



THOUGHT LEADERS

WITH KATHRYN BRYK FRIEDMAN, THOMAS KUCHARSKI, WILLIAM VANECEK AND PETER WILSON

CANADIAN BORDER REMAINS CLOUDY ISSUE FOR ECONOMY

Buffalo-area businesses continue to heed swirling regulations that inhibit a more robust movement into and out of Ontario



JOED VIERA | BUFFALO BUSINESS FIRST

The Peace Bridge, opened in 1927, connects Buffalo to Fort Erie, Ontario.

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While vaccinated U.S. citizens will be allowed to enter Canada, as of Aug. 9, and with certain conditions including a Covid-19 test, what remains is when the Biden Administration will allow fully vaccinated Canadian residents to enter America.

And, that uncertainty remains a cloud over the region's economy, according to participants in the July 15 Thought Leaders panel discussion, presented by the Hodgson Russ LLP law firm.

The issue is a key one for the 12 U.S. states that border southern Canada and is especially important in the Buffalo Niagara region where so many businesses rely on visitors from Southern Ontario.

Canadians account for nearly 40% of the annual passenger count at Buffalo Niagara International Airport, 60% of the weekday customer traffic at regional shopping centers and 20% of the season-ticket base for the Buffalo Bills and Buffalo Sabres.

"The border crossing issue for non-essential travelers doesn't matter as much in South Carolina or Tennessee like it does in Buffalo," said Kathryn Byrk Friedman, Universi-

ty at Buffalo Woodrow Wilson Center global fellow and a UB research associate professor of law and planning. "Border communities are really suffering the most with non-essential travel restrictions."

Friedman was one of six panelists. The others were: **Christine Bonaguide**, Hodgson Russ LLP partner; **George Eydt**, Hodgson Russ Toronto office managing partner; **Thomas Kucharski**, Invest Buffalo Niagara president and CEO; **William Vanecek**, NFTA director of aviation and airport management; and **Peter Wilson**, Sonwil Distribution Center chairman and CEO.

"Understand there will be perma-

nent changes to both economies as we move forward," Friedman said.

Trudeau's office said on July 15 that fully vaccinated U.S. residents may be allowed to enter Canada in mid-August. This would include those previously considered non-essential travelers. What is left unsaid is whether fully vaccinated Canadians will be allowed to enter the U.S. and whether anyone entering Canada must take a Covid-19 test before entering Canada.

Business is still getting done, despite the uncertainty when the border will reopen to non-essential travel.

"Deals are getting done," Bonagu-



“9/11 was a big shock to the system and our border-crossing policies adjusted from a free flowing one to one that focused on security and trade. Now, we have a third aspect – public health.”

KATHRYN BRYK FRIEDMAN, Woodrow Wilson Center global fellow and research associate professor of law and planning, University at Buffalo



“Businesses are not going to make a cross-border decision through Google Earth or a drone shot. There is a whole myriad of issues at play here.”

THOMAS KUCHARSKI, president and CEO, Invest Buffalo Niagara



“When the border reopens, we expect a surge (in Southern Ontario residents using Buffalo Niagara International Airport). That’s a given.”

WILLIAM VANECEK, director of aviation and airport management, Niagara Frontier Transportation Authority



“Canada has to restart the engine. We are seeing a little bit of a ramp up but it is not going to happen in a week. It will happen over time.”

PETER WILSON, chairman and CEO, Sonwil Distribution Center

ide said. “Business is still operating, maybe a little less (than pre-Covid) but it is still happening.”

While the push to reopen the border for non-essential traffic is strong in the Buffalo Niagara region, Canadians have taken a more cautious approach.

A poll taken in early July by Canada’s Angus Reid Institute found that 48% of those polled in Canada want the border reopened by September and 21% say the border should remain closed to non-essential travel until the end of 2021.

“What the business community lacks is clear, concise communication about what’s allowed and what’s not allowed,” Eydt said.

Wilson said his West Seneca-based logistics firm is still sending 10 trucks a day to Toronto. Calls from Canadian clients are just beginning to make their way back to his company.

“Businesses I’ve talked to understand the caution, but at the same time they don’t understand why things aren’t moving along more quickly,” Wilson said. “We just seeing the first crack in the egg. It is a slow go and it will be a while before we fully ramp up.”

At the Buffalo Niagara International Airport, Vanecek said in the peak summer travel months, Southern Ontario residents comprised up to 35% of the airport’s daily passenger count. Now, the airport is handling about 4,500 daily passengers and Southern Ontario residents account for just 4% of the travelers.

Still, that’s better than last summer, Vanecek said.

“At times, it was like a ghost town,” he said. “We had planes flying out with just one passenger. Things are slowly starting to ramp up.”

Canadian and, more specifically, Southern Ontario business interests continue to explore new regional investments, Kucharski said. Earlier this month, Invest Buffalo Niagara handled five requests for information from Canadian firms.

“We do function as a binational region,” Kucharski said.

Eydt said if the one word that explains cross-border business is caution, especially in Toronto and elsewhere in Southern Ontario.

“The government doesn’t want to put the brake on again,” Eydt said. “But look at Toronto. There are some days when the highway is still jammed with cars.”

Bonaguide offers this advice to her clients: “I tell them to remain flexible. Be creative and plan as much as you can for alternatives.”

HODGSON’S TAKE



“With all the constant uncertainty about when the border will reopen, or partially reopen, makes it very difficult to plan.”

CHRISTINE BONAGUIDE, partner, Hodgson Russ LLP



“In Toronto there are pockets of frustration. Hotels and restaurants have been hit hard and people can’t visit their summer (U.S.) homes.”

GEORGE EYDT, partner, Hodgson Russ LLP

CLOSER LOOK AT THOUGHT LEADERS

Thought Leaders is an ongoing series of discussions with Western New York business leaders and attorneys at Hodgson Russ LLP.

Ten times a year, leaders in diverse industries meet for a roundtable discussion moderated by Business First journalists.

The conversations are usually held in the law firm’s Pearl Street offices in Buffalo, but have shifted to a virtual format during the Covid-19 crisis.