

**Testimony by Paul J. Koessler, Vice Chairman,
of the Buffalo and Fort Erie Public Bridge Authority
to the House Committee on Homeland Security**

**“The Western Hemisphere Travel Initiative:
Perspectives of a Community on the U.S.-Canada Border”**

Friday, July 20, 2007

Good morning. My name is Paul Koessler and I am the vice-chairman of the Buffalo and Fort Erie Public Bridge Authority, more commonly referred to as the Peace Bridge Authority.

The Peace Bridge between Buffalo, New York, and Fort Erie, Ontario, which opened in 1927 is the second busiest border crossing between Canada and the United States with just under 6 million cars and 1.3 million trucks crossing in 2006. Approximately 40 billion dollars in two-way trade crosses the bridge annually. The Peace Bridge Authority is a self-funded entity relying primarily on tolls for its operation and to fund capital improvements.

The Canadian market just across the Niagara River is the lifeblood of Buffalo and Western New York. Two-thirds of Ontario's 12.7 million population lives in southern Ontario within two hours of Buffalo and an additional 3.7 million people are anticipated to live in this area by 2031. This market is critical to the economic well being of Western New York.

- 21% of the Buffalo Bills seasons tickets and 28% of the Buffalo Sabres games tickets are sold to Canadians.
- 1/3 of the passengers flying out of the Buffalo Niagara International Airport are Canadians and are the primary reason for the success of that airport.
- 40% of the D'Youville College students are Canadian.
- Peace Bridge is a key conduit for companies like Rich Products, Delphi, General Motors, and tourism attractors like Darien Lake, Holiday Valley Ski Resort, Shea's Performing Arts Theater, Kleinhans Music Hall, and the Inner and Outer Harbor projects.
- Canada is New York's number one export market. It accounts for 25% of New York's exports – larger than its next three trade partners combined.

The Peace Bridge Authority supports the intent of the Western Hemisphere Travel Initiative to require improved, more secure documentation for those crossing the border. However, the confusion over what has become known as "the passport requirement" has already had a negative impact on cross border travel. At the Peace Bridge traffic declined by 16.9% from 2000 to 2006 and has declined a further 7.5% so far in 2007.

For example, earlier this week we received a call from a family who had traveled to Buffalo from Pennsylvania with the intent of also visiting Canada. While the parents had passports their 7 month old child did not and they wanted to know if and how they would be able to re-enter the U.S. without proper documentation for their child. They had no idea that passports were not yet required for land crossings and that their child would be exempt in any event.

This vividly illustrates some of the key concerns that we have with the Notice of Proposed Rule Making. Let me elaborate:

One: There is no consistent firm implementation date notwithstanding that Congress has already agreed to a June 2009 date for final implementation. The proposed rule states summer 2008 with a date to be determined.

We would recommend a June 2009 date supported by an effective publicity and awareness campaign for the date and all applicable rules and exemptions.

Two: We strongly support the inclusion of enhanced driver's licenses issued by provinces and states as an approved document under WHTI.

We are concerned that there is not sufficient time to implement this initiative and that a much greater sense of urgency must become evident for this to become a reality by June 2009.

Three: We question the purpose and usefulness of a "Passport Card" in that it detracts from the driver's license alternative, that it will confuse people, and that it actually provides less value than a passport in that it cannot be used for international travel.

We would suggest the NEXUS card be enhanced instead in the following ways:

- Harmonize the NEXUS and FAST eligibility criteria to allow more people into the program.
- Allow NEXUS to be used in all primary lanes, particularly after hours and the NEXUS lane is closed.
- Establish more enrollment centers in high demand areas.
- Allow for an appeals process to allow for some objective adjudication of revoked NEXUS cards.
- Simplify the renewal process.
- Market the program and allow stakeholders like Bridge Authorities to assist and develop innovative promotional campaigns.

Four: We do not believe the Economic Impact Study accurately portrays the negative economic impact on Western New York and the Peace Bridge Authority itself; particularly given the uncertainty associated with implementation of passport alternatives like drivers licenses and the fear that the default position of DHS will then be only passports. Should that occur the economic impacts on the Western New York economy would be devastating, given the statistics I quoted earlier. The whole binational region would become less attractive as a destination. It is estimated that should this occur then cross border traffic across the Peace Bridge will decline 25%. The resultant decline in toll and rental revenue will reduce our

bonding capacity by \$50 million and put in jeopardy our capital expansion and improvement plans.

The Peace Bridge is a member of the Public Border Operator Association (PBOA) which represents nine (9) publicly owned border crossings between the Province of Ontario and the States of Michigan and New York. Together these international crossings facilitate the movement of tens of billions of dollars worth of trade and tourism between our two nations annually. As not-for-profit organizations, PBOA members have or are investing hundreds of millions of dollars in infrastructure improvements in order to make these important gateways safe, secure and efficient as possible. The operators all rely on revenues received from commercial trucks and passenger vehicles to finance these projects, all of which will be put at risk should WHTI be carelessly implemented.

Thank you for the opportunity to share our concerns and our suggestions with you.

SUPPLEMENTAL INFORMATION

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OUTLINE OF COMMENTS AND RECOMMENDATIONS IN FULL STATEMENT:

1. The Peace Bridge is critical to the economic well being of Western New York.
2. The Peace Bridge Authority supports the intent of the Western Hemisphere Travel Initiative, however, it has already negatively impacted cross border travel.
3. Recommend a June 2009 date with publicity and awareness campaigns.
4. Support inclusion of enhanced driver's licenses.
5. Question the purpose and usefulness of a "Passport Card".
6. Suggest enhancing the NEXUS card and program.
7. Economic Impact Study does not accurately portray the negative impact on Western New York and the Peace Bridge Authority itself.
8. The Peace Bridge cross border traffic could decline an estimated 25% thus reducing bonding capacity by \$50 million and put in jeopardy our capital expansion and improvement plans.
9. All nine (9) publicly owned border crossings between the Province of Ontario and the States of Michigan and New York rely on revenues from commercial trucks and passenger vehicles to finance projects and will be put at risk should WHTI be carelessly implemented.