

America's



4th Sea Coast

2024 Annual Report

Great Lakes Maritime Task Force



TASK FORCE MEMBERS

ILLINOIS

The Chicago and Western Great
Lakes Port Council

CN

Holcim U.S.

Int'l Union of Operating Engineers
Local 150

INDIANA

Central Marine Logistics, Inc.
Ports of Indiana

MICHIGAN

Detroit/Wayne County Port Authority
Dock 63 Inc.

DTE Energy

Durocher Marine

Edw. C. Levy Co.

Grand River Navigation Company

Great Lakes Dock & Materials, LLC

Interlake Logistics Solutions

International Shipmasters' Association

The King Co., Inc.

Lake Michigan Carferry Service, Inc.

Lakes Pilots Association

MCM Marine, Inc.

Michigan Maritime Trades Port Council

Port of Monroe

Ryba Marine Construction Co.

Seafarers International Union

Soo Marine Supply, Inc.

Verplank Dock Co.

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Warner Petroleum Corp.

West Michigan Dock and Market –

Port of Muskegon

Western Great Lakes Pilots Association

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Duluth Seaway Port Authority

Great Lakes Fleet

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of Boilermakers

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Montana Coal Council

GLMTF 2024 Year in Review

The Great Lakes shipping season was off to an early start this year with the Soo Locks opening three days early to accommodate the supply chain demand which was hampered in 2023 due to Seaway labor strikes and frequent late season gale wind events. As of November, bulk cargo has held steady over last year with iron ore and steel leading the way followed by limestone shipments. Potash shipments spiked to an all-time high while grain exports were down compared to 2023 but are expected to rise significantly with harvest season upon us.

Thanks to mother nature, the U.S. Coast Guard dodged a historically low ice season requiring very little effort from the aging fleet of federal icebreakers. However, the lack of ice did create other problems as sediment, driven by violent wind events, traveled along the lake shores depositing at the entrances to ports and harbors. Early season surveying and dredging remained critical to make sure loaded vessels could safely transit into ports and facilities that had not seen a delivery in over two months. Dredging costs continue to increase with disposal of dredged material increasing fees exponentially and shrinking environmental windows constricting work to just a few summer months further stressing the limited number of dredge operators on the Great Lakes.

U.S.-flagged vessel operators on the Great Lakes invest heavily in their vessels maintaining machinery and structural integrity to the tune of more than \$100 million annually. Partnering with the very capable shipyards across the Great Lakes, the freshwater ships have and will continue to operate safely and efficiently for decades. Keeping Great Lakes shipyards fully booked with business and attracting the best welders, mechanics, and electricians is imperative to the success of the Great Lakes Navigation System and the U.S.-flagged fleet.

As important as U.S.-flagged ships, shipbuilding and repair facilities are to the economy, without modern Great Lakes ports to receive and export critical cargo the supply chain comes to a halt. A critical component to keeping our ports operating efficiently is the Port Infrastructure Development Program (PDIP). While Great Lakes ports have received some funding through this program in the past, it has not been equitably distributed with the Great Lakes only receiving eight percent of the total allocation over the last five years while West Coast and East Coast ports received 38.5 percent and 34 percent respectively. It is important that Great Lakes legislators take action to correct this to ensure the domestic supply chain is efficient and competitive and not solely dependent on foreign goods and foreign shipping.

Work on the new large navigational lock in Sault Ste. Marie, Michigan, progressed well this year with completion of the upstream approach walls and the commencement of construction on the new lock chamber. Congress has been exceptionally attentive to the funding needed to complete this nationally important infrastructure project and so far the project remains on track for completion in 2030. Missing one year of requested appropriations could lengthen the project and increase costs significantly. Time to finish the new Soo Lock!

The mariner shortage crisis continues to play out across the nation and the Great Lakes are not immune. Several government studies are underway looking for a means to stem the tide and bring in new mariners to the industry. A successful solution was realized recently when Congress passed the 2024 National Defense

NEW YORK

American Ship Repair Co., Inc.
American Steamship Company
St. Lawrence Seaway Pilots Association

OHIO

American Maritime Officers, AFL-CIO
Cleveland-Cliffs Inc.
Cleveland-Cuyahoga County
Port Authority
Consumer Energy Alliance-Midwest
CSX Transportation-Toledo Docks
Great Lakes District Council, ILA, AFL-
CIO
The Great Lakes Towing Company
IAMAW Local Lodge 1943
ILA Lake Erie Coal & Ore Dock
Council
ILA Local 1317
ILA Local 1768
The Interlake Steamship Company
International Organization of
Masters, Mates & Pilots, AFL-CIO
Lake Carriers' Association
Northeast Technical Services Co.
Osborne Concrete & Stone Co.
Toledo Port Council MTD, AFL-CIO

PENNSYLVANIA

Carmeuse Lime and Stone, Inc.
Donjon Shipbuilding & Repair, LLC
United States Steel Corporation

WISCONSIN

Bay Engineering, Inc
Bay Shipbuilding Company
Brown County Port &
Resource Recovery Department
Fraser Shipyards, Inc.
Hallett Dock 8 LLC
Midwest Energy Resources Company
Port Milwaukee
Roen Salvage Company

GREATER WASHINGTON, DC

American Great Lakes Ports Assoc.
American Maritime Congress
American Maritime Officers Service
K&L Gates, LLP
Marine Engineers' Beneficial
Association, AFL-CIO
Transportation Institute

Authorization Act which cut sea time requirements in half to advance as an Able Seaman Unlimited, Limited and Special. While the time reduction is temporary for the next three years, there is hope it can be extended indefinitely in future legislation. Work still needs to be done to simplify merchant mariner credentialing and to improve the velocity between application and approval. It is absolutely untenable to expect a new mariner to wait 90 days or more to receive their credentials and begin working, particularly with the status of the present U.S. economy.

Significant progress has been made with the U.S. Coast Guard's (USCG) domestic icebreaking mission but there is still more work to do. While the icebreaking fleet wasn't tested this year due to low ice cover, next year is bound to be another story. The only heavy USCG Great Lakes icebreaker, MACKINAW, was down a significant portion of the ice season with casualties and the 140-foot icebreaking tugs were left to manage the lakes as best they could - a difficult task for the 45-year-old vessels which are well past their service life with 1970's era propulsion systems. The USCG did request funding in Fiscal Year 2024 for the new heavy icebreaker but, unfortunately, were only given a portion of their requested amount further lengthening construction timelines. The USCG still cites a ten-year construction period for the icebreaker, but that clock doesn't start until sufficient funding has been appropriated.

This annual report details the strength of our nation's 4th Sea Coast and the challenges and opportunities for the Great Lakes maritime supply chain. Please visit us online at www.glmtf.org for more details.

We thank you,

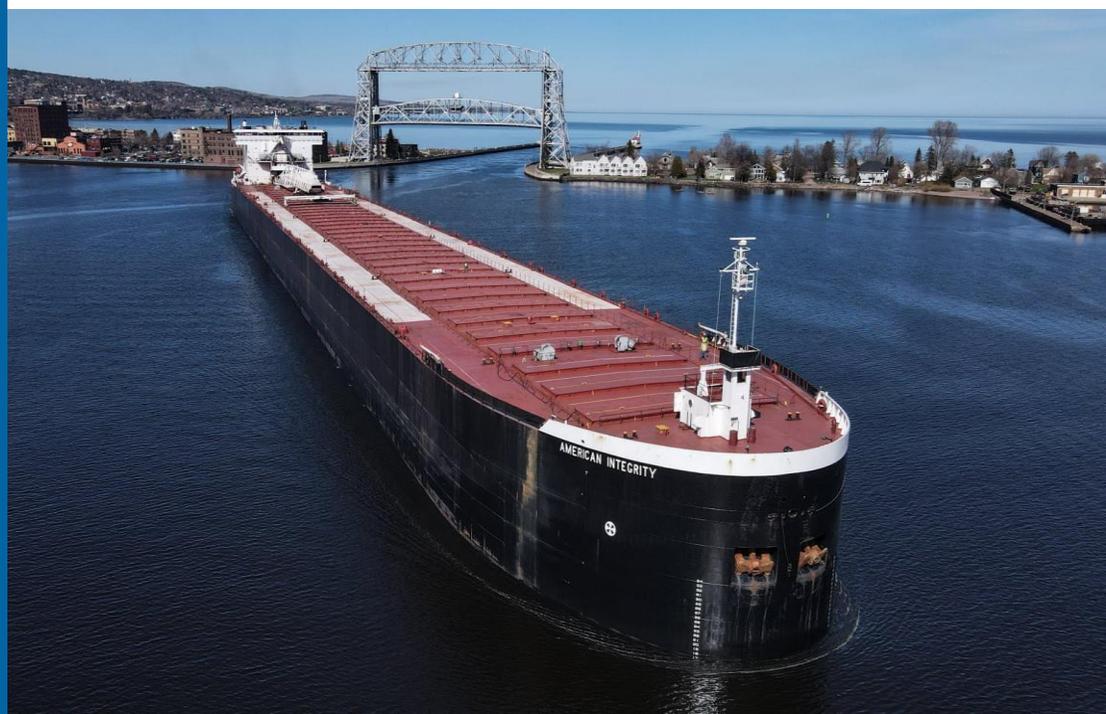
Richard Hammer, Donjon Shipbuilding and Repair, GLMTF President

John E. Clemons, American Maritime Officers, AFL-CIO, GLMTF 1st Vice President

James H. I. Weakley, Lake Carriers' Association, GLMTF 2nd Vice President

John D. Baker, International Longshoremen's Association – Local 1317, GLMTF 3rd Vice President

Members of the Great Lakes Maritime Task Force



A message from the GLMTF President, Richard Hamner

Donjon Shipbuilding and Repair

The Great Lakes Maritime Task Force was organized over 30-years ago around a foundational U.S. law that protects U.S. economic and national security, the *Jones Act*. The *Jones Act* secures a strong and vibrant maritime industry which helps ensure the U.S. maintains its expertise in shipbuilding and waterborne transportation. As we continue to rebuild and modernize our maritime infrastructure, it is paramount we as a nation protect ourselves from foreign interests that aim to undermine our supply chain. We need U.S. built and flagged vessels crewed by U.S. sailors operating between U.S. ports. The *Jones Act* is a bipartisan piece of legislation that sustains 650,000 U.S. jobs and \$154 billion in economic output.

The Great Lakes region has a unique abundance of skilled labor, natural resources, infrastructure and the perfect mode of transportation across the world's longest inland waterway route. Ships have been built on the Great Lakes for hundreds of years to meet the nation's manufacturing demand building everything from homes, roads, automobiles, appliances, and even the new large navigational lock at Sault Ste Marie, Michigan. Maritime shipping on the Great Lakes is the most efficient mode of transportation for bulk cargo keeping trucks off congested highways and rail out of your backyard with the ability to move one ton of cargo over 600 miles on one gallon of fuel.

As we move forward with a new government administration we must prioritize and not penalize the Great Lakes Navigation System. Intelligent regulations and investments that promote U.S. domestic shipping are imperative to ensuring that the nation's economy can continue to move in a positive direction. The following report highlights many challenges facing America's 4th Sea Coast, but there are also endless opportunities to safely and efficiently move commerce on the Great Lakes.

We must also work together to find a solution to the maritime workforce shortage. U.S. mariners are inextricably tied to the success of the nation moving critical cargo domestically and around the globe. While there has been a tremendous amount of focus on the ability to staff the Military Sealift Command with qualified mariners, it is critical that positions on U.S. Great Lakes freighters are filled to ensure the continued movement of the domestic supply chain which includes iron ore made into steel needed to exercise national power. Education about the industry, active recruiting efforts, streamlined credential application processes, and creative staffing changes will all be needed to correct this crisis.



Phase 2 of New Soo Lock Completed

Photo Courtesy of the U.S. Army Corps of Engineers, Detroit District

Dredging and Navigation Structures

The Great Lakes Navigation System needs significant annual appropriations to maintain safe navigation for the 60 federally-maintained deep-draft ports. While funding has been released from the Harbor Maintenance Trust Fund (HMTF) over the past few years, costs for dredging have skyrocketed due to the amount of work needing to be completed, dredge material placement restrictions, and constrained timeframes that dredging can be accomplished. Sediment on the bottom means cargoes are left at the dock when vessels cannot load to the design depths of the system. This can be as much as 270 tons of iron ore on a U.S.-flag vessel for each inch of draft lost. GLTMF supports continued distributions from the HMTF to draw down the \$10 billion surplus and allocations of at least 13 percent of the total distribution must go to the Great Lakes Navigation System.



The Jones Act Now More than Ever

GLTMF supports strict adherence to the Jones Act and all existing maritime cabotage laws and opposes waivers that favor foreign vessel agents solely interested in profit. The Jones Act, first and foremost, guarantees that domestic waterborne commerce is carried in vessels built to the world's highest safety and environmental protection standards with crews whose skills and expertise are certified by the U.S. Coast Guard. Diminishing the U.S. ship build requirement would cripple America's shipyards and forever damage our ability to project power globally or compete commercially at sea against countries like China who subsidize their shipbuilding with government funding. The American Great Lakes states' maritime industry, operating under the Jones Act, contributes more than 146,000 jobs and an annual economic impact of more than \$30 billion, 20% of the national economic impact. Our sovereignty and our supply chain depend on bipartisan support for the Jones Act, the foundational law that ensures America's maritime remains strong.

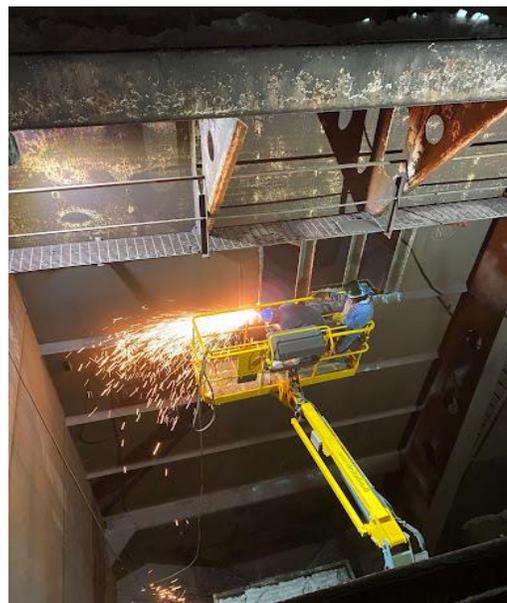


Short Sea Shipping

Congested highways, particularly in urban areas, hinder the flow of commerce and hamper North America's economic growth. Likewise, rail capacity is limited or at capacity in many areas. A number of new short-distance shipping services have been proposed in the Great Lakes region. In each case, the goal has been to relieve highway or border congestion and move commerce more efficiently. The Harbor Maintenance Tax is a key impediment to launching new short sea shipping services. The tax is only assessed if the cargo moves by vessel, so it serves as a disincentive to move trucks and their payloads by water. GLTMF supports a narrow exemption from the Harbor Maintenance Tax for non-bulk cargo moved on the Great Lakes.

Great Lakes Shipbuilding

Great Lakes shipyards are fully capable of building all types of commercial and military vessels for service throughout the world, limited only by the size of the navigational locks in the St. Lawrence Seaway. Great Lakes shipyards build and service ships sailing not only the Great Lakes but also the inland river system, saltwater coasts, and the high seas. Yards have added drydock capacity, berthing docks, facilities and personnel to build state of the art vessels, as well as heavy lift equipment and preventative maintenance assessment tools. GLTMF supports the Title XI Ship Loan Guarantee Program and Capital Construction Fund. The minimum appropriation for Title XI should be at least \$100 million. We also support trade negotiations and/or legislation to end foreign government subsidies to their own shipyards. Finally, GLTMF supports federal tax policies that encourage the modernization of both plant and equipment for shipowners and shipyards by the use of investment tax credits.



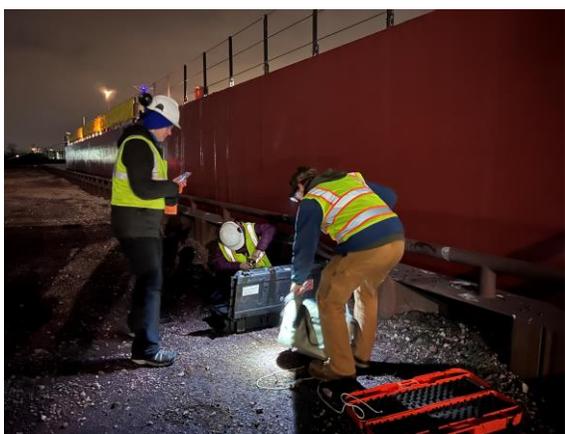


State Maritime Academies Produce Mariners

The maritime industry is facing an increasing shortage of licensed merchant mariners with profound commercial and national security implications. Since 1874, America's State Maritime Academies have been educating and training cadets for licensed officer positions in the United States Merchant Marine. State Maritime Academies, including the Great Lakes Maritime Academy (GLMA) in Traverse City, Michigan, produce 70 percent of all new licensed officers in the United States and are the largest source of newly licensed officers in the country. In addition, GLMA is the only accession source for merchant mariners to receive Great Lakes 1st Class Pilotage endorsements. Congress should appropriate sufficient federal funding to the state maritime academies.

Build the USCG Heavy Great Lakes Icebreaker

The USCG has committed to building the new icebreaker and included \$55 million in the President's Fiscal Year 2024 budget request. Unfortunately, only \$20 million was funded by Congress and meanwhile the clock keeps ticking. The USCG has cited a ten-year construction timeline for the new icebreaker once sufficient construction funding has been secured. Over the past ten years there has been 10,000 jobs lost and \$2 billion in economic activity due to a lack of USCG icebreakers on the Great Lakes. Funding must be provided now for a second heavy icebreaker to be built and operated on the Great Lakes. GLMTF urges Congress to appropriate at least \$60 million for the icebreaker in 2025, which is the \$35 million requested but not received in 2024 and the \$20 million on the USCG's Unfunded Priorities List (UPL) which would expedite construction.



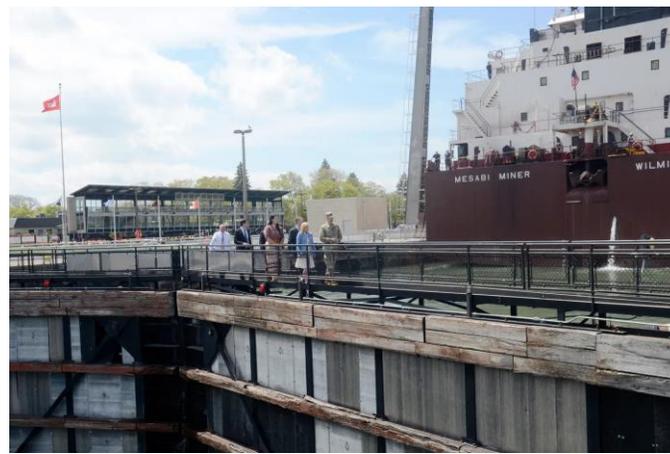
Uniform Regulation of Ballast Water

The Great Lakes need U.S. and binational ballast water regulations that are protective of the environment, maintain efficient waterborne commerce on the Great Lakes and St. Lawrence Seaway, and are binationally compatible. The U.S. EPA Vessel Incidental Discharge Act (VIDA) final rule exempted all existing vessels operating exclusively on the Great Lakes ("Lakers") from meeting the numeric ballast water discharge standard knowing that current technology doesn't operate properly to treat on the Great Lakes. New Lakers would have to install equipment that may not meet the discharge standard (i.e., equipment standard) either. GLMTF supports the "existing Laker" exemption but does not agree with the "equipment standard".

Ballast Water Testing

Finish the New Soo Lock

GLMTF supports continued increased funding for the new large navigational lock in Sault Ste. Marie, MI. Construction has commenced with upstream channel deepening and the rehabilitation of the upstream approach walls completed. The construction of the lock chamber has begun, but with increased costs due to changing market conditions and inflation, not all work is included for a fully functional lock including hands free mooring and downstream ship arrestors. Failure to fund contract options for the new lock will result in higher costs and construction delays. Congress should appropriate the maximum amount of funds that the Corps can absorb each year.





Great Lakes Maritime Task Force is a member-driven organization formed in 1992 to defend the Jones Act; promote Great Lakes commercial maritime industry and trades; speak with a unified voice on issues impacting our members, economic efficiency, and environmental benefits; and advocate for the Great Lakes in the state capitals and in Washington, D.C. The Great Lakes Maritime Task Force promotes:

- A strong U.S.-flag Merchant Marine on the Great Lakes,
- Expanded domestic and international trade through public and private Great Lakes ports and docks,
- Fully funded maintenance and operation of Great Lakes deep-draft ports and waterways,
- Maximum utilization of U.S. shipyards in the Great Lakes,
- Protection of the Great Lakes environment,
- A strong maritime-dependent Great Lakes economy, and
- Necessary federal icebreaking resources in Great Lakes ports and waterways.

GREAT LAKES MARITIME TASK FORCE

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