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Opinion

Michigan's bridge to nowhere

Proposed additional Detroit River crossing unwise

David L. Littmann

Lansing tells us how threadbare our budget is. The Legislature threatens to release dangerous prisoners if Michigan taxpayers fail to cough up more dollars. Year after year, we are treated to the same political rhetoric from elected officials, paid lobbyists, and consultants that support a bloated public-sector budget.

Can taxpayers ever test the veracity of these threats and assertions? Can we discover whether Lansing's claims to "frugality" and its so-called "investment in Michigan's future" are genuine? You bet we can. How?

Follow the money, not the rhetoric. If Lansing has its way, sorely burdened taxpayers will be forced to fund a new bridge to Canada that is both redundant and a whopper of a losing proposition financially.

But this is exactly what Governor Granholm and the Michigan Department of Transportation (MDOT) propose. To justify such absurd pork-barrel spending, state planners have persisted in projecting traffic volumes that bear no correspondence with reality, past, present, or future. Here is the objective reality.

The current Ambassador Bridge opened in 1929. Its track record is 78 years of safe, economical, flexible, and accountable operations. Privately owned and operated, the Ambassador Bridge does not absorb taxpayer subsidy. It runs profitably and was first to make the all-important security adaptations that kept commerce flowing after the Sept. 11 terror attacks on the U.S.

These points are critical because the Detroit-Windsor corridor accounts for 25 percent of more than \$500 billion annual trade between the two nations and is the busiest commercial land border crossing in the U.S. Without question, the Ambassador Bridge became the most successful border crossing in North America since being acquired by the Maroun family in 1979.

Unprofitable bridge

Contrast this with the lack of profitability and ridiculously inaccurate traffic-volume forecasts at the state-controlled Blue Water Bridge. Not only are taxpayers still on the hook subsidizing the Blue Water operation, but the traffic volume that MDOT predicted would occur on the newly built span at Port Huron still has not materialized sixteen years later. Rather than face economic and fiscal reality, MDOT continues trumpeting its irrational exuberance. In 1991, MDOT projected that Blue Water traffic would grow from 6.2 million to 9.5 million crossings by 2007. Instead, actual crossings have dropped below 5.5 million.

And this is despite the opening of a second span of the Blue Water Bridge in 1996, which would have enabled more traffic. Clearly, the opening of Sarnia's Casino in 2000, continued success of NAFTA (North American Free Trade Agreement with Mexico and Canada) and the four greatest auto sales years in U.S. history (2003-2006) failed to generate more traffic. Moreover, were it not for Canadian garbage trucks, the counts would be down more dramatically. But today, traffic still hovers at 1991 levels -- despite having spent untold millions to "twin" the government crossings.

If you think this statistical skirmish with traffic reality has altered MDOT's predictions for traffic at Detroit's crossings, think again. Compared with 1999 (eight years ago), total Ambassador Bridge traffic is down 39 percent and Detroit Tunnel traffic remains down 49 percent! Today, the Ambassador Bridge operates at about 50 percent capacity.

Sadly, MDOT has already spent \$11 million on ground samplings and continues squandering the total \$34 million appropriated for a study to justify building a state government bridge to compete with the Ambassador Bridge less than 3 miles away.

So why has the privately-owned Ambassador Bridge firm spent nearly half a billion dollars over the past few years, acquiring land, building highway ramps and infrastructure, and complying with state environmental regulations? The existing bridge, explains the Maroun family, is almost 80 years old. Should major repairs be required and should traffic increase, a second span will be needed. The costs of ongoing maintenance justify investment in a new, modern span. Their private enterprise has done the groundwork and is willing to cover the costs plus any losses incurred. Why then, does the MDOT feel obliged to duplicate or supplant these entrepreneurial efforts?

Proposal termed 'lunacy'

Intervention by Lansing has been called "lunacy," by state Sen. Alan Cropsey, R-DeWitt. The senator is correct in this assessment. First, state spending on a duplicate bridge is money that the state no longer has for more worthwhile projects. Second, the state's record in such intrusions into the marketplace is abysmal --taxpayers end up subsidizing ventures that a private firm can handle profitably and with market accountability for services rendered. Third, MDOT assumes that, if built, its bridge would not need to compete with a new span built by the Ambassador Bridge firm. Such static analysis is what compounds their errors, in overestimating traffic volume projections and underestimating taxpayer subsidies.

Arrogance with taxpayer resources could bankrupt the three current crossings, since new traffic won't magically appear. The government would cannibalize existing crossings and then hold another press conference. Building a second bridge to Canada using a government bureaucracy with impeccable track records for losses, chronic budget deficits, and deplorable traffic forecasting is like asking Lansing to drown our Peninsula in red ink.

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