

EBTC NEWS

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SUBJECT: Vehicle tolls to finance Detroit-Windsor bridge plaza

SOURCE: Barrie McKenna, The Globe and Mail, 2/4/15

Vehicle tolls will be used to pay for a \$250-million U.S. Customs plaza on the new Detroit-Windsor bridge under a tentative deal worked out between Ottawa, Washington and the state of Michigan.

Details are still being finalized, with a formal announcement expected to be made next month, according to a government source.

The Customs plaza has been a source of persistent friction between the Conservative government and the Obama administration, which has repeatedly balked at paying for the vital piece of infrastructure.

On Monday, President Barack Obama's \$4-trillion (U.S.) budget failed to include money for the plaza for a second consecutive year.

A spokeswoman for federal Transport Minister Lisa Raitt characterized the discussions on funding the U.S. plaza as "ongoing."

But Ashley Kelahear acknowledged that the Windsor-Detroit Bridge Authority, a federal Crown Corporation, was working with U.S. authorities to incorporate the U.S. port of entry "into the public-private partnership arrangement."

"Our government will not let financing affect project timelines," Ms. Kelahear said.

Ottawa has long argued that the U.S. government should pay for its own infrastructure, given that Canada is already covering virtually the entire cost of the \$2.1-billion bridge as well as access roads on both sides of the border. The project, which spans the busiest trade crossing between the two countries, is slated to be completed in 2020.

Prime Minister Stephen Harper's office suggested in a 2012 press release that the plaza would be "the responsibility of the U.S. government."

Washington, however, never agreed to pay. Under a 2012 agreement signed with the state of Michigan, the Canadian government quietly accepted responsibility for the full cost of the U.S. facility. The agreement said only that the Windsor-Detroit Bridge Authority, a federal Crown Corporation, would "enter into discussions with the appropriate U.S. federal agencies" about funding. Barring that happening, the Authority agreed to do the "design, construction, finance and maintenance of the U.S. Federal Plaza."

Washington did not budge, steadfastly refusing to pay for the plaza. And that position has not changed, officials said.

That has forced Ottawa to back down and instead resort to tapping toll revenues to finance the customs plaza.

The project has long been a lower priority in the U.S. than in Canada, where industry groups have long complained about frequent congestion at the two existing border crossings – the privately owned Ambassador Bridge and the Detroit-Windsor Tunnel, jointly owned by the two cities.

The Canadian government is already putting up Michigan's \$550-million share of a highway interchange on the U.S. side of the bridge. Ottawa plans to pay itself back from bridge tolls.

It's not clear whether Ottawa will also now put up the \$250-million for the plaza and pay itself back through a similar funding formula, or whether private-sector partners will front the money.

The entire cost of the project, including access highways, customs plazas and other infrastructure is expected to reach \$4-billion.

As much as \$120-billion a year worth of Canadian and U.S. goods crosses the border in the Detroit-Windsor area.

Speaking to reporters Tuesday, Michigan Governor Rick Snyder welcomed reports that a deal to finance the plaza is near as "positive." He said the state has not given up on efforts to get the U.S. government to contribute to the plaza.