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Entrepreneurship: Business and Government - Discussion Following the Remarks of Hon. Eddie Francis

Discussion

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to get things done. I know I am depending on it as mayor of the city because, as the mayor of the city, it is your ideas and your cooperation that allow us to do it.

So I am available for questions. If you have any questions I would certainly be happy to answer them.

DISCUSSION FOLLOWING THE REMARKS OF HON. EDDIE
FRANCIS

DR. KING: Do you plan to go higher?

MAYOR FRANCIS: Do I want to move up?

DR. KING: Do you want to move up?

MAYOR FRANCIS: I could have all the aspirations in the world, Henry, but my wife has other plans. You know, I get asked this question a lot, and my answer sometimes – I am 32.

DR. KING: You have got a long way to go.

AUDIENCE MEMBER: You talked about the enormous amount of trade between the two countries that crosses across the bridge. I was at a conference two weeks ago, and we pondered the thought that if that bridge were ever the target of an attack – what type of emergency preparedness or contingency plans do Detroit and Windsor have to guard against that if, God forbid, it would ever happen, to ensure that trade and commerce would continue flowing?

MAYOR FRANCIS: The issue of the bridge: the bridge in Detroit-Windsor is privately owned. I know that surprises a lot of people. But 28 percent of our trade crosses over a privately owned bridge,²⁴ and there was actually – there was a discussion group, I believe last year, and there was a question to one of the Coast Guards in terms of, if the bridge is knocked down, what happens to the economy, because we saw that post-9/11 everything came to a standstill.

Billions and billions of dollars were lost at the border because of that,²⁵ and the question to the Coast Guard official was: in the event that there was an event that took down the bridge or caused problems on the bridge, what would happen?

And I think the response was: we table topped this, and the table top exercise had shown that if the bridge was knocked down, there would be at least a minimum of two weeks of complete cessation of the economy. Think about that. The economy would come to a stop for a minimum of two weeks.

²⁴ See Davey, *supra* note 17.

²⁵ See *id.*

I am not talking about the economy of Detroit-Windsor. The economy between the two countries would be at a stop for a minimum of two weeks. Right now there is a movement afoot to get a new crossing located.

Prior to 9/11, in 1999, the Government of Canada together with the province of Ontario, State of Michigan and Washington established what they call the Bi-National Partnership, and the Bi-National Partnership was charged with the responsibility of looking at the future trends – looking at current traffic to try and determine what would be required to meet future capacity for crossing the Detroit-Windsor corridor.²⁶

Currently, there are approximately 9,000 trucks that cross that corridor every single day,²⁷ and as I mentioned, \$150 billion of trade.²⁸ By 2030, it is projected that 30,000 trucks will be crossing that corridor.²⁹

And that's why they began the exercise in terms of trying to establish when the next crossing will be built. Since then, they made some progress. As I mentioned, some of my frustration has been the slow process. In business, you would have had a new bridge up and running. You wouldn't wait for all the things that take so much time.

In government, you have to have a plan, study it, and you have got politics. Right now they are projecting – this partnership is projecting to have a new crossing built by 2013,³⁰ and they hope to have all the studies done by 2010.³¹ And hopefully, there will be a new crossing by 2013.

But again, the challenge that they are going to have – and I can say this because I am not part of the partnership – they have a private owner that is going to do everything to block it. Interestingly enough, there is another point, the Detroit-Windsor tunnel.

In 1930, the Detroit-Windsor tunnel was built as a connection between downtown Windsor and downtown Detroit.³² When this was constructed in

²⁶ See Canada and Ontario Improving Safety at Windsor Border, Government of Ontario, Canada, Ministry of Transportation, http://ogov.newswire.ca/ontario/GONE/2005/05/27/c4137.html?lmatch=&lang=_e.html (last visited Dec. 4, 2007).

²⁷ See generally OCC BORDERS AND TRADE DEVELOPMENT COMMITTEE, COST OF BORDER DELAYS TO ONTARIO (2004) available at <http://occ.on.ca/Policy/Reports/121> (discussing traffic and trade dollars crossing the United States, Ontario border including the Detroit-Windsor corridor).

²⁸ *Id.*

²⁹ *Id.*

³⁰ See Press Release, Ministry of Transportation, Windsor-Detroit International Crossing Canadian Environmental Assessment Phase Begins (Feb. 15, 2005), <http://www.tc.gc.ca/mediaroom/releases/nat/2005/05-gc003e.htm>.

³¹ See generally *id.* (discussing the beginning of studies in regard to building a new Detroit-Windsor crossing).

³² See A Vision for the Future, The Detroit and Windsor Tunnel Corp., <http://www.dwtunnel.com/history.html> (last visited Oct. 17, 2007).

1930, the individuals that constructed it invested or had the vesting charter 60 or 70 years later, half to Windsor, half to Detroit.³³

So we own the Canadian half. The City of Windsor owns the Canadian half of the tunnel.³⁴ It is a vital link because over 5,000 people cross into Detroit every day: nurses, students and automotive employees go to work in Detroit and come back.³⁵ They use that facility to cross. It is an important aspect to have in our region.

A year-and-a-half ago there was an attempt to try to sell the American half to a private entity, same owner.³⁶ Perhaps just this past Friday there was an announcement that was made by Mayor Kilpatrick because for the past year we have been negotiating with Detroit.³⁷ The announcement that Kilpatrick made this past Friday was that we reached an agreement in principal between the City of Windsor and the City of Detroit. The City of Windsor will be acquiring Detroit rights to the operation and management of the tunnel – \$75 million for a term of 75 years.³⁸

But here is the question that I leave you with, and again, this is where I struggle all the time in terms of being someone coming from the private sector background, from an entrepreneurial background, from a business perspective, you need to do this to protect your investment. If you don't do this, you lose your investment. If you don't do this, you don't provide for us, you won't be able to redirect the city into the future.

It becomes a challenge to communicate that to residents, to see that it is \$75 million, number one. That's one issue of struggle.

Number two, why is it that the city, a municipal jurisdiction, is responsible for securing a vital link of national importance? Why should the taxpayer in the city – because again, my revenues are supposed to go – it is very simple. I take in money from property tax. That money that I take in should be used to service that property. It should be used to service sewers, to service roads, to pickup garbage, to provide service to that property. The money isn't intended to provide for the national security of Canada and the

³³ See generally *id.* (providing a detailed history of the Detroit-Windsor Tunnel).

³⁴ Surface Infrastructure [sic] Programs-Bridges, Transport Canada, <https://www.tc.gc.ca/Programs/Surface/bridges/menu.htm> (last visited Oct. 17, 2007).

³⁵ See *id.*

³⁶ See generally Firm Issues Bid for American Side of Detroit-Windsor Tunnel, Today's Trucking Online (June 1, 2007), <http://www.todaystrucking.com/newscenter.cfm?pageaction=story&intNewsCenterID=3&intDocID=17993> (discussing different bids for the Detroit side of the Detroit-Windsor Tunnel).

³⁷ Letter from Kwame M. Kilpatrick, Mayor, City of Detroit, to the Detroit City Council (Apr. 12, 2007) http://www.ci.detroit.mi.us/budget/2007-08_Budget/Message/Mayors_%20Speech.pdf (discussing Detroit's agreement with Windsor regarding the operations and use of the Detroit-Windsor Tunnel).

³⁸ *Id.*

U.S. So those border issues are real, and those are border issues that we deal with.

But going back to your point, the reason we do what we do is because when senior orders of government are slow to move, somebody has got to move, and that's where the entrepreneur's background comes into play.

I take donations, too, by the way.

AUDIENCE MEMBER: Thank you for taking the initiative.

MAYOR FRANCIS: Thank you.

AUDIENCE MEMBER: I am glad you included Ohio in the region you govern. We are very similar to Windsor and Detroit. We have a Ford casting plant – builds engines here – have two Ford assembly plants. We built a lot of automotive plants. We have Chrysler, GM, and a lot of people around here are worried because we don't know what's going on in Detroit.

We don't see that there are – people are afraid of losing their jobs, and you are a lot closer to Detroit. And one of the things you said was that there is a reduction in our manufacturing base. We see the CEO of Ford taking \$39 million for four months of work while people are losing jobs.³⁹ People are afraid for their jobs.

Being close to Detroit and being so tied in with the Detroit economy and the regional economy, what do you know about what's going on in Detroit? And how can we preserve some of the jobs – many of the jobs – that we have in this region?

MAYOR FRANCIS: I think our biggest – our challenge is similar to your challenges here because you are dependent on manufacturing and very dependent on the automotive sector. One of the things we have to recognize is that we have to diversify our economy. One thing I do not want to see in terms of all the challenges, all the struggles of the automotive manufacturing industries – one thing that you have to recognize is that this region has a qualified and a very highly-skilled work force.⁴⁰

I don't know of any other people that can take a line change or a new product change and have it implemented in the time that you do it. It is unheard of. The reason they are able to do that is because of the skill set they have. So what we started doing in our city was try to diversify and also change the mindset.

That's a difficult thing to do, but we have gone to the advance manufacturers that otherwise would have been servicing the automotive industry, and we said to them, your skill set can be applied in other

³⁹ See Ford CEO: \$28M for 4 Months Work, CNNMoney.com (Apr. 5, 2007), http://money.cnn.com/2007/04/05/news/companies/ford_execpay/.

⁴⁰ See The Honorable Sandra Pupatello, Ontario Minister of Economic Development and Trade, *Why Isn't Ontario, Canada, Facing a Skilled Labor Shortage?* INDUSTRY WK. (Apr. 4, 2007), <http://www.industryweek.com/ReadArticle.aspx?ArticleID=13882>.

industries. To date, we have applied manufacturers – advance manufacturers – that were once only supplying the automotive industry that are now supplying the aerospace industries, supplying airline industries, supplying the medical fields.

Those type of skill sets are applicable somewhere else. Just like in business, I would never give more than ten percent of my business to Costco. What would happen if Costco went down? I would go down. You never put all your eggs in the same basket. And the thing we need to do from an automotive rich region is recognize that we have skill sets that no one else has.

China doesn't have the skill set that our region has.⁴¹ They don't have the same capacity and knowledge and innovation that we have here.⁴² What we need to do is recognize that the automotive industry has gotten us this far, provided us with these skills, and just like in business when you change under different circumstances, we have to transition to applying those skill sets to others.

I know it is difficult, and I have had over a thousand laid off from Ford,⁴³ another thousand from Chrysler,⁴⁴ but it is transition we need to work together. One of the things we look for – and I apologize, I am not too familiar with what American programs are available – but one of the things we need to do on our side is take those individuals that have that skill set, allow them to provide the support for the transition, upgrade the skill set, and apply it somewhere else. Because, from our perspective, not only do we have individuals that are in the skill set right now, right now I am third behind Vancouver and Toronto.⁴⁵ That's unheard of.

And I have all these people coming into my city, and I need to be able to provide them skills, but I can't do it at the municipal level. R & D is a key thing. I am telling you R & D. You know why the automotive industry is struggling? It is very simple. It is all about product. Those companies that have hot products, those companies selling the product, they come up with great ideas. How do you come up with a great new product? R & D.

⁴¹ See generally Human Resources Trends, The US-China Business Council, http://www.uschina.org/info/china-briefing-book/hr_backgrounder.html (last visited Oct. 17, 2007) (discussing China's shortage of skilled labor).

⁴² *Id.*

⁴³ See Chris Vander Doelen, *1,275 Auto Jobs Wiped Out*, WINDSOR STAR, Apr. 5, 2007, available at <http://autos.canada.com/news/story.html?id=f3dce016-9f17-42f5-9cdf-e2c110d9baeb>.

⁴⁴ *Id.*

⁴⁵ See generally Allan Rock, Remarks at the Windsor Innovation Summit (Sept. 12, 2002), <http://www.innovationstrategy.gc.ca/gol/innovation/site.nsf/en/in02464.html> (discussing the Canadian government's plan to strengthen the economy in part through building and maintaining a skilled and knowledgeable workforce).

The idea goes back to what I was saying earlier. We need to attract people that can have the ability to develop the ideas and then have the facilities to take those ideas and turn them into a product. Those areas, and those regions, that can do that, and this is where the R & D comes in. You need to have the cooperation. I may have somebody that comes up with the idea, but I may need somebody in Ohio to produce it. That's where that cooperation and collaboration comes in because then we can compete.

AUDIENCE MEMBER: You were 23 when this whole thing started. You grew the business, went to law school, went on to council, and now you are a mayor. This is in nine years. So you have done all this at an unbelievable speed.

Do you have any interest in going back to the whole entrepreneurial thing? You keep going at this space, you are going to run out of life times, you know? But it would seem –

MAYOR FRANCIS: I feel like I am 72 on the inside.

AUDIENCE MEMBER: When did you sell the business?

MAYOR FRANCIS: I referenced in terms we have 10 or 11 months in a law firm. So when I went to interview for Articles, I interviewed with a law firm, and they said you are with city council. We are not going to give you a job unless something gives, and I couldn't get off council. I needed the Articles to get called to the bar.

When I began the business and set it up and established it with my brothers, we went in with a goal. Our goal was simple. Those people were out there, and the people we were talking to thought we couldn't do it. And our job was to take out as much of the competition, and we brought so much of that, and it came to a point that our competition was ready to buy us out.

AUDIENCE MEMBER: When did you sell?

MAYOR FRANCIS: In 2002.

AUDIENCE MEMBER: Is your father still alive?

MAYOR FRANCIS: Yes.

AUDIENCE MEMBER: What did he think about this?

MAYOR FRANCIS: My father is from the old country, and you still can't do it right.

AUDIENCE MEMBER: Would you go back to what I was saying, yourself as an entrepreneur?

MAYOR FRANCIS: I miss it, and what I was trying to convey, perhaps being in government right now when people ask you, there is no way to do it in two terms. I miss it because government restricts the entrepreneurial aspect. I feel so held back from doing what I normally do, and that's being an entrepreneur.

The thing I liked about being a lawyer, you get to be an entrepreneur in everybody else's business, so you learn about so many different clients and different businesses that you are an entrepreneur and in a different business

everyday. That's what I enjoyed about the law; it gave me that same type of opportunity to channel that energy.

AUDIENCE MEMBER: You are still young, and you have a chance to be prime minister, but it seems you have that ability.

MAYOR FRANCIS: You really have to meet my wife. She doesn't want any part of it.

AUDIENCE MEMBER: You may have a chance to make Canada, as an entrepreneur, as a great country of the world. Think about that.

MAYOR FRANCIS: And thank you. That's very kind, but go back to my earlier point: we cannot depend on government to do it. Government will not do it. And again, I am speaking from a very limited experience in terms of my perspective as a mayor. It just takes way too long.

The entrepreneurial spirit needs to be driven by entrepreneurs. It needs to be driven by business and small business, and they will do it. What we need to do as government is be able to provide them the type of support that otherwise they wouldn't be able to get.

I will give you an example. Shortly after being elected – and this is some of the conflicts I face – shortly after being elected, there was an opportunity for us to locate a company, International Truck. Are you all familiar with International Truck? To locate their new R & D center, and Windsor was one of the places, and International Truck was going to make a decision.

I think it was Windsor, Hamilton, London, and Toronto, and they had three R & D facilities they were going to locate. And I asked for a meeting with the powers that be, and I met with them. I just said, "What do you need?" They said, "What do you mean?" I said, "What do you need for you to make your decision?" They said, "We never heard that before."

I said, "Tell me what it is, and if I can do it, I will do it, but what do you need in terms of us providing the support?" They told us. They made their decision, and they are now located in Windsor. As government, we need to be able to approach business and not with the same cookie cutter approach – this is the way it needs to be done.

Their situation may be different than your situation, so what is it for you to do? What is it you need to do, and develop that type of a product, that type of idea, that type of entrepreneurial invention? And if we can provide the support, that's what we need to do. I think we are doing a good job in terms of getting there. Mark is a good example. He does it every day.

AUDIENCE MEMBER: I know that you might be frustrated by your job and how you feel you are constrained in what you could accomplish, but you probably are also saying to yourself, "I accomplished a hell of a lot in the term-and-a-half or almost two terms as mayor." Anybody can be proud of what you have accomplished and is going to be concerned about making sure that the next person who comes in takes what you have done and takes it to the next level. You want to get somebody in there even better than you.

So my question is: what's your sense of the landscape, the political landscape in the Windsor area, apart from your two brothers, in terms of talent that can make it look like you were only half as good?

MAYOR FRANCIS: You must have been talking to my two brothers.

I think the best – I am confident – let's put it that way. I think if anything, when somebody comes into the office and is able to accomplish something, set the bar high and hope somebody else will do better, I am confident that will happen. Any good person who steps into a political office sets things in place that you would hope would serve as the building blocks.

And if anything, I would hope that by being a nobody that was fortunate to be elected, that has inspired or has given reason for others to move forward that otherwise would not have considered politics but can now consider politics.

So I would hope that my example – and that's why every time I have an opportunity to speak I say you don't have to be a politician to run for office. You just have to have dedication and passion and the commitment to do a better job than the next guy. I hope that after I am done the next person that comes in, within a year they forget about me because the next person is that much better.

Questions.

AUDIENCE MEMBER: What personality traits attract you in succeeding, and if you don't have those, can you still have those by having a good plan and executing it?

MAYOR FRANCIS: It is a good question. Believe it or not I am a very shy individual. It is true. So the personality – you know what? I have never been asked that question in my career. The personality traits, I think, that have helped me are being able to be very – and this comes from my science background – science, they teach you to be very methodical, right? Know what your end result is going to be. Map out how you are going to get to your end result, and that's the same thing I applied in business.

The same thing I applied in my career as mayor. I am methodical in terms of establishing a long-term, direct, knowing where it is I think we need to be, developing a plan and sticking to it. Oftentimes you will get politicians that get swayed one way or the other, and it just doesn't happen.

You stick to it, and if you believe in your plan so much that it is the right thing to do, you just get it done. Patience is a key thing for me, and I still struggle with patience sometimes.

Thank you.

