



# Envisioning the Border of the Future – A State Perspective

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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 2<sup>nd</sup> 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 2<sup>nd</sup> 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*



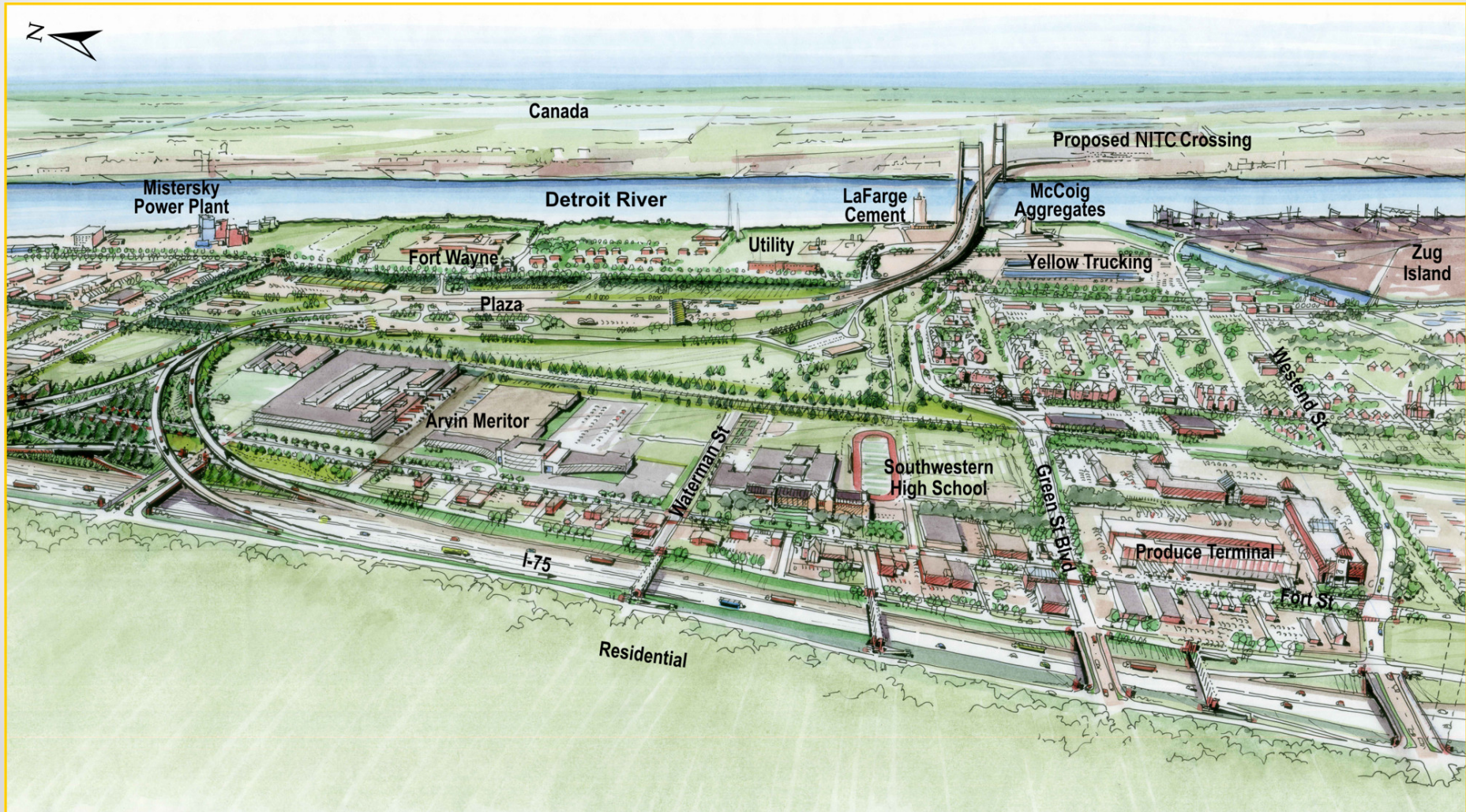
# Infrastructure Improvements

- 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

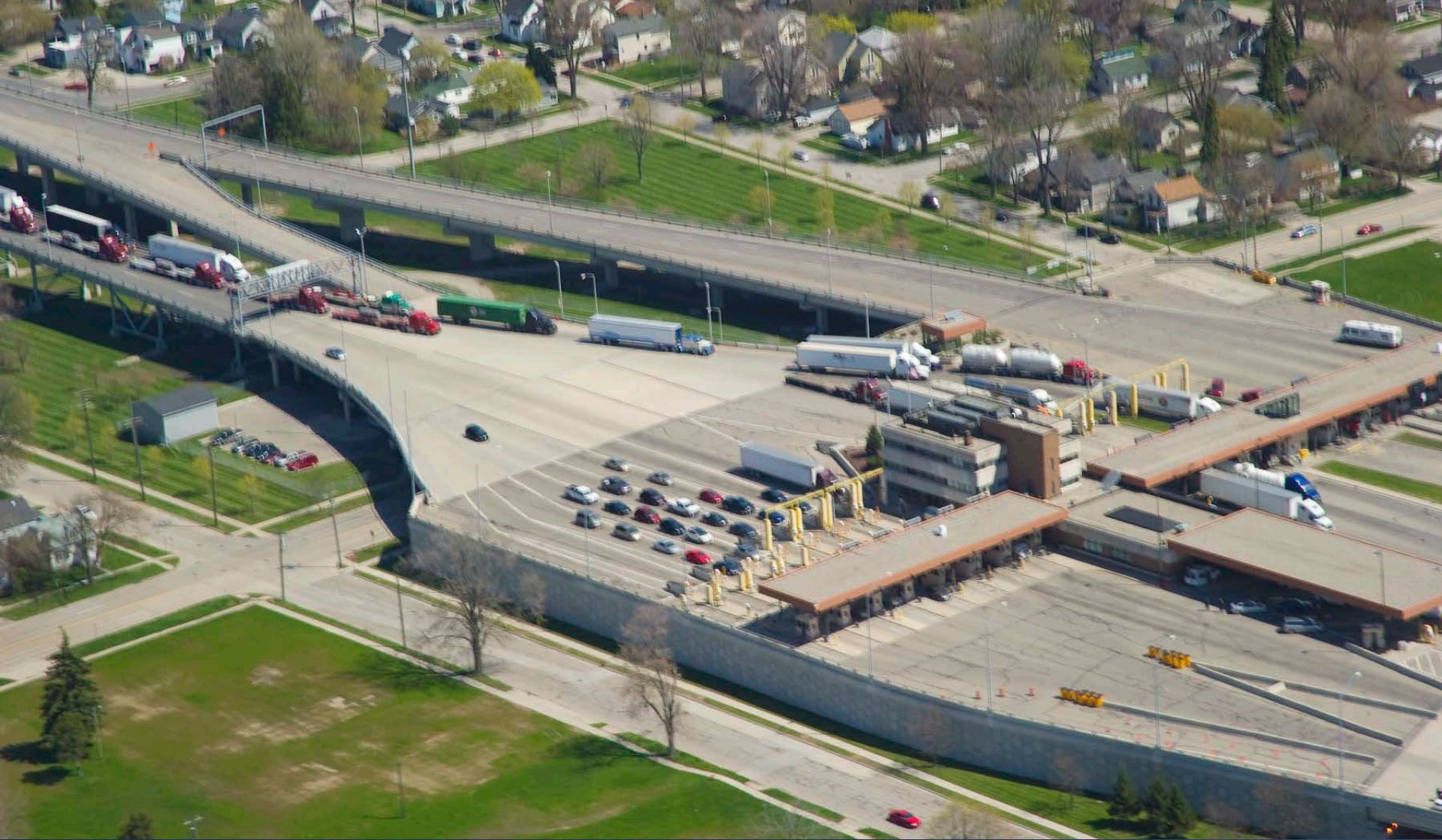




# NITC Positive Momentum

- **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



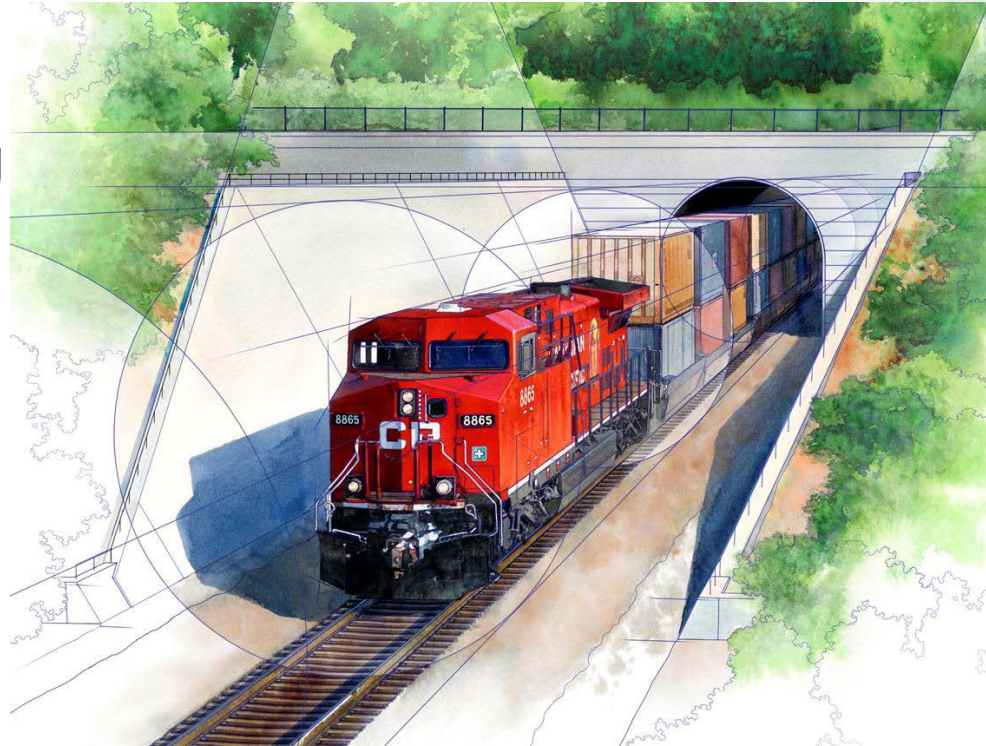
# Positive Momentum at IBA

- 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?

