

**Remarks for Secy. LaHood
Canadian American Business Council
June 10, 2010**

Good afternoon, everyone.

I want to thank Kelly Johnston and the members of the Canadian American Business Council for inviting me to be here today. I'm honored to meet with such a distinguished group of public and private-sector leaders and innovators.

I also want to thank former Michigan Governor and Ambassador Jim Blanchard, and former U.S. Ambassadors David Wilkins and Gordon Giffin, for their years of public service, and for all they've done to strengthen ties between the United States and Canada.

And I want to acknowledge the great leadership provided by my Canadian counterpart, Transport Minister John Baird [BARED].

As President Obama noted last year when he met with Prime Minister Harper and Mexican President Calderon, our relationship is defined not simply by our borders, but by our bonds.

And even when those bonds are tested – whether by an international economic crisis, or concerns about border security – our friendship remains unshaken and constant.

The U.S. and Canada have been, and will continue to be, among each other's largest trading partners.

More importantly, we're the best of friends. Our mutual commitment to infrastructure, renewable energy, and green jobs reflects our shared values and priorities.

Our determination to continue to expand trade between our nations is as strong as ever. And the long-standing partnership between the U.S. Department of Transportation and Transport Canada helps us reach our goals.

Fortunately, there are hopeful signs that we're beginning to climb out of the long recession that has challenged our leaders, our businesses, and above all, our citizens.

And that's good news for everyone – from the farthest reaches of the northwest provinces to the Northeast Kingdom of Vermont.

The latest reports indicate that surface transportation trade between the U.S. and Canada was up nearly 36 percent in March over the same period a year ago. This reflects an encouraging increase in freight movements by truck, rail, and pipeline.

To all the business executives here today, I sincerely hope those trucks and rail cars are pulling up to your warehouses.

We're also encouraged by the fact that the private sector created 41,000 jobs last month – the fifth consecutive month of job growth. And for 10 months in a row now, the U.S. manufacturing sector has expanded, new orders for durable goods have increased, and factory employment has risen steadily.

We've come a long way from a year ago – and we know we still have a long way to go. We're simply not able to reverse overnight two devastating years of recession and a decade of declining economic security for the middle class.

But the fact remains, the strong and immediate steps we took in the Recovery Act – from cutting taxes for 95 percent of Americans, to investing in infrastructure projects across the country – have stopped our economy from plunging into a depression.

Let me highlight, briefly, the progress we're making at the U.S. Department of Transportation to strengthen infrastructure and trade between our nations by making smart, targeted investments to upgrade and integrate our core transportation systems.

In the first place, we understand that to succeed and compete in the 21st century, companies need end-to-end logistics solutions.

They need infrastructure that is intermodal and multi-modal. And the better we're able to connect ports, highways, railways, and airports; the better off the system is as a whole.

That's why, out of DOT's 1.5 billion-dollar TIGER grants – part of the groundbreaking Recovery Act championed by President Obama – fully half the funds went to projects that benefit freight.

In the Chicago area, for example, we've awarded 100 million dollars for a package of rail improvement projects to relieve chronic freight congestion and remove bottlenecks that have long hindered domestic freight rail movements – while also improving rail service between the U.S. and Canada.

An additional 30 million dollars goes toward replacing the aging Black River Bridge in Port Huron, Michigan, which supports the Blue Water Bridge that carries a significant volume of cargo and passengers between both countries.

These investments will go a long way to help your companies remain competitive and move goods as cost-effectively as possible.

Looking ahead, we clearly recognize the need for a new Detroit River International Crossing. This is, quite simply, one of the largest transportation trade corridors between the U.S. and Canada.

The current Ambassador Bridge and Detroit-Windsor Tunnel carried over 120 billion dollars' worth of trade between our nations in 2008 – over half of that in the form of U.S. exports to Canada.

In our view, upgrading this infrastructure, and expanding our capacity, is vital to our national goals for increasing exports and creating jobs.

And again, it speaks to the need for modern transportation infrastructure that maximizes mobility for cargo and people.

As we all know, this issue is before the Michigan legislature, and we'll need to wait to what see what they decide. But I assure you we'll continue to work on this, and review our options with Canada.

In any case, the key to our success in Detroit, in Windsor, and elsewhere, is cooperation – our ability to work together effectively across all forms of transportation.

We're now in the third year of a successful Open Skies agreement that has been a win-win for the aviation industry and the traveling public across our markets.

We value our Canadian partners' efforts to jointly coordinate and plan a new era of safe air travel, through our NextGen program.

In fact, mutual cooperation on safety is a hallmark of our enduring partnership – from our recent agreement to develop and share intelligent transportation systems. . . to our shared efforts on setting safety standards for commercial vehicles, pipelines, and hazardous materials.

In the maritime arena, we share a vital asset – the St. Lawrence Seaway. I was proud to participate in the Seaway's historic 50th anniversary celebration last year.

Congress has pledged to provide 165 million dollars for an asset renewal program that will undertake 50 projects in 10 years to improve our side of the Seaway.

This is the first time in the Seaway's history that the U.S. and Canada have coordinated their efforts to repair and modernize this vast infrastructure.

And finally, I want to mention border security, which is perhaps the greatest challenge of all to our bilateral relationship.

DOT is not directly responsible for the security of our shared border.

However, we do want to ensure that transportation at the border is aligned with both U.S. and Canadian security operations.

This is important – which is why our Federal Highway Administration is working with both the U.S. Customs and Border Protection Agency and our Canadian counterparts to obtain reliable wait-time information at border crossings.

This collaborative effort will help us reduce border congestion and freight delays—while ensuring that our shared security objectives are met.

In closing, President Obama and I are deeply grateful to our friends in Canada for sharing our values and our commitment to achieving sustainable, environmentally responsible economic growth. . . expanding free trade. . . and investing in the transportation solutions that lead to greater mobility and opportunity for all our citizens.

In the 14 years since the signing of NAFTA, total two-way merchandise traded between the U.S. and Canada has grown by more than 265 percent.

That's an impressive achievement that clearly reflects the strength of our alliance and the power of our free-market economies.

So let us pledge to continue working together, to continue on the path toward greater prosperity for both our great nations, and to face whatever challenges come our way.

Thank you very much.

And now, I'd be delighted to take your questions.

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