Lake Carriers' Association

The Greatest Ships on the Great Lakes

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Testimony of Lake Carriers' Association Regarding SB 264

Dear Representative LaFontaine:

Lake Carriers' Association (LCA) represents 17 American companies that operate 57 U.S.-flag vessels on the Great Lakes. Their vessels carry the raw materials that drive the nation's economy: iron ore and fluxstone for the steel industry, aggregate and cement for the construction industry, coal for power generation, as well as salt, sand, grain and gypsum. Collectively, our members can transport more than 115 million tons of dry-bulk cargo per year, and those cargos generate and sustain more than 103,000 jobs in the eight Great Lakes. **More than 23,000 of those jobs are in Michigan.**

We have very strong ties to Michigan. Eight of our members are headquartered in The Wolverine State. Andrie Inc., Inland Lakes Management, Port City Marine Services and Port City Steamship are located in Muskegon. Lake Michigan Carferry Service and Pere Marquette Shipping Company are based in Ludington. Soo Marine Supply operates out of Sault Ste. Marie. Upper Lakes Towing and VanEnkevort Tug & Barge are both based in Escanaba. Collectively they operate 16 U.S.-flag vessels on the Great Lakes.

Michigan boasts more commercial ports than the other seven Great Lakes states combined, so its ports are a frequent destination for all LCA members. Marquette and Escanaba typically account for 20-25 percent of all the iron ore moving on the Lakes. Calcite, Stoneport and Port Inland are the three largest limestone-shipping quarries on the Lakes. Alpena and Charlevoix are the hubs of the cement trade. Prior to the recession our members routinely loaded and discharged more than 50 million tons of cargo in Michigan each year.

One of the problems plaguing Great Lakes shipping is the dredging crisis. Years of inadequate Federal funding for dredging has left 18 million cubic yards clogging Great Lakes ports and waterways. Michigan ports are no exception. Approximately 1,000,000 cubic yards of sediment must be dredged from Michigan ports and waterways before ships can again deliver full loads.

The most critical need is in the St. Marys River. It has not been dredged since 2008 and some shoaling just below the Soo Locks now sets the draft for most vessels in the Head-of-the-Lakes trade (Lake Superior to Lower Lakes ports). That shoaling is forcing vessels delivering coal to St. Clair to forfeit as much as 10,000 tons per trip. Vessels loading iron ore in Marquette for delivery to Ecorse are leaving several thousand tons behind each trip.

The port of St. Joseph is closed right now because of shoaling and the port of Holland has been closed for periods by lack of adequate dredging. All in all, an intolerable and unnecessary situation.

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Lack of dredging funds is not the only problem. The confined disposal facilities (CDFs) built in the 1970s to hold sediment contaminated with toxic materials are nearing capacity and the cost to expand them or build new ones will be astronomical.

Senate Bill 264 helps solve both problems by allowing Open Lake disposal of non-toxic sediment. It is four times more costly to dispose of sediment in a CDR than deposit it in a deep area of the Lakes. Open Lake disposal saves taxpayers dollars up front by reducing the overall cost of dredging and then saves more than reducing the need to expand or build new CDFs.

We are not being boastful when we say Lake Carriers' Association and its members have an outstanding environmental record. We developed and implemented the first voluntary ballast water management plan in North America when the ruffe was discovered in western Lake Superior in the late 1980s. We engaged in groundbreaking design and testing of a ballast water filtration system that could be installed on the oceangoing vessels that – unwittingly for sure – introduce non-indigenous species to the Lakes. We were the first to respond to the threat of Viral Hemorrhagic Septicemia.

That commitment to clean Great Lakes extends to dredging. We do not want contaminated sediment disposed of in the open Lakes. But using clean sediment for beach restoration or other beneficial uses is desirable from many perspectives and Open Lake disposal of clean sediment not suited to those purposes will in no way threaten the Great Lakes environment.

We urge the Michigan House to quickly pass SB 264.

Very respectfully,

James H. I. Weakley
President

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