern United States such as the *Heartland Corridor* in 2010 have had railroads partner with the states as states recognize the need to capitalize on the benefits of coordinated freight movement.<sup>4</sup>

This project would have a short-term benefit by creating construction activity in our region. In the longer term, the increased flow of container traffic through the region has the potential to promote economic development in logistics and distribution industries, as we will discuss below. For this reason the Chamber has in the past (see Modernizing the Detroit River Rail Tunnel Resolution: Appendix) *urged the federal government and the government of Ontario to support the construction of a new Detroit River Rail Tunnel on the Windsor-Detroit corridor as an integral part of the overall border infrastructure improvement plans. The Chamber also urged both the federal and provincial governments to expedite whenever possible any approvals needed by the DRRT partnership to realize this project in full.* The Chamber is recommending the same measures be implemented as part of the current planning process. It is worth noting that Sarnia, Ontario has replaced its ageing border transportation infrastructure. The Windsor-Essex border crossing corridor has yet to build any new border crossing infrastructure.

In 2008 the City of Windsor published a *Community Based Strategic Rail Study* that recommended, among other things, elimination of some rail corridors and consolidation of rail properties. Due to the economic crisis of the intervening years, few of the recommendations were implemented. We recommend *that the City of Windsor, in consultation with other municipalities in the region, revisit the Community Based Strategic Rail Study.*

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<sup>4</sup> For more information see Wikipedia: [http://en.wikipedia.org/wiki/Heartland\\_Corridor](http://en.wikipedia.org/wiki/Heartland_Corridor)

The absence of passenger rail service to the United States is a notable shortcoming of the Windsor-Essex transportation system. The Detroit River provides a natural point for linkage between Canada's VIA Rail system and the US Amtrak system. (Such a connection already exists across the Niagara Frontier.) With the completion of the Continental Rail Gateway project, the tunnel that is currently used for freight will become available for passenger rail service. This opportunity to link the two systems should not be missed. We therefore recommend *that the Government of Canada and VIA Rail enter into discussions with all relevant levels of government and Amtrak on the feasibility of a passenger rail link across the Detroit River.* As stated earlier, Secretary of State LaHood made a mention of restoring passenger rail service with Canada in May 2011.

There has been much discussion about high-speed rail (HSR) in Canada. A HSR link would clearly benefit the Windsor-Essex region by strengthening its connection with the GTA and other Canadian economic growth centres. However, it is unclear whether the high cost of upgrading a rail corridor to international HSR standards could be justified.

A recent study commissioned by the Government of Canada concluded that while HSR might be economically viable in some high-density markets, such as Montreal-Toronto, it would be not be economically feasible to extend HSR to Windsor. However, this study was limited in scope in that it only considered 200 km/h rail options (thus neglecting the possibility of higher speed rail options that have already been implemented in the US) and neglected the possibility of service linking the US and Canadian systems at the Detroit River. We therefore recommend *that the Government of Canada revisit its assessment of HSR service to Windsor to take account of faster but less expensive rail technologies and the potential for cross-border rail service. For example, substantive opportunities to increase speed at a lower cost could be attained using existing tracks and rolling stock by upgrading signaling, upgrading crossing protection and some trackage and expanding the market to encompass the Chicago area.*

## **Marine**

Windsor's marine transportation sector faces a number of challenges that are of a system-wide, rather than local, nature. Given the bi-national nature of the Great Lakes, these challenges require joint action by governments in Canada and the US.

Invasive species pose a serious threat to the Great Lakes ecosystems. Discharge of ballast water is one of the mechanisms by which such species have been introduced in the past, along with release of aquarium pets and transfer of animals and plants from other water systems via canals and on the hulls of pleasure craft. In recent years, improved ballast water practices have been successful in preventing such introductions from commercial shipping.

Recent legislation passed in the State of New York to impose unrealistically high ballast water standards would have led to the virtual shutdown of marine cargo movements on the Great Lakes. This legislation, which was vigorously opposed by the Windsor-Essex Chamber<sup>5</sup> and other organizations, was ultimately withdrawn. But it illustrates the potential problems that will arise if individual jurisdictions in the Great Lakes make inconsistent legislation. We therefore recommend that *the Government of Canada engage the Government of the US in negotiations to make a set of effective, efficient and enforceable rules for ballast water treatment and control in the Great Lakes.*

Many of the vessels that call at Port Windsor pass through locks located on the St. Lawrence River above Montreal, along the Welland Canal and at Sault Ste. Marie. Almost all of these locks are over 50 years old and although stringent maintenance regimes are in place, the long term need for more extensive repairs and/or replacement must be addressed. The lock system has always operated on a “cost recovery” basis, with tolls on vessels paying for operational costs and general repairs.

There is a grave concern that any significant new fees for the renewal of the St. Lawrence Seaway could negatively affect the economics of Great Lakes shipping and render the system non-competitive. This would hurt not only the Port but also all those firms and activities in the Windsor-Essex region that depend on marine shipping. It is important for governments in Canada and the United States to realize the St. Lawrence Seaway is a critical national asset. In order to provide certainty for firms considering investments in marine infrastructure and support Seaway dependent industries, *we recommend that the governments of Canada and the United States undertake on a long-term plan for infrastructure renewal of the St. Lawrence Seaway which ensures the continuing competitiveness, safety and reliability of the system.*

Great Lakes water levels are now close to their historic low levels. While this may be a temporary phenomenon, a long-term trend to low levels would have serious implications for marine transportation. Therefore *the long-term plan mentioned above should also address the possible effect of low lake levels on infrastructure and dredging and consider potential bi-national solutions to address the problem.*

On a local and regional economic development perspective, the Chamber is concerned with algae growth and other contaminants in the lakes, especially Lake Erie and Lake St. Clair. *The Chamber urges government to support efforts to clean up the lakes from algae growth and other contaminants (including the efforts of the*

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<sup>5</sup> The Windsor-Essex Regional Chamber of Commerce was successful in advocating for the removal of the restrictions on ballast water. The policy basis was a resolution approved at the Canadian Chamber of Commerce in 2011 (see Appendix).

*International Joint Commission) that have a potential economic impact related to transportation, recreation and tourism.*

### **Air transportation**

The ability to make same day business trips to Toronto and beyond is important to Windsor-Essex Chamber members. Access to the WestJet network via service to Calgary and connections to New York, Boston and Chicago offered by Porter Airlines have also been a valuable addition to local travel options. *Windsor International Airport should be congratulated for its success in attracting new passenger service and encouraged to continue in its efforts to expand air travel options from Windsor.*

Expansion in air cargo is important not only because it creates jobs and economic activity but also because it expands the range of options that Windsor firms can use to serve their customers and to bring machinery, spare parts, components and goods for resale to our market. Expanding air cargo operation at Windsor requires progress on three fronts: 1) developing new facilities for storage and logistics operations on the airport site, 2) attracting major air cargo operators to Windsor, and 3) promoting Windsor as an air cargo option to freight forwarders and others in the logistics and distributions industries. Windsor International Airport is already engaged in efforts along these lines and we encourage them to continue.

Over the longer term, the establishment of pre-clearance services by US officials for both passengers and air cargo has the potential to greatly expand aviation activity at Windsor.

The potential for increased development at Windsor International Airport reinforces the need to complete the connection of the Lauzon corridor to Highway 401.

### **Public Transit**

Transit Windsor faces the challenge of serving a region where both residences and workplaces are dispersed. It is therefore not surprising that a very small proportion of journey-to-work trips are made by transit. Better transit access to work would help Windsor-Essex firms recruit from a larger labour pool, including members of households with no car or with two earners and only one car. Thus business has a stake in improving transit options. *We encourage Transit Windsor and the business community to work together to develop strategies to improve transit access to major employment clusters, such as the Oldcastle area.*

Some employment clusters that might be served by transit lie outside the Transit Windsor service area. (The Patillo Road cluster in Lakeshore is an example.) *We*

*encourage the City of Windsor to work with nearby municipalities to extend public transit service into built-up areas.*

### **Regulation of Construction**

Most of our recommendations involve some sort of construction projects. In recent years the administrative burden and delays associated with environmental and other regulations have been increasing. If infrastructure needs are to be met in the future, *environmental regulations imposed by all orders of government need to be reasonable, risk-based and consistently enforced.*

## **TRANSPORTATION AND ECONOMIC OPPORTUNITIES**

Transportation figures prominently in a number of potential – and as yet unexploited – opportunities for economic development in Windsor-Essex.

### **Freight Transportation Services**

The daily flow of ten thousand trucks through Windsor-Essex, most of which have origins and destinations outside the region, tends to be viewed as a nuisance rather than an opportunity. Firms within our region currently provide surprisingly few services to this enormous moving market. One or more large mall-like food, accommodation, fuel, and repair service centres located at 401 interchanges could be major sources of regional employment and income. Naturally it is up to private entrepreneurs to develop such services, *but regulatory and administrative barriers to such development should be eliminated to the extent possible.*

The recent “Beyond the Border” agreement between the governments of Canada and the US calls for establishment of pilot pre-clearance centres operated by US officials on Canadian soil. Such a centre located in Windsor-Essex would be complementary to the development of truck service centres that could be located in the same vicinity. *Thus, we support the establishment of a US pre-clearance centre in Windsor-Essex.*

### **Transportation, Logistics and Distribution**

From a purely Canadian perspective, Windsor may appear to be the “end of the line.” But viewed from the perspective of a vast bi-national Great Lakes economic region with major poles at Chicago, Toronto and Montreal, Windsor-Essex is at centre of



the action. This suggests the possibility of a hub for transportation, distribution and logistics (TDL) activity.

This possibility is further reinforced by the fact that Windsor lies along a major route of global commerce. Containers delivered from around the world to the Port of Montreal flow into the US market via CP Rail through the Detroit River tunnel. With the completion of the Continental Rail Gateway the volume of the flow is likely to increase. Without the construction of a state of the art rail tunnel Windsor's position as part of the global logistics chain could be compromised as time moves forward. An intermodal facility would open up the possibility of growth in distribution centres and light manufacturing industries that make intensive use of container-borne goods.

Windsor-Essex has another resource that is needed by TDL industries: inexpensive land located with good accessibility to transportation networks. For example, the Airport Lands include 1000 acres available for non-airport development and several thousand additional Greenfield acres. Coincidentally, this space is adjacent to the CP tracks, providing a logical location for an intermodal facility. More land is available nearby in the South Sandwich Lands and all of this space will have exceptional access to the 401 via a completed Lauzon corridor.

This scenario is not without complications. Windsor-Essex is a relatively small market by the standard of those that are typically served by intermodal facilities. That is why the *Community-Based Strategic Rail Study* was pessimistic about the potential for an intermodal project. Furthermore, Windsor-Essex has relatively poor accessibility to other major market areas in Ontario. Access to US markets is good, but the border is a major impediment. In general, containerized goods bound for the US are better left on the train until they get across the border.

These issues do not preclude major TDL development in Windsor-Essex, but they suggest that some care is needed to identify activities that make sense given our region's geographical advantages and disadvantages. As a positive example, a Windsor-Essex firm currently receives bulk shipments of goods from US e-retailers, warehouses them and picks orders for Canadian customers. The efficiency here is that it is cheaper to move a few bulk consignments through the border than a much larger number of orders for individual customers. This model may be highly reproducible as e-commerce penetration in Canada is likely to increase over the next few years.

The development of a TDL hub in Windsor is a complex challenge that will require input from CP Rail, the Airport, the Port and all levels of government. Most importantly, it is Windsor-Essex business community that will ultimately make it happen. Steps should be taken to bring all parties together to explore this possibility in a cooperative way.

## **The Border-Ready Region**

Windsor-Essex is in an unusual geographical situation. It is relatively remote within Ontario, while it is highly accessible to a number of large US cities. In order to prosper, our region must offset its Canadian remoteness by fully exploiting its American accessibility. This does not make Windsor-Essex any less Canadian. In fact, we are in a unique position to take advantage of the Canadian benefits of high quality education, universal health care and a low crime urban environment as we compete in US markets.

In order to compete in those markets we must contend with a major impediment: the Canada-US border. We should urge our governments to take all necessary steps to make the border more manageable. But we must also take responsibility upon ourselves to know the rules and take advantage of all available programs to avoid excessive border costs and delays. Regional firms in the automotive and greenhouse agriculture sectors have become masters of navigating the border, moving loads and people to and from the US every working day. There is also a wealth of experience in our customs brokers and logistics operators. Small and medium firms, however, struggle with the border, often electing not to export or source across the border.

In order to reach its full economic potential, the Windsor-Essex business community should seek to achieve a uniformly high level of border readiness. The Chamber of Commerce, the Windsor-Essex Economic Development Corporation, the University of Windsor, St Clair College, all levels of governments and a variety of civic institution can help achieve this goal through coordinated outreach and education efforts. The common goal should be to establish Windsor-Essex as the *Border Ready Region*.

A simple example might be working with the Federal government to hold workshops on border crossing programs such as FAST and NEXUS to explain the benefits of becoming a trusted traveller and walk people through the application process. If a higher proportion of regional residents have NEXUS cards, border delays will decline for everyone.

As another example, many large firms in the automotive and other industries become qualified under the US C-TPAT program, which allows them to clear trucks more quickly once they have demonstrated the security of their supply chain. Relatively few smaller firms become qualified because of the high start-up costs involved. Outreach programs to get more small and medium enterprises qualified could increase exports from regional firms, creating jobs and providing access to broader markets for local entrepreneurs.

## SUMMARY OF RECOMMENDATIONS

The Windsor-Essex Regional Chamber of Commerce makes the following recommendations regarding transportation and related policies.

*Border Crossing:* We recommend that:

- The governments of Canada and Ontario take whatever steps are within the bounds of federal and provincial legislation to prevent frivolous lawsuits from delaying the New International Trade Crossing (NITC) Bridge project further, and encourage their counterparts in Michigan and Washington to do the same.
- The new bridge have dedicated lanes and extended working hours for trucks with loads that qualify as low risk shipments such as the FAST (Free and Secure Trade Program) program and for travellers programs such as NEXUS.
- The range of goods that can be cleared by Canada and US customs officials at the Detroit-Windsor Tunnel be expanded.
- The hours of operation of customs officials at the Detroit-Windsor truck ferry be extended.
- The federal government remove the existing cost recovery mechanism for Customs and Immigration services and provide these services on the same basis as they are provided for other border crossings and other areas of eh country and at the same cost to Canadians.
- The governments on both sides of the border review and take into consideration proposals for more border crossing options in the Windsor-Detroit Corridor, such as the proposal to create a pedestrian ferry service between Windsor and Detroit.
- Continue implementation of Beyond the Border agreement initiatives.

*Highways and related land use:* We recommend that

- The extension of the Lauzon corridor to a new interchange with Highway 401 be completed as soon as possible.
- There should be flexibility in land use regulations to allow commercial development in areas adjacent to Highway 401 interchanges.

*Rail:* We recommend that

- The federal and provincial government Ontario support the construction of a new Detroit River Rail Tunnel (DRRT) on the Windsor-Detroit corridor as an integral part of the overall border infrastructure improvement plans.

- The federal and provincial government expedite whenever possible any approvals needed by the Detroit Rail Tunnel (DRRT) partnership to realize this project in full.
- The City of Windsor, in consultation with other municipalities in the region, revisit the Community Based Strategic Rail Study.
- The Government of Canada and VIA Rail enter into discussions with all relevant levels of government on both sides of the border and Amtrak on the feasibility of a passenger rail link across the Detroit River.
- The Government of Canada revisit its assessment of HSR service to Windsor to take account of less expensive higher speed rail technologies and the potential for cross-border rail service.

*Marine:* We recommend that

- The Government of Canada engage the Government of the US in negotiations to make a set of effective, efficient and enforceable rules for ballast water treatment and control in the Great Lakes.
- A long-term plan for infrastructure renewal in the Great Lakes, involving both the St Lawrence Seaway Management Corporation and the US Army Corp of Engineers, who own the Soo Locks. This plan should address the question of what infrastructure renewal will mean for rates.
- The long-term plan mentioned above should also address the possible effect of low lake levels on infrastructure and dredging.
- The Federal Government support efforts to clean up the lakes from algae growth and other contaminants (including the efforts of the International Joint Commission) that have a potential economic impact related to transportation, recreation and tourism.

*Air Transportation:* We recommend that:

- Windsor International Airport be encouraged to continue in its efforts to expand air travel options from Windsor.
- Windsor International Airport continue its efforts to expand air freight operations.

*Transit:* We recommend that:

- Transit Windsor and the business community to work together to develop strategies to improve transit access to major employment clusters.
- We encourage the City of Windsor to work with nearby municipalities to extend Transit Windsor service into built-up areas outside city limits.

*Regulation:* We recommend that:

- Environmental regulations imposed by all orders of government be reasonable, risk-based and consistently enforced

*Economic Opportunities:* We recommend that:

- Regulatory and administrative barriers to the development of services to truck traffic in the 401 corridor be eliminated to the extent possible.
- The US government be encouraged to establish a truck pre-clearance centre in Windsor-Essex.
- Public and private sector stakeholders enter into a detailed study of the potential for establishing a logistics hub in Windsor-Essex.
- Business, government, and educational institutions should join in an outreach program with the goal of establishing Windsor-Essex as the *Border Ready Region*.

WINDSOR-ESSEX REGIONAL  
Chamber of Commerce

**APPENDIX**

WINDSOR-ESSEX REGIONAL  
Chamber of Commerce

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September 10, 2012

By email: [NITCComments@state.gov](mailto:NITCComments@state.gov)

Re: Support for the Presidential Permit for NITC

The Windsor-Essex Regional Chamber of Commerce wishes to provide its support of the June 18, 2012 application for a Presidential Permit by the New International Trade Crossing (NITC).

On June 15, 2012, Canadian Prime Minister Stephen Harper and Michigan Governor Rick Snyder announced an agreement between Canada and Michigan to build a new publicly owned bridge between Detroit, Michigan and Windsor, Ontario. This agreement is a result of many years of consultations and studies leading to the goal of building a new international crossing that would improve traffic and international trade at the busiest international crossing between the United States and Canada.

The Chamber has been in support of a new international crossing because of the need to improve our aging existing border infrastructure. We also agree that there is a need for redundancy and long term reliability at the busiest and most important international border crossing between Canada and the U.S. As stated in the application, the Ambassador Bridge is 82 years old and new infrastructure is needed. The Detroit-Windsor Rail Tunnel is over 100 years old and the Chamber looks forward in its replacement as well.

Our Chamber believes that the new international trade crossing will dramatically improve our cross border infrastructure, ensuring future economic development and positive climate for business attraction on both sides of the border.

Sincerely,



Matt Marchand  
President and CEO

Cc: Roy Norton, Consul General of Canada, Detroit, Michigan  
Jeff Watson MP, Essex  
Brian Masse MP, Windsor West  
Joe Comartin MP, Windsor-Tecumseh  
Sandy Baruah, President and CEO, Detroit Regional Chamber

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## **Protecting Trade on the Great Lakes and St. Lawrence Seaway** **(Windsor-Essex Regional Chamber Resolution – Canadian Chamber AGM 2011)**

The State of New York has unilaterally imposed ballast water regulations for ships transiting New York waters that require technology that does not currently exist. Adopted under the Vessel General Permit with individual State additions, these standards would require all ships discharging ballast water in New York State and ships transiting New York State waters to have the ability to clean their ballast water to a standard that is 100 times greater than International Maritime Organization (IMO) standards. Furthermore, all new ships will be required to adhere to a standard that is 1000 times greater than current IMO standards.

When not fully loaded, cargo ships must take on water (ballast) to maintain their stability. Ballast water pumped onboard in one port may inadvertently contain aquatic organisms that are then released when the ballast is discharged in another port. In most cases, these organisms die; however, in some cases they thrive in their new environment. As global trade expands, concern over the movement of aquatic organisms is also growing.

Today, vessels entering the Great Lakes region undergo the most stringent ballast management and inspection regulations in the world. To ensure compliance with regulations, the US and Canadian governments stop, inspect and test every foreign ship entering the Great Lakes in Montreal – the gateway to the St. Lawrence Seaway. Since these protections were put in place in 2006, there have been no new discoveries of aquatic nuisance species in the Great Lakes.

As all vessels entering the Great Lakes / St. Lawrence Seaway must pass through New York waters, the new regulations would effectively shut down all vessel transits into and out of the Seaway. This would dramatically affect many large ports situated on the Great Lakes and St. Lawrence Seaway.

Furthermore, once these regulations go into effect, many of the industrial and manufacturing companies with operations on the Great Lakes will be unable to ship goods and materials to and from Canadian, North American and international markets. This will cause massive disruptions in markets that depend on these goods and could have serious economic impacts not to mention infringe of Canadian sovereignty over its waterways.

While New York State has extended the original deadline for the installation of this technology from January 1, 2012 to August 1, 2013, the requirements continue to pose a serious risk to shipping and cargo transportation on the Great Lakes and St. Lawrence Seaway. Over the past several years there have been advancements with innovative ballast water treatment technology. Unfortunately the technological standard set by New York State requires technology that has not been developed to meet their proposed standards, that will work in fresh water and Great Lakes environmental conditions, and that will meet operational parameters of Great Lakes ships operations. Furthermore this technology is likely to remain unavailable by August 2013.

The results of the imposition of these unrealistic and technologically impossible standards will be severe.

To prevent widespread economic harm while still supporting ongoing environmental improvements, the Canadian Chamber of Commerce recommends that the Canadian government:

1. Continue to work with the United States federal and state governments to reach a solution that protects Canadian interests and sovereignty.
2. Adopt the position that the State of New York's regulations are beyond the powers of the state (*ultra vires*) because they impede international trade with Canada.
3. Pressure the government of New York State to work in tandem with other jurisdictions and relevant stakeholders to adopt achievable and harmonized regulatory requirements that are based on science and are technologically and economically feasible.
4. Pressure the government of New York State to eliminate their State specific and non-achievable ballast water treatment standards.
5. Work with U.S. and Canadian federal, state, provincial and territorial governments to develop bi-national solutions and to ensure that similar regulations are not unilaterally adopted.



## **Submitted by the Windsor-Essex Regional Chamber of Commerce - Modernizing the Detroit River Rail Tunnel**

### **Issue:**

There is a need for additional rail capacity at the Windsor-Detroit Border crossing corridor. The Detroit River Rail Tunnel project will replace the ageing rail tunnel with a new, modernized rail tunnel able to accommodate higher rail cars used heavily for the automotive industry. The new tunnel would provide increased rail capacity needed for economic growth of the region as well as the Province of Ontario and Canada.

### **Background:**

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.

The Detroit River Rail Tunnel (DRRT) is poised to build a new, high-capacity rail tunnel under the Detroit River to provide improved freight service between the United States and Canada. The DRRT is a partnership between the Canadian Pacific Railway (CPR) and Borealis Infrastructure Trust, a part of the Ontario Municipal Employee Retirement System (OMERS).

The partnership owns and operates the existing rail tunnels under the Detroit River. The DRRT reports that it operates over 450,000 rail cars a year in the rail corridor that runs from Highway 401 in Canada to I-75 in Detroit. This volume of traffic is equivalent to 25 trains per day moving between Toronto and Chicago via the tunnel in Detroit.

However, the infrastructure of this 100 year-old immersed “twin-tube” tunnel is outdated and unable to accommodate the next-generation rail cars that are taller and wider than the diameter of the existing tunnels. Without a new tunnel, DRRT will not be able to provide competitive, cost-effective service to its current and future customers who use double-stacked containers or the taller AutoMax rail cars.

The region, the Province of Ontario and Canada stand to benefit from the construction of the additional rail capacity in the Windsor-Detroit corridor that the DRRT rail proposal would provide.

The proposal by the DRRT states the following benefits to the region from construction of the new rail tunnel:

- Generate 1,700 construction jobs over the course of the 4-year project.

- Stabilize and help secure future rail service in the Windsor-Detroit region for years to come.
- Expands opportunities to grow and attract new business in the Windsor-Essex region.
- Provides the region with the first new international infrastructure crossing built in the Windsor-Detroit corridor in over 78 years.

### **Status of the Project**

**Project Funding:** DRRT states that the project will be privately financed, and is estimated to cost \$400 million.

**Community Support:** A representative group of public and private sector leaders are on record in support of the project, including the City of Windsor, Ontario Chamber of Commerce and the Windsor-Essex Regional Chamber of Commerce among others. In the U.S. the project is supported by Wayne County, the Michigan Department of Transportation, Detroit Renaissance, among others.

**Approvals/Permits Required:** DRRT has stated that roughly 60 permits must be obtained before they can proceed with construction of the project; Number of permits are required from the Province of Ontario.

The Detroit River Rail Tunnel is a critical component of a functioning Canada-U.S. Border system that will provide immediate and long-term benefits to the regional, provincial and national economy. It would connect the economies of Michigan and Ontario and by extension the key economic centres beyond the immediate corridor, including the Port of Montreal as a key port for overseas trade with North America.

### **RECOMMENDATION:**

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

1. Support the construction of a new Detroit River Rail Tunnel on the Windsor-Detroit corridor as an integral part of the overall border infrastructure improvement plans.
2. In coordination with the Federal Government, expedite whenever possible any provincial approvals needed by the DRRT partnership to realize this project in full.