



January 28, 2003

Niagara BiNational Region Leader:

Enclosed please find the final report of the Niagara BiNational Region Economic Roundtable. This document represents the culmination of eighteen months of work by a unique cross-border alliance of political, business and academic leaders from throughout the Niagara BiNational Region.

We wish to thank the many organizations and individuals who provided input and guidance on the formulation of this report and its recommendations. We are also grateful to the organizations and regional institutions that join with us today to call for a regional vision that recognizes our shared resources and challenges.

On behalf of the entire Roundtable, we thank all of those organizations in the BiNational Region already demonstrating that we *are* a region, that we stand stronger when we stand together. Working across the borders that make our region so unique, there is no limit to what Niagara BiNational can accomplish.

Sincerely,

John Mayberry, Co-Chair
Chair of the Board & CEO, Dofasco Inc

Robert E. Rich, Jr., Co-Chair
Pres & CEO, Rich Products Corp



Summary

The Niagara BiNational Economic Region – the international metropolitan area that spans Halton, Hamilton and Niagara in Southern Ontario and Erie, Niagara and Monroe counties in Western New York – is a region rich in opportunity. It rests atop one of the world's most heavily traded-across international borders and is one of the most strategic commercial locations in all of North America. Home to more than 3 million people, the region boasts world-class colleges and universities; supports an economy ripe with cutting-edge industries; and represents one of the most attractive tourism destinations in the world.

The Niagara BiNational Region Economic Roundtable, a group of business and political leaders from both sides of the binational economic region, formed in June 2001 to study opportunities for growth, obstacles to vibrancy, and mechanisms for enhancing and sustaining economic vitality in Niagara BiNational.

Opportunities for Growth

The Roundtable's work revealed that Niagara BiNational is rich in opportunity, with direct access to a world-class array of economic resources.

First among these is the international metropolitan area's network of colleges and universities. The economic region's higher education institutions represent an unparalleled binational network of research and training, focused on developing the products and training the workers that will shape tomorrow's economy.

Well-positioned for tomorrow, Niagara BiNational is similarly capitalizing on its strategic location as a vital artery of international commerce. No border region in North America boasts as much international bridge capacity, and Niagara BiNational is second only to Detroit-Windsor in the number of annual crossings and volume of traded goods passing through it. The region's vibrant and diverse economic base represents yet another resource to build upon – Niagara BiNational is a leader in automotive equipment manufacturing, information technology and data processing, telecommunications, agriculture, tourism and finance.



BiNational Cooperation

The Niagara BiNational Region is no stranger to cross-border cooperation. The Roundtable builds on a history of close linkages in the region, particularly within business and the public sector, to identify shared opportunities and common concerns. Recent years have brought even more cross-border conversation on issues like regional marketing, joint security, the environment and economic growth. The Roundtable is proud to be part of an impressively strong history of binational cooperation, which includes recent initiatives like the New York – Ontario Economic Summit, BiNational Niagara Tourism Alliance, Buffalo Niagara Enterprise, Niagara BiNational Education Partnership, the New York – Ontario Transportation Working Group, BorderNet, World Trade Center Buffalo Niagara, and many others. The Roundtable applauds these initiatives and joins them in recognizing that the binational region's future must build on its historic linkages.

Obstacles to Vibrancy

Taking advantage of its unique strategic resources and capturing investment demand that Niagara BiNational embrace a vision as a truly international economic region, and attend to challenges in the areas of knowledge-based economic development; the free flow of goods and people via the region's infrastructure and bridge network; and the region's institutional structure.

The economy of the Niagara BiNational Region is rapidly diversifying in a fashion that encompasses nearly every sector. The issues, challenges and opportunities facing the Region are not singularly federal, state, provincial or municipal. They are shared across all levels of government and with the private sector, and they transcend local and national boundaries. In spite of these challenges, Niagara BiNational lacks a truly cross-border institution capable of confronting in comprehensive fashion the economic, infrastructure and other policy concerns that rise above local borders.

The Roundtable formed to build on emerging cross-border networks in the international region, to find ways of accelerating new collaborations and solidify formal relationships for long term economic growth.



Mechanisms for Enhancing and Sustaining Growth

The Roundtable calls on business, as well as local, state, provincial and federal governments in the region to capitalize on the strategic resources and opportunities of Niagara BiNational by leveraging institutions to confront obstacles to growth in the international metropolitan area. The vision of a vibrant Niagara BiNational Region can be realized only as we come together across this unique resource; confront truly regional policy issues in a binational fashion; and capitalize on the opportunities and synergies that are Niagara BiNational. Toward this end, the Roundtable calls for:

1. **Cultivating a closer collaboration between the binational region's higher educational network of research and training institutions *and* private sector leadership;**
 - The Roundtable calls on a network of academic institutions in Niagara BiNational, led by a college and university team from Southern Ontario and Western New York, to carry forward this vision.
 - The Roundtable calls on this international academic network to organize an annual "knowledge summit meeting" to facilitate collaborative partnerships between higher education and the region's business sector across the border.
 - The Roundtable calls on this partnership to store and maintain *SmartCatalog*, an interactive tool developed by the Roundtable to facilitate academic-business research and training partnerships in Niagara BiNational.
 - The Roundtable calls on local, state and provincial officials to work with federal partners in stressing the importance of a free flow of students and knowledge resources in the BiNational Region and seek to mitigate obstacles to that flow, such as restrictive visa requirements.
 - Any regional fiber optic or other communications networks in planning or development stages in Niagara BiNational should be constructed to further link the international region's knowledge institutions.
2. **Expanding capacity and enhancing efficiency of the binational region's international infrastructure and bridge network in a timely fashion;**



One of the primary challenges to dealing with the international region's transportation concerns at a regional level regards the lack of a single regional transportation agency. Federal entities are generally responsible for border-specific infrastructure, while state, provincial and local authorities administer the connecting infrastructure. This division of responsibility complicates the process of resolving shared infrastructure and border constraints. The cross-border region shares common infrastructure concerns, but the existing institutional structure makes it difficult to confront them comprehensively and in timely fashion.

- As a primary step, the region must take action to resolve capacity, congestion and federal staffing issues on its international bridge network and associated infrastructure in rapid and timely fashion. Resolution of these issues is vital to maximizing the opportunity presented by Niagara BiNational's border location. The Roundtable recommends secondarily the exploration of a regional border infrastructure agency with an expanded mandate, to facilitate a more comprehensive and timely strategy for dealing with border crossings, capacity issues, infrastructure linkages and overlapping transportation issues affecting the entire trade corridor.
- The Roundtable recognizes the work of the New York – Ontario Transportation Working Group to foster cooperation among the governmental entities charged with infrastructure development, improvement and maintenance in the BiNational Region. The Roundtable encourages the Working Group to accelerate its efforts to promote the following initiatives which it believes are crucial to the economic development of the BiNational Region:
 - Calling on Canadian federal and provincial officials to accelerate plans to develop the Mid Peninsula Corridor in Southern Ontario.
 - Calling on local and state officials to accelerate plans to expand New York State Routes 219 and 531.
 - Calling on federal officials to promote Continental 1 to build on the Route 219 and Mid Peninsula Corridor initiatives.
 - Calling on local, state and provincial transportation authorities to implement the technologies of global positioning and information system management in the planning and development of highways.



Both Continental 1 and the Mid Peninsula Corridor should be designated by state and provincial authorities as “smart highways” offering users such technologies.

- The Roundtable calls on local leaders to work with state and provincial officials to review environmental assessment legislation as it relates to strategic infrastructure, reconsidering the process to maximize vital environmental goals in more timely fashion.
 - The Roundtable calls on local, state and provincial governments, in conjunction with federal partners, to develop a “Joint Training Center for Security and Logistics” within the international region’s academic network, with the goal of creating a leadership position for Niagara BiNational in the science of facilitating trade and maintaining security.
 - The Roundtable calls on the region’s governments and their respective transportation authorities to expand the use of intermodal transport facilities in Niagara BiNational, capitalizing on the international region’s strategic border location. The Region’s local, state and provincial governments are further called upon to promote tourism trains and expand rail, fast ferry (especially from Rochester to Toronto), and related inter-city transit to facilitate the free flow of people and goods in Niagara BiNational.
 - The Roundtable calls on the Buffalo and Fort Erie Public Bridge Authority, the state, provincial and both federal governments to prioritize the decision making and funding process of adding capacity to the border crossing over the upper Niagara River.
3. **Adopting a vision and strategy that facilitate a view of Niagara BiNational as an internationally integrated economic region, capitalizing on shared regional assets; building on our synergistic strengths of community; and resolving constraints to the binational region’s collective well-being.**
- The Roundtable lauds the binational efforts underway by chambers of commerce in the region to collaborate on approaches to ensuring the free flow of goods and people. The Roundtable calls on these institutions, specifically leaders like the Buffalo Niagara Partnership, Niagara USA Chamber, and Hamilton Chamber of Commerce, to expand their cooperative efforts to include more issues of interest to the business community in the Niagara BiNational Region and to work toward the goal



of creating a Niagara BiNational Region Chamber of Commerce to fill the cross-border institutional void.

- The Roundtable calls on the BiNational Leaders Forum – comprised of the elected heads of Hamilton, Halton and Niagara regions, and Erie, Monroe and Niagara counties – to convene annually. The forum should reinforce the position of binational development, knowledge, border and infrastructure issues on the agenda of the international region.
- The Roundtable calls on New York State's Center for Advanced Technology and Centers for Excellence, and Ontario's Centres of Excellence to develop a formal collaboration, working toward the common goal of proactively identifying and establishing academic-business partnerships that bring high-tech research innovations to the binational marketplace.
- The Roundtable endorses binational tourism, marketing and trade development efforts such as the BiNational Tourism Alliance and World Trade Center Buffalo Niagara, and calls on organizations with leadership roles in the international region's business community – such as the Buffalo Niagara Partnership, Niagara USA Chamber, and Hamilton Chamber of Commerce – to encourage attraction marketing strategies that recognize the opportunities of the entire binational region.
- The Roundtable recognizes the efforts of the Foreign Commercial Service Office in the United States Consulate in Toronto and the New Exporters to Border States (NEBS) program facilitated by the Trade Consul in the Canadian Consulate in Buffalo as a positive step in promoting exports by businesses within the region. The Roundtable calls on these two offices to accelerate efforts exploring ways to facilitate business interaction in the region, such as through joint ventures, strategic alliances and regular trade missions on behalf of the businesses of Niagara BiNational.
- The Roundtable calls on the academic partnership established to promote knowledge development to take the lead on creating a "Joint Center for BiNational Studies" based in the region's academic network, tasked with monitoring and reporting on issues related to regional economic integration; collecting and maintaining statistics on cross-border collaborations; and preparing an annual report on binational economic progress.



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Niagara BiNational's Opportunity

Spanning a vital economic link between Southern Ontario and Western New York, the Niagara BiNational Region is ideally-positioned to capitalize on its location in the center of a vibrant and rapidly growing international marketplace. Niagara BiNational's location as a dynamic border region – spanning Halton, Niagara and Hamilton in Southern Ontario and Erie, Niagara and Monroe counties in New York – gives it a strategic advantage enjoyed by few other regions. What is at the heart of this opportunity?

Niagara BiNational is...

- *A vibrant international economic region of 3,700 square miles (9,600 square kilometers).*
- *Home to 3.2 million people, growing by more than 4 percent since the start of the 1990s.*
- *Within a day's drive of over 1/2 of the Canadian and US populations – over 130 million customers and a total of nearly \$15 trillion (US) / \$22.5 trillion (Can) in yearly personal income.*
- *An international leader in the manufacturing of automotive equipment, information technology and data processing, telecommunication, agriculture and food processing, and commerce – Industry leaders like Eastman Kodak, General Motors, Ford, Dofasco, Xerox, Moog, Delphi Harrison, HSBC Bank, M&T Bank, Paychex, Bausch and Lomb, Hauptmann-Woodward, Roswell Park, Stelco, Rich Products, Delaware North, John Deere and Verizon have a major presence in the region.*
- *Home to a higher education cluster of over 60 colleges and universities with aggregate enrollment of more than 300,000 students, researching the products and processes, and training the workers, of tomorrow – the Region has a higher rate of college degree attainment than Ontario, the US, Canada, Quebec, Michigan and Ohio.*
- *The center of a strategic border region, spanning two of the world's largest international fresh water bodies, Lakes Erie and Ontario – together, they provide a unique transportation, environmental and recreational resource across 17,250 square miles (44,660 square kilometers) of water area; 509 cubic miles (2,124 cubic kilometers) of water volume; and nearly 1,600 miles (2,500 kilometers) of international shoreline.¹*



- *The center of the "Golden Horseshoe" region which is the third-largest metropolitan area in North America, bigger than Chicago, Washington, D.C. and San Francisco – next to Los Angeles, no region on the continent grew more in the past decade.²*
- *An international crossing center, with four major bridges – two of them, the Peace Bridge and Lewiston-Queenston Bridge, are among the four most heavily traded-across border crossings between the world's largest trading partners.³*
- *The passageway for \$1 billion (US) / \$1.5 billion (Can) in international trade every week.⁴*
- *One of the busiest international ports of entry in the world, with more than 2.2 million crossings each year.⁵*

A Strategic Part of a Growing International Marketplace...

- *Canada and the United States are the world's two largest trading partners, with cross-border trade values approaching \$500 billion (US) / \$750 billion (Can) annually,⁶ and Canada represents 23 percent of the US' international marketplace.⁷*
- *More than \$1 billion (US) / \$1.5 billion (Can) in trade crosses the Canadian-US border each day.⁸*
- *Trade between Canada and the US supports more than 2 million jobs in each country.⁹*
- *On its own, Ontario is the US' fourth-largest trading partner with annual values of nearly \$250 billion (US) / \$375 billion (Can) – in all, more than 90 percent of Ontario's exports are destined for US markets.¹⁰*
- *Total Canada-US cross-border trade by truck increased approximately 100 percent during the 1990s.¹¹*
- *Total cross-border investment between Canada and the US is approximately \$215 billion (US) / \$325 billion (Can).¹²*
- *Niagara BiNational's busiest crossing, the Peace Bridge, carries more than 1.5 million commercial and 6.5 million passenger vehicles every year, along with \$29 billion (US) / \$45 billion (Can) in annual trade between the two nations – the bridge is directly responsible for*



600,000 export jobs in New York and Ontario, and over \$25 million in annual payroll in Western New York and \$24 million in Ontario.¹³

The tie between Niagara BiNational's strategic international location and economic production is clear – two-thirds of Ontario's traded manufactured items are produced in the Region¹⁴; capital and tourism spending in Southern Ontario supports nearly one-quarter of that region's employment¹⁵; more than half of the Province's tourists enter Ontario through the Niagara BiNational Region¹⁶; and Greater Rochester has long been one of the largest per capita exporters of any US region, with Canada representing its largest market.¹⁷

The Niagara BiNational Region Economic Roundtable

The Niagara BiNational Region Economic Roundtable is a unique public-private international economic alliance of business and municipal leaders from the Southern Ontario – Western New York economic region. The initiative was launched in June 2001 as part of the New York – Ontario Economic Summit hosted by Governor Pataki and then-Premier Harris.

Mission

Members of the Roundtable have been working over the past eighteen months to develop strategies for capitalizing on the economic opportunities that are Niagara BiNational, and to identify and address concerns and potential impediments related to economic growth in this international region.

The six communities represented on the Roundtable are, in Ontario, Halton Region, Niagara Region and the City of Hamilton, and in New York, Erie County, Monroe County and Niagara County.

Membership

Membership on the Roundtable has included:

- *John T. Mayberry, Chair of the Board & CEO, Dofasco Inc. (co-chair)*
- *Robert E. Rich, Jr., President & CEO, Rich Products Corporation (co-chair)*
- *Stuart H. Angert, CEO, Remarketing Services of America Inc.*



- Tony Battaglia, President & CEO, TradePort International Corporation
- Dr. Andrew Benedek, Chairman & CEO, ZENON Environmental Inc.
- Ian Bromley, Dir of Urban Econ Development, Province of Ontario (*ex-officio*)
- Clyde Burmaster, Legislature Chairman, Niagara County (2001)
- Terry Cooke, COO, Fluke Transportation Group / Vice President, Fox40 Intl
- Jack Doyle, County Executive, Monroe County
- Bradley Erck, Legislature Chairman, Niagara County (2002)
- Jonathan Fischer, President, Mold-Masters Ltd.*
- Clyde A. Forbes, Director of Economic Development, RG&E / Energy East*
- Kenneth M. Franasiak, President, Calamar Inc.
- Joel A. Giambra, County Executive, Erie County
- Christopher M. Glynn, Executive Vice President, Maid of the Mist Corporation
- John Hoskins, Chair & CEO, Curtis Screw Company
- John M. Howard, President, Vineland Estates Winery Ltd.
- Robert Jones, Manager, Human Svcs & Community Relations, Orlick Industries
- Dr. Robert McCrory, Dir of Laboratory for Laser Energetics, Univ of Rochester
- Paul McWhinnie, Former President & CEO, Copley Apparel Group
- Sean J. O'Connor, Legislature Chairman, Niagara County (2003)
- Daniel J. Patterson, President, Niagara College
- Luke Rich, Former Regional Dir, Empire State Development Corp (*ex-officio*)
- John R. Riedman, Chairman, Riedman Corporation / Dir, Brown & Brown Inc.
- Stephen Riessen, President, Sun Orchard Fruit Company
- Joyce Savoline, Chair, Regional Municipality of Halton
- Mike Scott, President & CEO, PBB Global Logistics
- Robert Wade, Mayor, City of Hamilton
- Debbie Zimmerman, Chair, Regional Municipality of Niagara

* Denotes Knowledge Industries Panel Co-Chairs

Activity

Over the past 18 months, the Roundtable has studied three issues it considers critical to realizing the full potential of the Niagara BiNational Region: 1) development of a knowledge-based economy; 2) the BiNational Region's infrastructure and border crossings; and 3) institutions. Together these represent the opportunities for growth in the BiNational Region; the challenges to growth



that transcend the border; and the mechanisms necessary for implementing a strategic approach for a vibrant Niagara BiNational Region.

Opportunities: BiNational Assets & Potential

The Niagara BiNational Region is a dynamic center of trade and economic vitality spanning one of the world's busiest and most strategic international borders. The region covers some 3,700 square miles (9,600 square kilometers). It contains a critical mass of border crossings between the world's two largest trading partners, with recent years witnessing annual trade values of \$50 billion (US) / \$75 billion (Can) traversing the Region's bridge network – more than ten percent of the value of *all* trade between Canada and the United States. The North American Free Trade Agreement has served to grow the volume of this trade by an annual rate of 20 percent, and promises continued opportunities for Niagara BiNational's position as a major international trade corridor and economic region.

The region's proximity and access to major international waterways, interstate and binational trade corridors, and much of North America's population concentration and financial activity further contribute to Niagara BiNational's economic vibrancy. One day's drive from the region provides access to more than half of the population in both Canada and the United States – over 130 million customers, and nearly \$15 trillion (US) / \$22.5 trillion (Can) in yearly personal income.

Complementing its strategic trade corridor location and economic resources, Niagara BiNational is home to a host of tourist attractions and outdoor recreational opportunities that make it a world-class destination. The wonder of Niagara Falls, renowned ski resorts, pristine natural landscapes and major waterways that offer second-to-none freshwater access position Niagara BiNational as one of North America's true outdoor activities capitals.

Within the region itself are a series of major urban centers of economic and cultural activity, including Buffalo and Rochester in the United States and Hamilton in Canada, with Niagara Falls spanning the border. Niagara BiNational's size, location, and position as the center of a significant amount of



international trade have greatly contributed to the region being branded as a true “gateway” to the entire North American marketplace.

The Roundtable's Issues

The Niagara BiNational Region Economic Roundtable addressed three issues during the past year-and-a-half. Selected on the basis of their importance to the future prosperity of the BiNational Region, these themes were:

- Building knowledge-based industry in the region by utilizing Niagara BiNational's world-class research and training network to facilitate economic growth;
- Capitalizing on the opportunities, and confronting the challenges, of the Region's international infrastructure network, including the significance of a free flow of people and goods across Niagara BiNational's strategic border network; and
- Economic and governing institutions and their role in the development & promotion of Niagara BiNational as an international economic region.

Beginning in June 2001, Roundtable members met on a regular basis to research and discuss these issues. Four sub-panels formed for the purpose of examining knowledge industries, infrastructure and borders, and institutions in the BiNational Region. Each sub-panel, first, identified the importance of each issue to the current and future prosperity of Niagara BiNational; second, identified challenges to realizing the international region's opportunities for growth; and finally, crafted recommendations to the region's municipal, state, provincial and federal officials, along with the private sector, for removing obstacles to economic vitality and facilitating a realization of Niagara BiNational's full economic potential.

Reflecting the Roundtable's membership, the identification of opportunities and challenges incorporated views of both “consumers” (that is, the private sector) and government leaders from the municipal, state and provincial levels.



Building Knowledge Industries in Niagara BiNational

The past decade has witnessed an explosion in the number of, and investment in, collaborations between the private sector and colleges/universities in regions across North America. The potential benefits of these collaborations have grown as production processes have become increasingly complex and regions' unique competitive advantages have emerged as cornerstones of economic development strategy.

Partnerships between the private sector and a region's higher education institutions can be mutually beneficial arrangements that have a significant positive impact on training and a region's economy. Particularly in narrow industries or niches where a region boasts certain competitive advantages, collaborations can prove incredibly fruitful.

Niagara BiNational has one of the leading and most comprehensive international college and university networks in the world. Its colleges and universities are completing some of the world's most complex, sophisticated and progressive research on topics like bioinformatics, photonics, computer science, biomedical engineering, optics and pharmaceuticals. Recent internationally-recognized scientific advancements attributable to Niagara BiNational's world-class research and training network can be found in the areas of remote medical assessment; alternative power cells; combinatorial chemistry for pharmaceuticals; earthquake engineering; the prevention of bacterial meningitis in children; magnetic resonance imaging technology; treatments for infant respiratory distress and multiple sclerosis; and the use of "biochip" semiconductors in information technology.

Knowledge's Opportunity

The Niagara BiNational Region is home to one of the world's largest truly international higher education networks. More than 300,000 students are enrolled across nearly sixty collegiate-level academic institutions in the BiNational Region, many of them in high-technology and research-intensive academic tracks.



The institutions' size and focus are impressively diverse, ranging from small skills training-oriented community colleges to large universities committed to researching and developing the technologies, products and processes of tomorrow. Together, they represent an enormous resource to the employers and workforce that call the BiNational Region home. This international academic resource affords the region a uniquely strategic advantage in recruiting business and investment. It also provides countless venues for the valuable interaction of higher education and the private sector.

The region's many training and research collaboratives evidence the collective knowledge potential in Niagara BiNational. As examples, consider the annual clinical anesthesia research conference – a collaborative of the University at Buffalo, University of Rochester, McMaster University and the University of Western Ontario – and a joint scholarship and training program in educational tourism and cross-border development between Niagara University and Niagara College.

Efforts to capitalize on the international region's knowledge potential for Niagara BiNational's private sector are also underway in the form of New York's Center for Advanced Technology Development and Ontario's Centres of Excellence in materials and manufacturing; photonics research; communications and information technology; and earth and space technology.

Knowledge's Constraints

Fully realizing the collective knowledge power of the Niagara BiNational Region will require attention to the impediments to capitalizing on our academic resources. The foremost challenge involves further cultivating the collaborative network between the international region's centers of research/training expertise and the private sector. Niagara BiNational's colleges and universities should give high priority to research and training curricula that meet specific industrial needs in the BiNational Region. Formal collaboration between academia and business represents the most effective way of enhancing knowledge-based development in the economic region's inherent "strengths of community."

Where incentives to coordinate personal and programmatic research and training agendas with industry are absent, researchers will be less inclined to engage in such partnerships. The result represents a significant disservice to the potential value collegiate institutions can add to the Region's economy.



Another important challenge involves the free flow of students and knowledge resources across the region. Recent changes in visa application and approval processes for Canadian students wishing to study in Western New York's colleges and universities has made it difficult for Niagara BiNational's higher education cluster to operate as a truly international research and training network. Stricter enforcement of visa regulations since September 11, 2001 has hindered this free flow of knowledge and students, and as such poses a threat to Niagara BiNational's collective knowledge potential.

A further constraint to the flow of knowledge resources involves financial support of academic collaborations. Restrictions on government-sponsored research funding crossing the border presents a challenge to researchers, institutions and private sector partners who might otherwise benefit from greater access to the entire binational academic network.

Vision

The Roundtable recognizes the development of knowledge-based industry as key to the economic future of the Niagara BiNational Region, and endorses closer collaboration between the BiNational Region's higher educational network of research and training institutions *and* private sector leadership.

Observations

1. Closer collaboration among the region's private sector and international higher education network will encourage knowledge-based development that synthesizes industry needs with college and university research and training, as well as research that is directly applicable to the needs of BiNational industry.
2. Knowledge resources can more effectively add economic value to the region when academic institutions create incentives for researchers to pursue partnerships with private industry.
3. The Region's local, state and provincial governments should assign a high priority to knowledge-based economic development.



4. The Region's research and training resources can more effectively support the BiNational economy where they function as a truly international academic network.
5. The Region's governments, private sector and academic institutions should identify potential collaborations founded in Niagara BiNational's "strengths of community," where industrial niches overlap research and training programs in the international metropolitan area.
6. A central on-line clearinghouse for research, training and business collaboratives will enhance the ability of the international region to market its knowledge assets.

Action Steps

1. The Roundtable calls on a network of academic institutions in Niagara BiNational, led by a college and university team from Southern Ontario and Western New York, to carry forward this vision.
2. The Roundtable calls on this international academic network to organize an annual "knowledge summit meeting" to facilitate collaborative partnerships between higher education and the Region's business sector across the border.
3. The Roundtable calls on this partnership to store and maintain *SmartCatalog*, an interactive tool developed by the Roundtable to facilitate academic-business research and training partnerships in Niagara BiNational.
4. The Roundtable calls on local, state and provincial officials to work with federal partners in stressing the importance of a free flow of students and knowledge resources in the BiNational Region and seek to mitigate obstacles to that flow, such as restrictive visa requirements.
5. Any regional fiber optic or other communications networks in planning or development stages in Niagara BiNational should be constructed to further link the international region's knowledge institutions.



Barriers to the Free Flow of Goods & People

One of the unique strategic advantages Niagara BiNational has in competing for growth and investment in a global economy is its international border proximity. The Region sits atop a major trade corridor, and the second-most heavily traveled network of border crossings between the world's two largest trading partners. This is a strategic resource of inordinate potential to Niagara BiNational and those who live and work in the Region.

The importance of the infrastructure and bridge network to the Niagara BiNational Region is clear. The Region's four international bridge crossings connecting Ontario to New York – the Peace Bridge, Lewiston-Queenston Bridge, Rainbow Bridge and Whirlpool Bridge – represent the largest critical mass of border bridges between all of Canada and the US. The bridge network makes Niagara BiNational a vital international crossing point, the main connection point between Ontario and New York State. Niagara BiNational's international crossings carry more traffic and trade volume than any point along the continental-wide border with the exception of Detroit-Windsor.

Ten percent of all trade between Canada and the United States traverses the international region's infrastructure and bridge system. Two-thirds of commercial freight is shipped by roadways. Nearly sixty percent of personal and commercial traffic in Niagara BiNational originates from, and is destined for, points within the Region. Nearly thirty percent of travel that originates outside Niagara BiNational but crosses through it remains in the Region, meaning that a substantial proportion of those external dollars stay in Niagara BiNational.

Rail networks are similarly strategic to the Region, with more than thirty percent of all commercial freight shipped via train. A strategic network of international airports contributes to the Region's intermodal transport resource base, with major facilities in Buffalo-Niagara, Niagara Falls (NY), Rochester, Hamilton and Toronto.

Water access represents another enormous resource – the Port of Hamilton is the busiest in Ontario; the Port of Buffalo is the 28th busiest US seaport; and the Welland Canal remains a vital artery for shipping transport.



Infrastructure's Opportunity

As technology has changed, manufacturers and good producers have shifted from the "push method of control" – whereby products were produced, inventoried and then shipped to their final destinations – to the "pull method of control." Under the pull method, manufacturers have increasingly focused on "just-in-time" production and distribution methods. The result is that transportation networks, particularly their capacity and efficiency, have become increasingly important to the timely distribution of products. This transition has transformed global supply chains and placed increasing emphasis on infrastructure as a major strategic resource or impediment to regional economic growth.

This evolution in the way manufacturers and suppliers do business has given those regions with comprehensive infrastructure networks and strategic access to major markets a distinctive advantage in the competition for growth and investment. In addition to its comprehensive infrastructure system and proximity to major market areas, Niagara BiNational's international border location and multiple bridge system give it an even more distinct advantage in competing for growth.

As markets transcend borders in the global economy, international locations are becoming increasingly strategic areas. The North American Free Trade Agreement (NAFTA) has added considerable volume to the already heavily-used Niagara border crossings and regional infrastructure. Taking advantage of this growth and capturing investment dictates that Niagara BiNational accelerate the process of enhancing the capacity and efficiency of regional infrastructure of all types: international bridges, connecting highways and regional roads, rail, air, fast ferry and regional and inter-city transit.

Infrastructure's Constraints

The Region's international infrastructure system and network of border crossings can exist as a strategic competitive resource and catalyst for growth only so far as barriers to the free flow of goods and people are removed. Further, the infrastructure issue is truly cross-border, transcending municipal and national boundaries in Niagara BiNational. In order to ensure the contribution of this vital infrastructure and bridge network to the long-term economic vitality of the



Niagara BiNational Region, attention from a BiNational perspective must be given to resolving constraints to enhancing the capacity and efficiency of the international transportation system.

Population and trade growth in the Niagara BiNational Region are outpacing our BiNational infrastructure expansion decisions. This represents a direct threat to the region's economy. Capacity expansion decisions for both infrastructure and the bridge network have been long delayed. Closure of the Niagara Falls rail bridge and decommissioning of the Windsor-Niagara link have raised long-term concerns about the decrease in rail infrastructure. Further, border security concerns have constrained through-traffic on the international metropolitan area's uniquely strategic bridge crossings.

One of the primary challenges to dealing with the international region's transportation concerns at a regional level regards the lack of a single regional transportation agency. Federal entities are generally responsible for border-specific infrastructure, while state, provincial and local authorities administer the connecting infrastructure. This division of responsibility complicates the process of resolving shared infrastructure and border constraints. The cross-border region shares common infrastructure concerns, but the existing institutional structure makes it difficult to confront them comprehensively and in timely fashion.

The Roundtable recognizes the international bridge network as one of Niagara BiNational's leading and unique competitive resources. It can remain a vital advantage, however, only insofar as it continues to respond in timely fashion to issues of capacity, congestion and volume. The Roundtable commends the collaboration on border issues undertaken by the region's bridge authorities in particular, but recognizes that the fragmentation of responsibility over borders and the connecting infrastructure in the Region complicates timely development of a comprehensive and coordinated plan to increase the velocity of through-put and trade in the Region.

As such, the Region should prioritize development of a coherent border crossing strategy that takes into account all of its international bridges and connecting infrastructure. A related challenge involves the timely expansion of highway capacity at strategic points within the region – particularly within Niagara Region; from Erie County to points south; and from Niagara County toward Rochester.



In order to further capitalize on its unique location and transportation resources, Niagara BiNational must further distinguish itself from its competitor regions. Use of technology in highway development and expansion, and capitalizing on the Region's unique border location in facilitating secure international trade, represent viable mechanisms for building on Niagara BiNational's infrastructure resources.

Vision

The Roundtable recognizes the expanded capacity and enhanced efficiency of the BiNational infrastructure and bridge system as critical to both the immediate and long-term economic vitality of the Region.

Observations

1. The Region needs to resolve capacity and volume concerns on its BiNational infrastructure in a more timely fashion, to address congestion and facilitate trade.
2. The Region lacks a single, cross-border institution with responsibility for developing and implementing comprehensive, coordinated strategies for Niagara BiNational's bridge and transportation infrastructure.
3. The Region should exploit the potential of new technologies like global positioning and remote processing practices to enhance border crossings, facilitate a free flow of goods and people, and distinguish its international transportation network.
4. The Region's governments and development authorities should leverage growth opportunities in distribution and logistics that arise from Niagara BiNational's network of international airports, which represent a collective strategic asset in terms of their close proximity to major markets, existing distribution industry, and capacity for expanding air cargo distribution.

Action Steps

1. As a primary step, the Region must take action to resolve capacity, congestion and federal staffing issues on its international bridge network and associated infrastructure in rapid and timely fashion. Resolution of these issues is vital to maximizing the opportunity presented by Niagara BiNational's border location.



The Roundtable recommends secondarily the exploration of a regional border infrastructure agency with an expanded mandate, to facilitate a more comprehensive and timely strategy for dealing with border crossings, capacity issues, infrastructure linkages and overlapping transportation issues affecting the entire trade corridor.

2. The Roundtable recognizes the work of the New York – Ontario Transportation Working Group to foster cooperation among the governmental entities charged with infrastructure development, improvement and maintenance in the BiNational Region. The Roundtable encourages the Working Group to accelerate its efforts to promote the following initiatives which it believes are crucial to the economic development of the BiNational Region:
 - a. Calling on Canadian federal and provincial officials to accelerate plans to develop the Mid Peninsula Corridor in Southern Ontario.
 - b. Calling on local and state officials to accelerate plans to expand New York State Routes 219 and 531.
 - c. Calling on federal officials to promote Continental 1 to build on the Route 219 and Mid Peninsula Corridor initiatives.
 - d. Calling on local, state and provincial transportation authorities to implement the technologies of global positioning and information system management in the planning and development of highways. Both Continental 1 and the Mid Peninsula Corridor should be designated by state and provincial authorities as “smart highways” offering users such technologies.
3. The Roundtable calls on local leaders to work with state and provincial officials to review environmental assessment legislation as it relates to strategic infrastructure, reconsidering the process to maximize vital environmental goals in more timely fashion.
4. The Roundtable calls on local, state and provincial governments, in conjunction with federal partners, to develop a “Joint Training Center for Security and Logistics” within the international region’s academic network, with the goal of creating a leadership position for Niagara BiNational in the science of facilitating trade and maintaining security.
5. The Roundtable calls on the Region’s governments and their respective transportation authorities to expand the use of intermodal transport facilities in



Niagara BiNational, capitalizing on the international region's strategic border location. The Region's local, state and provincial governments are called upon to promote tourism trains and further expand rail, fast ferry (especially from Rochester to Toronto), and related inter-city transit to facilitate the free flow of people and goods in Niagara BiNational.

6. The Roundtable calls on the Buffalo and Fort Erie Public Bridge Authority, the state, provincial and both federal governments to prioritize the decision making and funding process of adding capacity to the border crossing over the upper Niagara River.

Cross-Border Institutions: Mechanisms for Realizing a Vibrant Region

Niagara BiNational's position as a vital economic region affords it access to a world-class international academic network; a comprehensive border crossing and infrastructure system; and cross-border economic synergies with great potential for long-term development. As a BiNational Region, however, unique opportunities and strategic competitive advantages are contingent on resolving similarly unique challenges. Whereas opportunities transcend municipal and international boundaries, so too do policy challenges to realizing the metropolitan area's full economic potential.

The Roundtable seeks to build on the work of the BiNational Niagara Tourism Alliance, Buffalo Niagara Partnership, Niagara BiNational Education Partnership, the New York – Ontario Transportation Working Group, BorderNet, World Trade Center Buffalo Niagara, and many others in identifying institutional capacity issues that directly affect collaborative cross-border growth strategies in the BiNational Region.

At present, the Niagara BiNational Region contains 2 state and provincial-level economic development entities; 6 regional public development entities; more than 30 chambers of commerce; and more than 100 additional public sector, business, and non-profit organizations handling issues related to economic development. The current structure is predominantly parochial, with



development authorities focused on narrow industries or particular segments of the international metropolitan area.

Niagara BiNational contains no single formal organization that is truly binational in its mandate and focus regarding economic development. This complicates the Region's inherent challenge of confronting policy issues that do not stop at municipal or national lines. And as the international economic region has grown increasingly cohesive, these regional policy issues have multiplied in number.

Institutional Opportunity

In order to fully capitalize on the opportunities afforded it as a uniquely international economic region, Niagara BiNational must take steps to provide institutional capacity for realizing the Region's potential and resolving cross-border policy challenges.

Certainly, the Region is no stranger to BiNational cooperation on shared opportunities and challenges. The Roundtable, in fact, builds on a strong history of close linkages in the Region, particularly within business and the public sector. Recent years have brought even more cross-border conversation on issues such as regional marketing, joint security, the environment, tourism and economic growth. Initiatives like the New York - Ontario Economic Summit, the BiNational Tourism Alliance, BiNational Leaders Forum, Buffalo Niagara Enterprise, the Niagara BiNational Education Partnership, Golden Horseshoe Educational Alliance, BorderNet, World Trade Center Buffalo Niagara, and many others are a clear testament to the cross-border ties that have long characterized this international region.

The Roundtable applauds these initiatives and joins them in recognizing that the BiNational Region's future must build on its historical linkages. These ties must represent a starting point for the acceleration and formalization of cross-border conversation. The implementation of action steps to realize a more vibrant Niagara BiNational depend on the continued coordination of common organizations across borders in the Region, as well as the cultivation of new linkages in areas like business, academic training and research, and the public sector.

The vision of Niagara BiNational as a truly international, cross-border metropolitan area with shared opportunities and resources is vital to the Region's



economic future. Strategies for working collaboratively and synergistically should be a primary focus of all organizations in the Region, particularly those charged with development responsibilities.

Institutional Constraints

There is a paucity of institutions – government or otherwise – in the Region with a truly BiNational vision and mandate. The frequency and depth of cross-border dialogue has increased substantially in the recent past, but Niagara BiNational still lacks formal institutional networks explicitly responsible for confronting policy concerns that transcend the border.

Complementing the work begun in other sectors like tourism, marketing and transportation, the Roundtable represents a first step in filling this institutional void, since it captures many of the key public and private stakeholders in reducing the constraints created by the lack of BiNational institutions. An accelerated formalization of ties between the international region's business community, governments and academic institutions needs to be a byproduct of these efforts. Solidifying cross-border linkages among organizations with synergistic objectives is a vital step in creating a vision of Niagara BiNational as a truly BiNational Region; a necessary mechanism for confronting issues that cross municipal and national boundaries; and an essential step in developing a BiNational institutional capacity.

Vision

The Roundtable implores the Region's existing organizations to adopt a binational vision and strategy that facilitate a view of Niagara BiNational as an internationally integrated economic region, capitalizing on shared regional assets; building on our synergistic strengths of community; and resolving constraints to the BiNational Region's collective well-being.

Observations

1. The Region has a long history of cross-border ties that should serve as a basis for furthering institutional and organizational linkages.



2. The Region lacks a sufficiently formal or developed institutional network with a truly BiNational mandate.
3. The Region faces a host of opportunities and challenges that cannot be realized or confronted in the absence of a more fully developed BiNational institutional capacity.
4. Both the public and private sector have instrumental roles to play in cultivating a BiNational institutional capacity and capitalizing on cross-border synergies.
5. The Region should strive to develop a truly BiNational vision, realizing it is a vibrant international metropolitan area with exploitable economic synergies and resources shared cross-border.

Action Steps

1. The Roundtable lauds the BiNational efforts underway by chambers of commerce in the region to collaborate on approaches to ensuring the free flow of goods and people. The Roundtable calls on these institutions, specifically leaders like the Buffalo Niagara Partnership, Niagara USA Chamber, and Hamilton Chamber of Commerce, to expand their cooperative efforts to include more issues of interest to the business community in the Niagara BiNational Region and to work toward the goal of creating a Niagara BiNational Region Chamber of Commerce to fill the cross-border institutional void.
2. The Roundtable calls on the BiNational Leaders Forum – comprised of the elected heads of Hamilton, Halton and Niagara regions, and Erie, Monroe and Niagara counties – to convene annually. The forum should reinforce the position of BiNational development, knowledge, border and infrastructure issues on the agenda of the international region.
3. The Roundtable calls on New York State's Center for Advanced Technology and Centers for Excellence, and Ontario's Centres of Excellence to develop a formal collaboration, working toward the common goal of proactively identifying and establishing academic-business partnerships that bring high-tech research innovations to the BiNational marketplace.
4. The Roundtable endorses binational tourism, marketing and trade development efforts such as the BiNational Tourism Alliance and World Trade Center Buffalo Niagara, and calls on organizations with leadership roles in the international region's business community – such as the Buffalo Niagara Partnership, Niagara



USA Chamber, and Hamilton Chamber of Commerce – to adopt attraction marketing strategies that recognize the opportunities of the entire BiNational Region.

5. The Roundtable recognizes the efforts of the Foreign Commercial Service Office in the United States Consulate in Toronto and the New Exporters to Border States (NEBS) program facilitated by the Trade Consul in the Canadian Consulate in Buffalo as a positive step in promoting exports by businesses within the Region. The Roundtable calls on these two offices to accelerate efforts exploring ways to facilitate business interaction in the Region, such as through joint ventures, strategic alliances and regular trade missions on behalf of the businesses of Niagara BiNational.
6. The Roundtable calls on the academic partnership established to promote knowledge development to take the lead on creating a “Joint Center for BiNational Studies” based in the region’s academic network, tasked with monitoring and reporting on issues related to regional economic integration; collecting and maintaining statistics on cross-border collaborations; and preparing an annual report on BiNational economic progress.



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- ¹ United States Environmental Protection Agency, Great Lakes National Program Office
 - ² *The Growing Importance of the Golden Horseshoe*, The Centre for Spatial Economics, 2001
 - ³ Peace Bridge Economic Impact Report, 2000
 - ⁴ Buffalo and Fort Erie Public Bridge Authority, 2002
 - ⁵ Buffalo and Fort Erie Public Bridge Authority, 2002
 - ⁶ Peace Bridge Economic Impact Report, 2000
 - ⁷ DFAIT, 2002
 - ⁸ DFAIT, 2002
 - ⁹ DFAIT, 2002
 - ¹⁰ Migration Policy Institute, 2002
 - ¹¹ Peace Bridge Economic Impact Report, 2000
 - ¹² *CanadaFocus*, 2002
 - ¹³ Peace Bridge Economic Impact Report, 2000
 - ¹⁴ Peace Bridge Economic Impact Report, 2000
 - ¹⁵ Buffalo and Fort Erie Public Bridge Authority, 2002
 - ¹⁶ Peace Bridge Economic Impact Report, 2000
 - ¹⁷ Rochester Tech Park, 2002