



# New International Trade Crossing

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## Frequently Asked Questions

### What will the cost be to Michigan Taxpayers?

- The NITC will cost Michigan taxpayers NOTHING. Canada will provide up to \$550 million to cover costs that would normally be incurred by the State of Michigan for the U.S. portion of the project. The State of Michigan will bear no responsibility for repayment of the Canadian funding.

### What is an inter-local agreement?

- An inter-local agreement is an agreement between two government entities coming together to form a joint entity for the exercise of shared powers. The governor's authority to enter into this agreement is granted by the Legislature under the state Urban Cooperation Act as well as by Michigan's Constitution.

The agreement positions our state to successfully compete in the global economy while ***protecting taxpayers from shouldering any of the NITC's costs.***

### Will Chinese steel be used to construct the bridge?

- No

### Why don't you let the private sector build the bridge?

- The private sector will compete for this project. The proposal simply allows for that competition. This proposal will engage the private sector through the use of a Public/Private Partnership to design, construct, finance, operate and maintain the bridge.



### Who pays for the upkeep of the bridge?

- The private concessionaire is responsible to design, construct, finance, operate and maintain the bridge throughout the lifetime of the concessionaire agreement.

### What happens if the company that builds the bridge goes out of business?

- This will depend on the terms of the P3 agreement between the Canadian Authority and the concessionaire. Michigan will have no financial obligations or liability if the concessionaire goes out of business.

### Why haven't you rebuked the Ambassador Bridge Co. for their blatant lies and distortions?

- The coalition that supports the NITC has done a great job defending the truth about this project. Many have written editorials, sent mailings and conducted meetings and town halls around the state to refute the false claims coming from the other side. Unfortunately, a millionaire is willing to spend whatever it takes to defend his monopoly.

### Why is this NITC even necessary?

- Over 8,000 trucks cross the Detroit border on a daily basis. Ninety-nine percent of that traffic crosses a very narrow, 83 year old bridge that has no direct freeway-to-freeway connection. Instead, traffic travels more than seven miles on a commercial street with 17 stoplights to reach Highway 401 in Canada. The increasing trade volumes and continual congestion at the current location demonstrates the need for additional capacity at the border.
- The proposed NITC is a new end-to-end border crossing system between Detroit, Michigan and Windsor, Ontario intended to improve the flow of international trade between the U.S. and Canada at the busiest border crossing on the northern border.
- Canada is Michigan's largest trade partner and shared over \$70 billion in two-way trade in 2011. In March 2012, Michigan once again led all states in two-way surface trade with Canada, at \$6.3 billion. That's a 3 percent increase from March 2011. Thirty-four other states also rely on Canada as their biggest customer. In 2010, \$524 billion passed between the U.S. and Canada. Due to the high trade volume, over eight million jobs in the U.S. and over 237,000 in Michigan are directly tied to trade with Canada.

### Why don't you worry about our own roads & bridges?

- This proposal creates a unique agreement with the Federal Highway Administration (FHWA) to provide even further benefits to the State of Michigan to fix our own roads and bridges. Under the agreement, Canada's expenditure of up to \$550 million will be eligible as matching funds for U.S. federal aid that will be used for critical transportation projects across our state.



### What are the next steps?

- The next steps in the process are to finalize the Presidential Permit, acquire and clear the property, create the International Authority and then procure the private concession contract to design, construct, finance, operate and maintain the bridge.

### What about the people in the impacted communities?

- The RFP and the P-3 Agreement must contain provisions for a community benefits plan and for the involvement of the affected communities in both Michigan and Canada.
- The federally required “Green Sheet” provides a summary list of all mitigation measures including ones dealing with the socioeconomic and cultural environment.
- In addition to complying with the “green sheet,” the Crossing Agreement requires the concessionaire to outline how the community would be involved in the project’s operations (during the construction period and the operations period), what type of community outreach the concessionaire would be undertaking to help minimize detrimental impacts, and how they would work with the local community groups, academia, labor unions, etc. to maximize opportunity for local employment.

### How many jobs would this project create- short and long term?

- The agreement is expected to generate a demand for approximately 10,000 jobs related to the NITC project. Long term, NITC is expected to employ up to 750 full time employees in Michigan by 2035. Additionally, the construction of this new border crossing system is expected to generate and/or preserve as many as 25,000 jobs within Michigan and 70,000 jobs nationally.<sup>[1]</sup> This provides an immediate positive impact on our state and will contribute to the long-term economic stability of the region.

### What does Michigan stand to gain?

- As stated above, Canada clearly is Michigan’s largest trade partner and over 8,000 trucks cross the Detroit border on a daily basis. Michigan manufacturers tell us that the frequent delays caused by the traffic jams on the Canadian side are a significant barrier to expanded economic activity. They further tell us that the “freeway-to-freeway” connection provided by the NITC will greatly enhance the economic activity between Michigan and Canada and lead to increased trade. It is well known that some domestic vehicles are sent across the Michigan-Canadian border several times during the various stages of production. The speed and efficiency of production will be greatly enhanced if the trucks carrying these vehicles are able to have direct freeway-to-freeway access by using the NITC. Our domestic automakers will be able to reduce their costs by this increased efficiency making our domestic cars and trucks more competitive in the marketplace.
- This agreement also allows Canada’s expenditure of up to \$550 million to be eligible as matching funds for U.S. federal aid that will be used for critical highway projects across Michigan.

<sup>1</sup> Regional and National Economic Impact of Increasing Delay and Delay Related Costs at the Detroit-Windsor Crossings, August 2005, HLB Decision Economics.

[http://www.partnershipborderstudy.com/pdf/HLB%20Economic%20Impact%20Report\\_Aug%2009.pdf](http://www.partnershipborderstudy.com/pdf/HLB%20Economic%20Impact%20Report_Aug%2009.pdf)



### What happens to the current bridge that is there- the Ambassador?

- The current bridge will remain viable. Recent studies projecting revenues have confirmed that the Ambassador Bridge would remain very profitable even with the NITC in full operation. The Ambassador's projection that traffic will be 18,458,866 by 2025 assures that the traffic will support a second span. As an example, the Detroit-Windsor corridor has less than half the number of lanes as the Buffalo-Niagara corridor and 43% more traffic. Yet, the Buffalo-Niagara crossings are financially viable.

### Will 'eminent domain' be exercised?

- “Eminent domain” or condemnation will very likely be utilized. The state will attempt to negotiate with the owners a fair purchase price for property needed for the project, based upon fair market value. If in the event a negotiated purchase price is not possible to achieve, then condemnation proceedings will be initiated. The condemnation process would involve a legal proceeding through which the state purchases the property through its power of eminent domain.

### Why not allow the owners of the Ambassador Bridge to twin their span?

- As a practical matter, anything other than a replacement bridge cannot be accommodated at the site of the current bridge. Michigan businesses need a direct freeway-to-freeway connection at this juncture. The NITC accomplishes this, and it is the only proposal that does. This project would eliminate the biggest bottleneck in the entire North American Freeway system. It provides for needed system redundancy and enhances economic security for Michigan.

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