Transportation Infrastructure and Michigan's Future Economic Growth

A presentation to the
Michigan Legislature
by
The Continental Rail Gateway
February 15, 2012

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What we will talk about today

- How Michigan's global trade, transportation infrastructure and logistics center possibilities impact Michigan's economic resurgence
- The competition we face
- The Continental Rail Gateway replacement rail tunnel project

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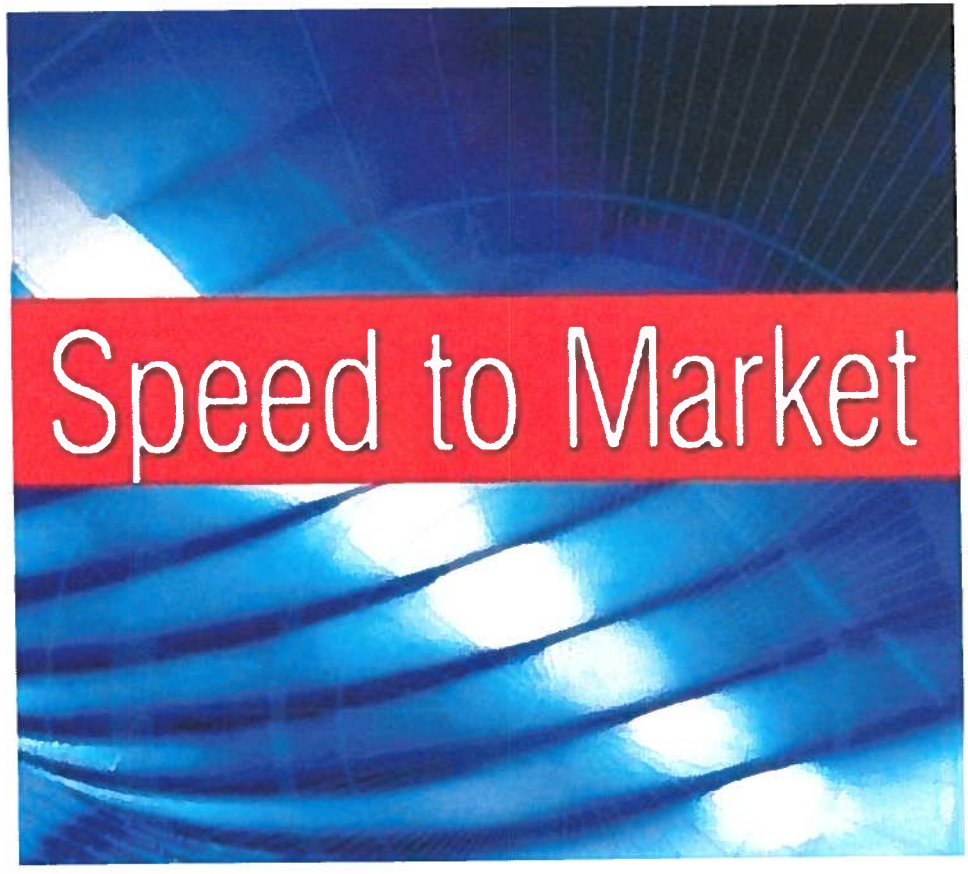
A guiding principal of global trade

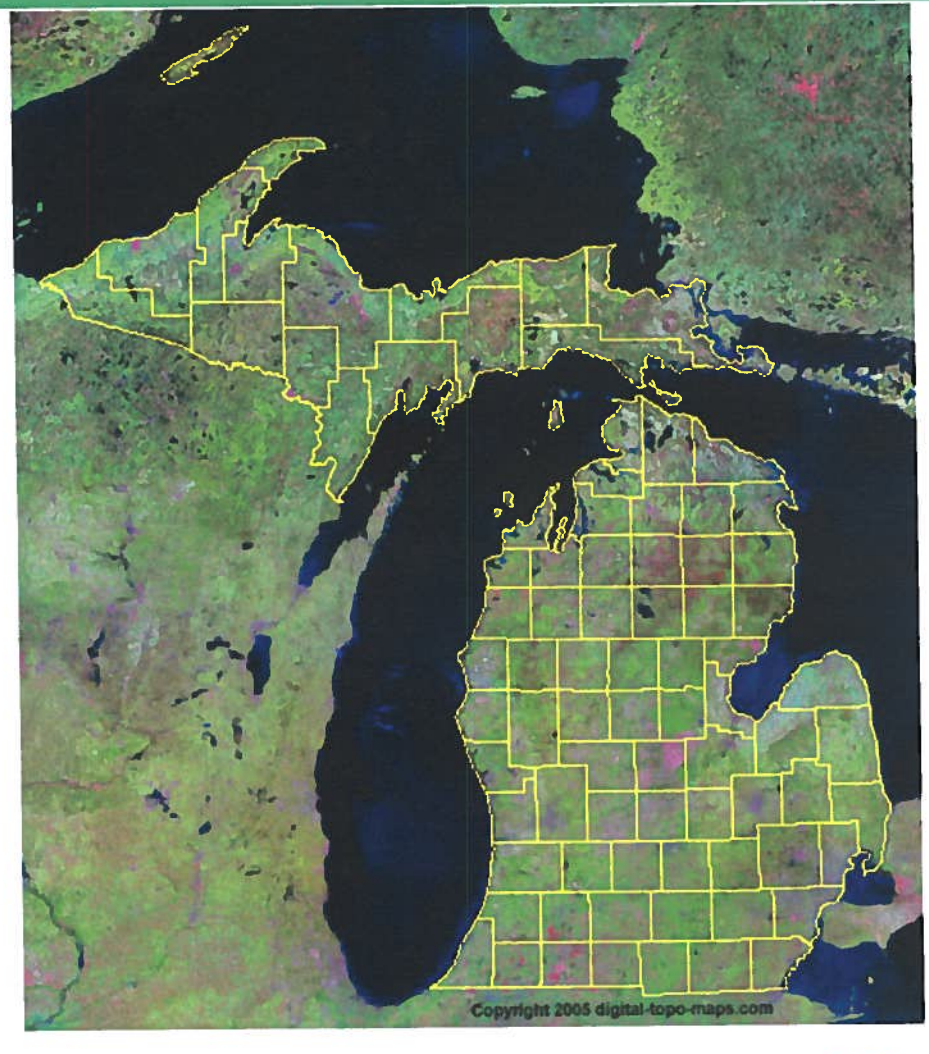
As you all know:
Transportation infrastructure is the key to our global competitiveness

Global trade principals



- Logistics and speed to market are keys to productivity and jobs
- The efficient interlinking of the transportation infrastructure allows sustained economic growth

Michigan's economic growth



Michigan's future economic growth is tied to southeast Michigan, its transportation infrastructure, the border crossings and the planned regional logistics hub

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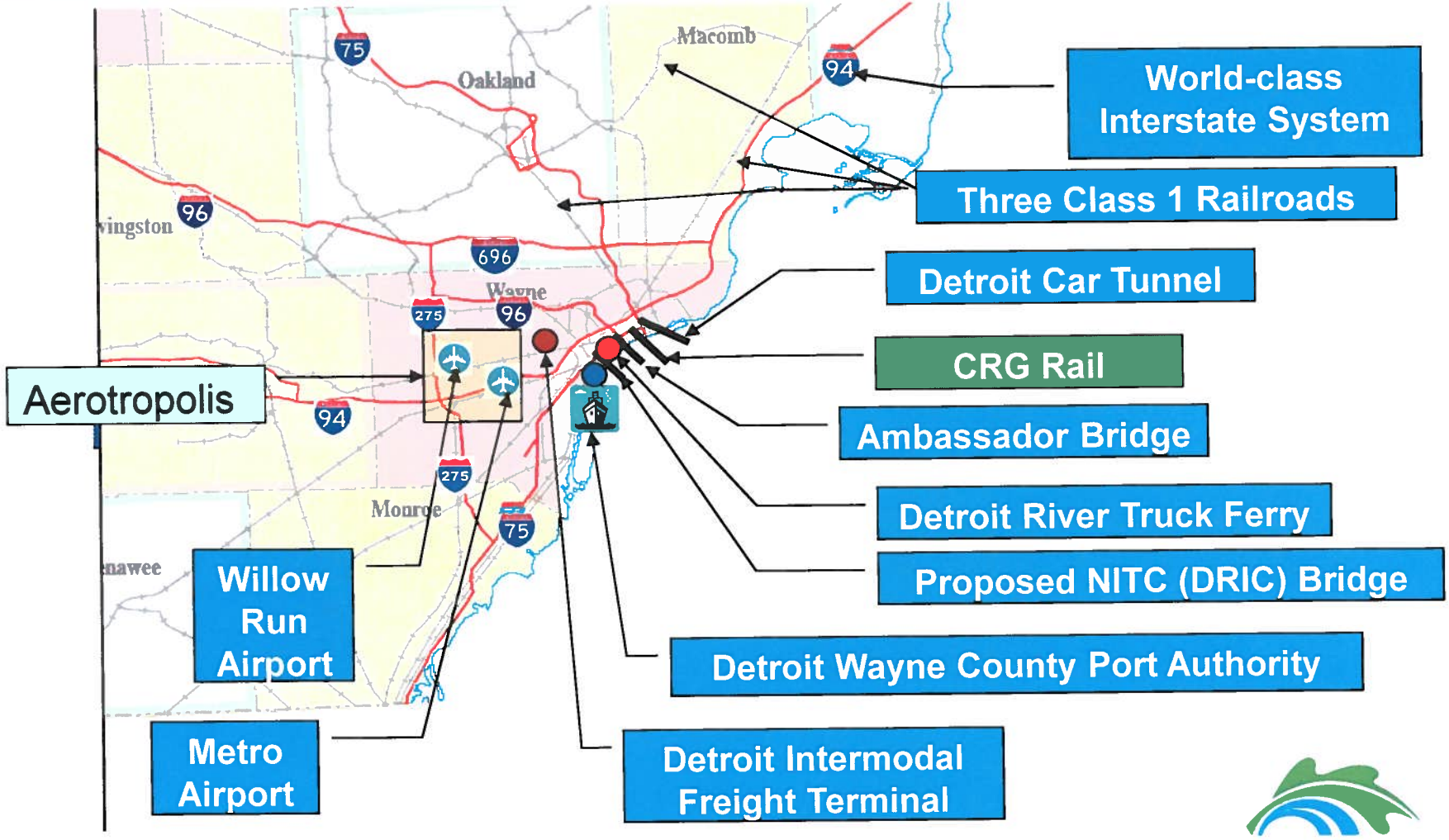
And, southeast Michigan has great transportation infrastructure



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The Detroit-Windsor border is the busiest border crossing in the world

And Canada is our largest trading partner

Detroit-Windsor border = US$120.6 billion

Total trade = US$511 billion

Rail freight through Detroit = US$18.9 billion

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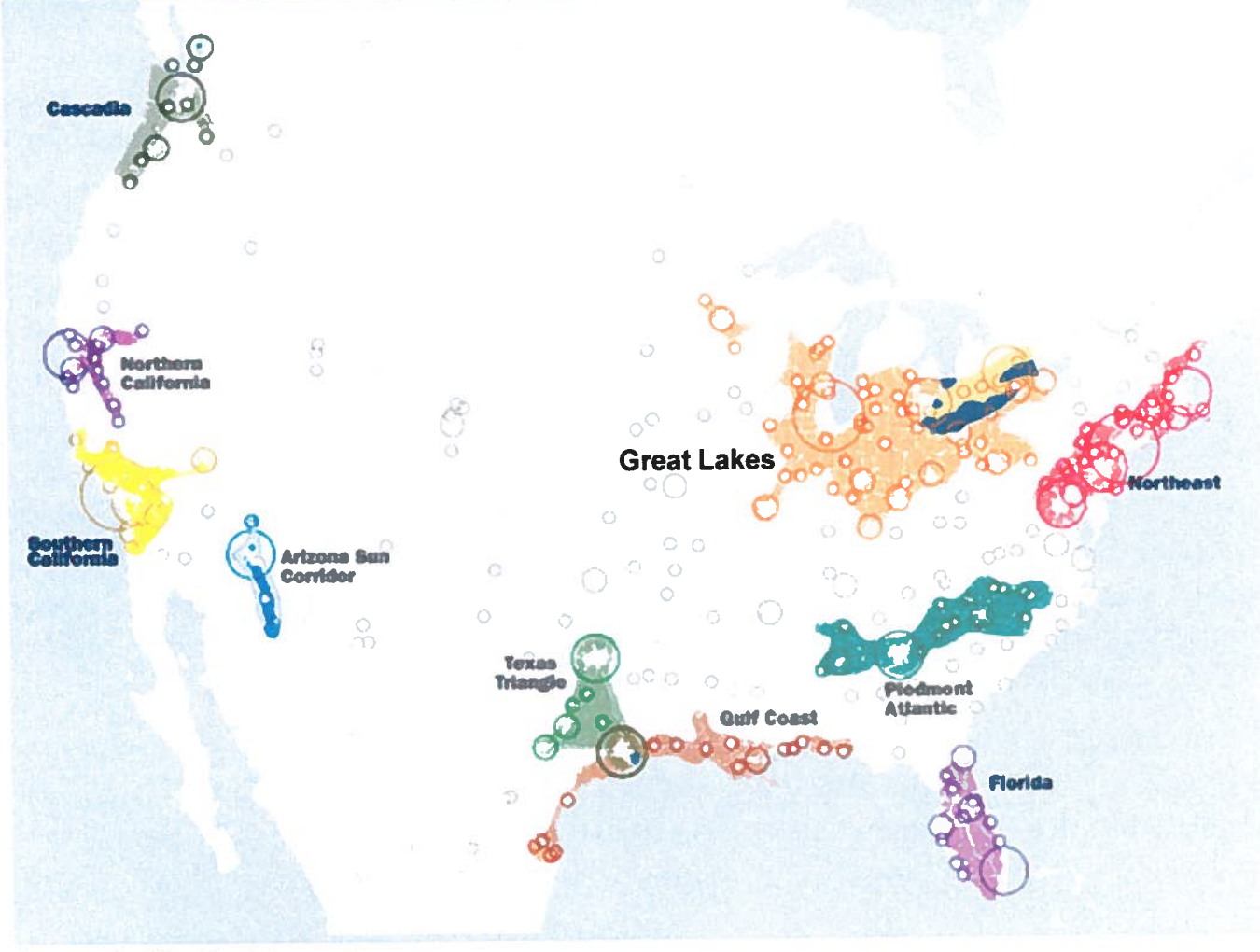
Let's look at the big picture and how people are thinking about making all this transportation infrastructure work together

We are in the largest megaregion



Source: Regional Plan Association, America 2050

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Detroit is at the center of the Great Lakes megaregion

Great Lakes

Southeast Michigan's logistics hub

We need to capitalize on our unique centralized position in the Great Lakes megaregion and build a world-class global logistics hub in the Detroit Windsor region

Southeast Michigan's logistics hub components

The logistics hub concept will contain the following:

- The Detroit Intermodal Freight Terminal (DIFT)
- The Detroit-Windsor car tunnel
- The Ambassador Bridge
- The two major airports in Detroit
- The interstate highway system
- The three Class 1 railroad networks
- A new truck crossing
- And, the Continental Rail Gateway replacement rail tunnel

We have several infrastructure utilization plans in play

Great Lakes International Trade and Transport Hub

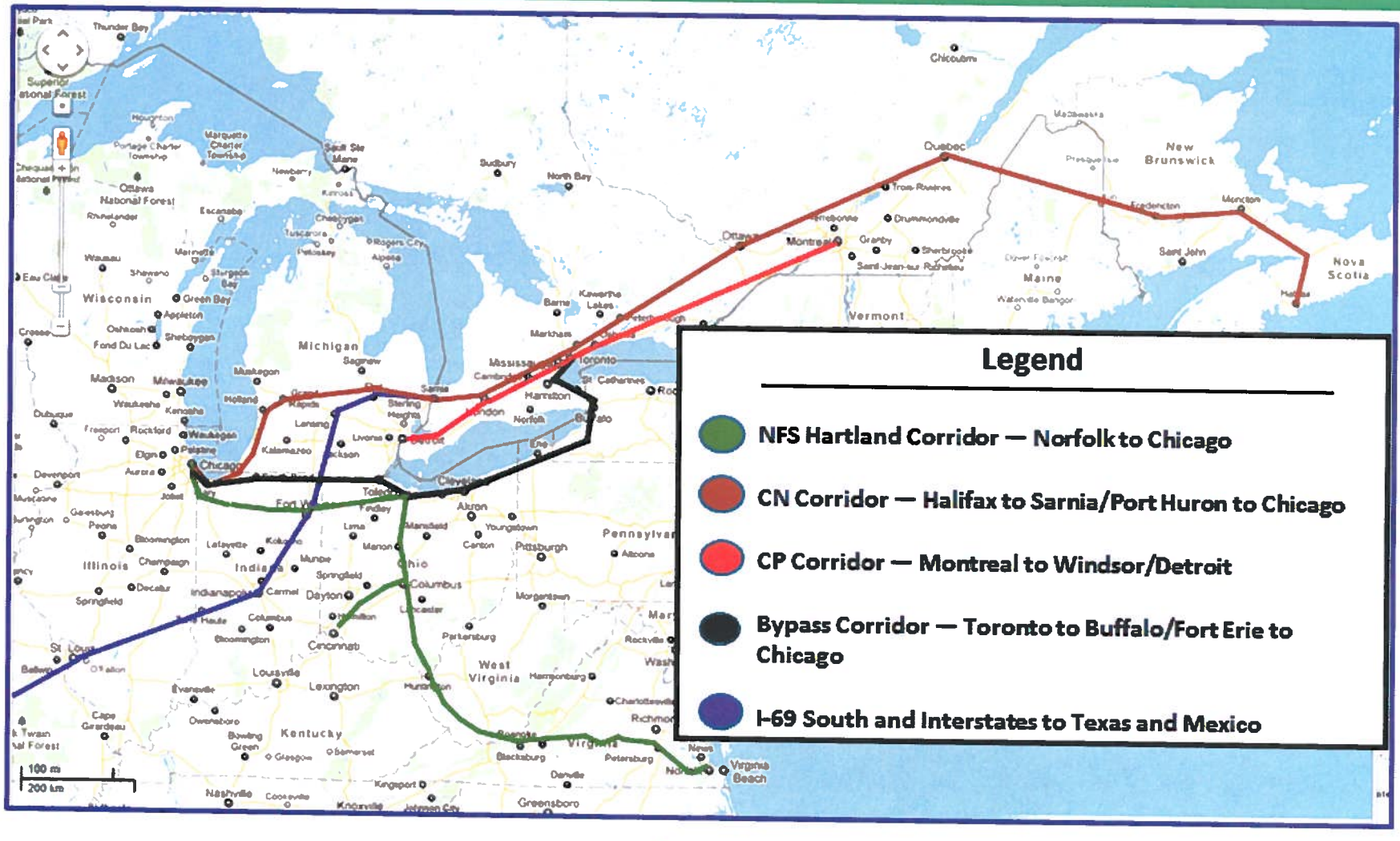
Great Lakes Freight Hub

TRANSLINKED
driving global connectivity

But, we have competition …

Other states and organizations have moved ahead with transportation infrastructure projects that threaten our economic resurgence

Trucks and trains are bypassing southeast Michigan



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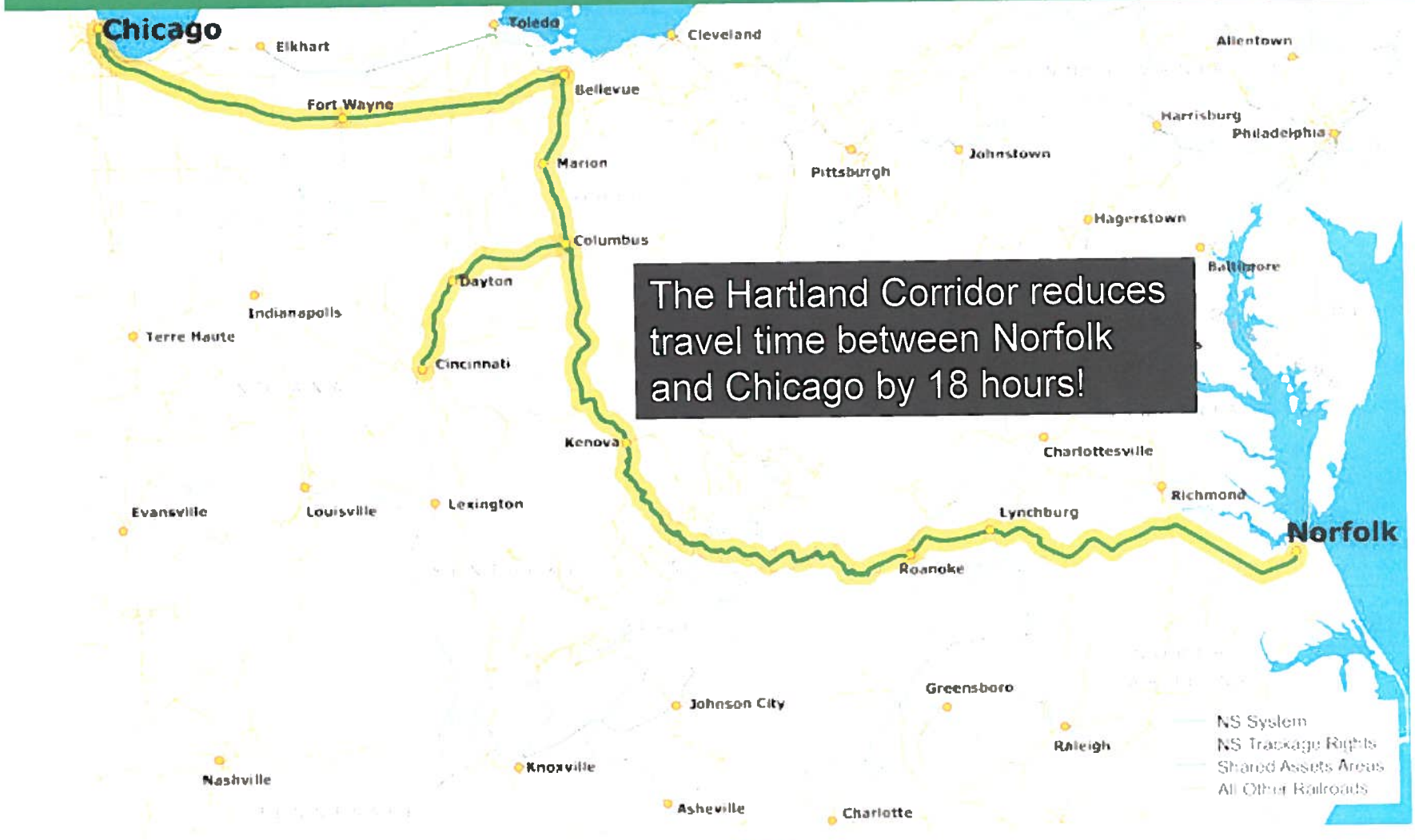
More about the Hartland Corridor



The Hartland Corridor reduces travel time between Norfolk and Chicago by 18 hours!

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The Continental Rail Gateway replacement rail tunnel is one piece of transportation infrastructure we can construct quickly and help Michigan maintain its competitiveness while stimulating future economic growth

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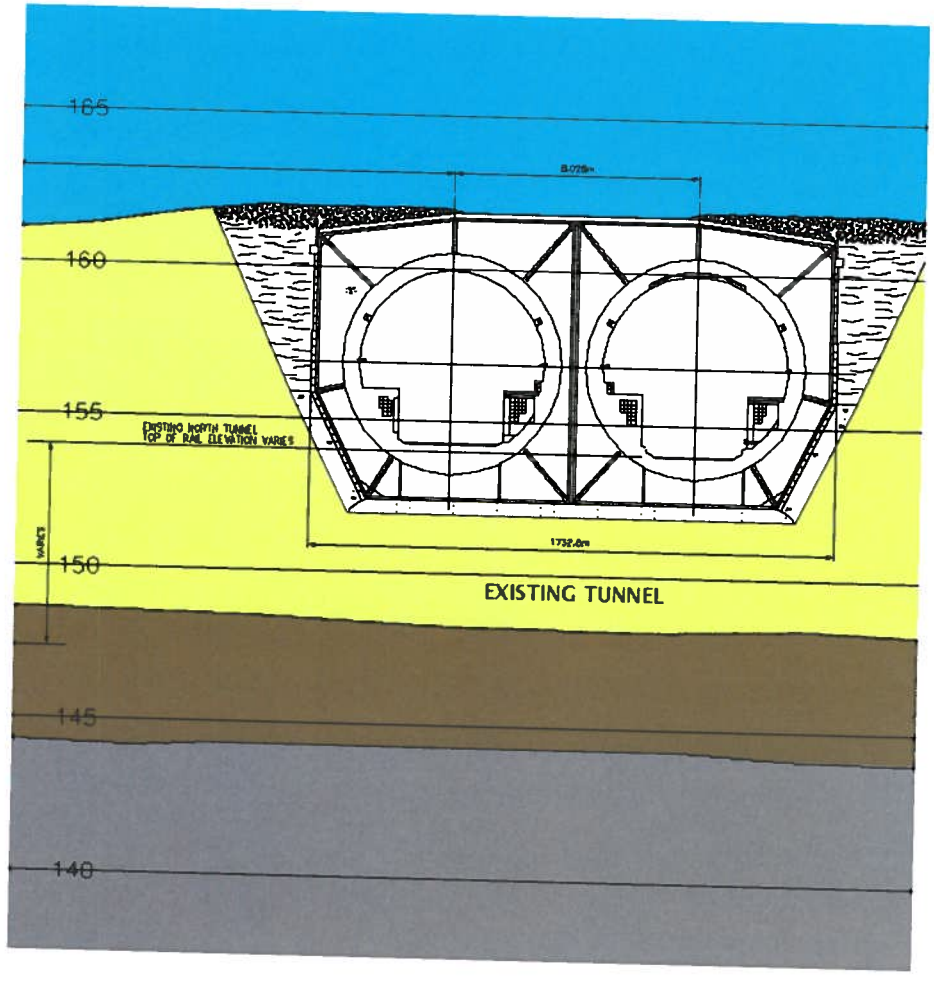
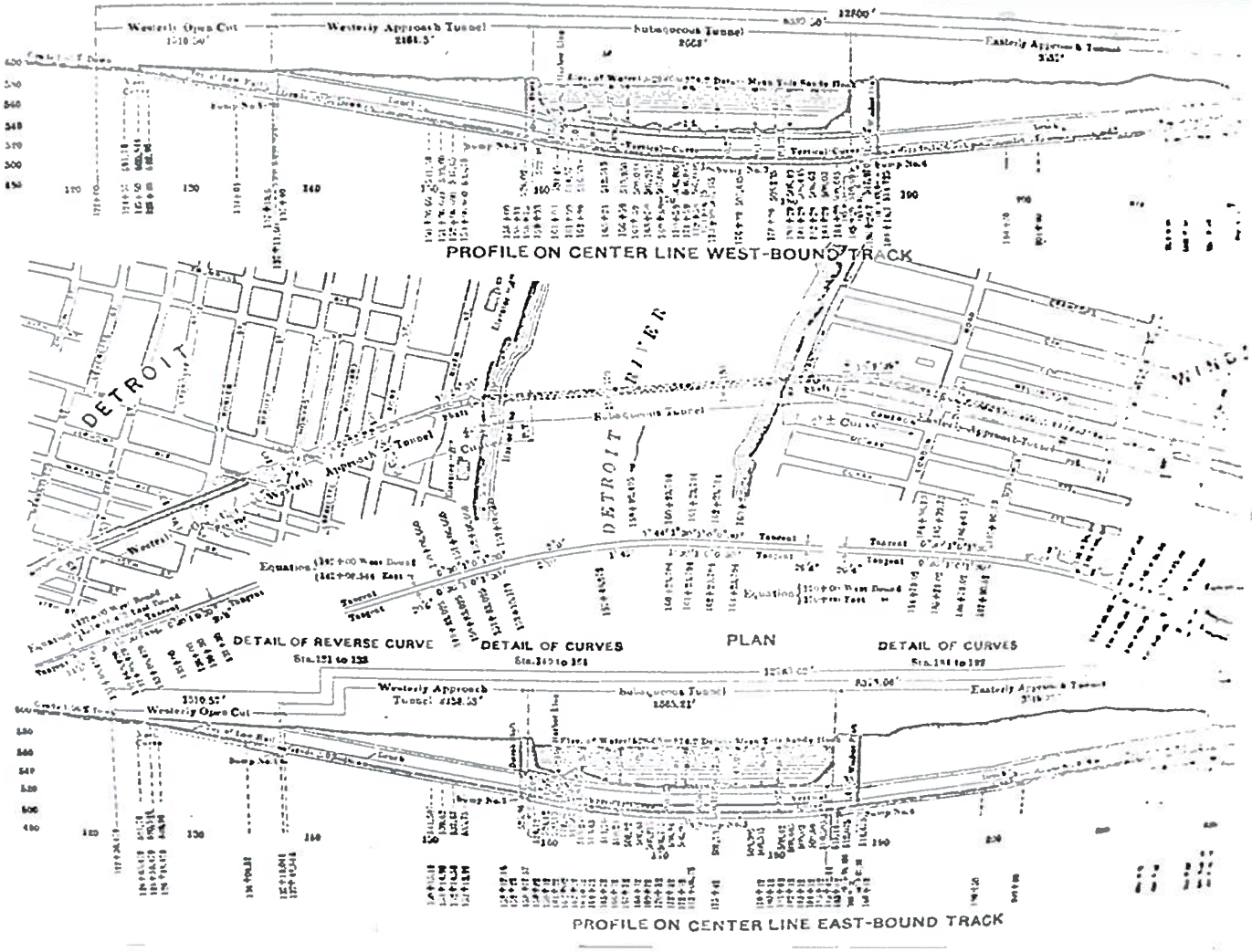
The existing rail tunnel cross section



Original drawing of rail tunnel



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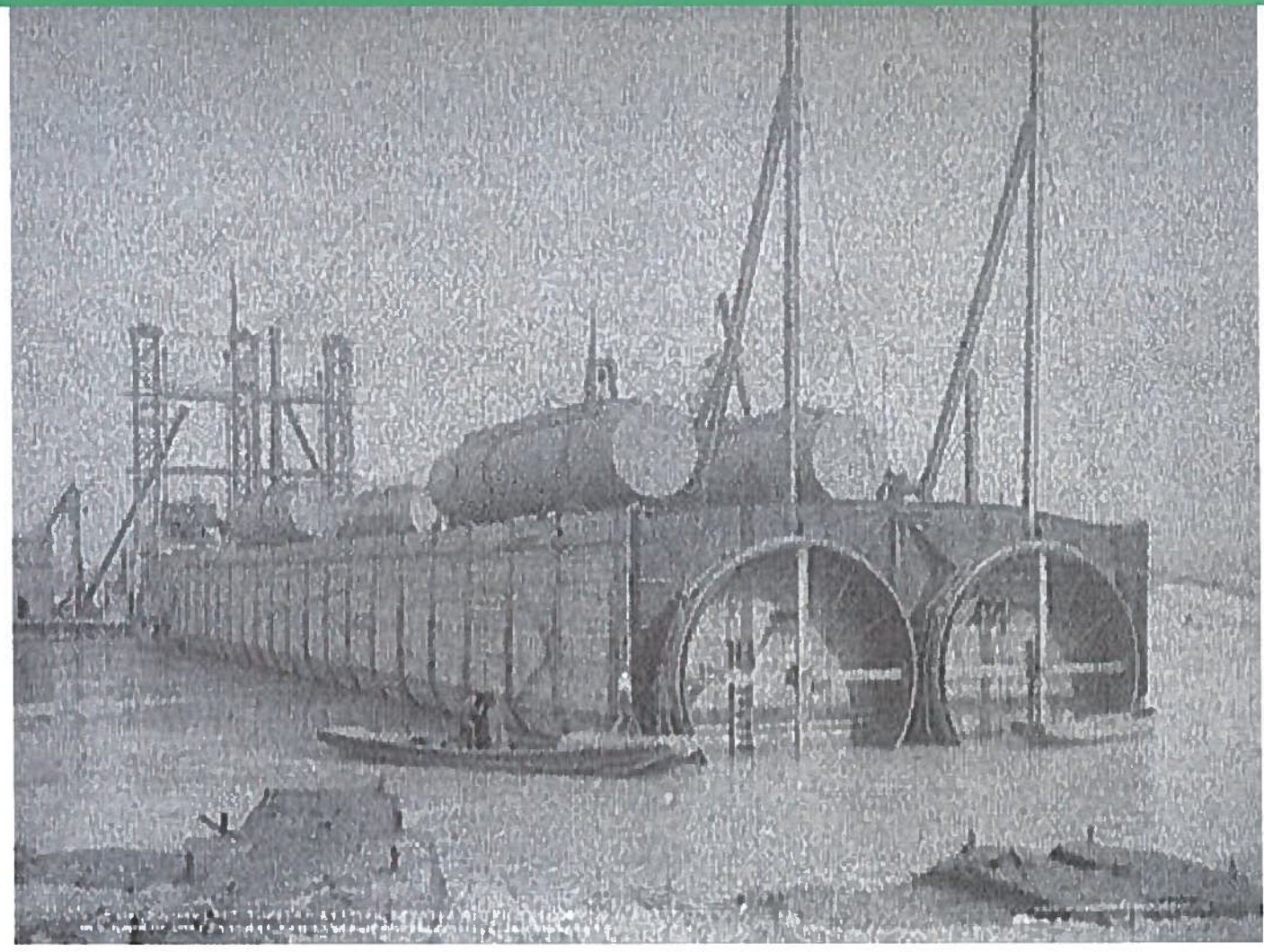
Existing tunnel construction



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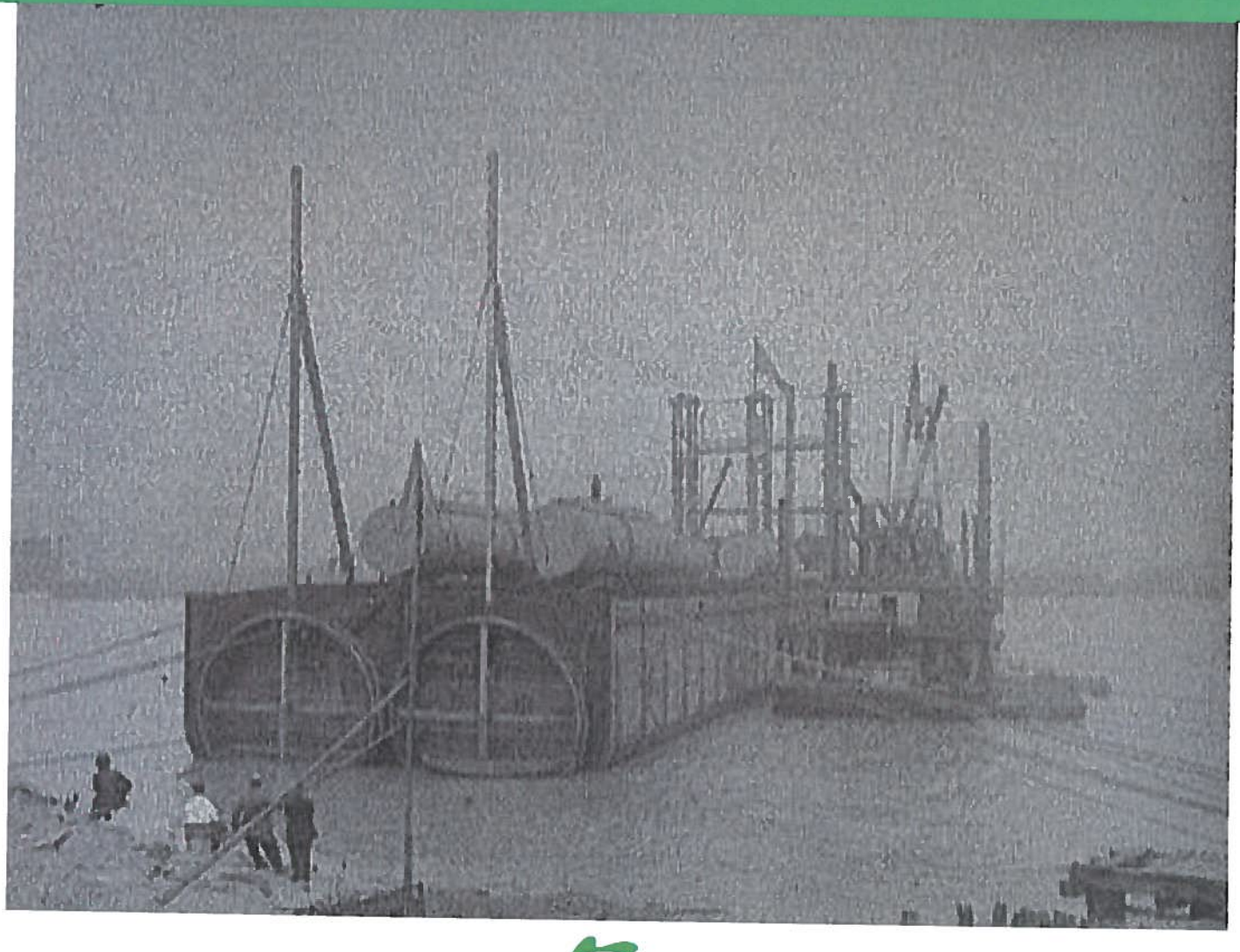
Existing tunnel construction



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Completed train tunnel opened in 1909

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Existing rail tunnel

- The first successful trench-and-tube tunnel constructed in the world
- 1.6 miles long
- Originally designed for electric trains

Existing rail tunnel

The existing rail tunnel has been in continuous operation for over 100 years and last year carried nearly 400,000 freight cars

Existing rail tunnel

Last year the existing rail tunnel carried over $19 million in rail freight across the Detroit-Windsor border

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Why rail freight is important

Trains are GREEN: 1 ton/443 miles/1 gal

Rail infrastructure ... $1.00 = $3.00

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Why we need we need the Continental Rail Gateway replacement rail tunnel

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Here is what we are trying to prevent

THE WINDSOR STAR

Monday, June 16, 2008

CP rail cars too tall for tunnel

By Doug Williamson
Star Staff Reporter

A Canadian Pacific Railroad train heading through the CP rail tunnel from Detroit suffered significant damage Sunday afternoon when shipping containers on 24 intermodal cars were partly crushed on the tunnel's roof, damaging contents but causing no injuries.

The incident happened shortly after 2 p.m. when the train entered the tunnel in Detroit, said CP spokesman Michael Spenard.

The train, which had an unspecified number of cars, was not carrying hazardous goods, Spenard said.

The intermodal cars are essentially rolling platforms on which containers are stacked.

They contained a wide variety of manufactured goods, he said, adding the railroad had no estimate of the damage.

Asked why railroad officials didn't realize the damaged containers were too high, Spenard replied: "That's exactly what's being investigated."

He said the crew — a locomotive engineer and conductor — was probably unaware of what was happening until they emerged on the Windsor side.

"The locomotive engineer, he wouldn't necessarily have seen or heard anything," Spenard said.

'Part of doing business'

"It's an inconvenience, it's part of doing business," he said.

The railroad's claims department will have to assess damage.

The tunnel is tall enough to accommodate doublestack rail cars, he said, but he did not know its dimensions.

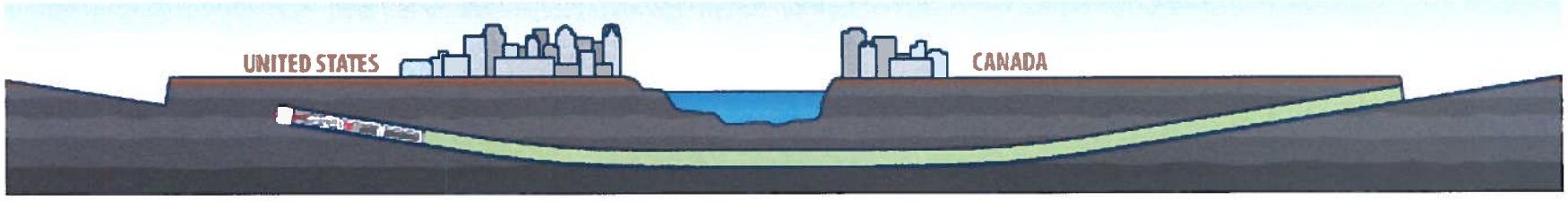
There was no information on whether any damage was caused to the roof of the tunnel.

The cars remained parked on a CP rail siding along Janette Avenue as crews prepared to remove the containers and their contents.

TUNNEL VISION: These rail cars were too tall to pass through CP's rail tunnel from Detroit

To solve the problem, the Continental Rail Gateway will build a high-capacity replacement rail tunnel

Tunnel construction with TBM



CRG replacement rail tunnel benefits

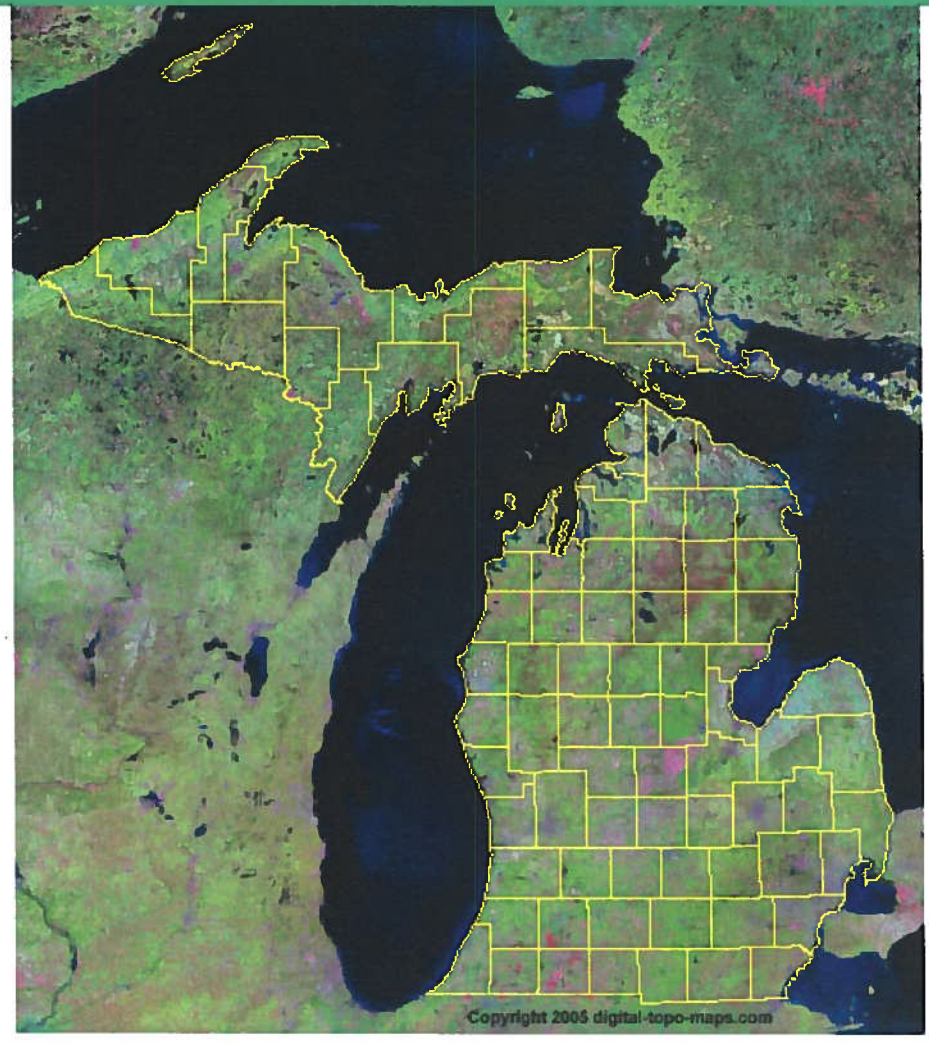
It will:

- Allow 9' 6" double-stack container train traffic to utilize the Montreal-Windsor-Detroit corridor
- Save and create thousands of jobs throughout Michigan and Ontario
- Help fuel the planned logistics hub concept in southeast Michigan

CRG replacement rail tunnel benefits

Ninety percent of the world's goods travel by container. A public-private partnership will invest $2.5 billion over the next 10 years to more than double its container handling capacity at the Port of Montreal. The CRG replacement rail tunnel will help Detroit and Windsor service that growth.

CRG replacement rail tunnel benefits



The CRG replacement rail tunnel will benefit all of Michigan including the west side. All of the major businesses in west Michigan support this project.

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The CRG tunnel will generate jobs

Organization	Jobs created multiplier	Jobs resulting from $400 million in construction costs
Federal Highway	4,758 jobs/$100 million	19,032
American Association of State Highway Transportation Officials (AASHTO) Study A	3,500 jobs/$100 million	14,000
American Association of State Highway Transportation Officials (AASHTO) Study B	1,800 jobs/$100 million	7,200
MDOT NITC (DRIC) Bridge	2,668 jobs per $100 million	10,672

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CRG replacement rail tunnel recommended in the Michigan state rail plan funding package

MICHIGAN
State Rail Plan

RECOMMENDED PACKAGE

GOOD PACKAGE

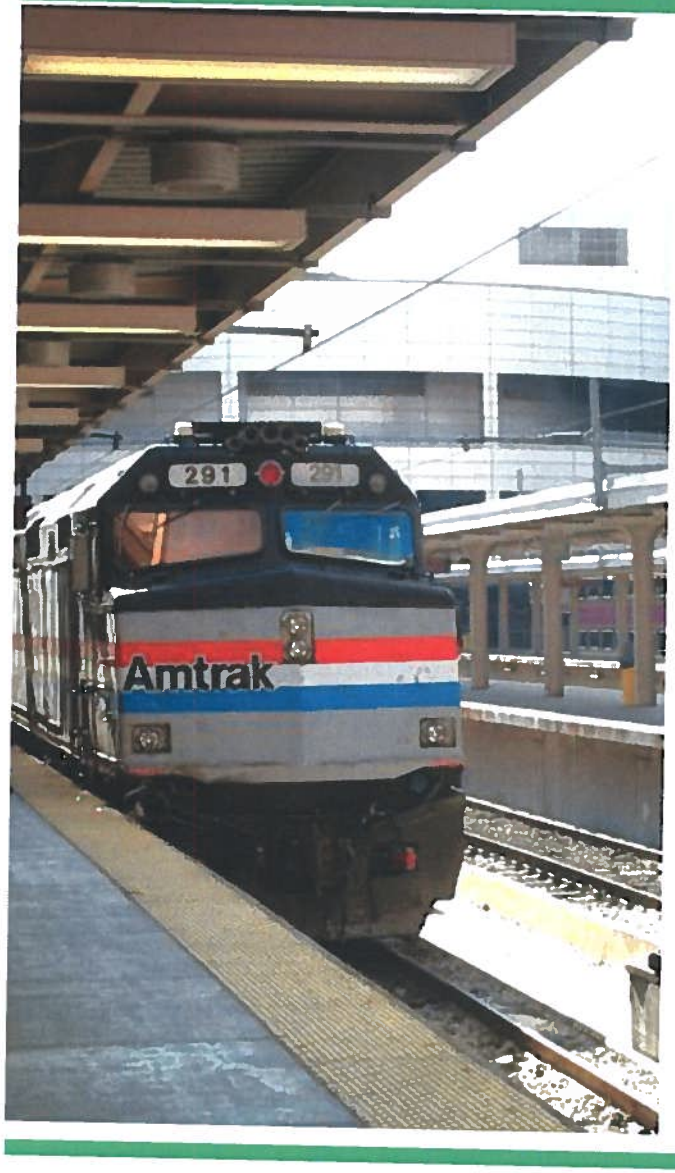
Cost: $7.2 billion
Funded: $4.2 billion
Unfunded: $3.1 billion

The Good investment package includes everything in the Baseline plus over 90 projects. This package expands state-funded freight rail programs and provides the operating subsidy for the Wolverine. In addition, state funds would be used to match federal grants, regional rail service to Ann Arbor and Howell would be initiated, major portions of the Detroit Intermodal Freight Terminal (DIFT) project would occur and the Detroit River Tunnel would be constructed.

Michigan Environmental Council

In the Fall 2011 issue of the Michigan Environmental Report, it stated: "Improved railroad transportation is a critical catalyst for Michigan's economy and quality of life …"

We should utilize the existing rail tunnels



Once the CRG replacement tunnel is operational, high-speed passenger trains could run from Chicago to Detroit to Windsor to Toronto to Montreal through the existing rail tunnels.

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The CRG tunnel is an achievable win

- It has broad support from business, labor and government leaders
- It saves and creates Michigan jobs
- It will deliver double-stack containers to the Detroit Intermodal Freight Terminal (DIFT)
- It is a neutral tunnel open for use by any railroad
- It is a project that is ready to go

When called on, please voice your support for the CRG replacement rail tunnel in Lansing and Washington, D.C.

Thank you