Borders & Transportation Infrastructure:

Border Policies

October 2006

ONTARIO CHAMBER of COMMERCE

As the most diverse and most influential business group in the province, the Ontario Chamber of Commerce works closely with governments, labour, academia and various other groups to create a stronger and more vibrant economy in Ontario and the surrounding regions.

The OCC represents 57,000 members through 160 independent chambers of commerce and boards of trade throughout the province. The OCC has worked on behalf of business since 1911.

Borders & Transportation Infrastructure:

Border Policies

This document has summarized the OCC policies related to the Ontario-U.S. border. It also includes references to approved OCC resolutions, and a list of existing legislation and bills in the legislature.

October 2006

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Border Policies

Border Policies

The international border system between Ontario and the United States is a hindrance to the economic development of the province and Canada. The governments of Ontario and Canada must take a more aggressive role to address border concerns. Over $1 billion worth in goods crosses the U.S.-Canada border every day; and annually, about $1.2 trillion are transported via Ontario highways. With over $4 billion spent by U.S. visitors to Ontario, and one out of four jobs in the province supported by the export industry, an inefficient border is detrimental to the economy. **Mitigating the potential effects of the Western Hemisphere Travel Initiative; funding and investment in border infrastructure; coordinating action between governments; and enhancing the awareness of and assistance to programs to aid cross border travel are all essential policy initiatives governments must undertake to ensure Ontario's economic future.**

THE MOVEMENT OF PEOPLE

One of the most potentially damaging threats to Ontario's economy, especially for the travel and tourism industry, is the Western Hemisphere Travel Initiative (WHTI) from the U.S. The deadline for compliance to this U.S. policy is January 8, 2007 for air travellers and January 1, 2008 for land & marine passengers. The U.S. Department of State & Department of Homeland Security is expected to meet this deadline, but recent legislative changes have permitted it necessary an extension no later than June 1, 2009. WHTI stipulates that all entering the U.S. must have a passport or another, as yet to be determined, authorized document. This has serious implications for the province (which borders six U.S. states) since 35% of Canadians and only 23% of Americans have a passport. Such an initiative represents lost jobs and revenue for

those businesses that rely on foreign dollars, and those communities that rely on foreign visitors.

The tourism industry is especially concerned. Tourism is Ontario's 7th largest export industry with over 156,000 businesses representing over 18% of all businesses in the province. In a report by the Ontario Ministry of Tourism, it is estimated that the province could lose 7,000 jobs and $700 million in the tourism industry by 2008. It is essential that the Ontario government aggressively engage this issue. Ontario must **continue to work with the federal governments of the United States and Canada to quickly prepare alternative, low-cost, secure travel documents for land border travel to the USA, continuing to pursue the idea of** adding security enhancements to an existing widely held ID, e.g. a driver's licence. (see Appendix 1, page 11)

There is a great deal of uncertainty in the public about this initiative as well. Evidence indicates that confusion surrounding documentation requirements and program implementation has already negatively impacted tourism. The Conference Board of Canada estimates that American tourism was down in 2005 by 366,000 visits. According to the Tourism Industry Association of Canada, the publicity surrounding the WHTI may be deterring American businesspeople and tourists. Therefore, the OCC also encourages the creation of an **economic tourism strategy that addresses and attempts to mitigate the impact of a decline in American travellers.** (see Appendix 1, page 11)

ADDRESSING BORDER CONGESTION

The movement of goods and people is often hindered due to congestion and inefficiency at Ontario border crossings, and will become progressively worse until substantial infrastructure improvements and

investments are made. In the next 30 years, overall trade is expected to rise by 128% and vehicle traffic 57%; the present number of lanes and functioning facilities to support capacity will not be sufficient for this added volume, particularly at the Windsor-Detroit crossing, which handles the greatest volume of cross-border traffic in the world. Research has indicated that this border could reach capacity as early as 2015. The government must take steps to address these issues immediately. The OCC urges the government to **make significant investments in border infrastructure** in the Windsor area. (see Appendix 1, page 13)

LINKING TO BORDER CROSSINGS

Reducing Ontario's border congestion also depends on having adequate and updated highway systems linking to the international crossings. Highways must be properly planned and coordinated throughout the province in order to facilitate the efficient movement of goods and people. Major industrial and commercial organizations have confirmed that the inadequate capacity of 400 series highways severely affects their business. Construction and completion of highway extensions and the Niagara-GTA corridor must be expedited. Governments must **invest in immediate and ongoing improvements to transportation corridors approaching and connecting to all border crossings.** (see Appendix 1, page 13)

INVESTMENT AND COORDINATION OF BORDER INFRASTRUCTURE PROJECTS

Without sustained investment from the government, improvements to Ontario's border infrastructure will be hindered and businesses and people will continue to be hurt though lost production, lost investment, and higher prices of goods. There are a number of government programs to fund infrastructure projects and there have been billions of dollars allocated to border

improvements. These funds however, are not always used. In the 2004/2005 fiscal year, $72.7 million was allocated under the Border Infrastructure Fund, but only $38.8 million was actually spent, thus leaving over $40 million in unused funds. These investments are a top priority and it is crucial that they are used as promised.

FAST (Free and Secure Trade) and NEXUS, while said to be available at many border crossings, do not have significant infrastructure at all these locations, nor are they functioning at all border crossings all the time. Success and functionality of cross border facilitation programs is dependant on having the proper investments, and funding needs to be dedicated to these programs as well.

To ensure adequate funding, planning and also the implementation of new border related policies and infrastructure, communication between governments should be widened. Assurances must also be made that announced investments for federal, provincial and municipal projects are carried out and programs appropriately coordinated. We strongly encourage joint meetings where **continued coordination and cooperation of ongoing efforts between levels of government should also be emphasized.** (see Appendix 1, page 16) To facilitate these initiatives, the provincial government must **immediately constitute a Borders Advisory Council, comprising representatives from the provincial, federal and border-contiguous municipal governments, as well as representatives of the private sector.** (see Appendix 1, page 18)

ALTERNATIVE TO SOUTHERN BORDER CROSSINGS

As discussed, any border delay causes a chain reaction of economic loss that affects every business and individual in the province. Along

with investment in the existing crossings of southern Ontario, alternatives are necessary to improve access between Ontario and the U.S., decrease the congestion in southern Ontario and increase overall traffic capacity in the province. Northern Ontario has potential options that should be explored, namely, Sault Ste. Marie's International Bridge.

Strategically placed on the U.S.-Canada border, Sault Ste. Marie could be an ideal site for expansion to aid commercial and passenger travel. It has access by both major Canadian rail lines, direct links to the U.S. auto market, the Gulf of Mexico and Florida. Deep sea docking capabilities and air cargo opportunities are present as well. Therefore, **Sault Ste. Marie should be evaluated as an alternative Canada-US crossing as a means to help ease border congestion in Southern Ontario.** (see Appendix 1, page 19)

CROSS BORDER PROGRAM AWARENESS

Voluntary programs have been created in an attempt to improve flow at the border, but they will not have the full effect if more businesses and people do not participate. These programs include FAST, a pre-clearance program for commercial shipments to clear customs at the border, and the NEXUS program, which is a similar program for travellers.

2004 estimates show that only 3.0-3.5% of shipments crossing the U.S.-Canada border are fully compliant with FAST. This could pose a serious risk to trade, especially if there is another terrorist attack in the U.S. The U.S. Customs Border and Protection has stated that in such a scenario, they would only allow FAST approved shipments across the border. This fact and how travellers would benefit from these programs is not apparent to everyone. It is therefore necessary to ensure that private industry is properly informed and educated about these programs. Public

awareness about cross border programs must follow the investments in infrastructure. The Ontario government should **immediately initiate a broader public campaign around awareness, education and participation in trade facilitation programs working with the federal government, the OCC and various willing national business organizations.** (see Appendix 1, page 21)

Appendix 1
Border Policies (full text)

Implementing the Western Hemisphere Travel Initiative (WHTI) and Maintaining Ontario Business and Commerce

(adopted May 2005)

ISSUE:

To minimize the anticipated impact of loss of trade and American visits to Ontario, the Province must provide leadership and financial support as communities attempt to manage the new border crossing security change mandated by the US Congress to commence January 1, 2008.

BACKGROUND:

After September 11, 2001, the United States government created the Department of Homeland Security with a mandate to create secure entry points into the country. The result has been the Western Hemisphere Travel Initiative. Under the WHTI, travellers entering the U.S. by sea and air need a passport beginning in 2007. This proof of citizenship will be extended to land border crossings Jan. 1, 2008. U.S. citizens will have the option of showing a passport or a proposed People Access Security Service (PASS Card).

Although the Department of Homeland Security has moved from its initial position of a passport as the only accepted form of identification for Americans re-entering the country towards a "pass-lite" card, the DHS has been legislated to produce some form of secure identification.

The federal and provincial governments have been working with counterparts in the United States government to move towards a form of identification that ties into existing ID as a means to reduce the cost to Americans. As well, government officials are working to extend the timelines for implementation of the WHTI.

Many border chambers across the country have been actively involved at the local level working with politicians and government officials to further encourage the United States to create a security system that has the least amount of economic impact on travellers.

Ontario's Minister of Tourism, Jim Bradley explains that the WHTI could decrease U.S. visits to Canada by more that 12 per cent by 2008. In Ontario alone the potential loss is $570 million (U.S.) and close to 7000 jobs. This initiative will affect the U.S. economy as the 35.9 million Canadians that visited the U.S last year, injecting over $11.7 billion (U.S.) will be less inclined to cross the border. More specifically, Canadian travel to the U.S. is expected to drop by 3.5 million visits by the end of 2008 resulting in a loss of $785 –million for the U.S. economy.

Since the inception of North American Free Trade Agreement (NAFTA), the U.S. economy has come to rely on its Canadian counterparts. Facilitating trade amongst NAFTA partners is now more important than ever. As the competitiveness of trade blocs such as the EU and emerging Asian economies increase, NAFTA partners must work together to find an effective solution to border security and trade. A collaborative effort to find a solution to enhance border security will ensure North American economic security.

Each Country has much to lose if the WHTI change is not well understood and communicated. While on conference call with Canadian and USA Chambers of Commerce January 17, 2006, US Department of Homeland Security explained that they will devote substantial dollars to the communication and education of its citizens resulting from these documentation changes.

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Continue to work with the federal governments of the United States and Canada to quickly prepare alternative, low-cost, secure travel documents for land border travel to the USA, continuing to pursue the idea of a dual purpose existing document held by citizens.

2. Create an economic tourism strategy that addresses and attempts to mitigate the impact of a decline in American travellers. In the 2007 Ontario Budget allocate significant marketing dollars for cooperative tourism marketing, with enriched support for border community Destination Marketing Organizations, designed to educate US and Ontario citizens on travel to USA and Ontario in 2008.

3. Encourage the federal government to allocate resources to communicate 2008 changes nationally and financially assist provincial efforts.

Effective Date: May 6, 2006

Sunset Date: May 6, 2009

Windsor - Detroit Crossing

(adopted May 2006)

ISSUE:

Given the importance of the Windsor-Detroit Border Crossing to the regional, provincial and national economy, the age, capacity, and vulnerability of existing infrastructures, there is a need for a significant investment in border infrastructure in the Windsor Detroit Region.

BACKGROUND:

The United States and Canada share the largest trading relationship in the world. Of the 4,000-mile dividing line between the two countries, no single area is more significant

than the Southeast Michigan and Southwest Ontario border crossings.

In estimated $US 1.2 billion in trade crosses the U.S.-Canada border daily—over 40% of it at the five international, land-border crossings in the Detroit/Windsor Region. Of this daily trade, as much as $US 234 million is automotive related.

Each day an estimated 58,000 crossings occur. Trade between the two countries has climbed at nearly double-digit rates each year since NAFTA implementation in 1994, and economic development means more cross-border employment, tourism and recreation. By 2020 the number of daily crossings could exceed 90,000.

Clearly, the border-crossing infrastructure in Southeast Michigan/Southwest Ontario is the lifeline of the regional economy. Taking into account crossings at both the Detroit River and St. Clair River, this lifeline comprises two bridges, a passenger tunnel, and two freight tunnels. By trade volume alone, the Ambassador Bridge is the busiest border crossing in the world, carrying 25% of the value of trade between the U.S. and Canada.

Prior to September 11, 2001, growing trade volumes, combined with aging infrastructure, brought growing attention to the border crossings in Southeast Michigan/Southwest Ontario. Experts believe that, if no improvements are made by 2030 to border crossing capabilities in the Detroit River area, the two nations will realize losses of up to 80,000 U.S. jobs and 70,000 Canadian jobs and combined annual production losses of $US 13.4 billion ($CAN 19.4 billion).

While September 11 and various other factors (e.g., SARS outbreak in Toronto, changing exchange rates, and improved

customs processing capacity) have tempered fears of fatal overcapacity, fears have not been eliminated. In fact, the Bi-national Partnership studying region's border crossing infrastructure concludes that the area's infrastructure capacity could be exceeded between 2015 and as late as 2033.

Meanwhile, the threat of terrorism has meant concerns about infrastructure redundancy and broad policy shifts affecting the border. Currently there are at least 44 U.S. or Canadian agencies with some form of jurisdiction over border issues. Although both the Department of Homeland Security and Canada Border Services Agency have streamlined organizationally, regulations have become increasingly complex, and implementation of various individual requirements has had a substantial cumulative effect. Since the Smart Border Declaration of 2001, estimated processing time for shipments entering the U.S. have climbed 300% (from 45 seconds to 2 minutes and 15 seconds per truck by the end of 2004). The result has been at least $US 14 billion in annual costs to the U.S. and Canadian economies.

In considering how U.S. and Canadian governments view the border—whether local, state/provincial, or federal—the following must be kept in mind: Countries do not trade—businesses do. Therefore, border-related policy that strives to strike a balance between economic and national security must consider businesses first.

RECOMMENDATION:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Make significant investment in border infrastructure in the region.
2. Ensure that solutions to the border problems address the concerns about redundancy, public oversight and access, short-term solutions, congestion alleviation

and environmental impacts on affected communities.

3. Invest in immediate and ongoing improvements to transportation corridors approaching and connecting to all border crossings.

Effective Date: May 6, 2006

Sunset Date: May 6, 2009

Investing in Border Infrastructure

(adopted May 2004)

ISSUE:

Announced infrastructure commitments and ongoing investment needs must be immediately met by governments acting in a coordinated basis.

BACKGROUND:

The governments of Canada and Ontario have made a number of individual and joint infrastructure announcements over the last year or so. However, what has become a problem is flowing these monies in order to commence construction, which is as critically important as the commitments themselves.

Ontario's border crossings with the United States are the lifeline of the economy. With over $1 billion in trade crossing the border everyday, any delay causes a chain reaction of economic loss that affects every business and individual in the province. Ontario's export industry supports 1 out of every 4 jobs in the province and with 93% of all exports destined for the U.S., delays at the border result in lost jobs, lost production, lost investment and increases in the price on goods. It is estimated that border delays currently cost Ontario approximately $5 billion in lost revenue per year or $500,000 every hour.

Border crossing congestion and

inefficiency exists today, and will only become progressively worse until tangible infrastructure changes are made. Therefore, all investments necessary to improve access between Ontario and the U.S. must be given priority and accelerated immediately. As well, a priority focus of the federal, provincial and local governments must be to coordinate this accelerated effort, so that no level of government further or unduly delays the cooperative action required.

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Immediately convene a meeting between the OCC and the Premier, the Minister of Economic Development and Trade, the Minister of Public Infrastructure Renewal and the Minister of Transportation, to urge the immediate flow of funds to previously announced infrastructure commitments by the Government of Ontario. Continued coordination and cooperation of ongoing efforts between levels of government should also be emphasized at that meeting.

2. Assist in convening a meeting between the OCC and the federal Minister of Industry and the Minister of Transport, to urge the immediate flow of funds to previously announced infrastructure commitments by the government of Canada. Continued coordination and cooperation of ongoing efforts between levels of government should also be emphasized at that meeting.

3. Convene a joint meeting between the province and Ottawa to ensure this continued coordination and cooperation of efforts between levels of government.

Borders Advisory Council

(adopted May 2005)

ISSUE:

Ensuring Ontario's border crossings with the United States are given the priority and attention they require, the provincial government must establish a coordinating body, with broad-based public and private sector representation, to oversee the planning, funding and implementation of new border-related policies and infrastructure.

BACKGROUND:

While some border-related issues have been improving incrementally in recent months, significantly more progress needs to be made on this file before Ontario can truly declare its crossing points with the US both trade-efficient and secure.

Any delays or obstructions at Ontario's borders cause immediate and cascading problems throughout the entire economy. Indeed, a 2004 study by the Ontario Chamber of Commerce has calculated that border delays collectively drain $5.25 billion from the provincial economy every year – and more than $8 billion from the national economy. It is one of the few files that demonstrate that any investments to improve the infrastructure will see immediate improvements and a significant return on that investment.

With the recent release of the much-supported Schwartz Report for Windsor; the announcement by the Federal Government that the Canada-US Bi-National environmental process will be somewhat expedited; and the Provincial Government's new-found attention to the Borders issue are indeed all very encouraging.

However, due to the fact that borders issues involve several levels of government in both Canada and the US, and are by definition

primarily federal responsibilities, the situation calls for one body to at least coordinate efforts and ensure they remain a top priority with all elected officials.

It is proposed that a Borders Advisory Committee be formed by the provincial government, and involve representatives from the federal and relevant local governments. It is imperative that representatives from the private sector – such as from the Ontario Chamber of Commerce - also be involved as active members of the Borders Advisory Committee (BAC).

The BAC will coordinate and implement all policies and infrastructure programs under the direct and indirect sphere of influence of the provincial government. The BAC will also ensure coordination with federal and international efforts to improve Canada's border crossings.

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

Immediately constitute a Borders Advisory Council, comprising representatives from the provincial, federal and border-contiguous municipal governments, as well as representatives of the private sector.

Border Congestion

(adopted May 2005)

ISSUE:

Gridlock and border delays in southern Ontario present a problem for Ontario's economy. The Sault Ste. Marie Bridge should be considered a viable alternative to the southern Ontario border crossings.

BACKGROUND:

While the governments of Canada and Ontario have made a number of individual

and joint infrastructure announcements over the last year or so, flowing these monies in order to commence construction is as critically important as the commitments themselves.

Ontario's border crossings with the United States are the lifeline of the economy. With over $1 billion in trade crossing the border everyday, any delay causes a chain reaction of economic loss that affects every business and individual in the province. Ontario's export industry supports 1 out of every 4 jobs in the province and with 93% of all exports destined for the U.S., delays at the border result in lost jobs, lost production, lost investment and increases in the price of goods. It is estimated that border delays currently cost Ontario approximately $5 billion in lost revenue per year or $500,000 every hour.

Border crossing congestion and inefficiency exists today, and will only become progressively worse until tangible infrastructure changes are made. Therefore, other alternatives are necessary to improve access between Ontario and the U.S., they must be given priority and accelerated immediately.

Strategically placed on the U.S.-Canada border, Sault Ste. Marie is also located on Canada's major east west highway (17). Michigan's major north south highway (I 75), is directly off of the International Bridge connecting our city through the center of the United States to the southern tip of Florida. Sault Ste. Marie is a hassle free 6-hour route into the heart of the U.S. auto market. The United States Government is in the midst of completing a $13 million dollar U.S. entry point expansion, making it a "state of the art" U.S. Border Facility in Sault Ste. Marie, Michigan. Traffic on the bridge is congestion free and averaging only three hundred thirty transport truck crossings per day (one hundred and sixty five each way). Both

major rail lines service the community and connect Northern Ontario from the east to the west coast with direct road and rail links to the Gulf of Mexico. Sault Ste. Marie has deep sea docking capabilities and air cargo opportunities as well.

The Sault Ste. Marie border would relieve some of the gridlock and allow northern Ontario cities to take advantage of this recommendation by competing for the opportunities which this kind of traffic will produce e.g. small manufacturing, new investments from automobile industry, warehousing of goods to be transported from train to truck, etc.

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

Evaluate the viability of the Sault Ste. Marie as an alternative Canada-US crossing as a means to help ease border congestion in Southern Ontario.

Cross Border Programs

(adopted May 2004)

ISSUE:

Ontario businesses must have greater knowledge and take advantage of the existing programs that enhance security and facilitate border crossings.

BACKGROUND:

There are a number of mechanisms currently available to businesses in Ontario to help facilitate cross-border trade. These include the Free and Secure Trade (FAST) program, which allows commercial shipments to clear customs faster at the border, and the NEXUS program, which is a similar program for travellers. Earlier this year, the federal government in cooperation with the U.S., announced the expansion of both of these security conscious initiatives. While the

success of these programs is contingent, in large part, on the necessary infrastructure investments being made, only those enrolled can benefit. In fact in the case of the FAST program, all participants in the delivery chain (shipper, carrier, driver and receiver) must be registered. Current estimates are that only 3.0-3.5% of shipments now crossing the Canada-U.S. border are fully compliant with the requirements of the FAST program. This could pose a serious risk to trade in the future, particularly because U.S. Customs and Border Protection has indicated that in the event of another terrorist attack on U.S. soil, only FAST registered shipments will be permitted into the country. Therefore, both Ottawa and Queen's Park should undertake a public campaign to raise awareness, educate and encourage participation in initiatives like FAST and NEXUS.

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario to:

Immediately initiate a broader public campaign around awareness, education and participation in trade facilitation programs (such as NEXUS and FAST) working with the federal government, the OCC and various willing business organizations (ie: chambers of commerce, economic development organizations, bridge operators).

Appendix 2
Legislative Framework

Border Infrastructure Fund - A federal program created in 2001 to support the Canada-U.S. Smart Border Declaration. It was initiated in 2003 and will end in 2013. The fund will assign $600 million for improvements at the Canada-U.S. border crossings. It is a complement to Canada Strategic Infrastructure Fund (CSIF) and Strategic Highway Infrastructure Program (SHIP). Areas of particular focus in Ontario are Niagara, Sarnia Fort Erie and Niagara Falls.

In the 2004/2005 fiscal year, CDN $133 million was given to Ontario Highways, and CDN $21 million to improvements at the Peace Bridge. In total, for 2004/2005, $72.7 million were allocated, but just $38.8 million were actually spent. For 2005/2006 $119 million has been allocated.

Border Transportation Partnership - This alliance is between the Canadian and United States governments, and the government's of Ontario and Michigan. It is a 30 year strategy for the Detroit-Windsor Gateway including fee and secure trade, security, environmental concerns and community impacts. The Detroit River International Crossing and the Border Transportation Partnership is slated to identify a location for a new crossing connecting Detroit, Michigan and Windsor Ontario by mid-2007. The deadline for environmental documentation, including preliminary design, to be submitted for approvals is by the end of 2007. Construction is expected to begin in 2010, with a new crossing to open for traffic in 2013.

Canada Strategic Infrastructure Fund - A federal program created in 2001 to fund large scale federal and regional projects of significance in areas that are vital to maintaining economic growth and enhancing Canadian's quality of life. It was initiated in 2003 and will be active until 2013. The total

expenditure is CDN $4 billion; CDN $2 billion was set aside in the 2001 federal budget and the remainder in the 2003 budget. The categories for funding are highway and rail infrastructure; local transportation infrastructure, tourism or urban development infrastructure, water or sewage infrastructure; and other categories approved by regulation, e.g. advanced telecommunications and high speed broadband. The fund's aim is to bring together provincial, territorial and municipal governments, and businesses for projects of major national and regional significance, and are to be made in areas that are vital to sustaining economic growth and supporting an enhanced quality of life for Canadians.

- As of March 31, 2004 CDN $25 million was allocated for wastewater treatment project in Thunder Bay, CDN $25 million for Kingston wastewater treatment plant upgrades, $50 million York region Transit, CDN $320 million for GO Transit, $25 million for Ontario Canadian Opera Corporation.
- In 2004, federal and Ontario governments gave $300 for the Windsor-Detroit Gateway in the Let's get Windsor-Essex Moving for environmental assessments and designs.

For the 2005/2006 fiscal year, $636 million has been allocated.

Let's Get Windsor-Essex Moving Strategy - Announced in March 2004 as a federal-provincial joint $300 million investment for the implementation of short and medium term projects to improve traffic flows to existing crossings and address congestion and security issues. Six projects were planned at $82.25 million as part of Phase One. In April 2005, $129 million in new projects were announced under Phase Two of the Strategy.

Move Ontario - Established in the 2006 provincial budget. It is to be an immediate one-time $1.2 billion in the province's public transit systems, municipal roads and bridges. Specifically, $838 million is allocated for public transportation in the Greater Toronto Area, and $400 million is allocated to help municipalities, primarily outside the GTA, with special emphasis on rural and northern communities, invest in municipal roads and bridges (already underway). Each municipality will decide their own priorities for road and bridge construction. For a complete list of programs: http://www.ontariobudget.ca/english/table1.html.

ReNew Ontario - Created in May 2005 as a five year CDN $30 billion investment plan for infrastructure development and will run until 2010. It is a long-term plan to construct highways, hospitals, classrooms and public transit. About CDN $6.9 billion is to be spent on improving border crossings, highways, and other transportation systems and CDN $4.5 billion for public transit. Also acknowledged is the need to "get a better use of the existing facilities, and to ensure new projects are completed on time and on budget." The five projects include:

- The Four-laning of Highway 69 between Parry sound and Sudbury and Highway 11 between Huntsville and North Bay.
- 22 new highway projects on areas with high traffic volumes and significant safety issues.
- $638 million to relieve congestion at the border, $300 million to help the Detroit-Windsor gateway project and $323 million for border projects in the Niagara and Sarnia regions.
- $3.1 billion to improve and expand public transit, such as GO, TTC and Ottawa's north-south light rail transit

system

- $1.4 billion to improve 83 transit systems in 110 municipalities through the provincial gas tax.

In the 2006 provincial budget, ReNew Ontario is expected to receive $3.4 billion to improve the provincial highway network in southern Ontario and $1.8 billion for highways in northern Ontario.

Southern Ontario Highways Program - Announced June 2006 as a five-year $3.4 billion program for highway construction. It is designed to reduce the congestion on southern Ontario's roadways, improve pavement and bridge conditions and provide smoother and safer driving conditions. The programs plans to build 130 km of new highway, 64 new bridges, repair 1,600 km of highway and repair 200 bridges. Key projects include:

- Four to six-lane widening of Highway 401 from Woodstock to Cambridge to improve traffic flow;
- Four to six-lane widening of Highway 401 from Windsor to Tilbury to ease traffic flow and improve safety (this is partly funded by the federal government);
- Planning for High Occupancy Vehicle (HOV) lanes on the Queen Elizabeth Way from Oakville to Burlington pending environmental approval and along Highway 417 from Highway 416 to Palladium Drive in Ottawa to reduce congestion and cut commuting times;
- Widening Highway 7 between Highway 417 and Carleton Place to ease congestion and improve safety;
- Extending Highway 410 from Bovaird Drive to Highway 10 in Brampton to reduce commuter time; and
- Extending Highway 404 from Green

Lane to Ravenshoe Road in York Region to reduce travelling time to recreational destinations.

In the Federal May 2, 2006 budget $404 million was allocated to border and border security programs.

- $2.4 billion for a five year Highways and Border Infrastructure Fund.
- $16.5 billion over the next four years for new infrastructure programs, including $3.5 billion this year and $3.9 billion next year.
- $5.5 billion in new federal funding for Highways and Border Infrastructure Fund, the Municipal Rural Fund, the Canada Strategic Infrastructure Fund, the Public Transit Capital Trust and Pacific Gateway Initiative. The government also stated it will maintain the $3.9 billion in current funding under existing infrastructure programs.
- $303 million over the next two years to supply secure and efficient border crossing for low-risk travellers. This is part of the Security and Prosperity Partnership.

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