

Developing a Bi-National Logistics Hub

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Vision

Creation of an industry cluster of excellence
around transportation, distribution and logistics

Industry
Assets

Talent Assets

Infrastructure
Assets

Location
Assets

What We're Doing

Developing freight corridors in the area

- Identifying key corridors and opportunities
- Creating a value proposition to help companies save money

Creating a workforce portal

- Connecting employers, training organizations, employees and entrepreneurs



Trade Region

Background

- Over \$1.1 billion in goods cross between the U.S. and Canada every day
- The Detroit-Windsor border is the busiest trade corridor in the world
- The Detroit-Windsor and Port Huron-Sarnia borders handle almost \$200 billion in trade



Blue Water Bridge, Port Huron, MI

Background

- Detroit-Windsor handles over 43% more trade than the 2nd busiest crossing
- Over 70% of the truck freight passing through Detroit originated or terminated outside of the state
- Overseas sales supported approximately 222,000 jobs in Michigan

Current Economic Impact

- \$300 million just-in-time deliveries through the Detroit-Windsor border daily
- Over 10,000 companies in Michigan export goods to other countries
- Michigan moves more commodities than any other state with over \$250 billion inter- and intra-state shipments each year

Regional Assets

- Ambassador Bridge
- Blue Water Bridge
- CN Rail Tunnel
- CP Rail Tunnel
- 4 Class 1 Railroads
- Detroit Metro Airport
- Toledo BAX
- Bishop Airport
- Windsor International Airport
- Commodity Ports



Roadway Assets



- Region supported by 11 interstate highways
- 4,900 truck route miles in Southeast Michigan
- 70% of regional freight traffic via truck

Air Assets

- Detroit Metropolitan Airport is the 10th busiest passenger airport in the country
- Michigan has 236 airports open to public use
- Michigan's 18 commercial airports handle more than 40 million passengers per year



Detroit Metropolitan Airport

Rail Assets



- The Detroit region supports four Class 1 railroads: CSX, Canadian National, Canadian Pacific and Norfolk Southern
- Michigan has almost 4,000 miles of operating rail track
- Rail crossings in Port Huron-Sarnia handle the 2nd and 3rd most trade in the country, moving \$28 billion of goods each year combined

Waterway Assets

- Detroit, Toledo and Windsor ports among the largest along the St. Lawrence Seaway
- Michigan has 39 commercial cargo ports handling more than 92 million tons of cargo each year

Attributes of a Successful Hub

- Ability to serve global markets
- Infrastructure and support capabilities
- Transportation regulations
- Favorable manufacturing tax climate

Attributes of a Successful Hub

- Available human, land and supplier capital
- Economic competitiveness and lowest total cost
- Sustainable supply chain
- Collaboration and partnership

Strategy

Create a regional focus on supply chain

Direct resources toward supply chain programming

Communicate capabilities of the region

Cultivate logistics business and culture

Create Focus

- Develop an economic development strategy focused on logistics and trade
- Establish a regional agreement on the development of a transportation-based economic development program
- Conduct a pilot project to demonstrate regional competitiveness

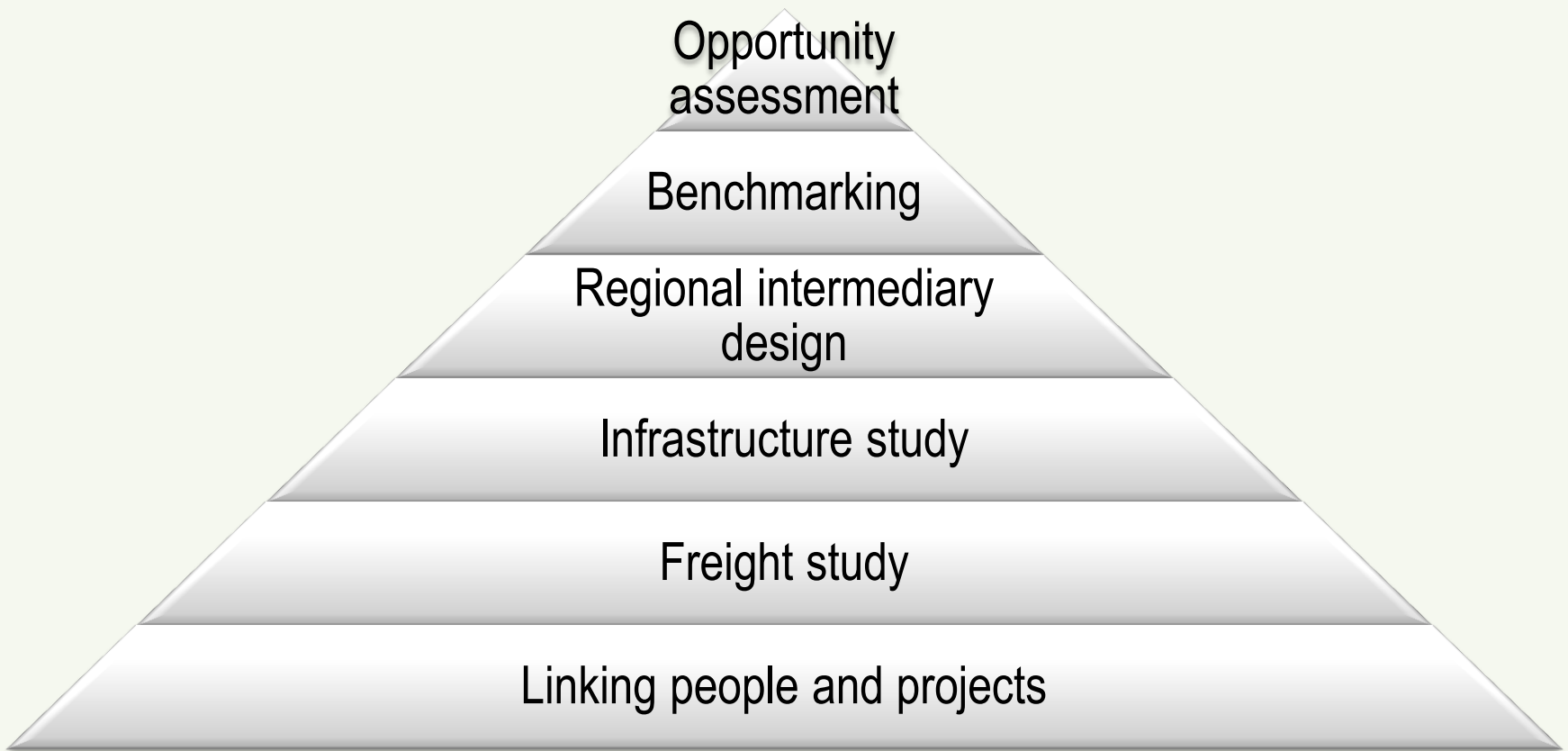
Communicate Resources

- Forge partnerships and/or working relationships with strategic ports
- Advocate for transportation priorities and programs that enhance economic development and industry competitiveness
- Design and deploy agreed upon brand through local and national media and through economic development channels

Cultivate Business and Culture

- Create a regional infrastructure blueprint to develop freight corridors in the area
- Create a workforce portal through which employers, training organizations, employees and entrepreneurs can access one another

Initiative Progress

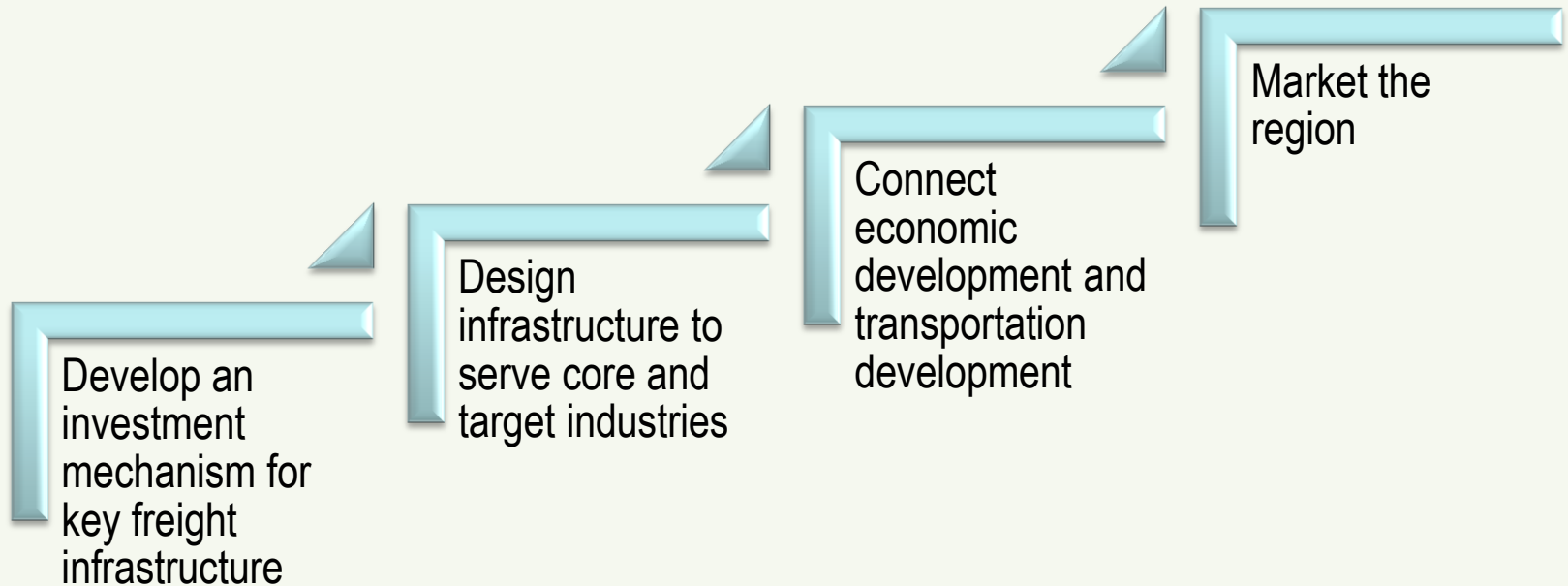


Opportunity Assessment

Approximately 300,000 currently employed in supply chain positions

- 66,000 expansion in jobs
- \$10 billion in new investment

Next Steps



The Result

- Shippers receive the best total landed cost
- Increased and diversified trade into and out of the region
- More locations and larger current logistics company offices in the area
- Recognition as a brain-center of logistics and supply chain
- More supply chain and logistics-based jobs

Why It Matters

"How a city plugs into the world economy of advanced producer services could impact local growth patterns... it could influence a city's economic prospects... it could help shape what types of households a city attracts and retains. In short, global connectivity has become another urban barometer - a new statistic that helps reveal the health and strength of cities and regions."

Brookings Study, *US Cities in the World Cities Network*, Feb. 2005



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