



Michigan/ Canada Trade

House Commerce and Trade Committee

April 28, 2015

History/Background



- **The existing bridge franchise was awarded by Act of Congress in 1921 as amended**
- **Operated successfully by the Detroit International Bridge Company (DIBC) and the Canadian Transit Company (CTC) since 1929.**
- **Most efficient border crossing between Canada/United States**
- **\$100 billion in two way trade in 2013**
 - **2.4 million trucks (10k daily)**
 - **4.9 million cars**

Ambassador Bridge Top Commodities*

Commodity Code	Commodity Description	2013 2 way Trade	2007	Difference
87	Vehicles; other than railway or tramway rolling stock; and parts and accessories thereof	\$27,234,663,850	\$39,329,545,677	(\$12,094,881,827)
84	Nuclear reactors; boilers; machinery and mechanical appliances; parts thereof	\$16,524,422,866	\$21,205,501,556	(\$4,681,078,690)
85	Electrical machinery and equipment and parts thereof; Sound recorders and reproducers	\$7,949,612,759	\$9,376,294,953	(\$1,426,682,194)
39	Plastics and articles thereof	\$4,053,875,265	\$4,055,242,111	(\$1,366,846)
72	Iron and steel	\$3,139,988,492	\$2,529,738,741	\$610,249,751
94	Furniture; Bedding; mattress supports; cushions and similar stuffed furnishings; Lighting fittings	\$2,730,410,531	\$3,311,265,791	(\$580,855,260)
90	Optical; photographic; cinematographic; measuring; checking; precision; medical instruments	\$2,438,265,923	\$2,242,170,168	\$196,095,755
40	Rubber and articles thereof	\$2,316,368,475	\$2,384,005,175	(\$67,636,700)
73	Articles of iron or steel	\$2,131,228,764	\$2,588,453,497	(\$457,224,733)
48	Paper and paperboard; Articles of paper pulp; of paper or of paperboard	\$1,858,636,044	\$2,146,513,312	(\$287,877,268)
30	Pharmaceutical products	\$1,847,183,060	\$1,660,215,984	\$186,967,076
19	Preparations of cereals; flour; starch or milk; Bakers' wares	\$1,830,048,476	\$1,364,444,926	\$465,603,550
2	Meat and edible meat offal	\$1,776,516,971	\$934,241,807	\$842,275,164
7	Edible vegetables and certain roots and tubers	\$1,457,121,256	\$1,121,617,852	\$335,503,404
98	Special classification provisions	\$1,318,516,279	\$1,819,259,716	(\$500,743,437)
76	Aluminum and articles thereof	\$1,251,538,453	\$1,849,985,975	(\$598,447,522)
21	Miscellaneous edible preparations	\$1,092,416,583	\$791,846,387	\$300,570,196
38	Miscellaneous chemical products	\$1,014,635,000	\$657,022,127	\$357,612,873

TOTAL TWO-WAY TRADE AT AMBASSADOR BRIDGE

2013 - **\$98,335,222,790**

2007 - **\$114,411,329,077**

* Bureau of Transportation Statistics



Canadian Manufacturing Sector

THE GLOBE AND MAIL

March 24, 2015

Canada facing grim outlook for auto trade

By GREG KEENAN

Assembly plant closings and new free-trade agreements likely

Report says... to deepen' cu

Canada's auto closings loom

A surplus of world, which automotive Centre

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Previous Story Next Story

Canada's Auto Industry Extinct By 2040, Economist Predicts

The Huffington Post Canada | By Daniel Lewicki

Posted: 04/13/2015 11:49 am EDT Updated: 3 hours ago



THE GLOBE AND MAIL

April 14, 2015

Toyota moves Corolla to Mexico, highlighting high costs in Canada

By GREG KEENAN

Auto maker investing heavily in new Mexico employment with other vehicles

Toyota Motor Corp plans to shift Mexico ending an era that

Corolla production scale Mexican announcing

Ford to invest \$2.5B in new engine, transmission plants in Mexico



Mexican President Enrique Peña Nieto, right, and Ford's president for the Americas Joe Hinrichs greet each other on April 17, 2013. Ford announced an \$2.5 billion plan to expand factories in Mexico to make next-generation engines and transmissions. (YURI CORTEZ/AFP/GETTY IMAGES)

Canadian plants expected to maintain

Ont. to a new factory in assembly plant in 1988

the auto maker's first full-scale plant in Mexico, which are scheduled to be

underlines how

no longer generates

2010 model will

Comments Email

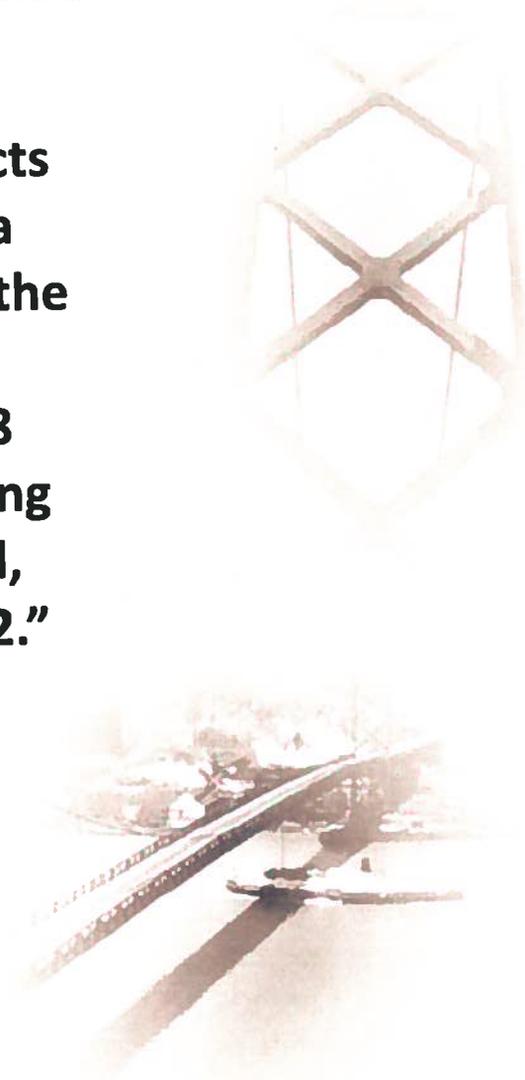
Mexico / U.S. Border



Canadian Manufacturing Exports

“Canadian exports of manufactured products fell by more than 7% from 2002 to 2012, a drop of \$20.7 billion. The United States led the decrease, as their imports of Canadian manufactured products declined by \$44.8 billion. The share of Canadian manufacturing exports to the United States also declined, falling from 88.0% in 2002 to 78.2% in 2012.”

- *“A Decade of Change in Canadian Manufacturing Exports, 2002 to 2012”*
- *Stats Canada*



Canada's Trade with the U.S.

Trade with Canada as a share of total U.S. trade has declined since 2000.

	<u>% of U.S. Imports</u>	<u>% of U.S. Exports</u>
1990	18.4	21.6
1992	18.4	20.6
1994	19.2	22.8
1996	19.4	21.9
1998	18.9	23.3
2000	18.7	22.7
2002	17.8	23.1
2004	17.2	23.1
2006	16.1	22.1
2008	15.9	20.0
2010	14.3	19.3
2013	14.7	18.9

Source: U.S. Trade in Goods and Services Balance of payments Basis, <https://www.census.gov/foreign-trade/statistics/historical/gands.pdf>

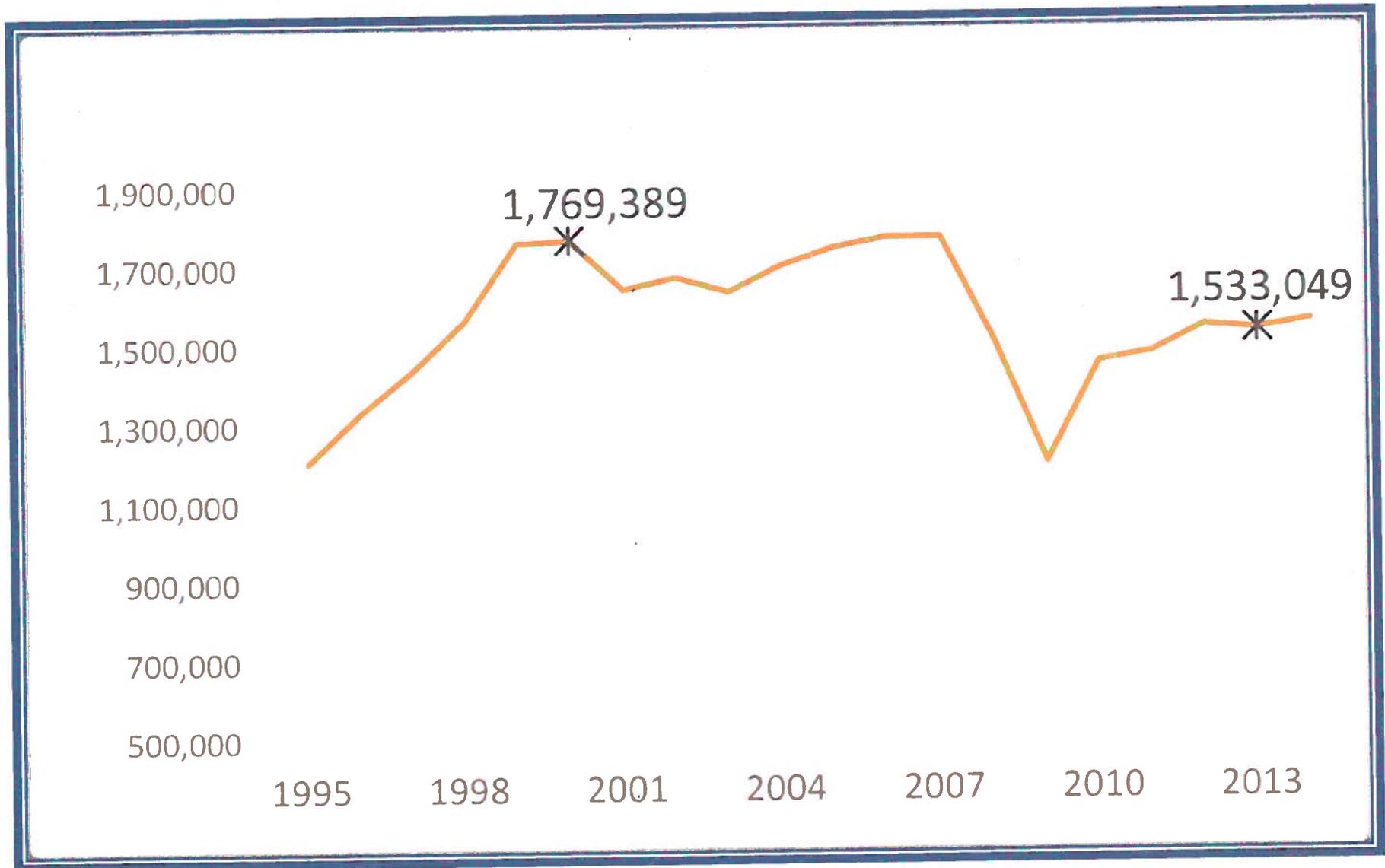
Percentage of U.S. Imports by Country

	<u>1990</u>	<u>2000</u>	<u>2013</u>
Canada	18.4	18.8	14.6
China	3.1	8.2	19.4
France	2.7	2.5	2.0
Germany	5.7	4.8	5.1
Italy	2.6	2.1	1.7
Japan	18.2	12.1	6.1
Korea	3.7	3.3	2.8
Mexico	6.1	11.2	12.4
Taiwan	4.6	3.3	1.7
U.K.	4.1	3.6	2.3
Rest of World	30.8	30.1	31.9

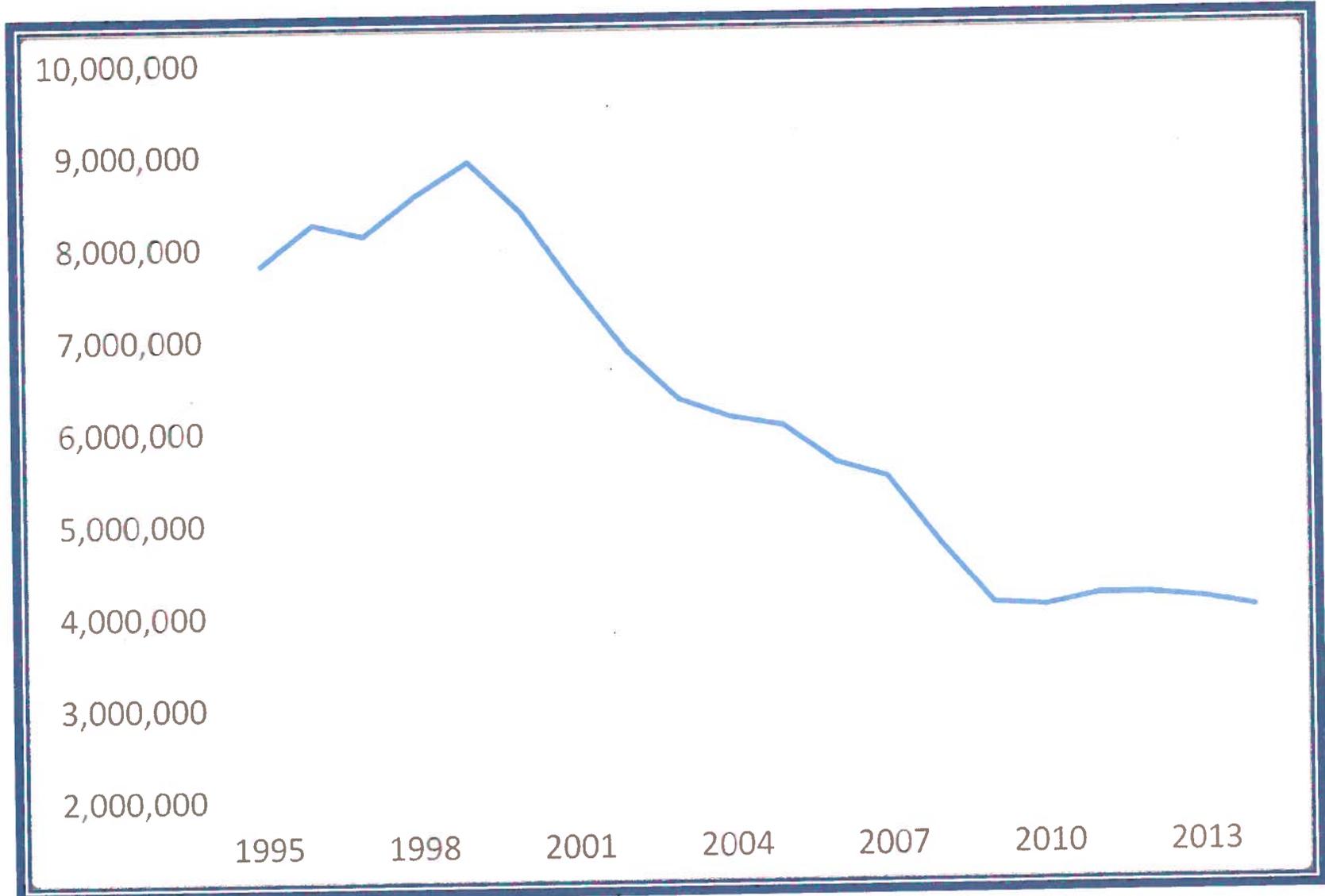
Trade Growth Prospects with Canada for Major Commodities

	<u>U.S. Imports</u>	<u>U.S. Exports</u>
Above average growth	Wood products	Mineral fuels Plastics Electrical machinery
Average growth	Machinery	Machinery
Below average growth	Motor vehicles and parts	Motor vehicles and parts
	Paper products	Instruments
	Mineral fuels	
	Electrical machinery	

One-Way Truck Crossings at Detroit (1995-2014)

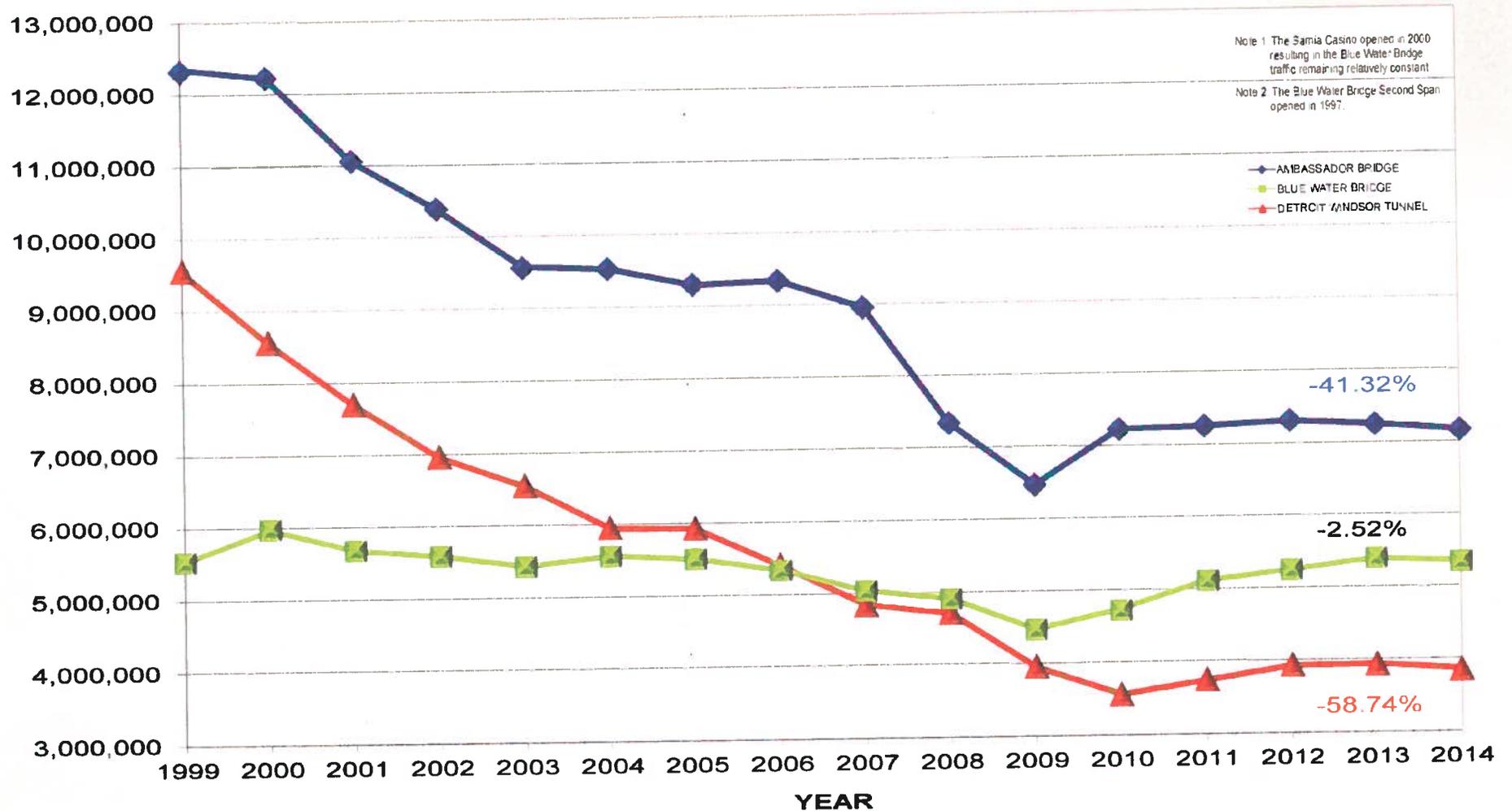


Personal Vehicle Crossings, Detroit (1995-2014)

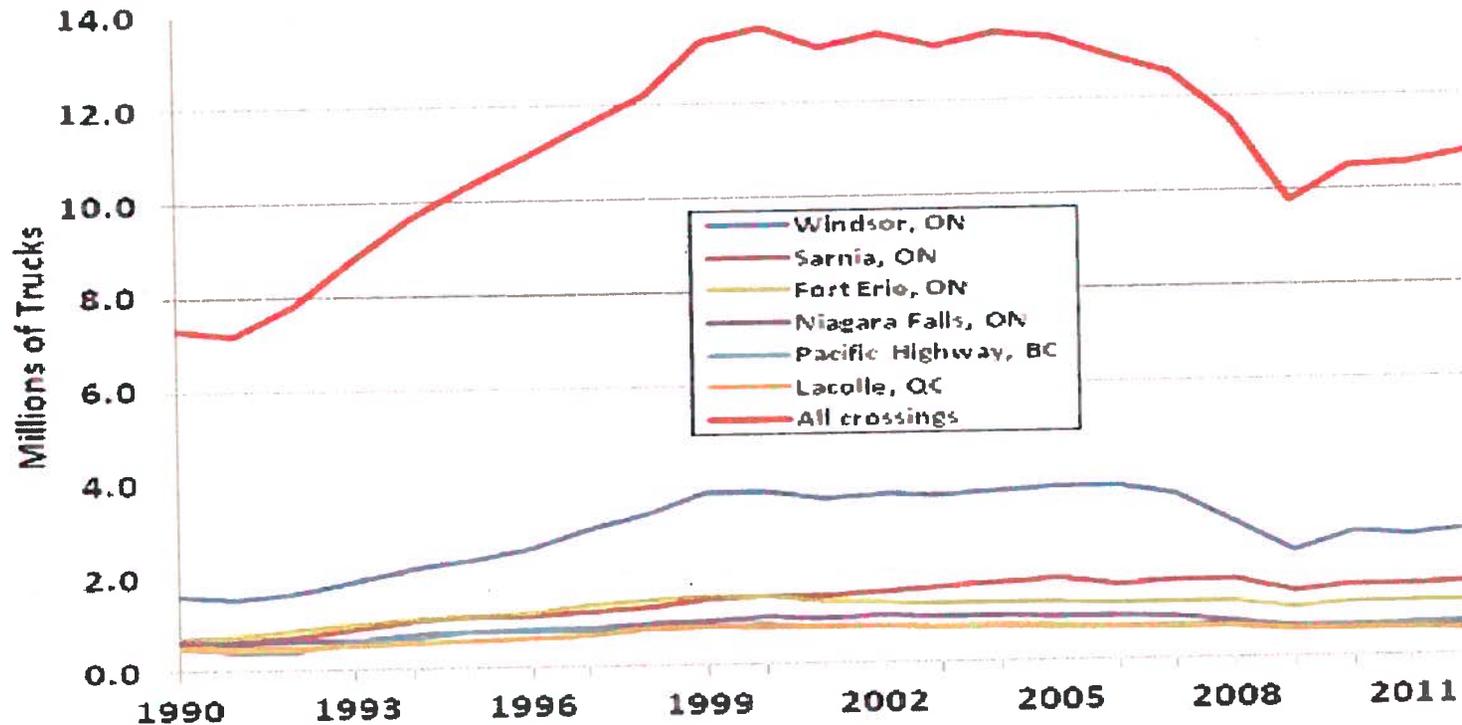


An Assessment of Future Bilateral Trade Flows and Implications for U.S. Border Infrastructure Investment
Steven Globerman, Kaiser Professor of International Business & Paul Storer, Professor of Economics Western Washington University

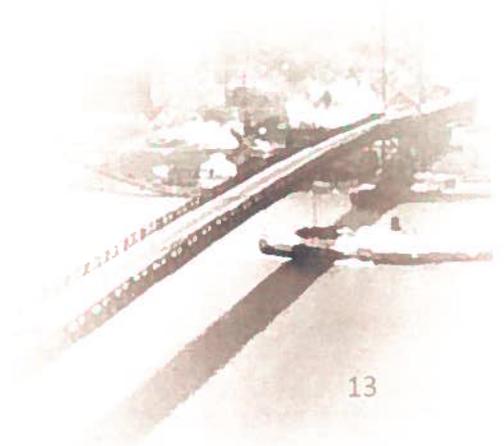
Automobile and Truck Combined Totals 1999 through 2014



Truck Traffic Volumes are Declining



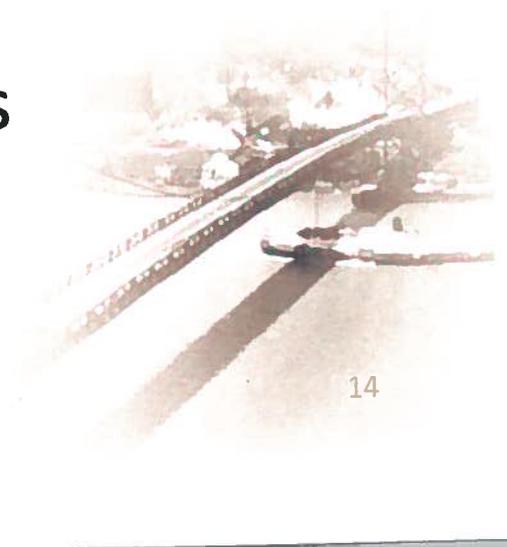
- Cross-border truck traffic is down 28% from the 2000 peak but over 10 million trucks still cross annually
- Truck activity at nearly all crossings has levelled off or declined since the early 2000s
- No big rebound seen after the 2008 financial crisis
- In 2012, the ten busiest road border crossings represented 82% of all truck border movements



Fewer Delays at the Borders

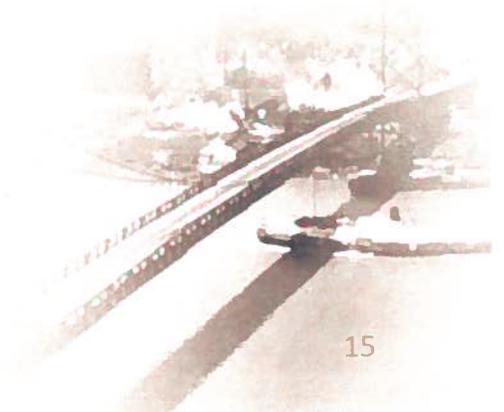
Border delays of the past have been substantially reduced due to:

- Lower volumes
- Plaza improvements, Electronic Toll Collection
- Advanced inspection technology, RFID
- Innovative and improved border programs for expedited crossings (FAST/NEXUS)
- Customs staffing still an issue at times



What Causes Delays?

- Technological Issues in Customs Systems
- Security Alerts, Enforcement Activities
- Poor Weather Conditions
- Motor Vehicle Collisions (on the bridge or highways leading to the border)
- Inadequate Staffing of Customs Inspection Lanes



What Causes Delays?



Windsor, Ontario

What Causes Delays?



Detroit, MI Tuesday April 14th, 2015

Partnerships

- **Can Am Border Trade Alliance (Member)**
 - CBP Task Force member
 - CBSA Dwell Time Task Force member
 - CBSA Port Of Operations Subcommittee member
- **Transportation Border Working Group (member)**
- **Border Trade Alliance (Board Member)**
- **International Bridge Tunnel and Turnpike Association**
- **Ontario Trucking Association (Member)**
- **Southeast Michigan Area Maritime Security Committee (Executive Steering Committee)**

This concludes our presentation

Thank You

If you have any questions, contact:

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