



74TH DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514
PHONE: (517) 373-8900
FAX: (517) 373-8697
E-MAIL: daveagema@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

DAVE AGEMA
STATE REPRESENTATIVE

COMMITTEES:
APPROPRIATIONS
SUBCOMMITTEES:
TRANSPORTATION
(MIN. VICE CHAIR)
COMMUNITY HEALTH
HIGHER EDUCATION

Oct, 26, 2010

FOR IMMEDIATE RELEASE
Contact: Rep. Agema (517)373-8900

Agema demands official investigation of MDOT ***“Pink elephant” remark tramples DRIC, unveils deceit***

Representative David Agema today called for the State of Michigan’s Attorney General’s office to begin an immediate and comprehensive investigation on the Michigan Department of Transportation’s (MDOT) fraudulent misrepresentations and withholding of material facts during testimony on the proposed Detroit International River Crossing (DRIC) project. In the letter to the Attorney General, Rep. Agema was joined in his call for a thorough investigation by Rep. Paul Opsommer, Sen. Roger Kahn and Sen. Pappageorge.

“At best, MDOT has been naïve in assisting Canada in this endeavor and at worst, MDOT has been complicit in directing the misrepresentation,” said Agema. This creates many questions about not only MDOT, but the Administration and the House Democrat supporters of this project.

Documentation finally released by MDOT from as far back as 2004 shows that it may have been systematically misrepresenting the DRIC project in order to achieve a desired outcome.

“The Michigan Department of Transportation flat out lied during its testimony to the House and Senate Transportation committees regarding the “self-sufficiency” of the DRIC Bridge based solely on projected toll revenue,” said Agema. “In documents obtained through Freedom of Information Act requests, at least one correspondence clearly states that tolls would not be sufficient to cover the cost of the bridge and that public subsidies from both countries would be necessary.”

On July 26, 2008 MDOT provided testimony to sub-committee members that:

“The cost of the DRIC will be borne by users of the facility,” and “the project costs will be re-paid through user tolls.”

In an e-mail dated Jan. 31, 2007, MDOT representatives were clearly advised:

“There is a very understated ‘pink elephant’ in this room that should be driving every element of decision making: namely, the fact that real tolls will not raise sufficient funds to build the project and therefore some kind of public subsidy from both countries will be necessary. (Shadow tolls and availability payments are forms of public subsidies).”

Further email and report data exchanged between MDOT personnel and consultants shows the following:

- That at a minimum, one report has used inflated data for at least one traffic study. It goes on to state that a study "...has had to pump up the modeling numbers to make a worst case scenario, because the traffic numbers just aren't there otherwise."
- The documentation released by MDOT also shows that Canada discussed plans as early as 2004 to undermine the Ambassador Bridge Co. in an effort to control the crossing publicly. This would be done either by purchasing the current bridge then building DRIC or by building DRIC to deflate the value of the private crossing and then purchase it at a lower price.
- An analysis of one of the studies says that the real problem with the border crossing is not lane capacity, but with customs. The analysis stated that customs did not keep enough booths open and failed to man booths when traffic dictated. Lane capacity was not an issue, further reinforcing the point that an additional crossing is not necessary.
- As early as 2006, MDOT stated that it could not envision private ownership of a new crossing and were actively pursuing the PPP option. At this time MDOT also was discussing concession agreements.

"The exchanges are very clear evidence that MDOT officials knew in advance of their respective testimony that the DRIC project's traffic projections were inflated and that the project could never be self-sufficient through toll revenue, but it appears that they chose to intentionally deceive the Michigan Legislature in an effort to move the project forward regardless of the facts or impact to the Michigan taxpayer," said Agema. "This evidence is just the beginning – further investigation may very well paint a picture of deliberate MDOT deceit by withholding critical data and politically bullying legislators in an effort to force through a self-empowering piece of legislation that would put Michigan taxpayers at risk," said Rep. Paul Opsommer.

Agema and other members of the legislature have officially called on the State of Michigan Attorney General's office to begin a full and comprehensive investigation around the actions of the Michigan Department of Transportation as it relates to promotion of the proposed DRIC project.

"I am appalled at the lack of integrity shown by MDOT regarding the DRIC project and hope an investigation can – and will – restore integrity to our legislative process. This investigation should be far reaching and include looking at the potential presence of illegal foreign-funded lobbying that has long been suspected around this DRIC project," said Agema.

#####