

# A comparative analysis of cross border travel influences at the port level: Pacific Highway/Douglas, B.C. – Blaine, WA and Windsor, ON – Detroit, MI



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## ABSTRACT

Cross border travel is important for local business. The majority of cross border travel is undertaken as day trips which concentrate spending in a few locales. Such spending can be critical to the success of stores, sports, events, and restaurants on either side of border. This study undertakes a comparative analysis of the largest Western border port and the largest Midwestern border port over the past 17 years. A time series analysis of crossing volumes at the two ports uncovers factors that influenced changes in cross border travel over that time period. Based on the results of two time series regression models (one for each port), we find enhanced security post 9/11 and the exchange rate influenced changes in volumes at each port, while declining income in the Windsor region factored in declining cross border travel in that region.

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## 1. Introduction

The importance of Canada–US cross border trade is unquestioned given that these two nations represent the largest bilateral trade partnership in the world, but how important is cross border travel? Although significantly smaller in dollar value than trade, this component of the cross border relationship should not go overlooked – especially from the perspective of border region businesses. More than 60 million travelers crossed the border in 2013 (Statistics Canada, 2015a). Canadians alone have made on average 25 million annual day trips across the border over the past decade, spending nearly \$100 US dollars on each of these trips (Department of Commerce, 2011). In total Canadian day travelers have resulted in approximately \$2.3 billion dollars in spending each year – equal to adding a city with twice the retail generating capacity of Buffalo into the US economy (Bureau of Economic Advisors, 2014). Since this spending is generated by day travel it is therefore extremely geographically concentrated in a few border regions across the US. In turn local retail, sports, events, and restaurants rely greatly on such spending.

To reiterate, compared with cross border trade the economic impacts of travel are relatively small, but to border area businesses the impact of changes in travel may represent a fluctuation in the lifeblood of the local economy. Any business that falls within a day's drive of the border would be wise to understand the factors that influence changes in cross border travel volumes. This paper will add to

that understanding by uncovering some of those influences at two of the largest volume ports across the Canada–US border.

## 2. Framework of analysis

Over the past decade the largest crossing in the West has been the Pacific Highway/Douglas–Blaine ports of entry. The largest in the Midwest/Central Canada over that same time period has been the two Windsor–Detroit crossings (although it has been overtaken by Buffalo–Niagara in recent years) (see Table 1). Both of these ports have significant urban and suburban population centers within a 50 km (30 miles) radius, and therefore a significant cohort of local businesses that benefit from cross border travel. Additionally the Windsor–Detroit port of entry has a large component of about 15,000 commuters (based on latest estimates) on which industries depend (IBI Group, 2005). Often cross border commuters have advanced degrees and unique skillsets, working in fields like healthcare and engineering that benefit from an agglomeration of human capital (ibid). These factors in part have dictated the choice of the ports of Pacific Highway/Douglas–Blaine and Windsor–Detroit as the settings for this comparative analysis.

The other factor that has influenced the choice of settings is the ready availability of 17 years of data on travel volumes at each of the two ports. Fluctuations in reported crossing volumes can be used to uncover trends at each port as time series regression models can be harnessed to identify the factors that influence change in traveler behavior in each region over time.

We use this framework to add to a small but growing body of literature that has developed only recently around Canada–US cross border

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**Table 1**  
Average daily personal vehicle share, three largest Canada–US border crossings 2000, 2013.

Average daily vehicle crossings	2000	2013
Detroit (2 crossings)	22,905	11,312
Blaine (2 crossings)	9125	13,638
Buffalo–Niagara (4 crossings)	20,980	16,020
Canada–US total	52.4%	44.2%

Source: US Bureau of Transportation Statistics.

personal travel (Hodges, 2007; Burke, 2010; Ferris, 2010; Helleiner, 2010; Bradbury, 2013; Anderson et al., 2014). The central research question is: what are the factors that influence travel volumes at large Canada–US border ports? If we can answer this question, businesses within border regions may better anticipate changes in crossing volumes and adjust their practices accordingly.

This paper is organized in the following manner: the next section outlines the trends which follow 17 years of cross border travel movements at the two border ports. This is followed by a brief review of some of the recent Canada–US border study literature relevant to this paper. Model specifications and results proceed in Sections 4 and 5. Lastly the paper concludes with a brief review of the findings and implications for business and policy.

**3. Data and trends**

Port level data on the number of same day personal vehicle entries for each US border crossing were obtained from The US Bureau of Transportation Statistics (BTS) Border Crossing/Entry Data (Bureau of Transportation Statistics, 2014). The BTS website provides summary statistics for incoming travelers at the Canada–US border for each crossing. While the data for same day crossings includes the years 1995–2013, some of the data used as independent variables within the time series analysis are only complete to 2011. Therefore the data is limited to the period encompassing 1995–2011. Although not specifically stated on their website, a call was placed to the BTS data collection office which highlighted an additional limitation of this dataset. The data captures all vehicles entering and exiting the US, but Canadians entering the US and returning Americans are not separately collected in the survey of crossings. Therefore the nation of entry cannot be taken directly into account when interpreting the data based on nationality. However based on aggregate provincial level data from Statistics



Fig. 2. Setting: Ontario–Michigan border ports (TBWG, 2014).

Canada we know that the majority of same day travelers are Canadians entering the US in the West, while Americans made up the largest portion of volume in the Midwest for the first half of the 2000s only to be overtaken by Canadians by 2006 (Statistics Canada, 2015a, 2015b). See Figs. 3–5 for greater detail. (See Figs. 1 and 2.)

Figs. 6 and 7 show the aggregate annual trends at each of the two ports from 1995–2011. Crossing volumes at the Windsor–Detroit port exhibit a continual decline in travelers over the course of the decade. Detroit’s decline begins a year prior to 2001 but then experiences a significant drop following the security enhancements enacted at the border post 9/11. The timing of those enhancements matches well with the decline in American travelers seen in Fig. 5 above. Detroit, as opposed to Blaine, does not show any trace of a rebound in crossing volumes. The offset of the moderate increase in Canadian travel seen in Fig. 5 is not enough to change the overall trend of decline.

As illustrated in Fig. 7 the Pacific Highway/Douglas–Blaine port experienced a significant decline in crossing volume prior to 2001. Like Windsor–Detroit the decline worsens for travel volumes post 2001. Unlike Windsor–Detroit, the Pacific Highway/Douglas–Blaine crossing begins a modest rebound in crossing volume beginning in 2003, a rebound which continues right up to peak in the most recent year, 2011. This gives the trend a distinct ‘U’ shape while Detroit crossings continue to



Fig. 1. Setting: British Columbia–Washington border ports (TBWG, 2014).

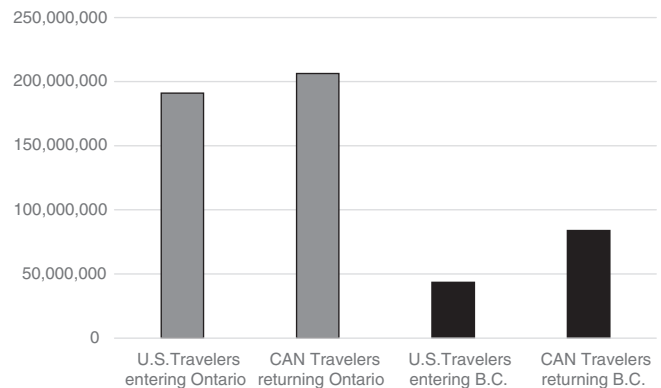


Fig. 3. Auto trips by nationality into Ontario and B.C., total number of persons 2000–2011 (Statistics Canada, 2015a, Cansim table 4270001).

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