

**Sault Ste. Marie International Bridge  
Commerce Issues  
Presentation  
for the  
Upper Peninsula Economic Development Alliance  
May 31, 2007**

*"Bridging our Past.....Connecting our Future"*

## Presentation Plan

- JIBA & IBA Mission
- Bridge Governance Model
- Bridge Traffic & Financial
- Trade & Commerce



*“Providing the highest  
quality integrated  
transportation services for  
economic benefit and  
improved quality of life.”*



## JIBA and IBA Mission



- “The Joint International Bridge Authority and the International Bridge Administration are committed to the safe and efficient movement of people and goods across the International Bridge between Sault Ste. Marie, Ontario and Sault Ste. Marie, Michigan. The International Bridge is an asset which must be maintained and preserved to protect the mobility of local, state and provincial residents and to promote U.S. and Canadian trade, tourism and regional economic development.”

“Bridging Our Past....Connecting our Future”

# International Bridge Organizational Structure

## Policy and Governance:



Joint International Bridge Authority Board of Directors:

### Michigan Representatives

Mr. Terry Carrick (2007 Vice Chair)  
Ms. Janis Burgess  
Vacant

### Canadian Representatives

Mr. James McIntyre (2007 Chair)  
Mr. Gerald Johnston  
Mr. Lorie Bottos

# International Bridge Organizational Structure

## Ownership:

U.S.

Canadian

Michigan  
Department  
of  
Transportation  
(MDOT)

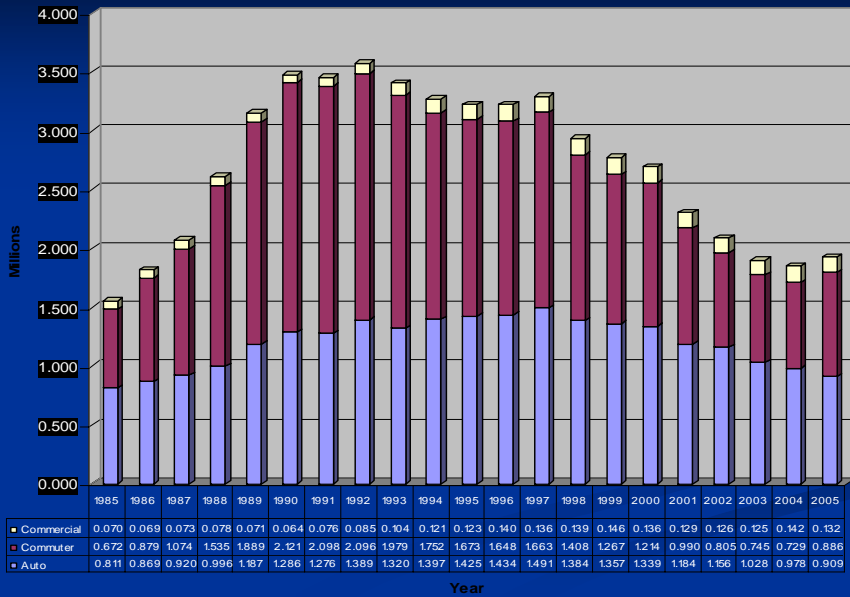


St. Mary's  
River  
Bridge  
Company  
(SMRBC)

## Operation/Management:

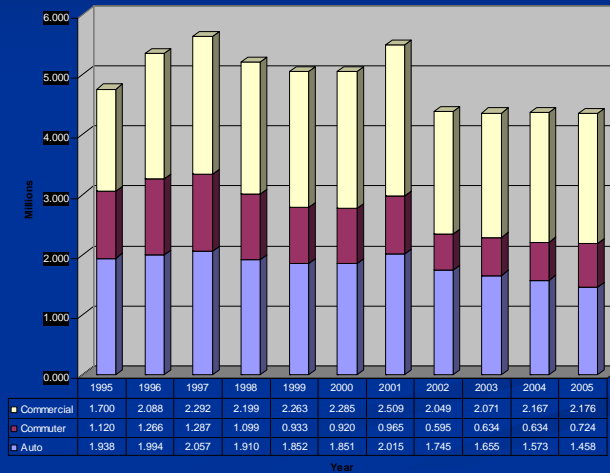
International Bridge Administration (IBA)

# Total Traffic 1985-2005



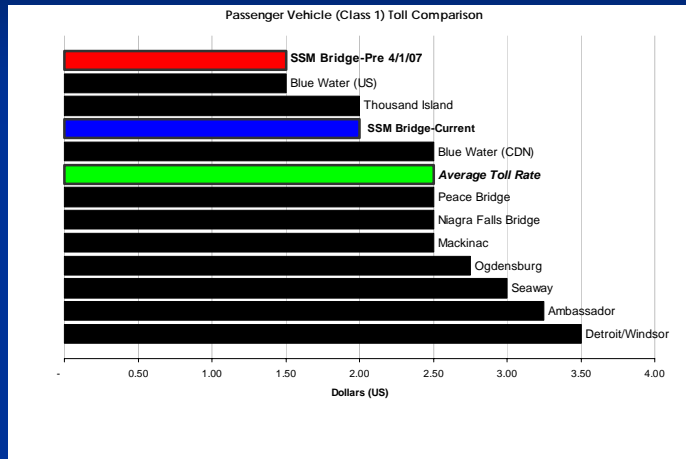
# International Bridge Revenues

Toll revenues have declined since 1997



## How do bridge tolls compare with other Ontario crossings between Michigan and New York?

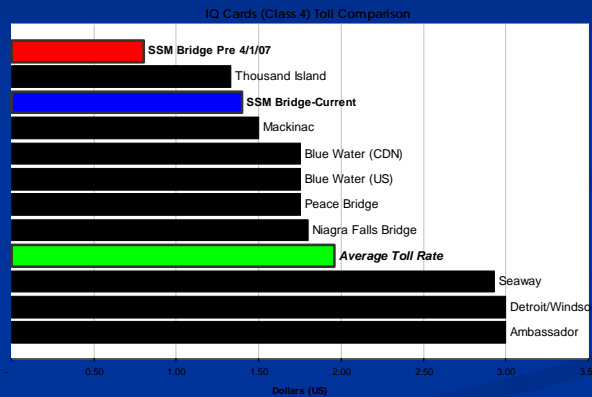
- Tied for second cheapest toll rate among Regional International Crossings



Passenger Car Toll Rates

## How do bridge tolls compare with other Ontario crossings between Michigan and New York?

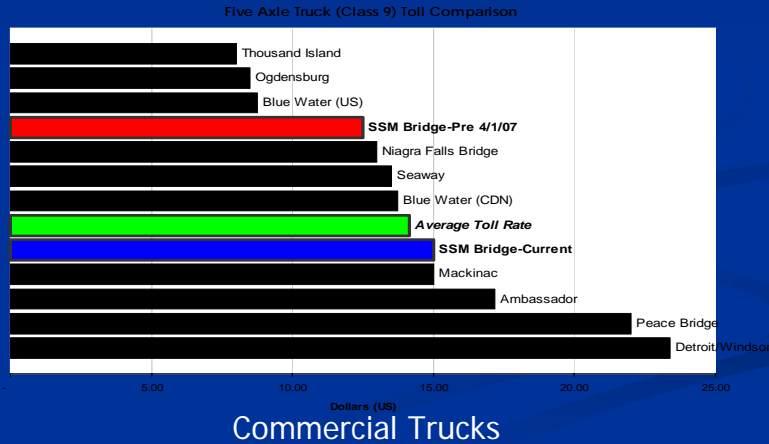
- Second cheapest frequent user discounted rate (IQ Card-Electronic debit card) among Regional International Crossings



Frequent User (IQ Card) Toll Rates

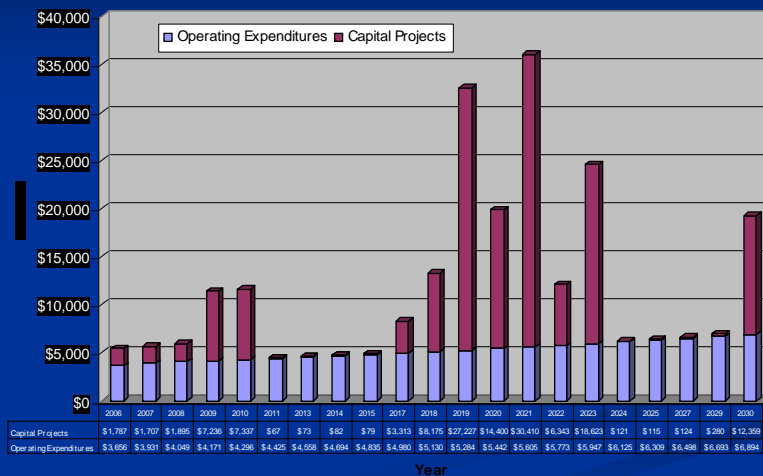
# How do bridge tolls compare with other Ontario crossings between Michigan and New York?

- Slightly above average commercial rate among Regional International Crossings
  - Based on the popular 18 wheeler configuration

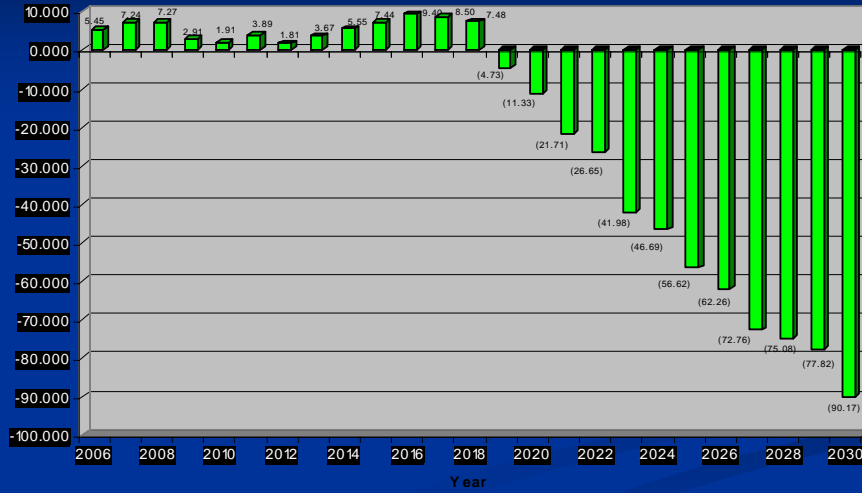


# Expenditure Forecast

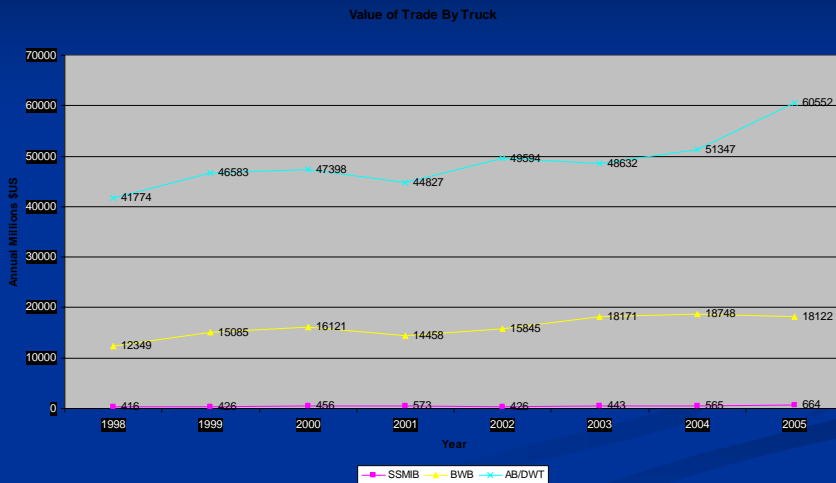
- Major capital improvements, such as the re-decking of the bridge will significantly impact expenditures.



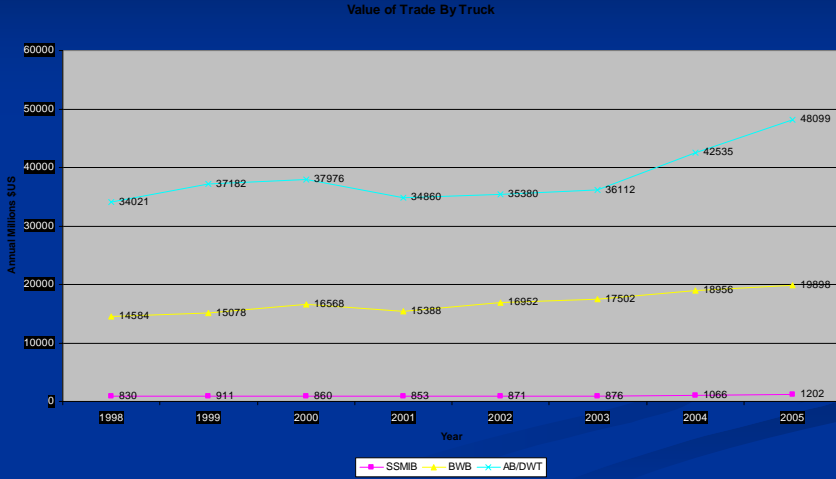
## Fund Balance Forecast Current Toll Rates



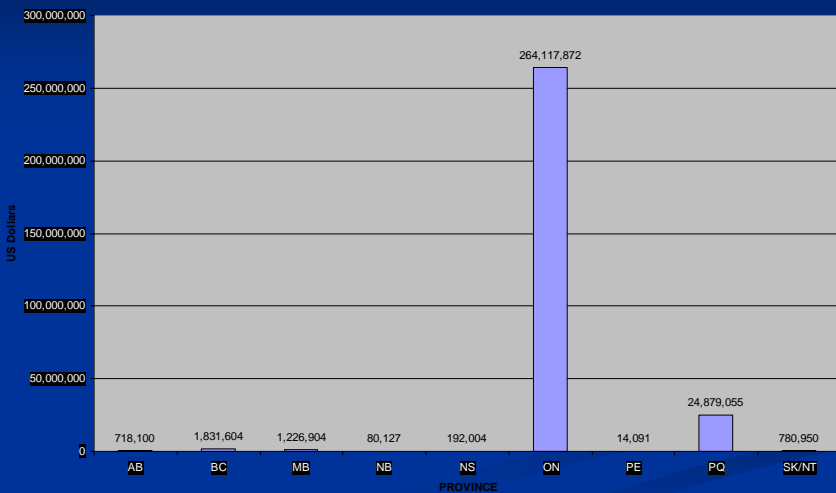
## Value of Trade by Truck U.S. to Canada



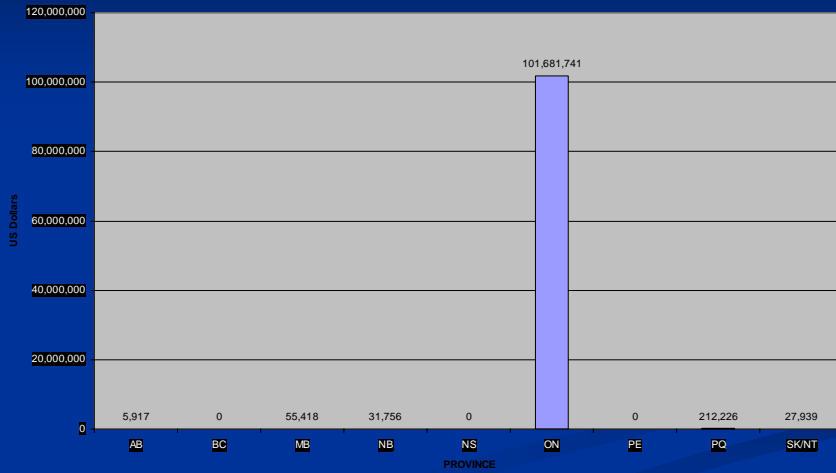
# Value of Trade by Truck Canada to U.S.



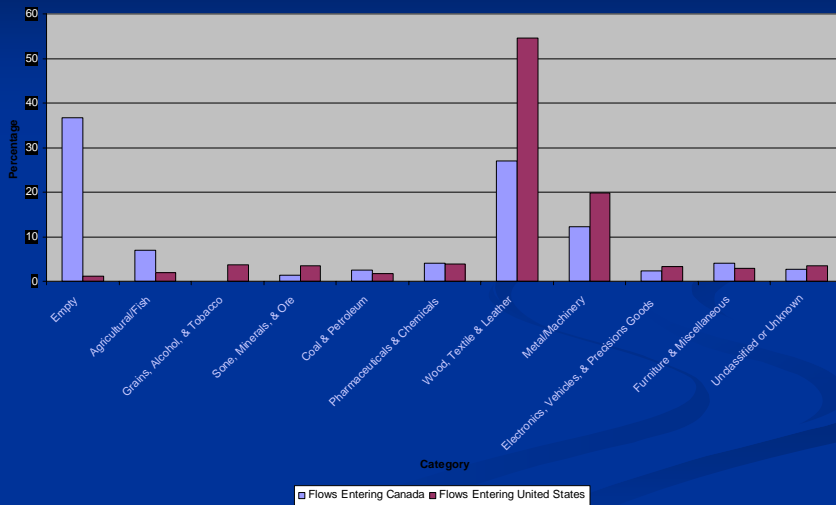
# Value of Trade - Canada to Michigan



# Value of Trade – Michigan to Canada

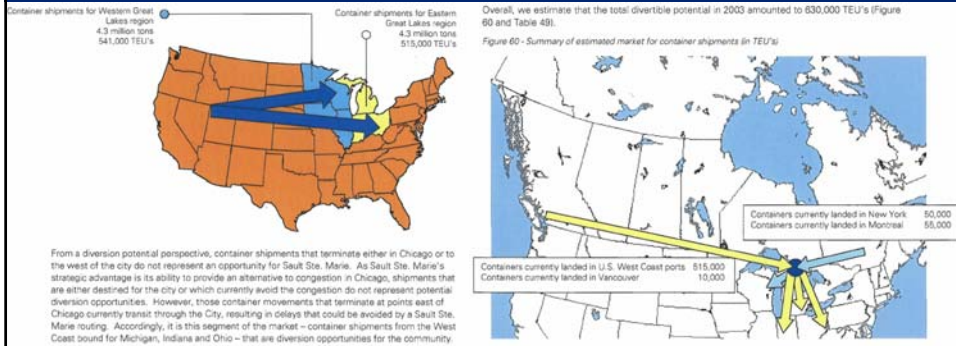


# Weekly Truck Flows By Commodity Group



## MM Market Analysis Highlights

### The Primary Opportunity



- Opportunities from Overseas Freight Movement – originates from west and east coast and destined for UGLR
- Time ( 3 to 4 day savings ) and Cost benefit to the “just in time” end user expected if containers diverted through Sault Ste. Marie
- Currently 700,000 TEU's – minimum requirements of railways to enable 1 train per day is 140,000 TEU's per year. This represents 20% of the market share.

## Potential Impact of Multimodal Transportation Initiative

If the multimodal initiative is eventually implemented and the projections contained in the Phase I report actually materialize, the toll revenue impact would follow the generalized derivation below:

Within	3-5 years	140,000 Twenty Foot Equivalent Containerized Units (TEU's) per year	
@	2 TEU/truck = 70,000 trucks southbound/yr and assuming 100% return by the same route (the report suggests a high percentage) =	70,000 trucks northbound/year.	
i.e.	Total increase in truck traffic = 140,000 Trucks per year		
i.e.	Approximately a doubling of current truck traffic.		
Given	7% of our current traffic is truck traffic that in turn generates 50% of	our toll revenue.	
Then	The results would be an estimated 50% toll revenue increase from the current (USD) per year to \$6,450,000 (USD) per year.	\$4,300,000	

# IBA Multimodal 5 Year Strategic Plan

## Element

- Upgrade CBSA Facility.
- Work with GSA to evaluate processing capacity of CBP & expand as needed.
- Upgrade Toll Plaza.
- Add 1,000' long FAST/NEXUS lanes on the bridge approaching US CBP.
- Add 1,000' long FAST/NEXUS lanes on the bridge approaching CBSA.
- Evaluate long-term bridge structural condition and take preemptive measures.

## Challenges

- \$41 million (CDN) alternative funding needed.
- Timely response and U.S. Federal dollar allocation for improvements.
- Coordination w/CBP facility evaluation.
- \$6 million (USD) not in bridge long-term financial plan.
- \$6 million (USD) not in bridge long-term financial plan.
- \$ Unknown.

## Any Questions?

For additional information visit our website:

[www.michigan.gov/iba](http://www.michigan.gov/iba)