

# NIAGARA ERIE REGIONAL COALITION

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## Co-Chairs:

Hon. Clyde Burmaster  
Hon. Barry Weinstein, MD

## Minutes of Niagara Erie Regional Coalition Meeting September 7, 2007

## Members:

James Allen  
Hon. Vince Anello  
Dr. Ruth Bereson  
Colleen DiPirro  
Tim Doolittle  
Hon. Wright Ellis  
Andrew Eszak  
Samuel Ferraro  
Hon. Joel Giambra  
Robert Gower  
Hon. Michele Iannello  
Hon. Timothy Kennedy  
Hon. Kathy Konst  
David Lacki  
Celeste Lawson  
Gregory Lewis  
Hon. Peter McMahon  
Hon. John Mills  
Hal Morse  
Hon. Jason Murgia  
Jo Nasoff-Finton  
Hon. Sean O'Connor  
John Percy  
Dr. Gary Praetzel  
David Roll  
Hon. William Ross  
Laura St. Pierre Smith  
Christopher Schoepflin  
Hector Titus  
Timothy Wanamaker  
Peter Wendel

## Ad Hoc:

Michael Casale  
Matthew Enstice  
Melinda Rath Sanderson  
Lawrence Witul

## Executive Director:

Tod A. Kniazuk

**Present:** Burmaster, Weinstein, Doolittle, Ellis, Ferraro, Gower, Konst, Lacki, Lawson, McMahon, Morse, Nasoff-Finton, O'Connor, Percy, Praetzel, Ross, Titus, Wendel, Casale, Witul

**Excused:** Iannello, Lewis, St. Pierre Smith, Rath Sanderson

**Absent:** Allen, Anello, Bereson, DiPirro, Eszak, Giambra, Kennedy, Mills, Murgia, Roll, Schoepflin, Wanamaker, Enstice

The meeting was called to order at 8:35 a.m. by Erie-Niagara Regional Partnership Co-Chairs Clyde Burmaster and Barry Weinstein, MD. ENRP Member Samuel Ferraro and the Niagara County Center for Economic Development were thanked for hosting the meeting.

Our guests were welcomed: presenters Tom Garlock of the Niagara Falls Bridge Commission, Ron Reinas of the Peace Bridge Authority, Luke Rich of Rich Results, and Pat Whalen of the World Trade Center of Buffalo Niagara; also New York State Assemblywoman Francine DeMonte, Eric Lafabre of Calamar, Peter Lombardi from the University at Buffalo Regional Institute, Ed Mills of Militello Realty, John McNulty representing Hon. Mary Lou Rath, Christopher Peck representing Hon. Michael Cole, and Bob Simms of Delphi Corporation.

Minutes of the May 2007 meeting were approved.

Regional Coalition Executive Director Tod A. Kniazuk presented the sustainability update. The beginning balance for the period was \$4,077.05 and the ending balance was -\$615.75. Kniazuk explained that the Erie County Industrial Development Agency has agreed to advance funding pending receipt of the grant funds we received from State Senator Dale Volker. We have received 2007 membership contributions from the Amherst Industrial Development Agency (Allen), Arts Council in Buffalo and Erie County through contract work (Lawson), City of Niagara Falls (Anello), Council of

Utility Contractors (Titus), Empire State Development/USA Niagara Development Corporation (Doolittle), Erie County Association of Local Governments (McMahon), Erie County Industrial Development Agency through housing and hosting (Nasoff Finton), National Electrical Contractors Organization (Roll), Niagara County Center for Economic Development through hosting (Ferraro), Niagara County Legislature, Niagara County Supervisors Association (Ellis), Niagara Tourism & Convention Corporation (Percy), and Hon. Barry Weinstein, MD.

Kniazuk asked the group to focus on recruiting new business members to the Coalition. He also noted that we have received much positive press and publicity through the release of the Arts & Economic Prosperity report and through The Big Easy in Buffalo.

Subcommittee Chairs Hector Titus and Peter McMahon presented the Economic Development / Government Affairs Subcommittee report. The report was received and filed.

Subcommittee Chair David Lacki presented the Tourism & Culture Subcommittee report. The report was received and filed.

Subcommittee Chair Peter Wendel presented the Transportation Subcommittee report. The report was received and filed.

Coalition Member Samuel Ferraro presented an update on Explore Buffalo Niagara 2007. The event kicks off Wednesday September 12 with an event at the Albright Knox Art Gallery and will also include Curtain Up! that Friday. This is the first time our region has done an event like this, and we are bringing 35 dignitaries from six foreign countries in to the area. The event is being shadowed by the United States Department of Commerce, who may fund a second version of the event.

The group then turned to the meeting's main topic, a Focus on Transportation.

Transportation Subcommittee Chair Peter Wendel began the presentation by noting that his subcommittee has been examining cross border issues. It is a big issue that affects everything from economic development to tourism, and as such a diverse panel was invited to discuss various aspects of the issue. Wendel noted that Howard Zemsky of the Binational Tourism Alliance could not make it due to an illness in his family.

The first topic was shared border management, presented by Ron Reinas of the Peace Bridge Authority. Reinas noted that the issue goes back to 1995 when the "Shared Border Accord" was signed. That initiative, however, failed to be implemented. Discussion resumed following the events of 9/11.

In December, 2004 the "Border Preclearance Agreement" was signed. For customs, Canada would be in the US at the 1000 Islands, and the US in Canada at the Peace Bridge. However, in April 2007 Homeland Security Secretary Michael Chertoff decided it could not be made to work at the Peace Bridge. This is because things like fingerprinting or opening laptops aren't allowed under the Canadian Charter of Rights. The US wanted to use the print database they collected in Afghanistan and Pakistan at the borders.

Also, if a Canadian citizen had an issue with a US customs agent on Canadian soil, the case would be tried in Canada; the US didn't want their agent being tried in a foreign country. In Reinas' opinion, you need a "customs union" like they have in Europe or border preclearance won't work.

Plans are therefore back underway for an expanded customs plaza in the US. There will be a public hearing on October 11 on the environmental impact of the plaza.

Titus asked if the arming of border guards was one of the issues that made the customs agreement unworkable. Reinas replied that despite what appeared in the press, it was not an issue.

Pat Whalen of the World Trade Center of Buffalo Niagara then took us to our next topic – cross border intermodal/freight. Whalen explained that we're talking about the "big steel boxes" carrying goods that move around the world via boat, train, and truck.

Imported goods from overseas are going to Halifax, Canada by boat, then via rail to Toronto, then trucked to the US through our region. The rail system in Canada offers a great opportunity for us to get goods here according to Whalen. When we get the goods here, we can add value; for instance, grain shipped here can be used to make Cheerios in addition to it just passing through the area. Additionally, the product would be duty free if the finished product is made here.

Imports from Asia are also going to the west coast of the US, which is very congested. Those goods also come east via rail. In the US, however, those railways don't have any competition which allows them to keep prices high. Those rails go to Chicago. In Chicago, the goods have to be put on trucks to be sent across town to get on another train. This is obviously inefficient and expensive.

An alternative to the west coast is Vancouver, Canada. They have three ports and two railroads from Vancouver to Toronto. That means there is competition, so it is relatively cheap. Almost everyone is now using Vancouver to import from Asia according to Whalen.

Whalen's thought is to have an intermodal yard in Erie-Niagara to complete that link from Vancouver to the US. We have the volume to make this feasible, though it may not appear that way because the statistics show the goods as coming over the border via truck. In reality if there was a rail facility here that could handle the volume they could cross the border via rail.

The WTC is working with Empire State Development, the GBNRTC, and NYSDOT to better estimate the volume. One company, Robinson Home Products, had 1500 containers cross the border last year. Dunlop had 2600.

The rail lines in Canada are CN and CP. CN's yard in Toronto is congested, and it will cost \$280 million to build a new yard. Toronto can be bypassed if they come directly to Erie-Niagara. Therefore, CN could delay the investment in Toronto and is interested in possibly building their own yard here. That is not as good, however, as building an independent yard that can welcome both lines and keep the competition intact.

Whalen concluded by noting that the South Buffalo Railway is one possible choice for a yard, but there are others. Regional Coalition Member Samuel Ferraro asked if the Lehigh Valley yard in Niagara Falls – a state run yard – is a possibility. Whalen answered that it is accessible via the Rainbow Bridge and could tie-in nicely with the cargo at the Niagara Falls International Airport.

Tom Garlock added that there are some challenges at Lehigh. CN is abandoning their Whirlpool track. In any case, the right customs system needs to be put in place to facilitate all this. Luke Rich countered that if the volume is there and proven, the

technology will come. The issue isn't who will do the \$15 to \$20 million project, but rather will CN and CP use it. He added that the "Cheerios factor" is the main reason to build the yard, and therefore you need room around the yard for these potential businesses.

One other benefit to the project is that it could pull 200 trucks a week off the QEW; four percent of the total.

Co-Chair Weinstein asked what happens to those big steel containers once they're unloaded. Whalen replied they just go back – hopefully not empty. Lacki asked if there will be an impact from loss of truck toll revenue. Garlock answered there won't be much impact. Regional Coalition Member Jo Nasoff-Finton suggested selling this as an environmental issue as well. Regional Coalition Ad Hoc Member Michael Casale inquired as to the timeline of the volume study. It will dovetail with the GBNRTC's freight study.

One last note on the topic is that the CSX yard in Lackawanna will be an intermodal yard beginning in October, primarily serving traffic from the Port of New York/New Jersey.

The final topic in the focus on transportation was the Western Hemisphere Travel Initiative (WHTI), as presented by Luke Rich of Rich Results. He began by explaining that a concern of the 9/11 Commission was the porousness of land borders in the US. Congress' answer was the WHTI.

In January 2008 a passport or "suitable substitute" will be required for land border crossings. This is already in effect for air travel. This was altered for a time, however, to allow alternate documents because of the "chaos" it created. That's good news according to Rich, as members of Congress who weren't paying attention to the issue woke up when people were calling them about delays in getting their passports.

Two years ago the Department of Homeland Security floated the idea of a pocket size identification "pass card." People thought it wouldn't work as it was the same process as getting a passport and therefore no quicker. Two months ago they proposed a rule to implement WHTI; they will accept documents like NEXUS and other "trusted traveler" cards. They'll also accept "enhanced WHTI driver's licenses."

A pilot program is underway in the state of Washington to provide WHTI compliant driver's licenses on a voluntary basis at a \$15 additional cost. New York, Michigan, and other states are studying the issue.

WHTI is also a tourism issue – what about people from non-border areas; will those states go through the cost of the new license, and if not how do they get WHTI compliant documents other than a passport?

There are many questions and issues still: Congress and Homeland Security included no federal money in 2008 for implementation. There is federal "Real ID" legislation that states must come into compliance with that is different from WHTI. This is to take effect in January 2008 but that is not enough time to implement once the final requirements are settled upon. In recognition of that both the Senate and House of Representatives have bills that would delay implementation until June 2009, but they might face a presidential veto.

Tom Garlock of the Niagara Falls Bridge Commission continued the presentation on WHTI, saying it has had a "dramatic and significant" impact. Travel of Americans into Canada has dropped to a trickle. It's already down 30 percent, and Garlock is estimating another 25 percent drop in passenger traffic next year. They are confused as to what they need to re-enter the US. Canadians, however, are still traveling here especially due to their strong dollar.

Currently about 44 percent of Canadian adults hold passports, as do 24 percent of American adults. Those figures are rising rapidly in both countries.

There is also an impact on the 200 year old relationship between our border communities. We've never looked at each other as "foreign countries" until now, and it's having a chilling effect according to Garlock. It's costing jobs in both countries too, especially in the hospitality industry in Canada.

All this said, the requirement isn't going away, if for no other reason than nobody wants to look "soft" on homeland security. Co-Chair Burmaster concluded the discussion by noting that security is the overriding issue. The Co-Chairs thanked the panel, guests, and members for an excellent and informative discussion.

There was no old or new business.

The next general meeting date was set for Friday, December 7 at 8:30 a.m. at the Erie County Industrial Development Agency (thanks to Jo Nasoff-Finton). The Co-Chairs thanked the group, and the meeting was adjourned at 10 a.m.

Submitted by Tod A. Kniazuk  
November 30, 2007