

THE OBSTRUCTIONS ARE NOT OBSTACLE ILLUSIONS

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Canadian and
U.S. Policies
Hinder Cross-Border
Ferry Development

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The Great Lakes provide a tremendous opportunity for the United States and Canada to develop, promote, and deliver efficient, sustainable, and environmentally beneficial marine transportation. Using these waterways for passenger and commercial transportation

has a rich history tracing back to the 1920s. The blue waters of the Great Lakes reach the shores of some of the most spectacular and vibrant cities in North America. Considering the dense, binational population, the hubs for tourism and manufacturing, the waterways, and the environmental benefits of marine transportation, why is there no thriving, binational ferry transportation network on the Great Lakes?

Regulations and restrictions on marine transportation have tempered the enthusiasm for a ferry network and other marine transportation operations on the Great Lakes. Nonetheless, there are many opportunities for expanding interlake and cross-border ferry services; these services can be both financially viable and environmentally desirable. It is not market forces that are impeding these developments but the negative consequences of government intervention and regulation. Are both the Canadian and U.S. governments biased toward highway transportation at the expense of marine transportation?

Debut of a Service

My family's experience as operators of the Detroit-Windsor Truck Ferry (DWTF) enables me to offer an operator-entrepreneur's perspective on the disincentives impeding cross-border ferry transportation on the Great Lakes. DWTF began operations on Earth Day 1990, highlighting a commitment to sustainable and environmentally friendly transportation.

The company's premise is to provide a safe, efficient, and economical marine crossing between Detroit, Michigan, and Windsor, Ontario, for hazardous materials and oversize and overweight transports restricted from using the local bridge and tunnel. Each ferry crossing removes trucks laden with hazardous material from the 165-mile

detour route through Port Huron, Michigan, and Sarnia, Ontario. The only alternative for specialized transports too large for a cross-border bridge is crossing by land in Minnesota and Ontario—a detour of thousands of miles.

In nearly a decade of public service, DWTF has eliminated tens of millions of route miles for hazardous materials on trucks and on large, specialized carriers. This is a significant accomplishment for a privately-funded and operated extension to a continental highway system.

The service allows businesses to eliminate unnecessary highway miles; save time and money, and reduce risk exposure. Local and regional transportation authorities also have avoided the capital expenditure of providing either a similar publicly-funded ferry service or the physical infrastructure to accommodate these vehicles. The general public benefits from reduced contact with these vehicles, as well as from reductions in fossil-fuel consumption, in emissions, and in damage to the roadways.

Implementing similar services would yield similar benefits; however, new services are not likely without an understanding and acknowledgment of ferries' significant contribution to economic development, tourism, congestion mitigation, and the environment.

Canadian Obstacles

Cost Recovery Program

In Canada, two major obstacles confront cross-border ferry developers. The first is a cost recovery program for the services of customs and immigration personnel; applied selectively to marine operations, this program discourages new commercial and passenger-ferry routes into Canada.

For example, DWTF requires customs clearance for the commercial goods its customers transport, yet the Canadian government demands full cost recovery. This penalty for operating a marine-based border crossing—or for the privilege of using a marine route to import U.S. commercial goods into Canada—has cost DWTF more than \$500,000 during the past 10 years. However, the operators of the bridge and tunnel facilities less than 1 mile upriver do not pay these charges; a new vehicular bridge

and rail tunnel between Michigan and Ontario have been exempted from cost recovery, and a new vehicular bridge planned between Detroit and Windsor also would be exempted.

Shouldn't the cost-recovery policy apply to all transportation modes? The official listing of international rail and highway border crossings subject to Canada's cost-recovery program shows only DWTF. But DWTF soon might have company—a new cross-border passenger-ferry service to the current and proposed waterfront casino developments also would face the cost-recovery burden.

The truck ferry, which serves the just-in-time requirements of the Big Three automotive companies, is limited to an 8.5-hour, 5 days-per-week operation; Canada has declined a request for an increase in hours, even though the ferry pays the cost of customs services. In contrast, increases in the customs workforce at the bridge and tunnel are provided regularly at no cost to the operators.

Icebreaking Fees

The second Canadian policy hindering cross-border ferry development is the icebreaking services fee. Instituted 2 years ago, this regulation subjects each vessel to a fee of \$3,100 per transit whenever a vessel moves into or out of a Canadian ice-zone port during ice season. Although the fee is capped at eight transits per season, it is the same for any length of transit and applies whether or not icebreaking services are provided. In this way, both a vessel on a 1,000-mile journey and a DWTF ferry on a 1-mile crossing of the Detroit River pay the same \$3,100 per transit fee. Moreover, in the case of the Detroit River, the U.S. Coast Guard performs a majority of the icebreaking.

A U.S.-based cross-border passenger-ferry service could operate year-round on the Detroit River; however, a service with only three small vessels would have to pay \$74,400 annually in Canadian icebreaking service fees. Interestingly, several provincial ferries have refused to pay the fee.

U.S. Obstacles

Freight ferries and barge services are viable on the Great Lakes but the opportunities remain underdeveloped. The safe and efficient movement of non-bulk freight via water between manufacturing centers would reduce traffic congestion, roadway deterioration, and the pressures of the driver shortage facing North American trucking companies. A vibrant marine-based freight transportation system also would ensure the availability of qualified mariners for military preparedness.

The most significant U.S. barrier to the development and operation of cross-border ferries is the



harbor maintenance tax (HMT); this imposes a fee on the cargo of shallow-draft vessels in waterways that are not dredged. For example, DWTF uses a barge to transport commercial vehicles. With a loaded draft of less than 4 feet, the barge crosses the Detroit River, a nondredged channel. When entering the United States, the cargo on the tractor-trailer aboard the barge is subject to the HMT; however, if these same transports crossed at the local bridge or tunnel, there would be no comparable tax.

To avoid paying the tax, vehicles laden with hazardous materials can divert to a land border crossing more than 100 miles away. Proposals to replace the HMT with a harbor services tax based on vessel tonnage and number of transits would prove even more onerous to ferry service development. Unless the replacement legislation exempts them, cross-border ferries transporting commercial goods are facing imminent financial collapse.

The Detroit-Windsor gateway is the busiest commercial border crossing in North America, with the Big Three automotive companies and their suppliers accounting for a major portion of the cross-border traffic. Much effort has gone into implementing innovative procedures to expedite customs clearance at the land border crossings; however, there is no similar automated cargo clearance for marine operators, which transport highway vehicles laden with millions of dollars of cargo each day. Instead, a separate, manual customs entry must be made on each shipment, resulting in delays and increased broker fees. With the contin-

Detroit-Windsor Truck Ferry prepares to carry tanker trucks containing hazardous materials across Detroit River from Windsor, Ontario, to Detroit, Michigan.



Tugboat and barge of Detroit-Windsor Truck Ferry approaches Detroit harbor from Canada with typical load of heavy trucks and hazardous materials.

ued emphasis on open borders and technology solutions, a consistent methodology should apply to the entry of commercial goods at all border crossings, including ferry terminals.

State and Local Obstacles

It is not only the federal governments that have disregarded the value of ferries and other marine transportation—the state of Michigan and the city of Detroit also have weighed in. According to the U.S. Census Bureau, the Port of Detroit traded more than \$85 billion in goods in 1998. Even though marine transportation plays an important role in the regional economy, highway and local signage for trucks to and from marine terminals is lacking. In contrast, clear signage directs local taxpayers and tourists to the privately-owned race-track, casinos, and international bridge.

Affected most adversely by large tractor-trailer units gone astray are the residents of the economically-depressed communities adjacent to the marine terminals. The state and local governments should provide directional signage to enable trucks to take the most direct routes to and from the terminals.

With thousands of miles of coastline and with trade and traffic expanding under the North American Free Trade Agreement, the state of Michigan and the province of Ontario should do more to explore the opportunities offered by their water-

ways. Transportation and trade corridor planning should encompass maritime routes. Waterfront land-use policy should give full consideration to marine transportation and industrial needs, development, and planning.

Ending the Neglect

States, provinces, and communities with access to navigable waterways should give more consideration to marine transportation for alleviating mobility and congestion problems. There are countless examples worldwide of ferry services that have provided air quality improvements and congestion mitigation. Ferries use a ready resource and expand the transportation options of urban communities. They provide commercial transporters with a safe and efficient shortcut to highway driving. Among the many intrinsic values of waterborne transportation are panoramic views and an environmentally sound alternative to more cars on bigger highways.

Can the United States and Canada afford continued highway expansion without also recognizing how this policy contributes to urban sprawl, congestion, pollution, stress, and a resulting decline in quality of life? There are stark similarities between Henry Ford's famous quip that buyers could have "a Model T in any color as long as it is black" and the government's attitude that it will entertain any transportation alternative as long as it is a highway.

The U.S. Department of Transportation's strategic plan focuses on ONE DOT; however, the majority of its resources continue to flow primarily to one mode—highway transportation. The efforts of those in the government and private sectors to promote the environmental and economic benefits of marine transportation should be acknowledged. The Marine Transportation System (MTS) initiative is laudable; however, the MTS has not yet allocated the resources necessary to maintain and upgrade the system to reach its potential.

The obstacles facing the marine industry—specifically cross-border ferries—are not an illusion. However, there is optimism that today's demand for greater government accountability will lead to more responsible stewardship of our natural resources and tax dollars. Hopefully, the United States and Canadian governments will catch a new vision to gain the maximum benefits from the environmental and economic contributions of the maritime industry.

Ferries on the Web

American Association of State Highway and Transportation Officials:
www.aashto.org/a_search.html

This site is for AASHTO's Standing Committee on Water Transportation. Links to the committee's officers, charge statement, and staff liaison are presented.

Città d'Acqua:
www.iuav.unive.it/citiesonwater

The International Centre Città d'Acqua, "Cities on Water," works to promote scientific and cultural exchange through addressing issues, problems, and opportunities for cities located on the water, whether situated along the coast, around gulfs, bays, or lagoons, on lake shores or estuaries, or along important waterways. Città d'Acqua sponsors conferences and publishes proceedings, including *Cities on Water and Transport* and *Land-Water Intermodal Terminals*.

Dan Youra's Guide to Worldwide Ferry Schedules:
www.youra.com/ferry

This website provides an excellent gateway to ferry information (e.g., schedules, fees, special events, and frequently asked questions) from all over the world.

International Association of Ports and Harbors:
www.iaph.or.jp

Envisioning "World Peace through World Trade, World Trade through World Ports," this website seeks to promote the development of the international port and maritime industry.

International Association of Public Transport:
www.uitp.com

UITP's waterborne committee reports, activities, and membership information are available. Also provided are links to the online database Mobi+, UITP events, and an electronic newsletter.

International Marine Transit Association:
www.ferry.org

IMTA is the "international information exchange for ferry owners and operators worldwide." Links are provided so that research, technical data, and other experiences within the ferry industry may be shared. Information is posted about the 25th Annual Conference, to be held October 2000 in Venice. The site is undergoing expansion.

International Maritime Organization:
www.imo.org

IMO is the key United Nations agency responsible for maritime pollution rules, maritime safety, and other mandates affecting maritime practices. The website includes a directory of maritime links, maritime news, the history of IMO, and announcements for upcoming meetings and conventions.

International Navigation Association:
www.pianc-aipcn.org

PIANC is a scientific and technical organization that promotes management and sustainable development of navigational inland, coastal, and ocean waterways for the safe and efficient operation of all types of commercial and recreational vessels. Websites related to navigation, marine research and education, and ports and maritime information are provided through links.

Massachusetts Bay Transportation Authority:
www.massferryroutes.com

This website provides details about boat services in Massachusetts, including schedules, maps, passes, fares, and other news and information. Commuter rail, subway, and bus information are also available.

Passenger Vessel Association:
www.passengervessel.com

PVA's website includes interesting details on vessel specifications of member organizations, including shipbuilders and ferry operators. High-speed ferry activities, ferry grants, and information about MARAD ferry conferences can also be accessed.

Society of Naval Architects and Marine Engineers:
www.sname.org

SNAME is a professional society of members serving the maritime and offshore industries and their suppliers. More maritime websites, event listings, and membership, scholarship, and award information can be found online.

U.S. Department of Transportation:
www.dot.gov

The U.S. DOT provides links to many maritime-related agencies with policy responsibilities for ferries, ferry programs, and ferry funding mandates. A small number of these agencies and their respective website addresses include

Maritime Administration:
www.marad.dot.gov

(This website contains *An Assessment of the U.S. Marine Transportation System: A Report to Congress*.)

U.S. Army Corps of Engineers:
www.uscg.mil/welcome.html

U.S. Coast Guard:
www.uscg.mil/welcome.html

U.S. Federal Maritime Commission:
www.fmc.gov