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A Transportation Symposium Abstract¹ The Engineering Society of Detroit Institute

“Building a Consensus for Michigan’s Integrated Global Freight Hub”

BACKGROUND STATEMENT

Michigan has always been a center for trade, thanks in large part to manufacturing, the automotive industry and the Great Lakes. This unique region, extending north to Saginaw and Flint, west to Lansing and Ann Arbor, south to Toledo, east to the Windsor-Essex region of Canada, and centered on Detroit, is our “Hub” -- a strategic geographic advantage that few enjoy. Our Hub is currently underutilized and the opportunity today is to re-envision our Hub into a world-class platform competing on a global basis and giving both Michigan and the U.S. a strategic competitive advantage for the 21st Century.

Michigan is uniquely situated to bring all modes of transportation to bear in the creation of an integrated global freight hub (GFH) for North America. The U.S. Commerce Department reported that the two-way trade that crosses the Ambassador Bridge between Michigan and Ontario alone equals all U.S. exports to Japan. 1.4 billion dollars worth of goods cross the U.S.-Canada border every day.

In freight traffic alone, our Hub is a key entry and exit point for the U.S. As of 2008 the Detroit crossing carried the fifth greatest dollar value of trade of any US border portal and was the highest value land portal. When we include Port Huron, our Hub was second in value only to the combined seaports of Los Angeles and Long Beach. However, comparing the Detroit region to the rest of the country, and especially to logistics centers, we have lower than average density of logistics firms and logistics jobs. This disparity is a barrier to economic development.

Chicago has for many years been the transportation center to and from the American heartland, but it has become highly congested.

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Congestion, topography, and distance have led supply chain companies to look for less expensive and more elegant solutions to these challenges.

Halifax, on the east coast of Nova Scotia, is the closest natural deep-water port between eastern North America and Europe, the Middle East, and South and Southeast Asia. In addition, Montreal has a 28km-long river port with an eleven-meter draft, sufficient to handle large (though not huge) container ships. They both lie along the Great Circle Route. These ports are the closest to global markets, and Detroit is their first U.S. portal to the Midwest.

Why is this an opportunity for Michigan? The decline of manufacturing and population in Michigan has caused vast areas to become abandoned or have extremely low population density. This residual of former prosperity includes a major network of railroads, two of which are trans-continental. In other words, the urban crisis we face is composed of both opportunities and threats. We need to seize the opportunities.

Recent and on-going discussions about a Global Freight Hub have not adequately addressed important financial, legal, labor and environmental concerns. The ESD Institute intends to convene a broad cross section of stakeholders from labor, environmental groups, business, government and academia to more deeply examine the question of “*How do we create a consensus to envision a competitive global freight hub to serve the needs of our 21st Century economy?*”

Reinvention of our region as a global logistics hub between the central U.S. and the world could create, in just ten years, more than 200,000 jobs and about \$11 billion of additional economic activity annually. Concentration of this development in Detroit would turn the city around, transforming vacant brownfields into logistics parks employing tens of thousands of workers.

A CALL TO EXAMINATION & IMPLEMENTABLE ACTION

This Transportation Symposium will focus on its core Mega Question:

“How do we create a consensus to envision a competitive global freight hub to serve the needs of our 21st Century economy?”



The symposium workgroups will work on the following workgroup questions:

If you were creating a labor/management relationship for a global freight hub (GFH), what would it look like and how would you implement it?

If you were designing a state-of-the-art green and sustainable GFH integrating trucking, rail, air and water transportation systems, what would it look like and how would you implement it?

If you were creating a sustainable investment environment for a GFH, partnering with the public and private sectors, what would it look like and how would you implement it?

If you were to address quality of life issues relating to the creation of a GFH, what issues would be paramount and how could those issues be resolved and solutions implemented?

Next steps include the identification of the diverse stakeholders groups that should be invited to the symposium. Stakeholder groups would represent these interests.

<ul style="list-style-type: none"> • Manufacturers • Distributors and Retailers • Construction Companies and Associations • Transportation and Logistics Companies • Community Associations • Foundations • Government (all levels U.S. and Canadian) 	<ul style="list-style-type: none"> • Labor • Legal • Financial • Nonprofits • Academic • Legislators • Taxpayers
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Conclusion

Creating a Global Freight Hub in Michigan is not a new idea. While previous groups have looked at policy issues, they have not reached actionable consensus. ESDI’s approach provides a neutral forum where consensus-based actionable deliverables can be conceived.



This Abstract has been prepared as an informational piece. It is intended to start the process and not to limit it in any way. Our goal is to report new and achievable ideas that can be implemented to benefit all. This Symposium will be conducted in accordance with the process and peer review procedures of the ESD Institute. More regarding the Institute is available at its website link of www.esdinstitute.net.

If you have any questions concerning this symposium, please do not hesitate to contact us at the Institute. We thank you for your consideration in expressing an interest to join us.

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About ESD and the ESD Institute

The Engineering Society of Detroit (ESD) is a 115 year old multidisciplinary nonprofit organization with a problem-solving mission. ESD’s reach extends to over 65,000 engineering and scientific professionals consisting of over 6,500 individual members, 3,000 corporations, 52 unions, 154 construction companies, 86 technical societies, 38 higher education institutions, and 1,667 property owners and managers.

ESD formed its Institute (ESDI) in 2008 modeled in part upon the National Academy of Sciences. To state it simply, ESDI’s Mission is consensus-building. Our goal is to provide an outcome neutral forum and process that encourages “problem solving” instead of “fault finding” through the application of inclusiveness and transparency. To achieve this goal, ESDI seeks to maintain neutrality with respect to the specific outcomes that result from our process. We are the “guardians” of the integrity of the process and not the “drivers” of any specific agenda or outcome that may result.

ESDI’s Process

Over the past two years, the Institute has engaged in a facilitative and inclusive symposium process to bring diverse and often conflicting stakeholders together to identify implementable solutions that can benefit Michigan and serve as an example for application throughout the U.S. ESDI has modeled its work based upon the symposium process of the National Academy of Sciences (NAS) in Washington, D.C. ESDI, in collaboration with ESD Board Members and public and private sector representatives, crafts a mega question that is at the heart of the symposium deliberations. ESDI prepares an abstract or executive summary of the mega question to be considered and then identifies and invites a select group of diverse and often conflicting stakeholders to attend the formal symposium.

In addition, ESDI solicits presentations from leaders in the subject matter to set the stage for the work of the symposium. After the



presentations are completed, attendees choose workgroups to generate breakthrough ideas utilizing proven facilitation and evaluation methods as described in the process methodologies contained on our website. ESDI then drafts its findings from the symposium and submits its draft report for peer review. Upon the conclusion of this step, ESDI publishes its final report of recommended solutions.

In a step beyond customary symposium practices, ESDI may, after ESD Board review, form implementation constituent workgroups made up of attendees and others to flush out the next concrete steps to bring to realization the benefits of the unifiers and enablers generated during the formal symposium. These workgroups then craft specific action plans or programs such as business plans or other valuable deliverables and define the action steps which transform consensus-based ideas into real-world programs for Michigan's economic turnaround.

Previous ESDI symposia have included:

- **Prospectus Michigan and Green Enterprise Zones:** ESDI developed a new labor-management agreement and dispute resolution system and drafted enabling legislation (Michigan Investment Corporation Act) to create a virtual investment zone capable of maintaining and attracting sustainable investment in Michigan beyond the use of public funds or tax incentives. (<http://www.esdinstitute.net/greenzone/index.htm>)
- **Blue Economic Development:** ESDI convened a Clean Water Steering Committee to build a policy consensus around the effective and sustainable use of water as key to Michigan's future job growth; ESDI volunteer engineers, working with the City of Detroit DSWD, developed a plan to correct long-term problems in the State's largest water and sewage system, independent of huge new infusions of public funding. (<http://www.esdinstitute.net/water/index.htm>)
- **Right Sizing Local Government:** City and Township officials and residents in Davison Michigan adopted ESDI and its Partner's recommendations on leveling the millage, consolidating services, controlling legacy costs, marketing strategies and job training programs, that can serve as models for other municipalities. (<http://www.esdinstitute.net/davison/index.htm>)