MARITIME TRANSPORTATION ON THE GREAT LAKES

ISSUES AND CHALLENGES

STEVE FISHER

EXECUTIVE DIRECTOR

AMERICAN GREAT LAKES PORTS ASSOCIATION

WASHINGTON, DC

WWW.GREATLAKESPORTS.ORG

OVERVIEW OF THE GREAT LAKES SHIPPING SYSTEM

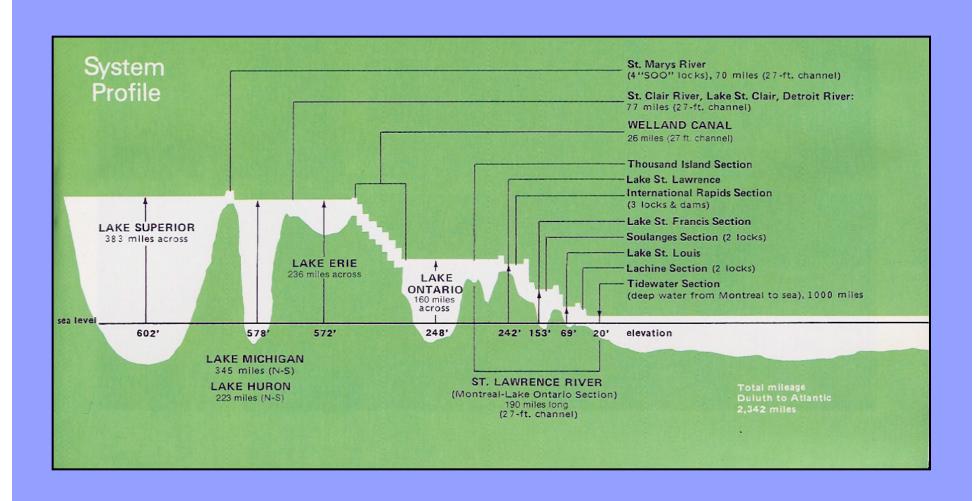
GREAT LAKES / ST. LAWRENCE SEAWAY SYSTEM



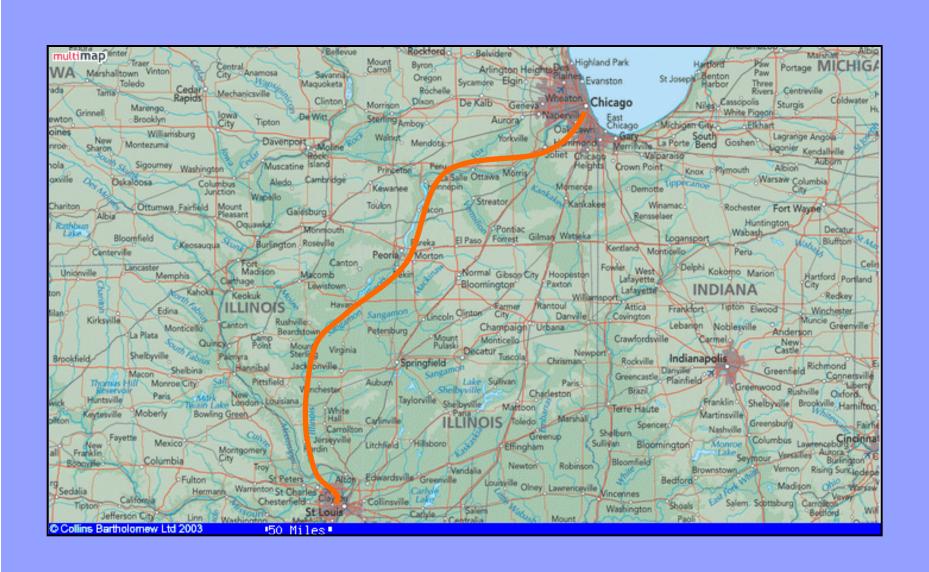
GREAT LAKES / ST. LAWRENCE SEAWAY LOCK INFRASTRUCTURE



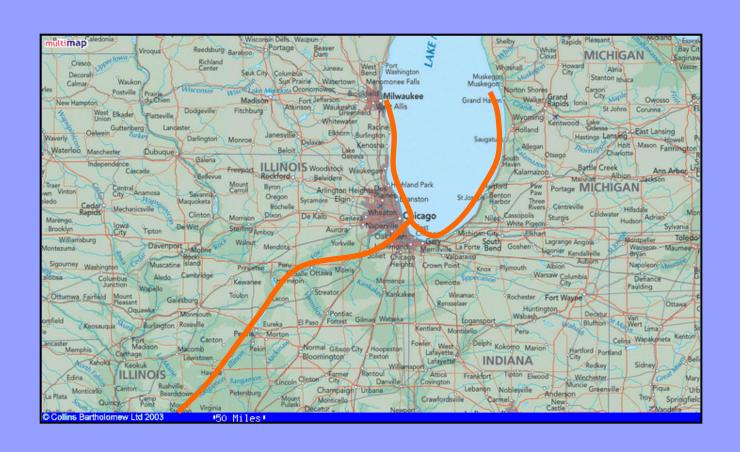
TOPOGRAPHICAL VIEW



INLAND RIVER - GREAT LAKES CONNECTION



INLAND RIVER - GREAT LAKES CONNECTION



Great Lakes Navigation System

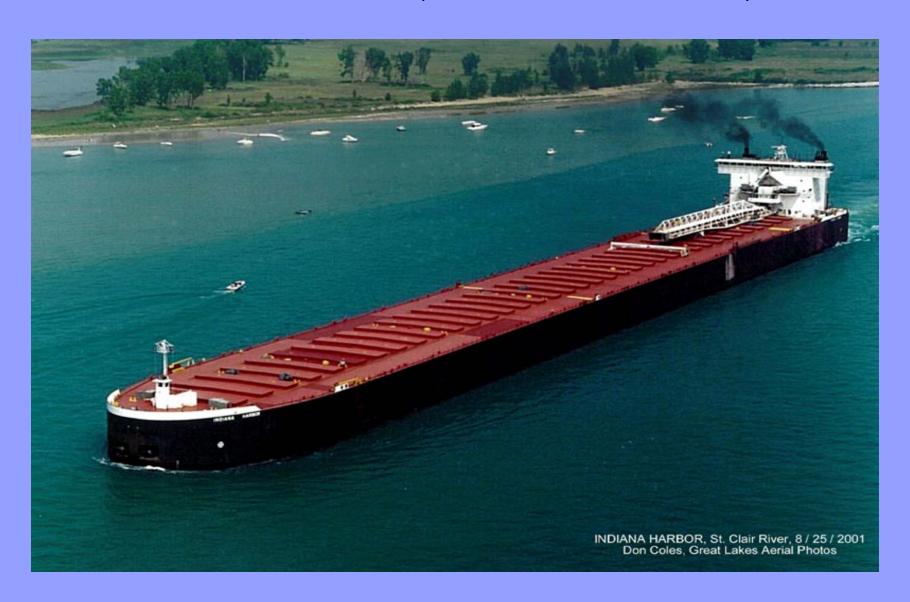
Three Primary Industry Segments:

- U.S.-Flag domestic shipping
- Canadian-Flag domestic shipping
- Foreign-Flag Ocean shipping

U.S.-FLAG DOMESTIC SHIPPING (Bulk Only)



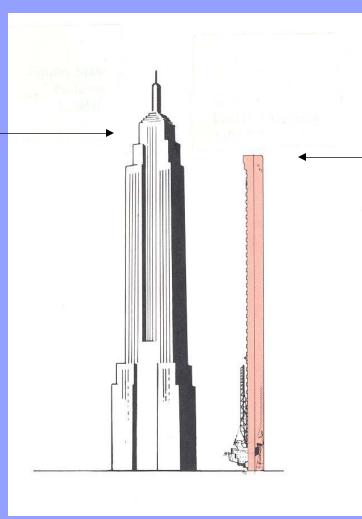
INDIANA HARBOR (1000' x 105' x 28' draft)



Empire State _ Building

> 1,224 Feet

102nd Floor

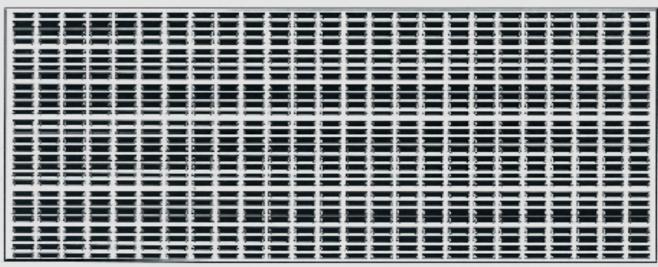


Indiana Harbor

> 1,000 Feet

1 Laker = 7 100-Car Unit Trains





= 100 tons per railroad car



1 Laker = 2,800 Trucks



Photo: Rod Burdick

CANADIAN-FLAG DOMESTIC SHIPPING (Bulk Only)



ALGOCAPE (730' x 75' x 28' draft)



FOREIGN-FLAG OCEAN SHIPPING (Bulk and Breakbulk)



FEDERAL SAGUENAY (656' x 77' x 26' draft)



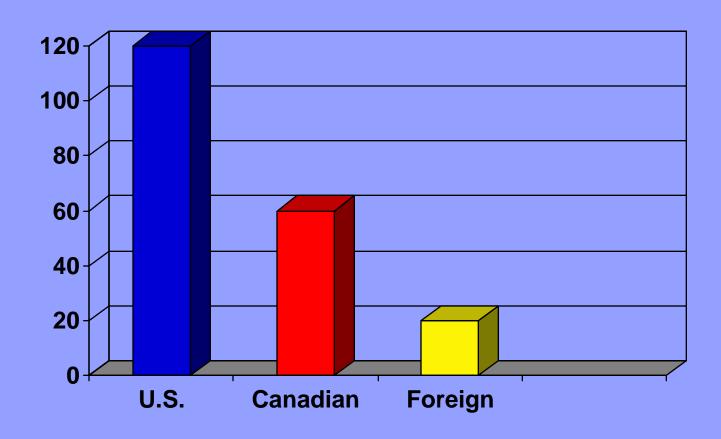


CARGO TYPES

- Bulk
- Breakbulk
- Project cargo
- Few containers

CARGO VOLUME

(millions of tons)



INDUSTRIES SERVED







STEEL

- Imported semi-finished steel
- Raw materials for domestic production

AGRICULTURE

- Fertilizers
- Export grains

FOREST PRODUCTS

- CONSTRUCTION
 - Cement
- UTILITIES
 - Coal

COMPETITION



- East Coast ports
- Gulf ports
- Rail
- Trucking
- Inland River System

ISSUES & CHALLENGES

GREAT LAKES DREDGING CRISIS

- More than \$200 million Great Lakes maintenance dredging backlog
- \$3 billion+ excess balance in the Harbor Maintenance Trust Fund
- Critical locations: Saginaw, MI; Green Bay, WI; Cleveland, OH; Toledo, OH

IMPACT OF DREDGING CRISIS

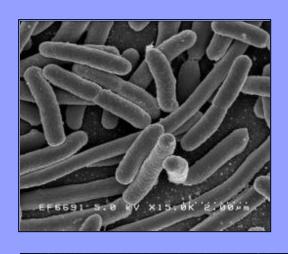
Major Great Lakes Vessel Classes	Vessel Length (feet)	Per-Trip Carrying Capacity	Capacity Per Inch Of Draft*
	1,000	69,664	267
	806	34,720	146
**************************************	767	28,336	127
	730	27,558	115
	635	22,064	107
	501	13,776	71
*Capacity per inch of draft reflects the incremental tonnage carried at normal loaded draft.			

Rep. Oberstar On Dredging

"It is incomprehensible to me that the ships that depart our Minnesota harbors cannot carry full loads of iron ore and low-sulfur coal because the U.S. Army Corps of Engineers does not get enough money to maintain the system. This waterway is too important a part of the national transportation infrastructure to be treated like a poor relation. In the next Congress, I will do everything in my power to bring our fair share of Federal dredging dollars back to the Great Lakes."

Congressman James L. Oberstar September 29, 2006

AQUATIC NUISANCE SPECIES









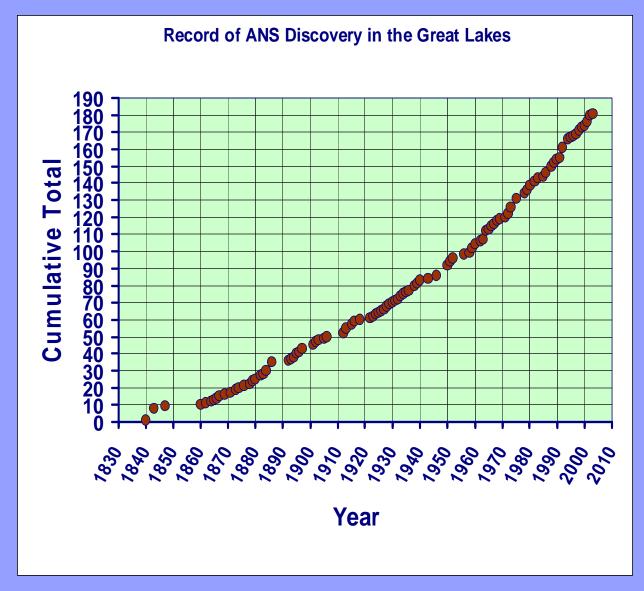


GREAT LAKES ANS TIMELINE

- Zebra Mussel discovered in G.L. in 1986
- Congress enacts Nonindigenous Prevention and Control Act of 1990
- Ballast Water exchange mandatory for G.L. ocean vessels in 1993
- Congress enacts NISA in 1996
- Michigan considers legislation in 2000 to effectively ban ocean ships from state waters
- 2003 U.S. Chair of the IJC calls for closure of the St. Lawrence Seaway to ocean shipping
- 2005 National Academy of Sciences begins study of Seaway closure
- Michigan enacts legislation in 2006 forbidding the discharge of ballast water from ocean ships at Michigan ports, or the installation of state-approved treatment ballast treatment systems.

GROWING PUBLIC INTEREST AS PROBLEM PERSISTS

- Organized and vocal environmental organizations
- Media has become "anti-shipping"
- Marine industry has been redefined as a "polluter"
- Governors call for solutions
- Mayors call for solutions
- Legislation introduced in most G.L. states
- Regulatory measure enacted in Michigan



2006: at least 181 ANS (161 free-living)

"GREAT SHIPS INITIATIVE"

- Industry-led effort to accelerate the development of shipboard ballast water treatment systems
- R&D center currently under construction in the Port of Duluth/Superior
- Provide engineering assistance
- Arrange access to ships
- Lobby for state and federal assistance

OBJECTIVE

To end ship mediated introductions of aquatic invasive species into the Great Lakes

PROJECT ELEMENTS

technology incubation
harbor monitoring
installation assistance / financing
post installation monitoring / assistance

FUNDING

(as of November, 2006)

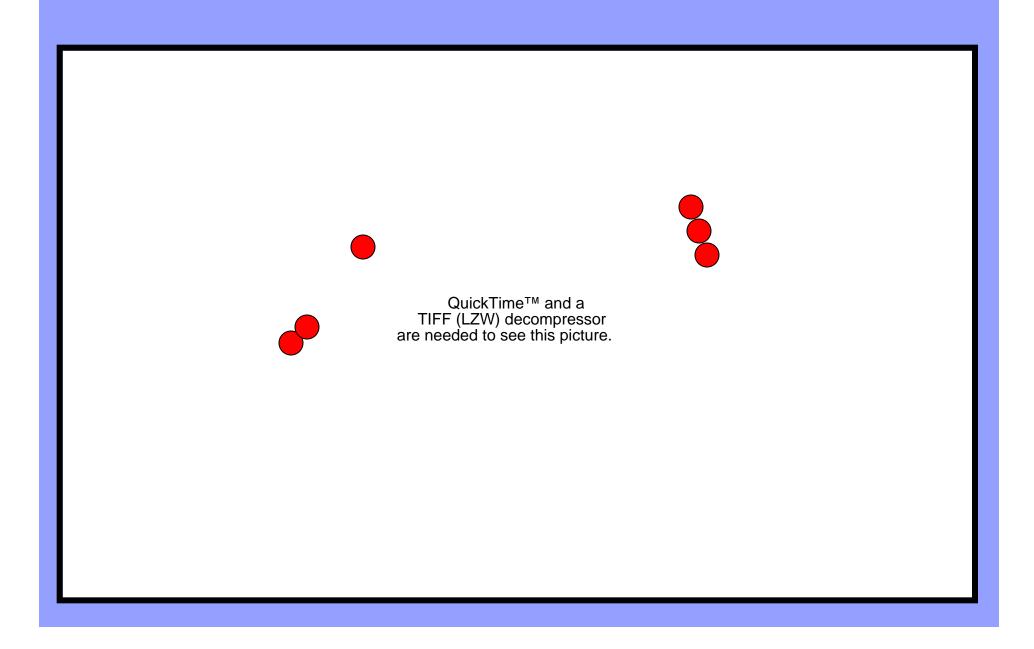
Great Lakes Ports	100,000.00
U.S. Department of Transportation	900,000.00
Maritime Administration	700,000.00
SLSDC	50,000.00
SLSMC	50,000.00
NOAA	1,250,000.00
GLMRI	50,000.00
Total	3,300,000.00

SHORT SEA SHIPPING

CURRENT LAND TRANSPORT ROUTES IN THE EASTERN GREAT LAKES



EXISTING BORDER CROSSINGS





Detroit-Windsor
Truck Ferry (existing)



Cleveland-Port Stanley
Truck Ferry



Erie-Nanticoke Truck Ferry



Hamilton-Oswego Truck Ferry 109TH CONGRESS

2d Session

H. R. 5889

To amend the Internal Revenue Code of 1986 to exempt from the harbor maintenance tax certain commercial cargo loaded or unloaded at United States ports in the Great Lakes Saint Lawrence Seaway System.

IN THE HOUSE OF REPRESENTATIVES

July 26, 2006

Mrs. Jones of Ohio (for herself and Mr. English of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exempt from the harbor maintenance tax certain commercial cargo loaded or unloaded at United States ports in the Great Lakes Saint Lawrence Seaway System.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Great Lakes Short
- 5 Sea Shipping Enhancement Act of 2006".

"GREAT LAKES SHORT SEA SHIPPING ENHANCEMENT ACT"

FREIGHT TRANSPORTATION DATABASE

- Great Lakes Maritime Research Institute -University of Toledo
- Central database integrating highway, rail, and marine transportation data
- Assist regional, state and provincial planners in identifying marine solutions to gridlock
- Justify short sea shipping alternatives
- Justify marine infrastructure investments

GREAT LAKES NAVIGATION STUDY

- 5-year U.S.-Canadian study of system infrastructure
- Focus on maintenance/replacement of existing navigation structures
- No support in the region for expansion or enlargement

THANKS!

