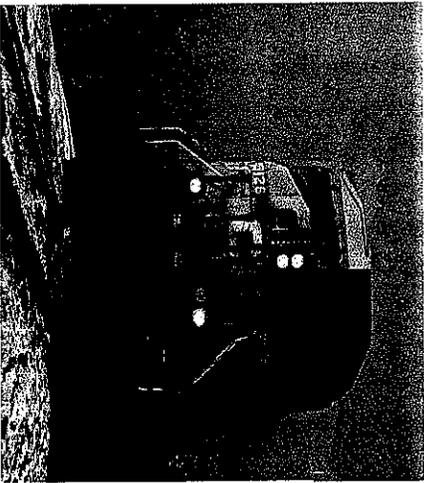
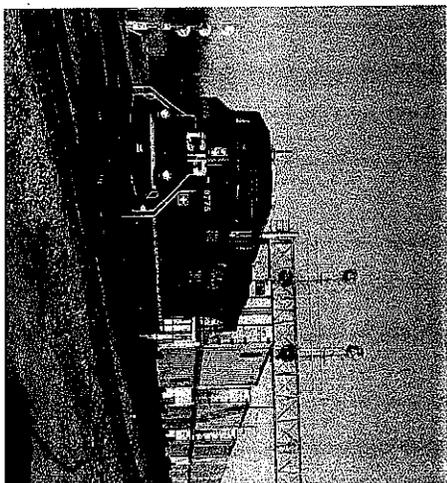


# Transportation Infrastructure and Michigan's Future Economic Growth



A presentation to the  
Michigan Senate  
Transportation Committee  
by  
The Continental Rail Gateway  
March 6, 2012



# 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

A guiding principal of global trade

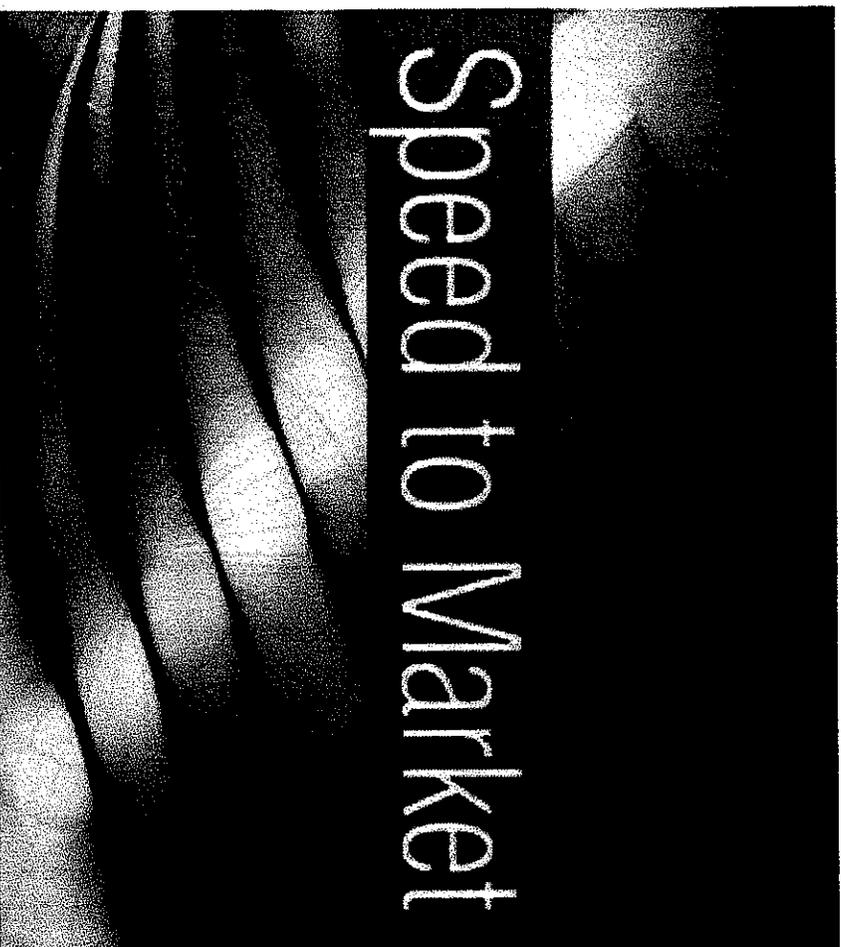
**As you all know:**

Transportation infrastructure is the  
key to our global competitiveness



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GATEWAY

## Global trade principals



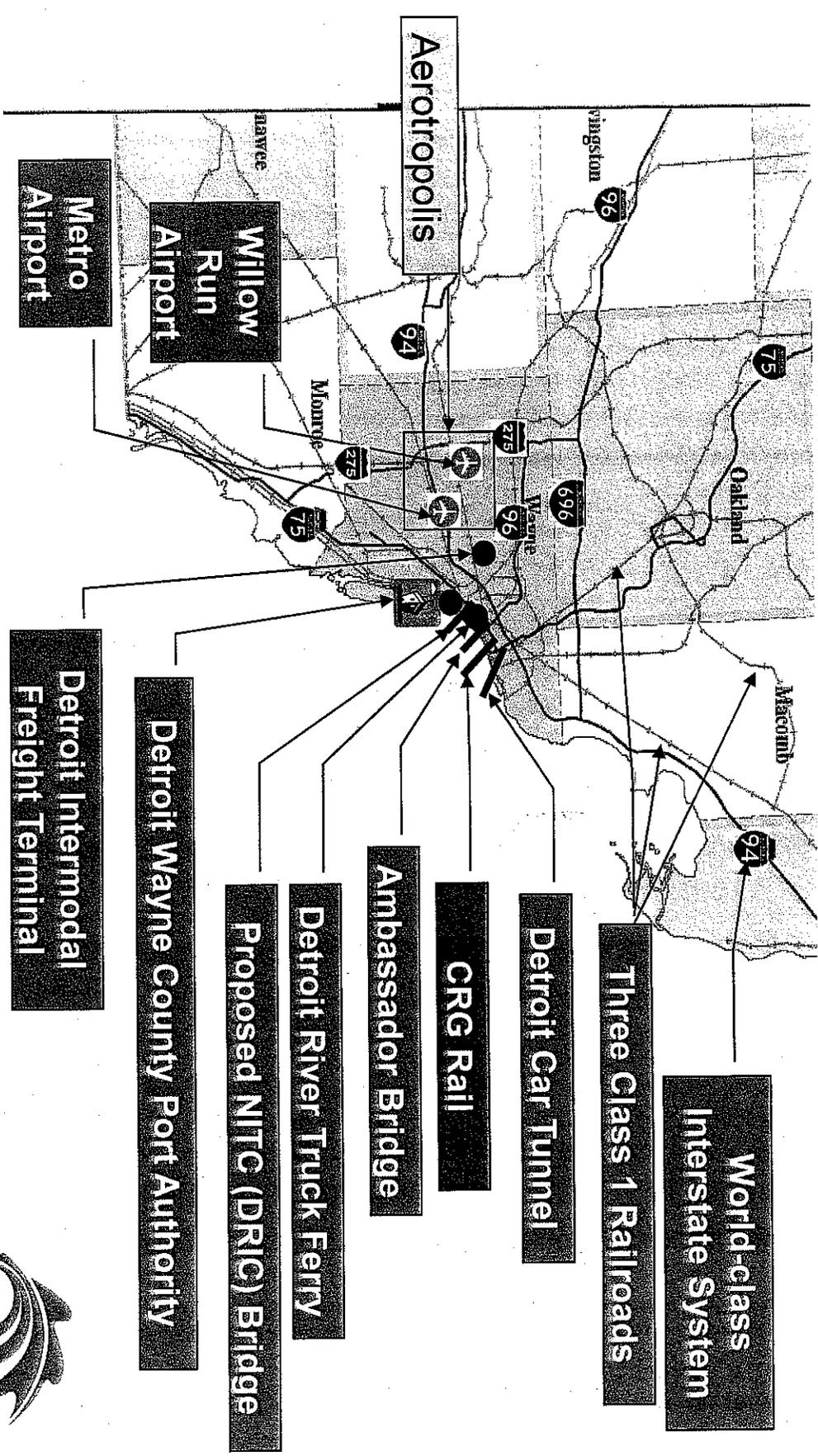
- Logistics and speed to market are keys to productivity and jobs
- The efficient interlinking of the transportation infrastructure allows sustained economic growth

# Michigan's economic growth

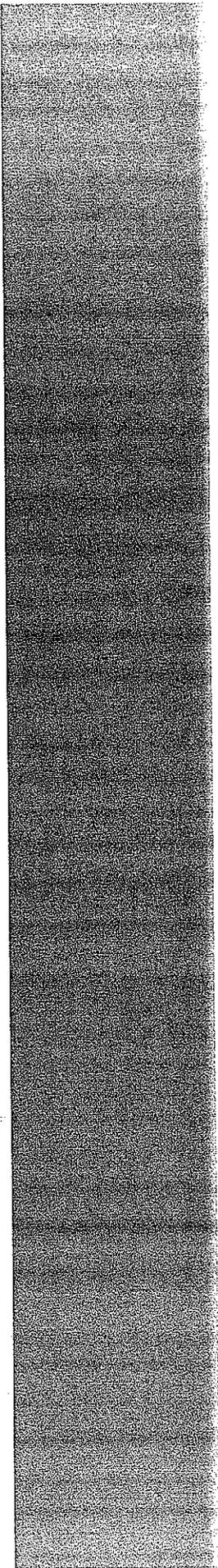


Michigan's future economic growth is tied to southeast Michigan, its transportation infrastructure, the border crossings and the planned regional logistics hub

# And, southeast Michigan has great transportation infrastructure



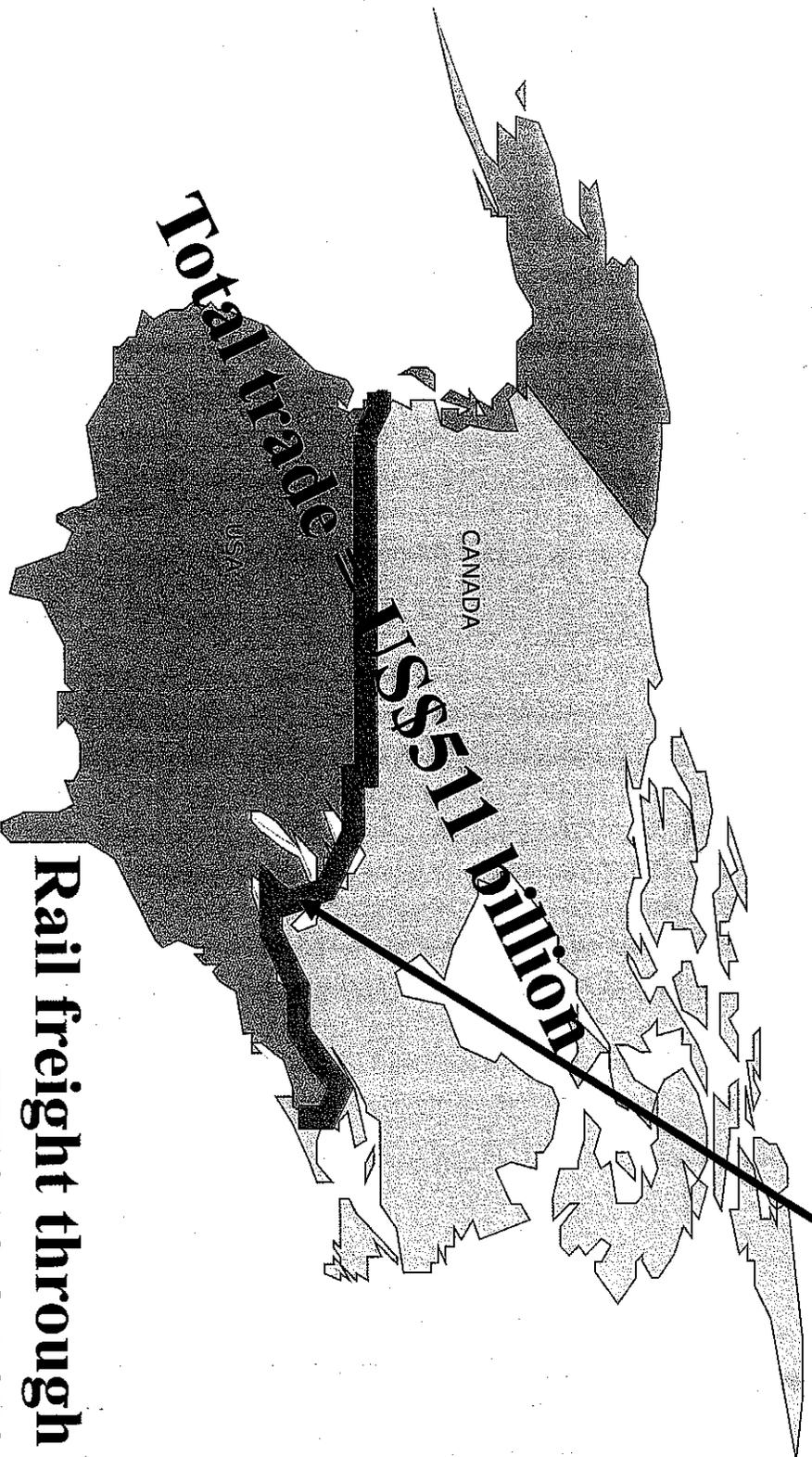
**The Detroit-Windsor border is the  
busiest border crossing in the world**



CONTINENTAL RAIL  
GATEWAY

And Canada is our largest trading partner

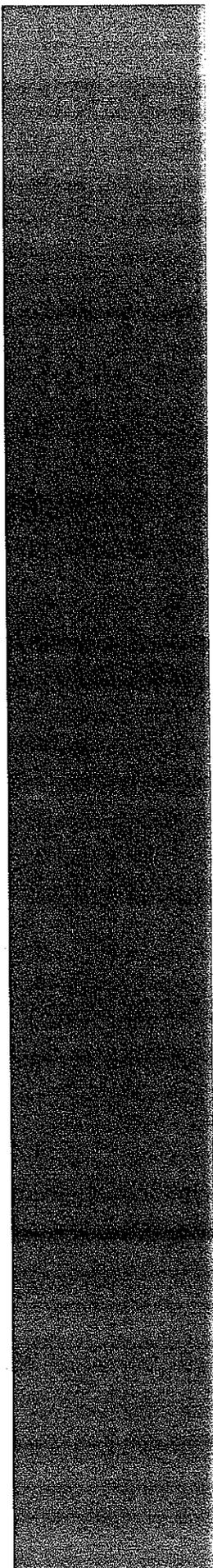
Detroit-Windsor border = US\$120.6 billion



Rail freight through Detroit =  
US\$18.9 billion



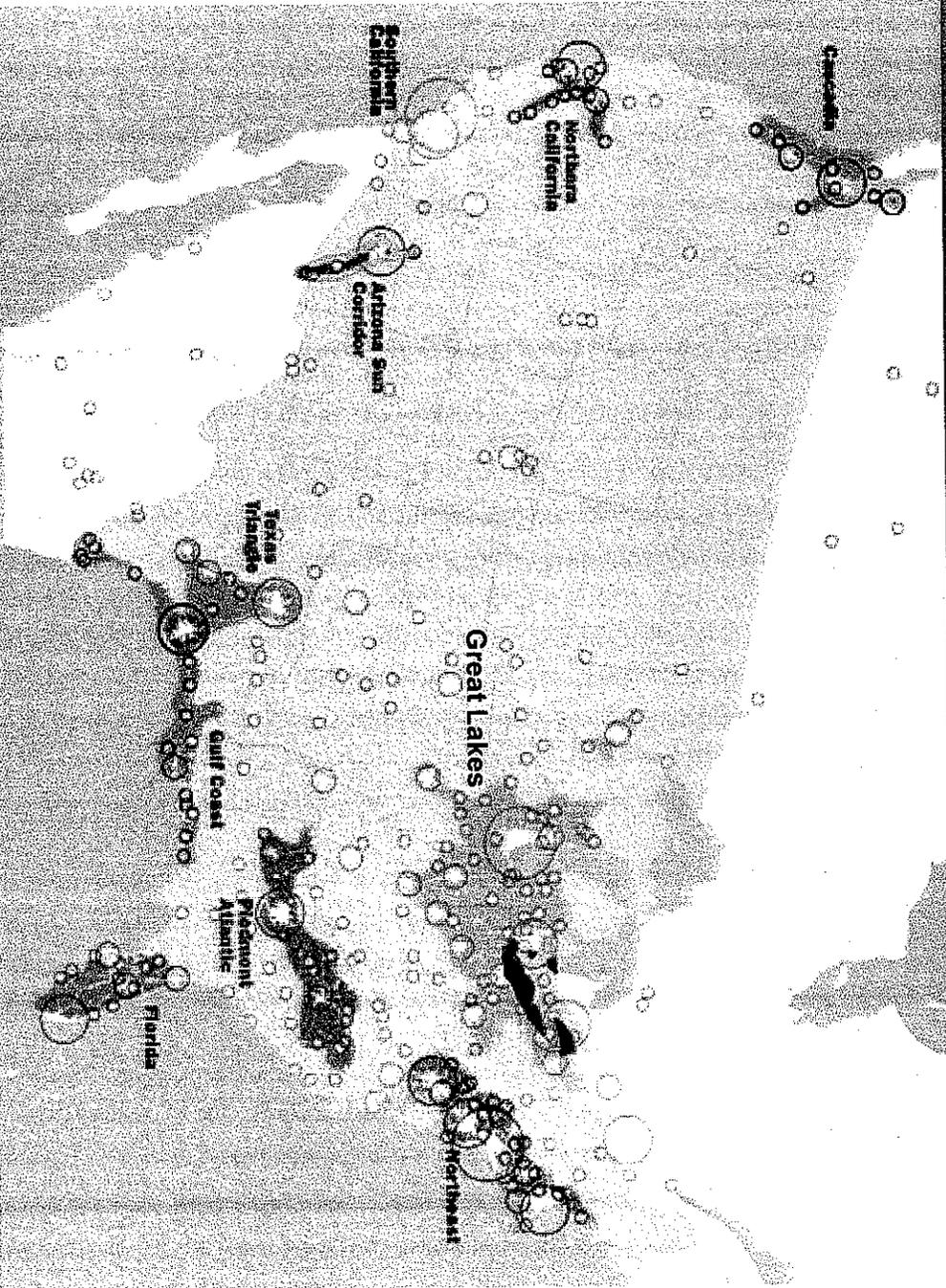
CONTINENTAL RAIL  
GATEWAY



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

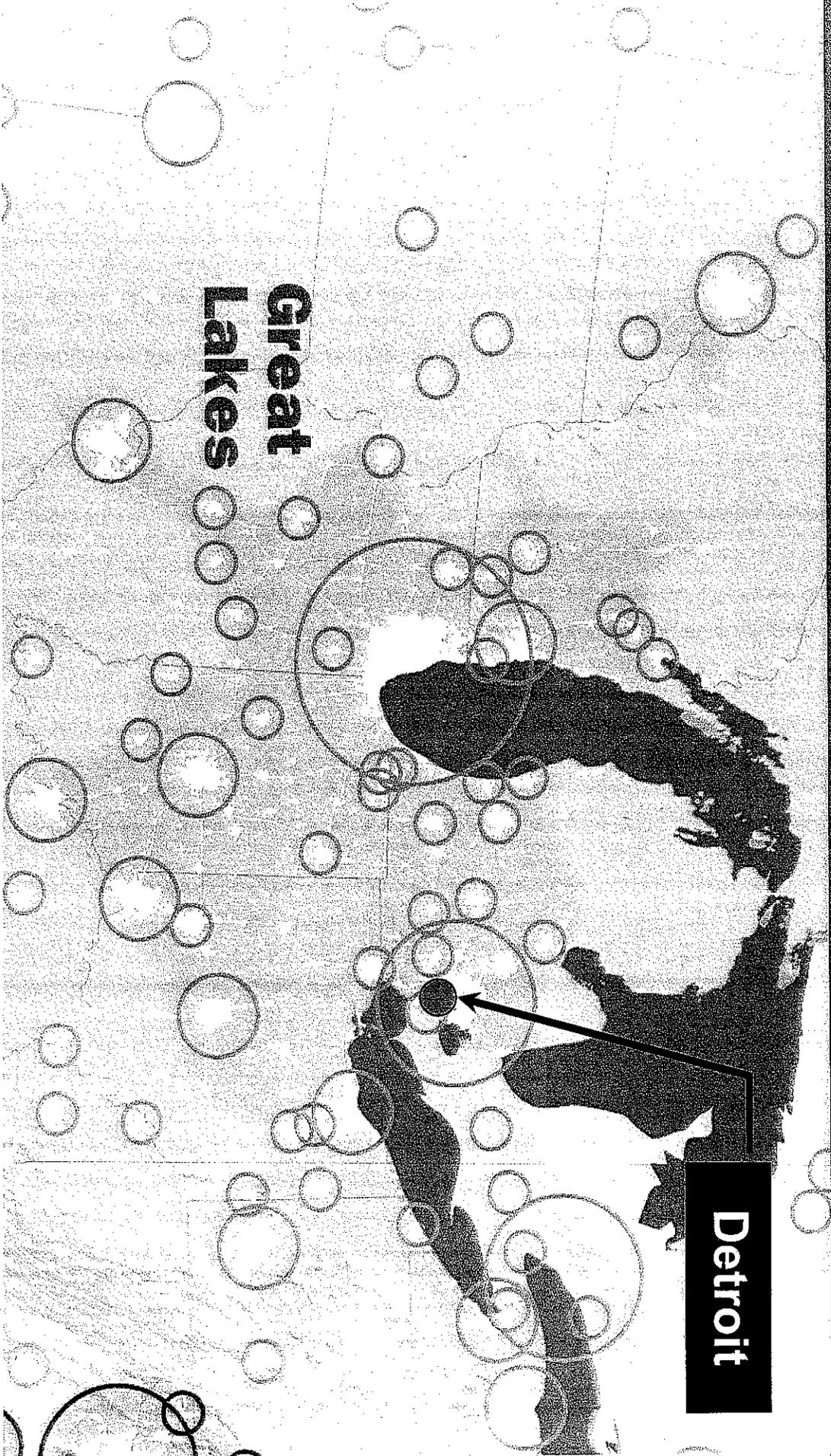


Source: Regional Plan Association, America 2050



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GATEWAY

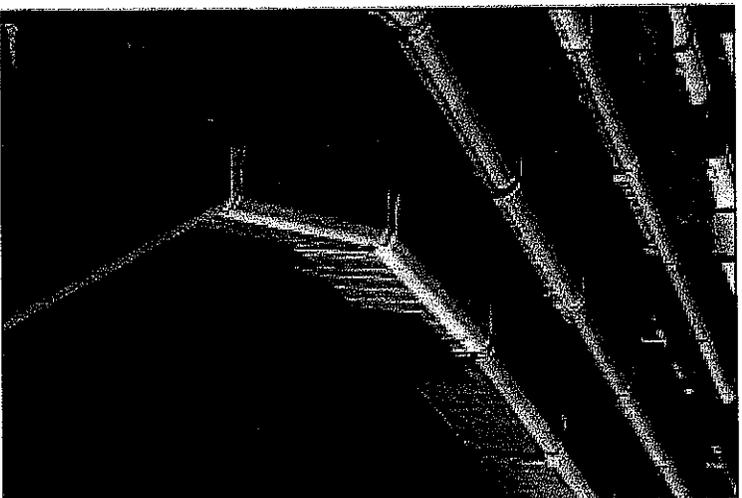
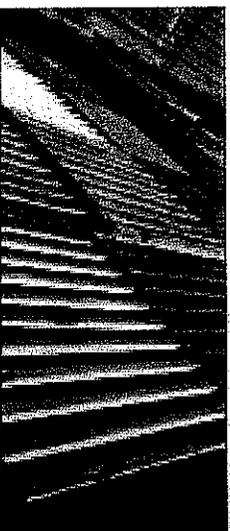
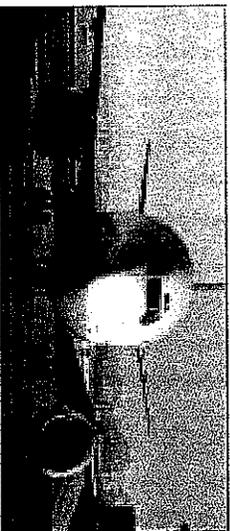
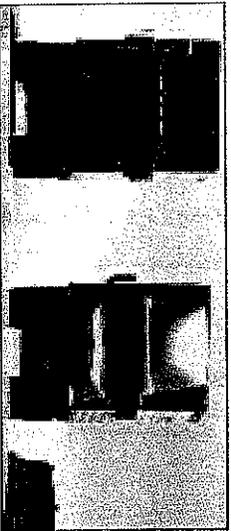
Detroit is at the center of the Great Lakes megaregion



# Great Lakes

Detroit

# Southwest 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



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GATEWAY

## Southwest 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

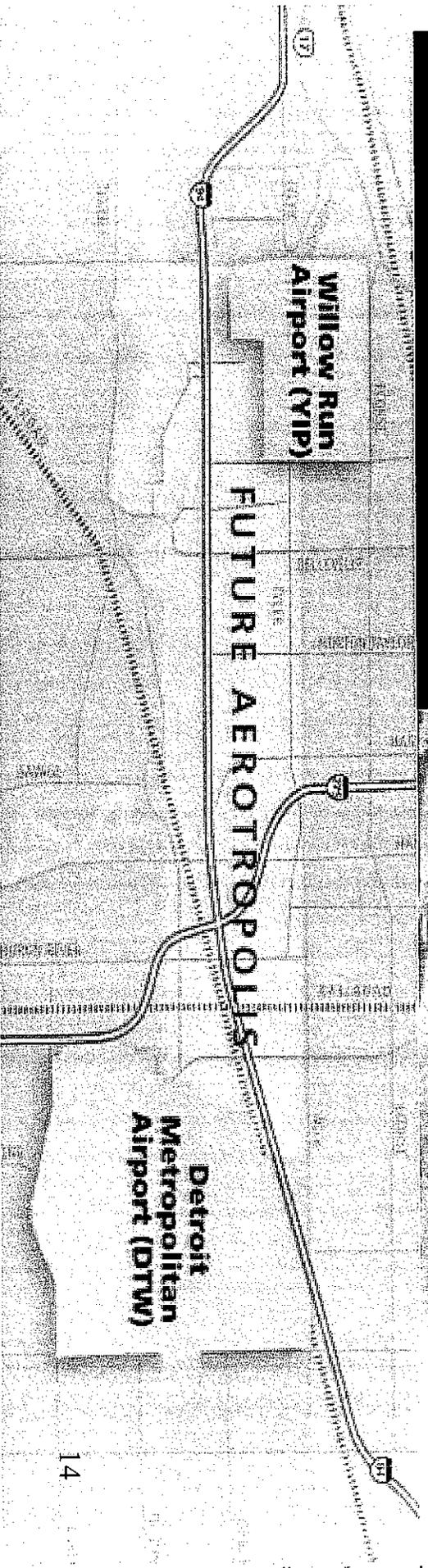


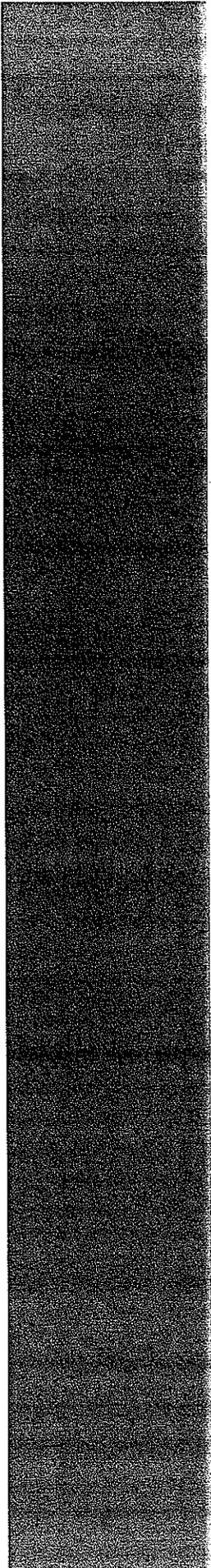
Great Lakes Freight Hub

Great Lakes International Trade and Transport Hub

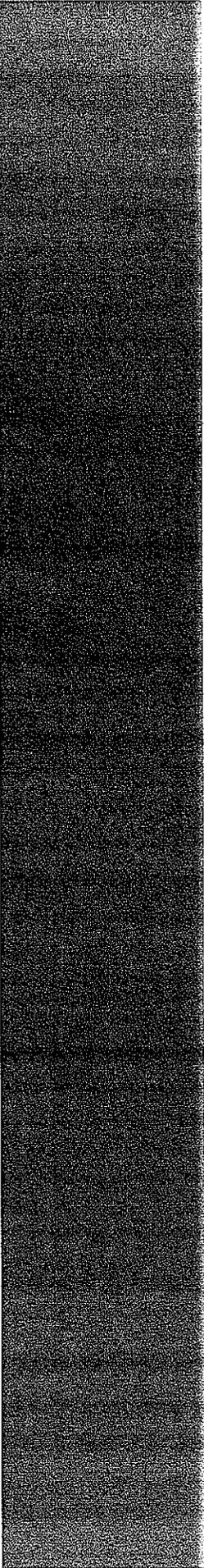
**TRANSlinked**

Driving global connectivity





**But, we have competition ...**

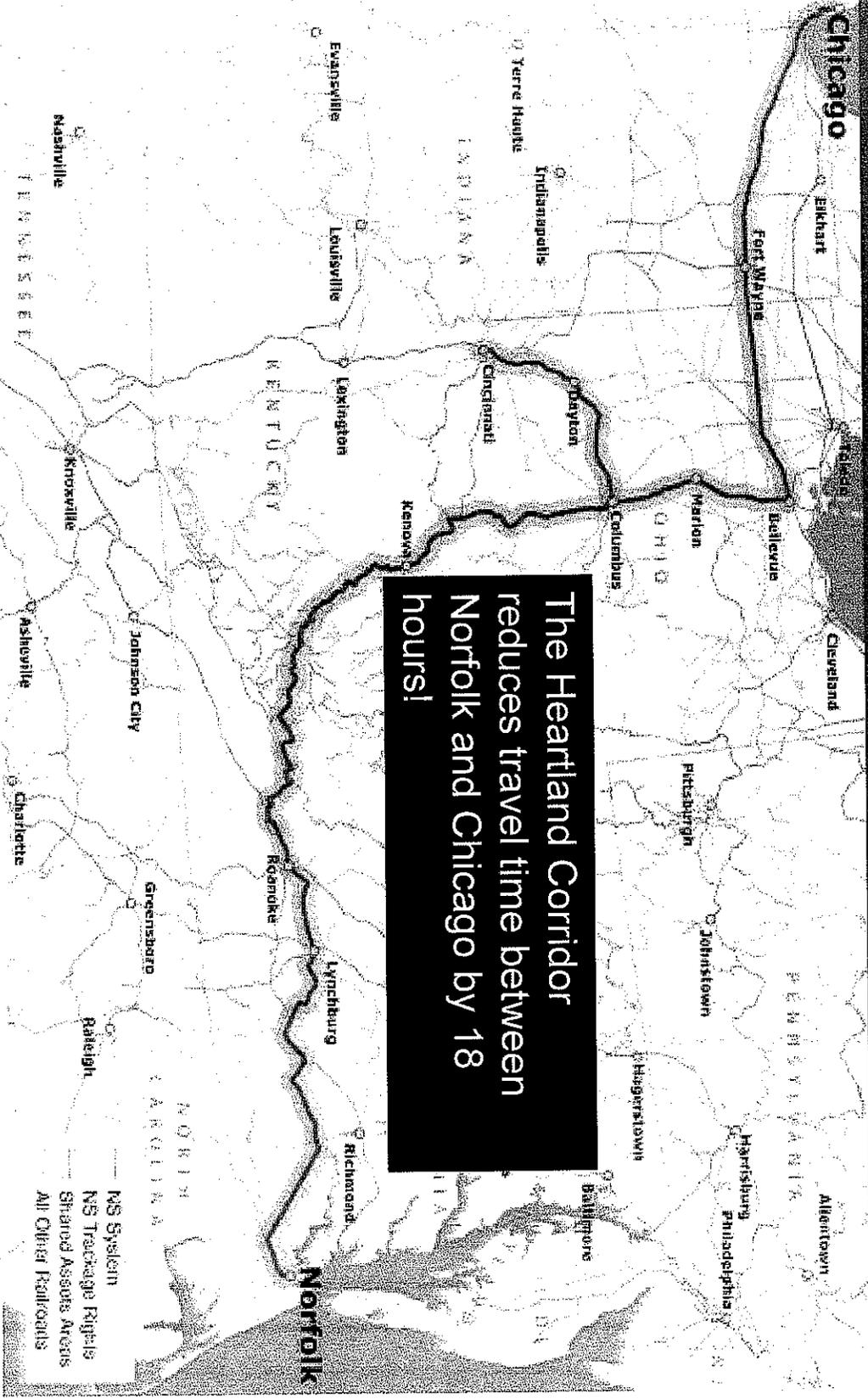


**Other states and organizations have  
moved ahead with transportation  
infrastructure projects that threaten  
our economic resurgence**



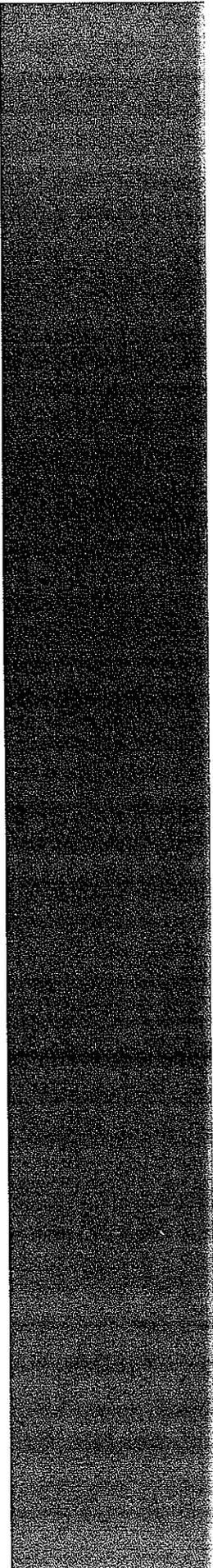


# More about the Heartland Corridor



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

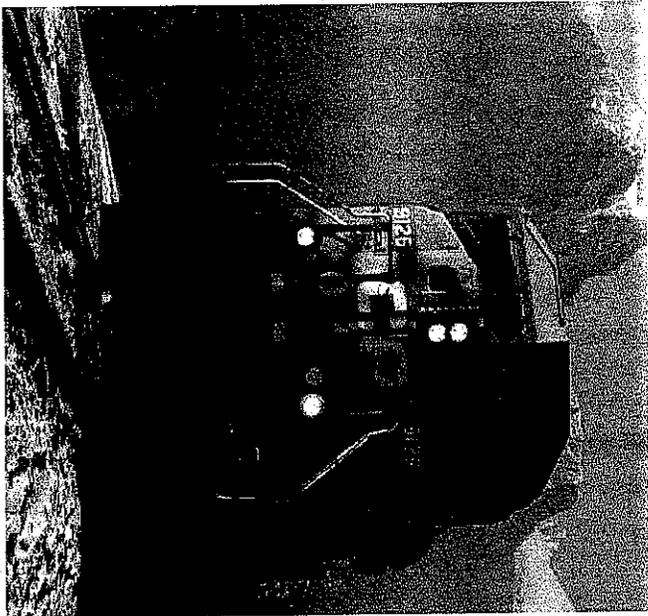




**The Continental Rail Gateway  
replacement rail tunnel is one piece of  
transportation infrastructure we can  
construct quickly and help Michigan  
maintain its competitiveness while  
stimulating future economic growth**



# Continental Rail Gateway



## Canadian Pacific Railway



EDJEALL  
INFRASTRUCTURE

PORT  
WINDSOR



# The Detroit-Windsor Border



DETROIT

WINDSOR

RAIL TUNNEL

AMBASSADOR  
BRIDGE

GAIL  
TUNNEL

DIXIE  
RAILROAD

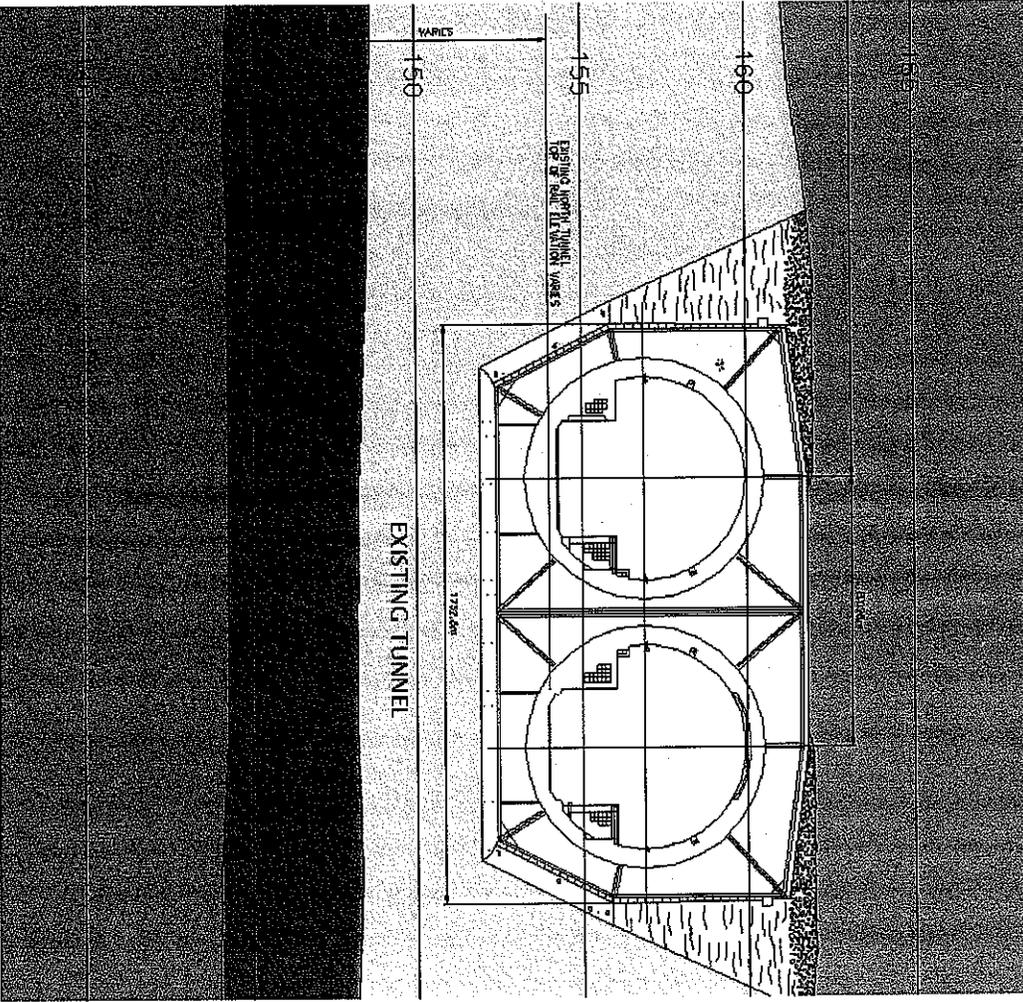
GARDNER  
TUNNEL

**LEGEND**

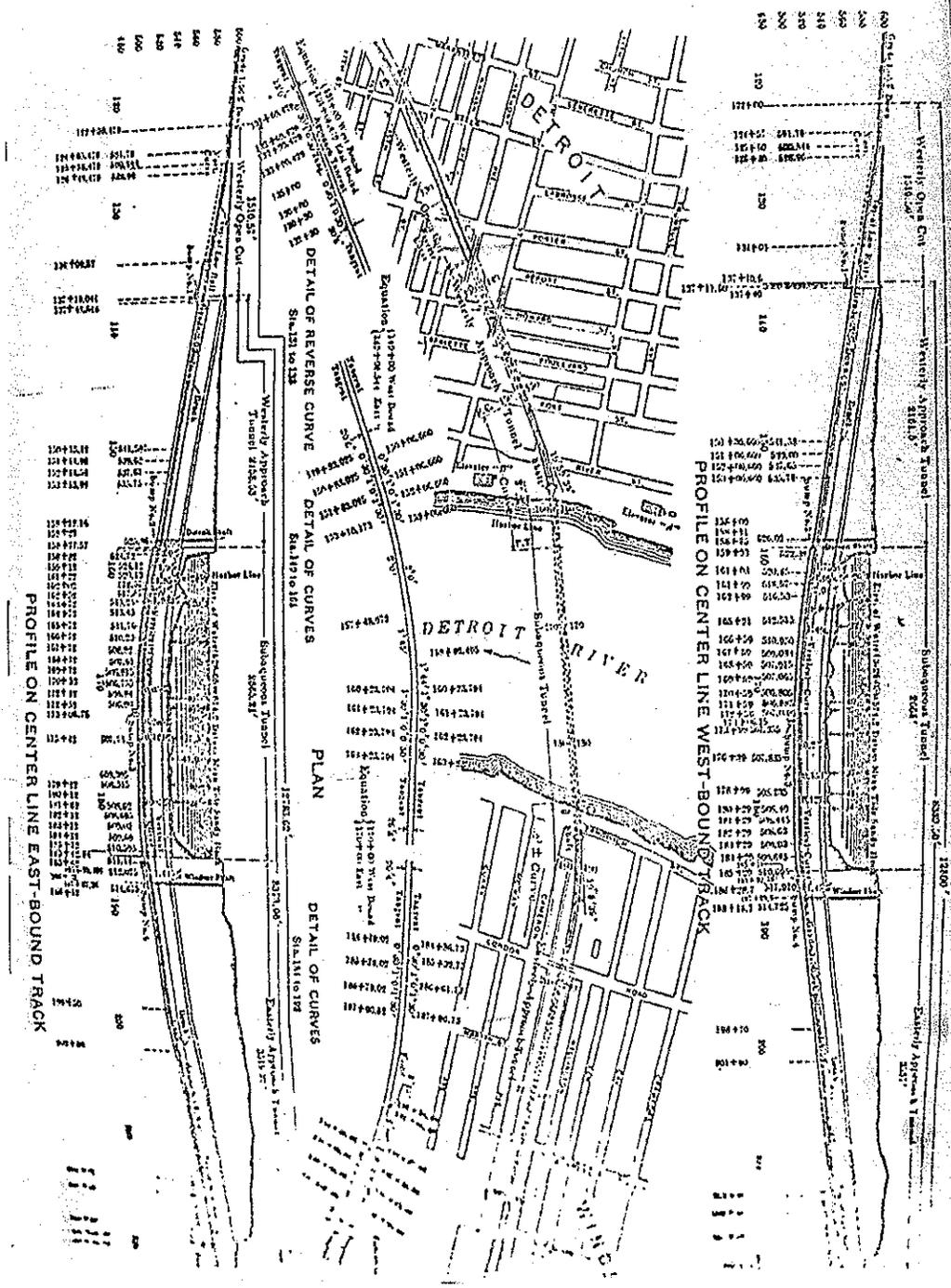
RAIL LINE  
RAIL TUNNEL  
GATEWAY

CONTINENTAL RAIL  
GATEWAY

# The existing rail tunnel cross section



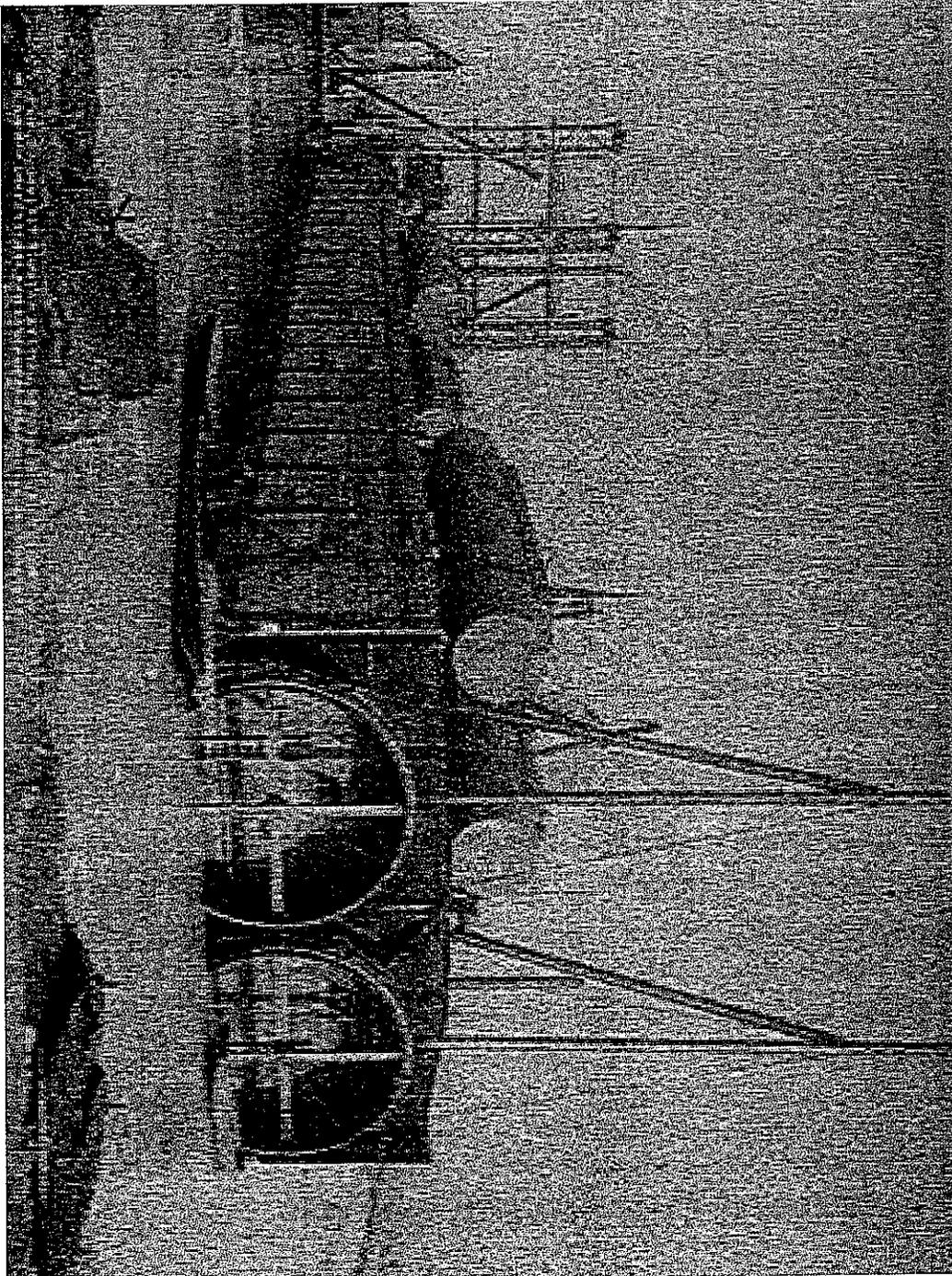
# Original drawing of rail tunnel



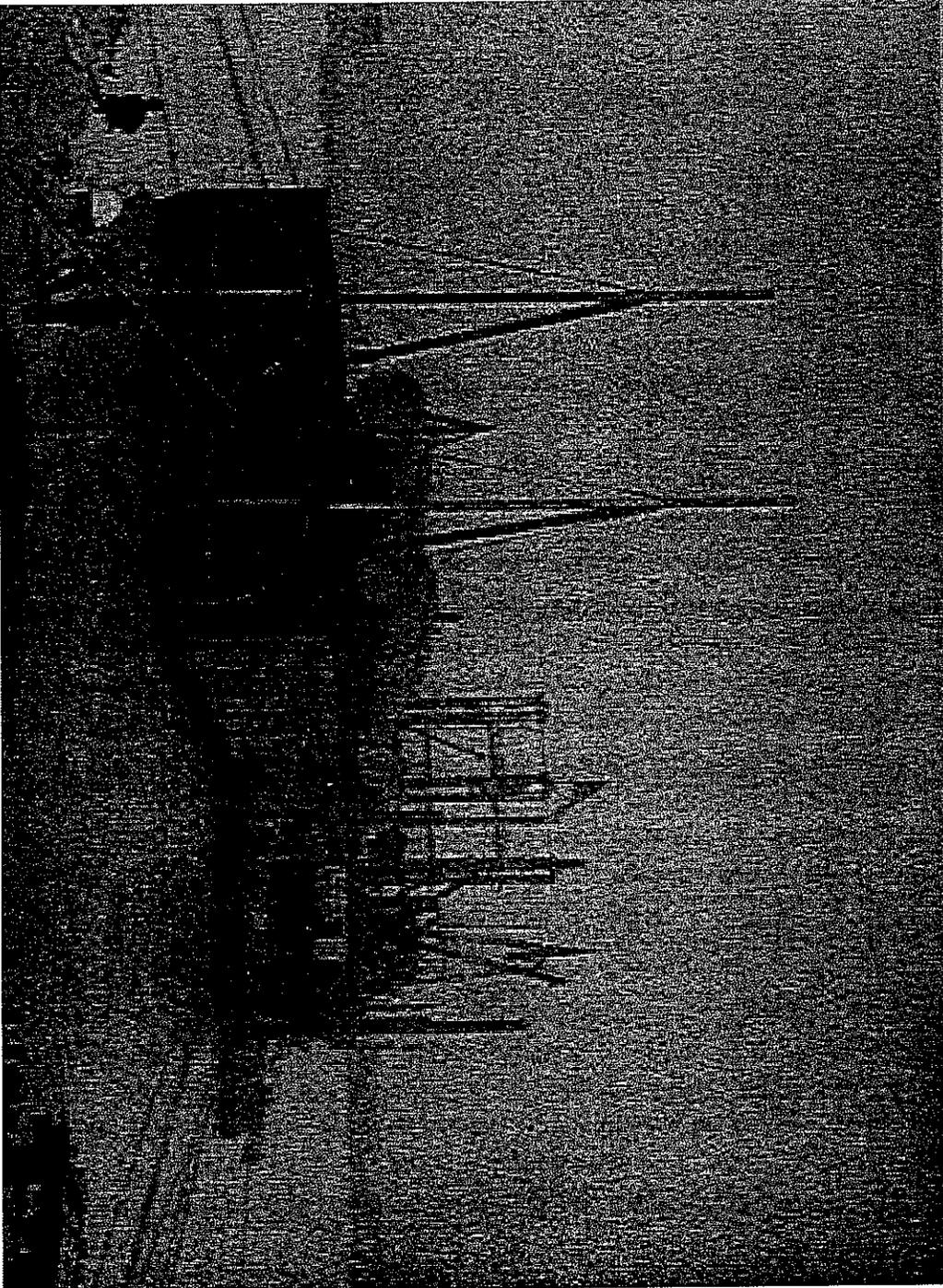
CONTINENTAL RAIL  
GATEWAY



# Existing tunnel construction



# Existing tunnel construction



# Completed train tunnel opened in 1909



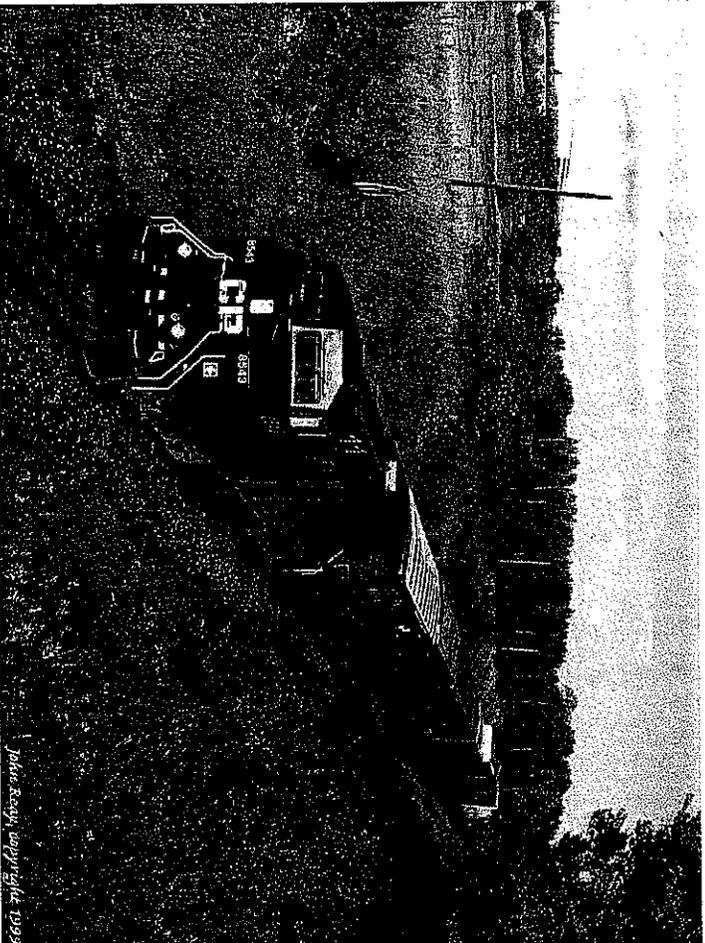
CONTINENTAL RAIL  
GATEWAY

## 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

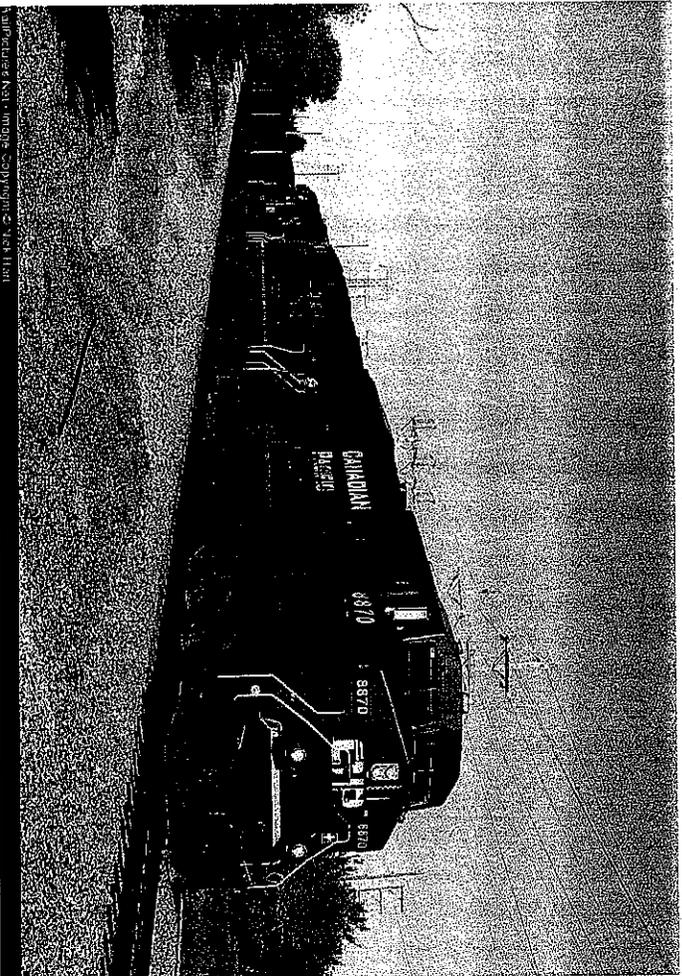


The existing rail tunnel has been in continuous operation for over 100 years and last year carried over 400,000 freight cars

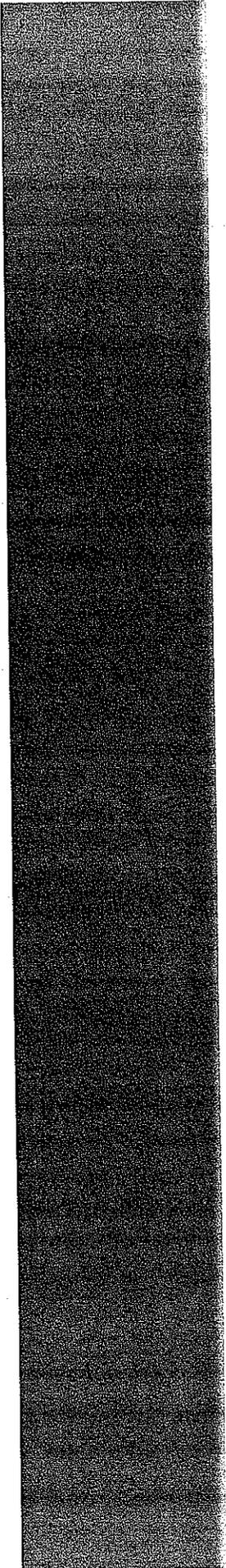


CONTINENTAL RAIL  
GATEWAY

# Existing rail tunnel



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



# Why rail freight is important



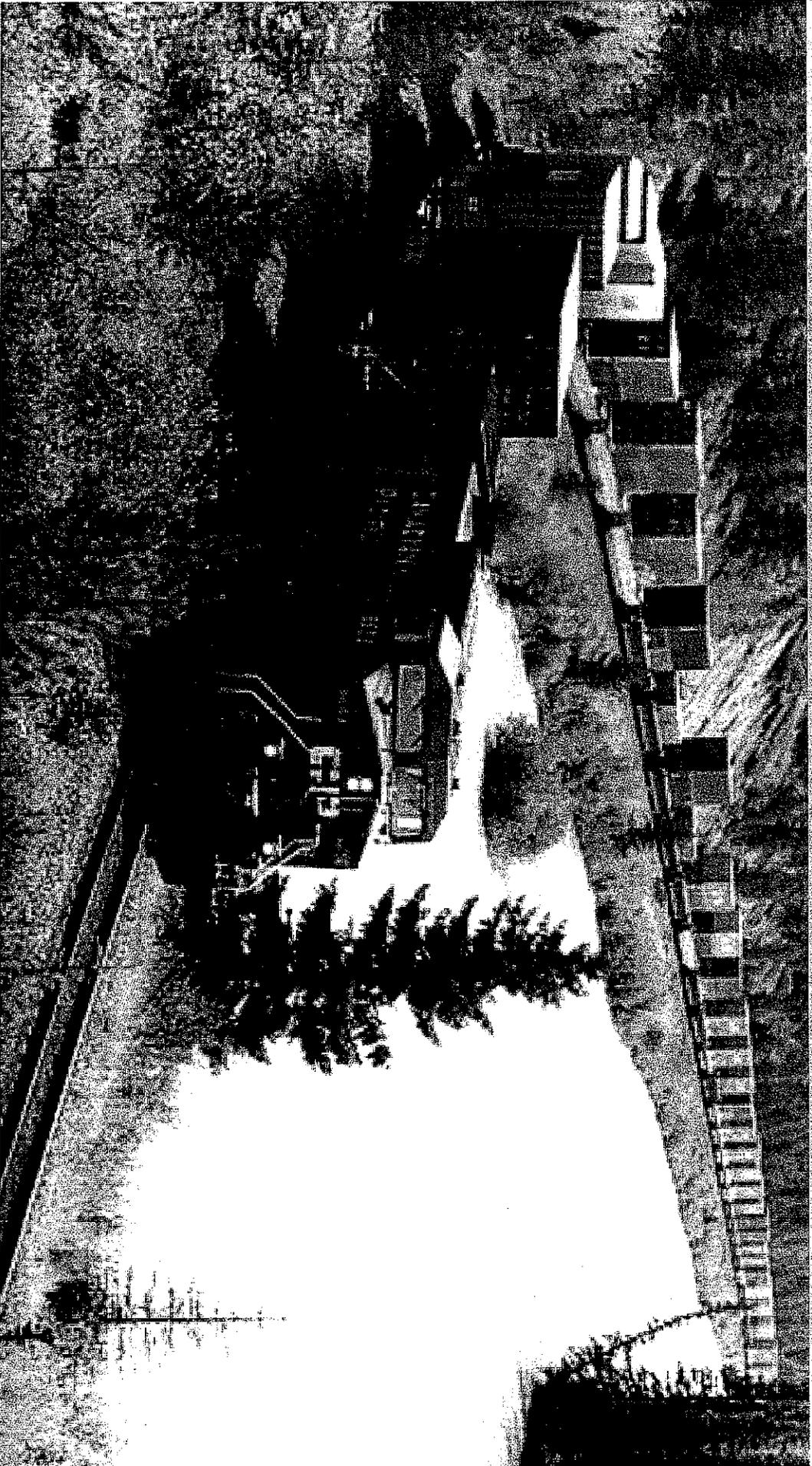
CONTINENTAL RAIL  
GATEWAY

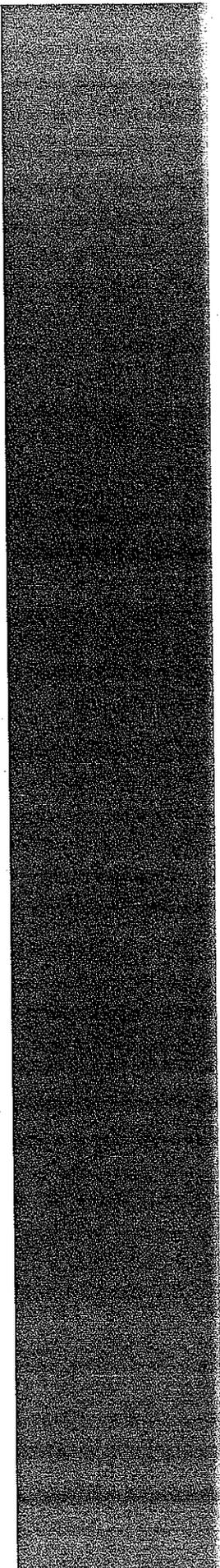
Trains are GREEN: 1 ton/443 miles/1 gal



NON  
SEE

Rail Infrastructure ... \$1.00 = \$3.00





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



Here is what we are trying to prevent

Monday, June 16, 2008

## THE WINDSOR STAR

# CP rail cars too tall for tunnel

By DOUG WILLIAMSON  
STAR STAFF WRITER

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

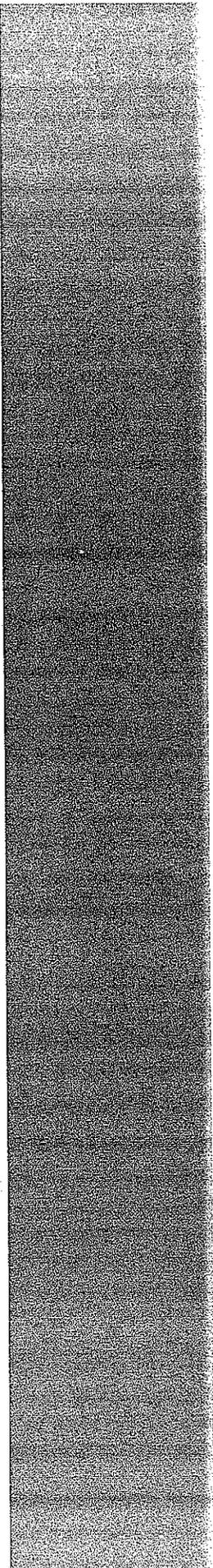
The cars remain parked on a CP rail siding along Janette Avenue as crews prepared to remove the containers and their contents.



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



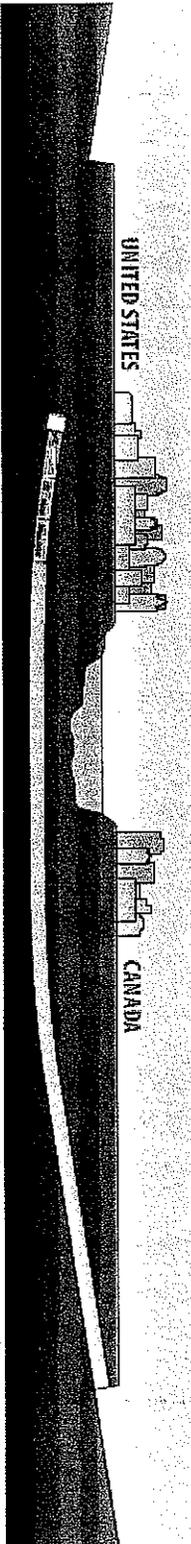
CONTINENTAL RAIL  
GATEWAY



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



# Tunnel construction with TBM



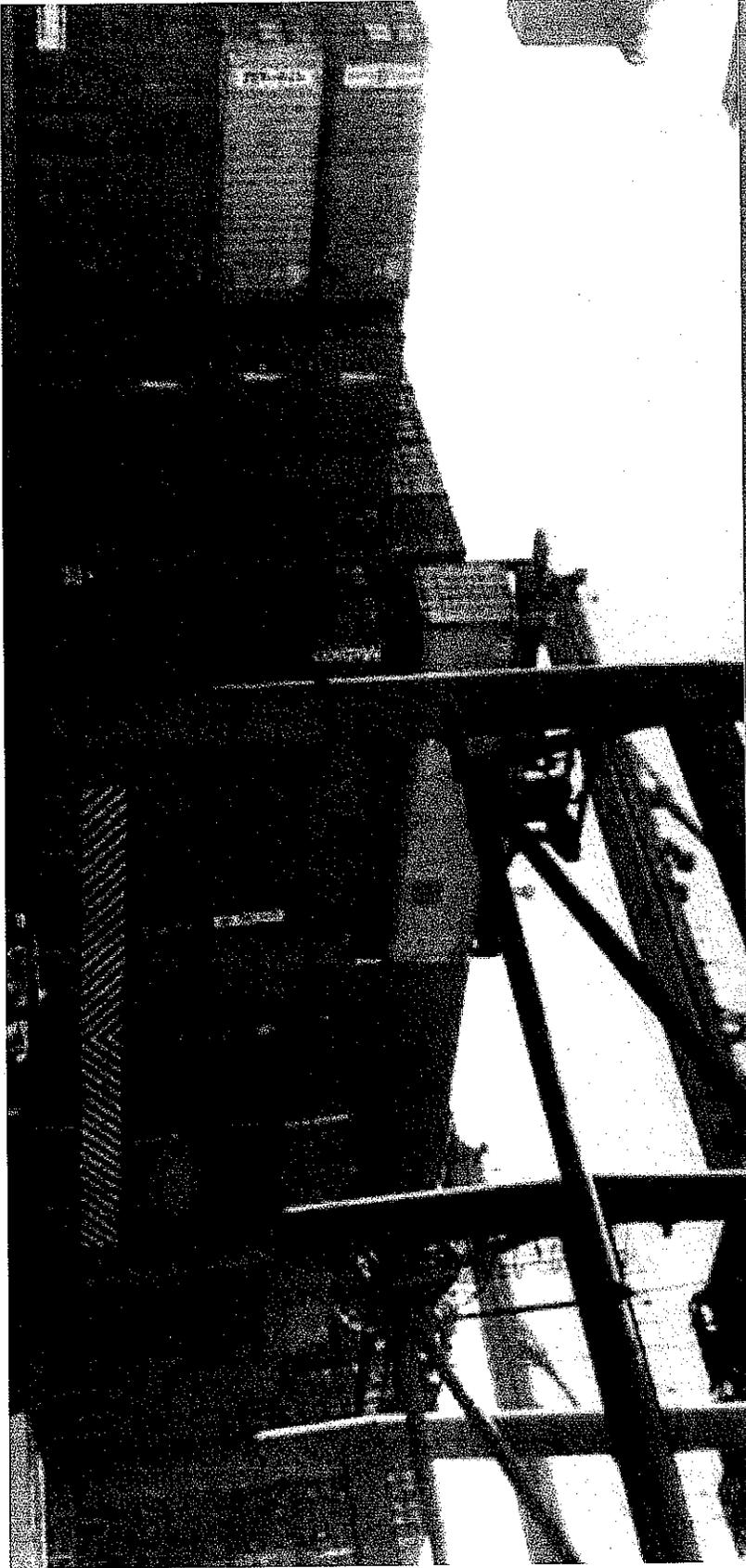
# CRG replacement rail tunnel benefits

## 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.

# 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



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



## GOOD PACKAGE

Cost: \$72 billion  
Funded: \$42 billion  
Unfunded: \$30 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 services 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

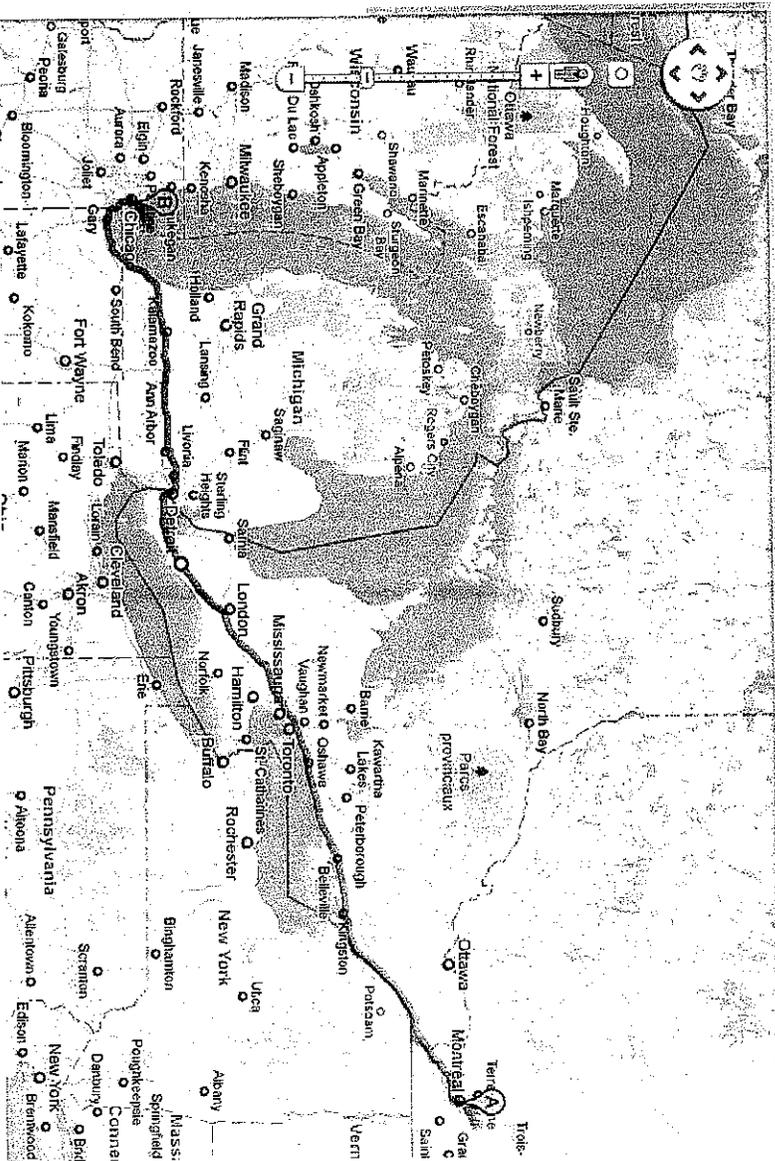
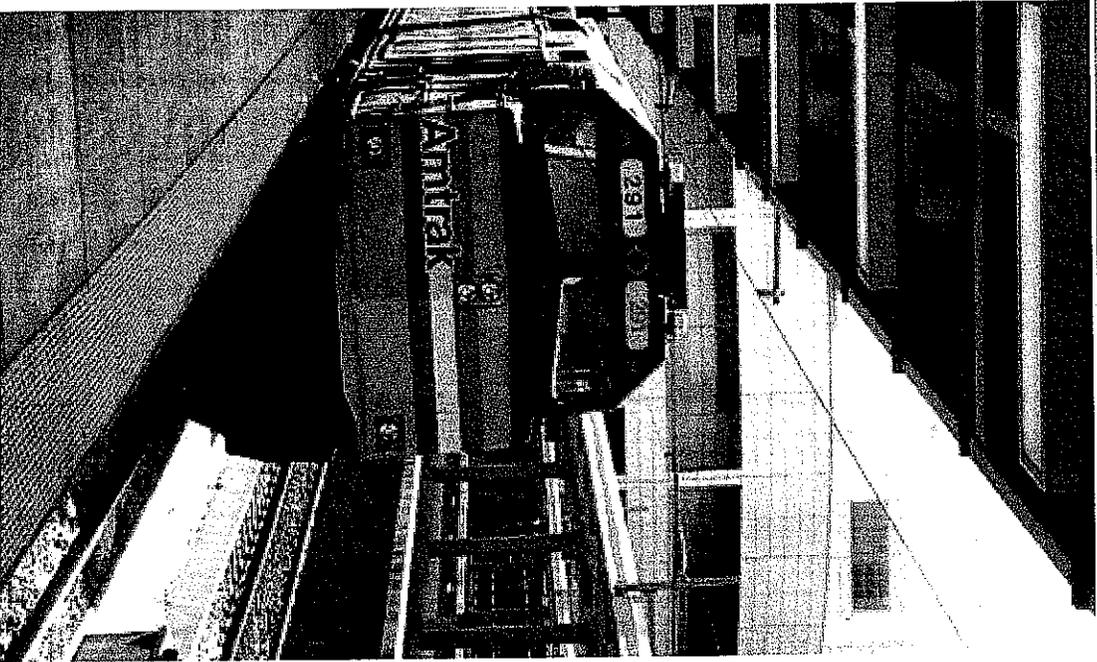


In the Fall 2011 issue of the Michigan Environmental Report, it stated: "Improved railroad transportation is a critical catalyst for Michigan's economy and quality of life ..."



CONTINENTAL RAIL  
GATEWAY

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.



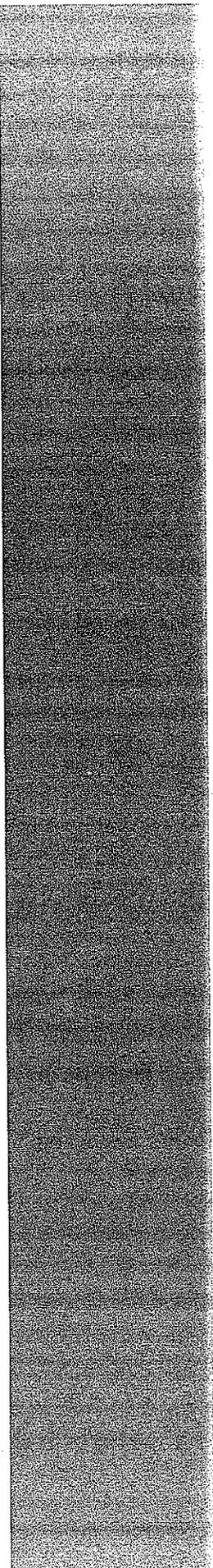
CONTINENTAL RAIL  
GATEWAY

## The CRG tunnel is an achievable win

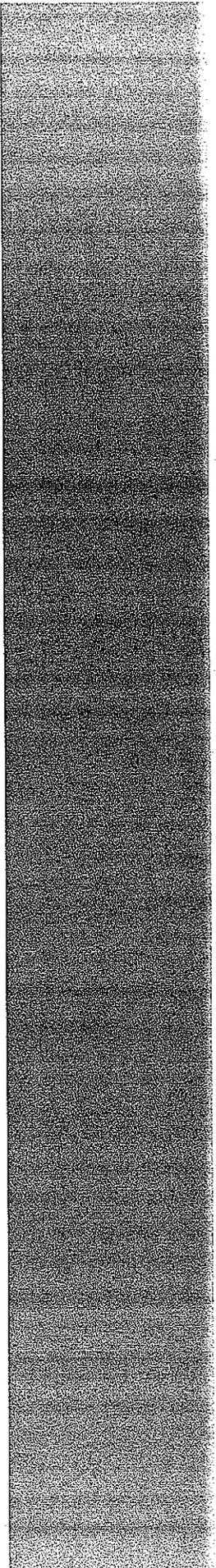
- It has broad support from business, labor and government leaders
- It saves and creates Michigan jobs
- It will deliver double-stack containers to the Detroit Intermodal Freight Terminal (DIFT)
- It is a neutral tunnel open for use by any railroad
- It is a project that is ready to go



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



CONTINENTAL RAIL  
GATEWAY



**Thank you**