



Envisioning the Border of the Future – A State Perspective

Eastern Border Transportation Coalition Annual Workshop
Toronto, Ontario
September 16, 2014

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International Trade is Significant to the U.S. and State Economies

- NAFTA trade continues to grow
 - Total NAFTA trade (\$103 billion) in June was up 10.2% compared to June 2013
 - 3rd busiest NAFTA trade month ever recorded
 - Michigan is the 2nd largest trading state in NAFTA, totaling \$11.01 billion in June, trailing Texas (\$20.44 billion) and followed by California (\$9.55 billion)
- Total US/Canada trade (\$57.90 billion) was up 9.9% compared to June of 2013
 - Michigan lead all states in trading with Canada in June, with a total of \$6.59 billion
 - Illinois was the 2nd largest state trading with Canada at \$6.17 billion in June (10.7% of the total)
 - Trucks moved 53.7% of U.S./Canada trade and 15.5% was moved by rail
- Year to date US/Canada trade through Michigan totaled \$112.4 billion, up 6.75% from last year
 - Michigan/Canada trade moved through Michigan border crossings totaled \$32.2 billion, up 9.14% from last year
 - Michigan's border crossings handled 33.8% of all US/Canada trade in June

Security & Trade – A Symbiotic Relationship?

- Security at our borders is a high priority, of course
- However, the fluid movement of trade at our borders is also a high priority
- Security and the efficient movement of vehicles at the border are not mutually exclusive
- We must partner with our inspection agency partners to implement a more successful way to achieve global competitiveness
 - Trusted trader (FAST) program enhancements

So What Does this Mean?

- Trade is growing
- The number of trucks and trains crossing the U.S.-Canada border is increasing
- We must improve the flow of trade across our borders
 - Infrastructure
 - Technology
 - Customs inspections processes
 - Customs inspector staffing



Focus on Results & Leverage Our Strengths

Assets



"If everyone is moving forward together, than success takes care of itself." –Henry Ford

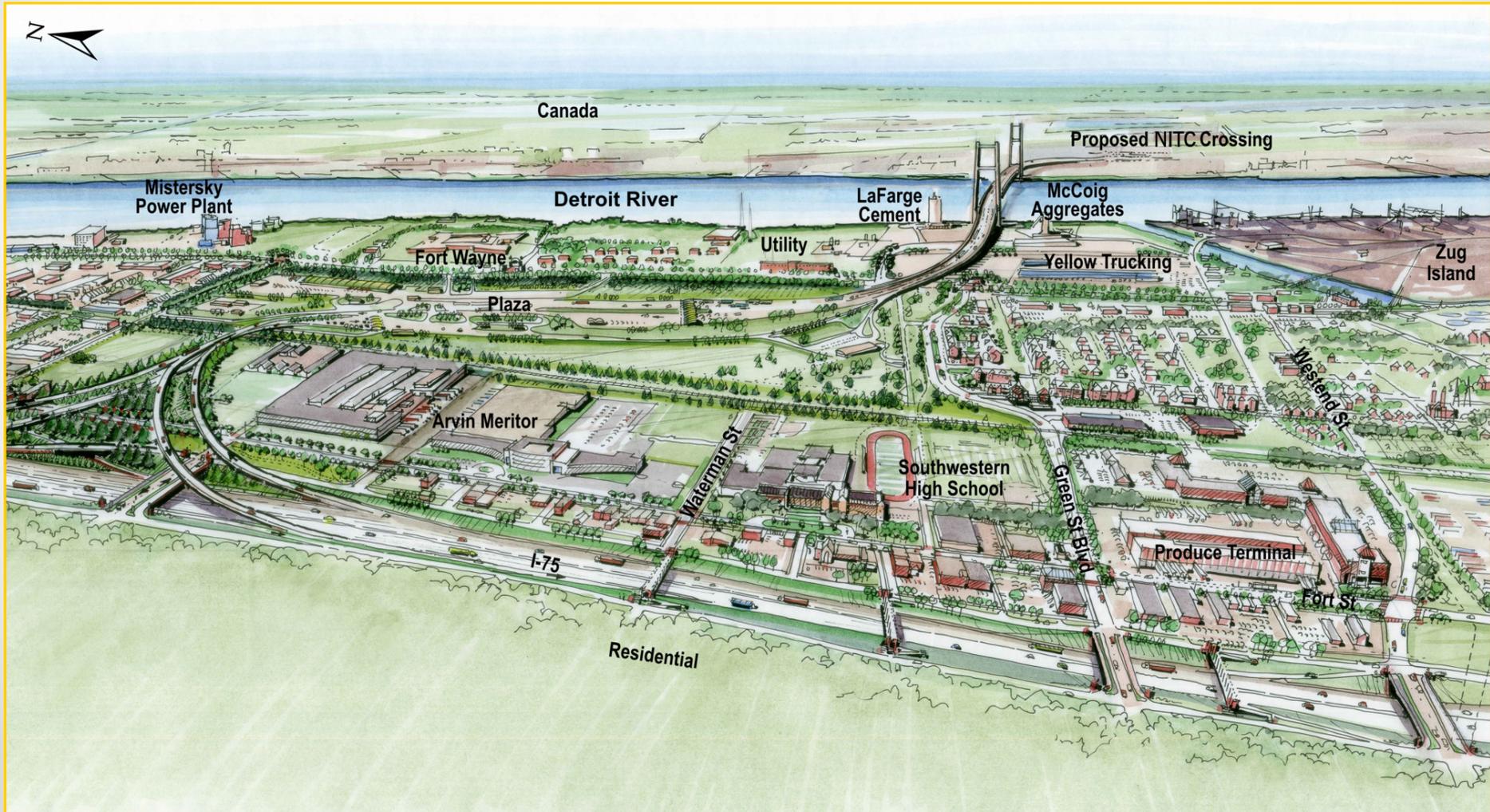


Infrastructure Improvements

- More manageable for State DOTs
- However, it does not always solve the problem
- In Michigan, we are making improvements to our infrastructure
 - New International Trade Crossing
 - Blue Water Bridge plaza improvements and enlargement
 - International Bridge plaza redevelopment project
 - Continental Rail Gateway Project



New International Trade Crossing





NITC Positive Momentum

- **Canadian federal budget announcement:** Canadian government will add about \$470 million over two years for NITC; estimated total amount it will spend over 2014-2015 will add up to \$631million.
- **TDL Study:** Comprehensive transportation, distribution and logistics study underway to assess opportunities in and near the NITC project area
- **ROW Authorization:** Obtained FHWA authorization for ROW and other activities
- **Title Work:** Completed title work on all properties in the project footprint
- **Geo-technical Drilling:** Facilitated commencement; currently ongoing
- **Permits:** Received Presidential Permit; the MDEQ permit; Coast Guard Bridge Permit
- **Job Training:** Aggressively exploring the most effective way to train Michiganders to become skilled laborers qualified to work on NITC and other infrastructure projects
- **WDBA/International Authority Appointments:** Announced earlier this month
- **Continue to work with Canada to implement crossing agreement**



Blue Water Bridge Plaza and Corridor Improvements

Positive Momentum at BWB

- Inspection booth improvements:
 - 3 stacked inspection booths
 - 3 staggered inspection booths
 - 2 dual-use booths (can be used for trucks or cars dependent upon need)
- Black River Bridge & freeway reconstruction completed
- Currently constructing new international welcome center in Port Huron
- Social media usage for incidents and wait times



International Bridge Plaza Redevelopment

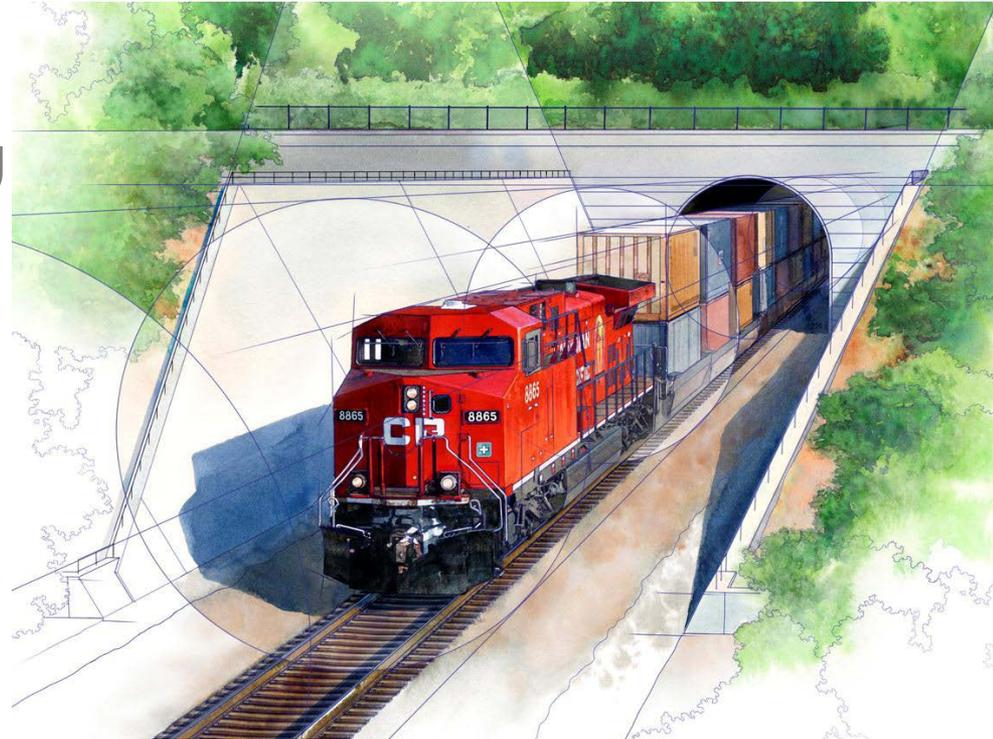


Positive Momentum at IBA

- U.S. Plaza Redevelopment Project
 - New toll booths
 - New administration building
 - Renovated maintenance building
 - Bypass roads
 - Work is ongoing, with expected completion in 2015
- Canadian Plaza Redevelopment Project
 - Expansion of current plaza
 - New commercial buildings
 - New inspection booths
 - New Duty Free store
 - Work is ongoing

Continental Rail Gateway Project

- A new high-capacity replacement rail tunnel
- Will handle trains carrying double-stacked 9'6" containers
- Will help Detroit-Windsor to further its vision of becoming an international logistics hub
- Currently working to secure all funding for project



Cross-border Passenger Rail





Chicago-Detroit-Toronto Service

- Restoring cross-border passenger rail service in the Detroit-Windsor rail corridor is a priority for Michigan
 - Part of an expanded seamless rail corridor providing passenger service from Chicago to Montreal
 - Chicago to Montreal corridor is a “missing link” in the rail passenger system
 - Improved and expanded service will enhance economic competitiveness, promote energy and environmental efficiency, and support interconnected communities by providing a more reliable passenger rail service
 - Challenges exist to implementation
 - Limited track capacity exists due to Detroit River Tunnel freight congestion
 - Neither Amtrak’s Detroit station or VIA’s Windsor station is on the route to/from the Detroit River Rail Tunnel
 - Pre-clearance of rail passengers is needed
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Taking the Path of Partnership



“The secret is to gang up on the problem, rather than each other.” – Thomas Stallkamp



Take Aways

- Trade is growing – we must plan for the future
- We must likely do so without Federal funding for border plazas
- We must make the best use of our infrastructure as possible under current funding constraints
- We must work with the inspection agencies on staffing and processes to improve trade flows



Questions?

