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# At Canadian Border, a Bridge to Prosperity

*Billionaire Businessman Is Expected to Win Key Permit Allowing Him to Build a New Private Toll Span Between Detroit and Ontario*

By JEFF BENNETT

DETROIT—Billionaire businessman Manuel "Matty" Moroun is poised to move a step closer to tightening his control of traffic across the Detroit River, one of the continent's busiest and most economically vital border crossings.

Mr. Moroun, whose Detroit International Bridge Co. owns the Ambassador Bridge connecting Detroit and Windsor, Ontario, is expected this week to win approval from Canadian customs authorities for a key part of his plan to build a second span over the same stretch of water. By contrast, plans for a competing, publicly owned bridge have stalled amid concerns over the potential cost to taxpayers.



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Manuel "Matty" Moroun

At stake are tens of millions of dollars of annual toll revenue and a critical link in the U.S. auto industry's supply chain.

Customs authorities' go-ahead for a new bridge plaza to be developed by Mr. Moroun—including toll booths and customs-inspection buildings—would all but clear the way for his company to seek a final environmental permit from the Canadian transportation department to build the new six-lane bridge, adjacent to the existing one. The permit is one of the few regulatory hurdles remaining before construction can begin.

"This was the big enchilada," Mr. Moroun's son Matt, vice chairman of the bridge company, said in an interview. "We are now 80% of the way there."

Some \$1.2 billion worth of goods cross the U.S.-Canada border each day, a quarter of that over the Ambassador Bridge. Much of the traffic is trucks carrying auto parts or finished vehicles between the two countries. Chrysler Group LLC, which has factories in Windsor and Detroit, moves more than 1,300 shipments across the border daily.

Last year's traffic flow of 6.4 million cars and trucks generated about \$60 million of annual toll revenue for the Morouns' bridge company.

The public project, meanwhile, has broad backing from U.S. and Canadian officials and from the Michigan Department of Transportation. But despite pleas from Michigan Gov. Jennifer Granholm and an offer from Canada to subsidize the state's construction costs, Michigan's Senate adjourned this month without voting on a bill to advance the plan.

Political and business leaders on both sides of the border see a new bridge as an essential backup to the Ambassador, which opened in 1929. Their preferred route is the six-lane Detroit River International Crossing, or DRIC, a project that would cost about \$5.3 billion. The DRIC would cross the river about three miles south of the Ambassador and would be built and operated by a public-private partnership.



A U.S. Customs officer at the Ambassador Bridge in Detroit in 2008. Its owner is expected to build a second link over the same stretch of water.

Backers of the DRIC say it would open in January 2016 and generate \$70 million of toll revenue during its first year, while speeding the flow of goods between the U.S. and Canada. The Morouns' twinning plan, they say, wouldn't add enough capacity because it would involve mothballing the older span.

To build support for the DRIC, Canada has offered to pay up to \$550 million of Michigan's construction costs, which it expects to recoup through tolls.

But the DRIC can't move forward until Michigan's state Senate passes a bill authorizing the creation of the public-private company. Only then can Michigan's transportation department begin acquiring land and building infrastructure, a process that could take years.

Republican state Sen. Jud Gilbert, chairman of the transportation committee, said he won't bring the bill to a vote until it sufficiently protects the state if toll revenue falls short. "We are working to try and construct some legislation that ensures the taxpayer won't be on the hook," he said.

That puts the Morouns' timeline well ahead of the DRIC. They control huge swaths of land in Southwest Detroit and have already invested \$500 million in upgraded access roads and toll plazas on both sides of the border. That infrastructure is built, though it remains closed pending resolution of a property dispute in Detroit.

The Morouns propose to build a new six-lane span and then close the old four-lane span for refurbishment. It would reopen only to accommodate overflow traffic. Matt Moroun says his company would cover all construction costs and could open the new span in as little as three years after receiving Canadian approval.

With the bridge-plaza go-ahead in hand, his company could seek the final environmental permit within a couple of months. "Best case, we would get the permit sometime this year. Worst case, we would have to wait until next year," Mr. Moroun said.

James Kusie, spokesman for the Canadian transport minister, said there is no specific time frame for a permit approval. He added that the Canadian government still strongly favors the DRIC. "We believe it is in the public interest to construct a new Detroit River crossing that is subject to appropriate public oversight," he said.

Mr. Gilbert said he hasn't given up on the DRIC either. He said he is continuing to work on a revised bill, but declined to say when it might be introduced. He added that if Mr. Moroun begins erecting a second span before the DRIC project gets moving, the entire issue of a new bridge would be up for reconsideration.

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