

An aerial photograph of the Great Lakes region, showing the five large lakes (Superior, Michigan, Huron, Erie, and Ontario) and the surrounding land. The image has a satellite-like texture with a color palette of greens, browns, and blues. The lakes are dark blue, while the surrounding land is a mix of green and brown, indicating vegetation and bare earth. The overall composition is a wide-angle shot from a high altitude, looking down on the region.

2020 Annual Report

Great Lakes Maritime Task Force

Promoting Shipping on America's Fourth Sea Coast Since 1992

GLMTF 2020 Year in Review

2020 was a year that caught everyone by surprise. Maritime commerce on the Great Lakes was expected to keep on rolling like 2019 with big cargo numbers for the U.S. fleet and strong cargo numbers moving through U.S. ports from domestic and international carriers. But you have to play with the hand you're dealt. In 2020, that was COVID-19. And of course, the number one priority was our crews, the men and women onshore, in the office, in the mines, in the mills, on the docks, in the wheelhouse, and down in the engine room. So, the name of the game was planning, prevention, preparedness, response, and awareness. Our internal and external messaging, partnering, communicating, and refining our actions in the name of safety were key to a successful year. As an industry, we are proud of our accomplishments. We keep America moving, building, and farming.

We are a competitive industry, but we rely on each other. That's why we formed the Great Lakes Maritime Task Force in 1992. We share common goals for the Great Lakes-Saint Lawrence Seaway navigation system. Safety, productivity, and efficiency are our hallmarks.

So of course, the season continued. Cargo numbers were generally down as end users of the raw materials moved on the lakes scaled back production. That meant less steel for industry, but demand started to crawl back in the last quarter of 2020. Large-scale construction that relies on Great Lakes stone and its products kept going but slowed considerably. In the middle of the COVID-19 pandemic last year, energy production saw its lowest numbers since the late 1980s. These aren't trends, these are market reactions to a dramatic episode that impacts all of us.

Through all this, a bright spot was U.S. domestic grain being exported across the world and wind turbine parts moving through many of our Great Lakes ports. Our port authorities across the U.S. Great Lakes were busy, have no doubt about that. The U.S. economy relies on the commercial maritime trade in the Great Lakes. Because of those women and men onshore and afloat, the heart of America's manufacturing strength located here in the eight Great Lakes states is poised for a return to robust output. We look to 2021 as a year of economic rebound.

To ensure our readiness, the Great Lakes Maritime Task Force updated our priorities. Again, #1 is the health and safety of our workforce of which economic security is a critical piece. Great Lakes commercial maritime supports 147,000 good paying U.S. jobs, family supporting jobs providing nearly \$10.5 billion in annual wages. It generates \$25.6 billion in economic activity in the U.S. and supports local, state, and federal programs, with more than \$4.6 billion in taxes that are paid because of the business done, purchases made, and paychecks taken home.¹

Regionally, it should be apparent that U.S. Great Lakes commercial maritime has a significant economic impact. But the Great Lakes are not just a regional asset nor should they only be viewed as a component of the eight Great Lakes states' economy. A telling figure on the importance of our maritime-centric businesses was described in a report on the impacts of a single piece of infrastructure located in Sault Ste. Marie, Michigan: the Poe navigational lock that links the iron ore for steel production from the mines of Michigan and Minnesota at ports on Lake Superior to the mills in the lower lakes and the grain grown in the upper Midwest with the world. The Department of Homeland Security assessed the impacts of the unexpected closure of the Poe for six months, not so farfetched of a scenario. The 53-year-old lock could lose a gate, a wall could crumble, or the 100+ year old

¹ *Economic Impacts of Maritime Shipping in the Great Lakes - St. Lawrence Region. Martin Associates. Lancaster, Pennsylvania. July 2018.*

MEMBERS:

ILLINOIS

ArcelorMittal USA
ARTCO Chicago Drydock, LLC
Calumet River Fleeting, Inc.
The Chicago and Western Great
Lakes Port Council
CN
Illinois International Port District
Int'l Union of Operating
Engineers Local 150
LafargeHolcim

INDIANA

Central Marine Logistics, Inc.
Ports of Indiana

KANSAS

International Brotherhood
of Boilermakers

MICHIGAN

Consumers Energy
DTE Energy
Detroit/Wayne County Port Authority
Dock 63 Inc.
Durocher Marine
Edw. C. Levy Co.
Grand River Navigation Company
IAMAW District Lodge 60
International Shipmasters' Association
The King Co., Inc.
Lake Michigan Carferry Service, Inc.
Lakes Pilots Association
Luedtke Engineering Company
MCM Marine, Inc.
Michigan Maritime Trades Port Council
Pere Marquette Shipping Company
Port of Monroe
Ryba Marine Construction Co.
Seafarers International Union
Soo Marine Supply, Inc.
Verplank Dock Co.
West Michigan Dock and Market –
Port of Muskegon
Western Great Lakes Pilots Association

MINNESOTA

Duluth Seaway Port Authority
Great Lakes Fleet

MONTANA

Montana Coal Council

NEW YORK

American Steamship Company
St. Lawrence Seaway Pilots Association

OHIO

AK Steel Corporation
American Maritime Officers, AFL-CIO
Cleveland-Cliffs Inc.
Cleveland-Cuyahoga County
Port Authority
Consumer Energy Alliance-Midwest
CSX Transportation-Toledo Docks
Faulkner, Hoffman & Phillips, LLC
Great Lakes District Council, ILA, AFL-CIO
The Great Lakes Towing Company
The Interlake Steamship Company
ILA Lake Erie Coal & Ore Dock
Council
ILA Local 1317
ILA Local 1768
IAMAW Local Lodge 1943
International Organization of
Masters, Mates & Pilots
Lake Carriers' Association
Lorain Port Authority
Osborne Concrete & Stone Co.
Toledo Port Council MTD, AFL-CIO
United Steelworkers, District 1, AFL-CIO-CLC
United Steelworkers, Local 5000

PENNSYLVANIA

Carmeuse Lime and Stone, Inc.
Donjon Shipbuilding & Repair, LLC
IAMAW District Lodge 98
United States Steel Corporation

WISCONSIN

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

GREATER WASHINGTON, DC

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

railroad bridge upstream of the lock could collapse into the approach channel. And so, an extended outage of the Poe would do three things within days and weeks: steel production in the Americas would cease operations, 11 million Americans would lose their jobs (and an additional 5 million Canadians and Mexicans), and the U.S. economy would suffer a \$1.1 trillion hit. There is not a state in this Union that would not feel the impacts.²

But keep in mind, there are two functional locks in the “Soo,” the Poe and the MacArthur. In the scenario above, the MacArthur lock stays open. Consider if this lock failed, too, as it did 2017 and was down for 21 days.

So, yes, the Great Lakes are the economic heart of America. This is not a “Rust Belt.” U.S. manufacturing, agriculture, energy production, and construction all rely on vessels sailing the five Great Lakes and the international vessels welcomed at ports throughout the Great Lakes. Over 160 million tons of cargo moves each year on the Great Lakes. We are not a hidden component of the economy; we may be a bit modest in touting our criticality though. We are a domestic, import, and export powerhouse and we’re proud of it.

So, in the following pages we present to you some of our accomplishments and challenges from 2020 as well as our priorities to keep the Great Lakes-Saint Lawrence Seaway navigation system operating. Please visit us online at www.glmtf.org for more details.

We thank you,

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

James H. I. Weakley, Lake Carriers' Association, GLMTF Vice President – Positions and Resolutions

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

Richard Hammer, Donjon Shipbuilding and Repair, GLMTF Vice President – Government Relations

Members of the Great Lakes Maritime Task Force



² *The Perils of Efficiency: An Analysis of an Unexpected Closure of the Poe Lock and its Impact.* U.S. Department of Homeland Security, National Protection and Programs Directorate, Office of Cyber and Infrastructure Analysis. Washington, D.C. October 2015.

A message from the GLMTF President, John E. Clemons, American Maritime Officers, National Vice President, Great Lakes –

Great Lakes maritime is built on Union crews ...

Union members including American Maritime Officers (AMO), Marine Engineers' Beneficial Association, Seafarers International Union, United Steel Workers, and Masters, Mates, and Pilots crew the U.S.-flag vessels on the Great Lakes. Licensed Union U.S. pilots take the helm of foreign-flag vessels as they transit the Great Lakes. Traditionally, mariners seeking licensed positions onboard Great Lakes vessels came from all walks of life. They may have first sailed after coming through the Great Lakes Maritime Academy or up the hawsepipe* through time, experience, dedication, and drive.

With the depletion of hawsepipers coming up through the ranks (I attribute this to the Certificate of Inspection [COI] manning changes), my Union's, AMO, only real resource as well as most of the employers for licensed Deck Officers with Great Lakes Pilotage and Engineering officers, is from the Great Lakes Maritime Academy (GLMA) in Traverse City, Michigan.

COVID-19 has resulted in not allowing Academy Cadets to get their required observation time onboard a vessel to acquire their Great Lakes Pilotage License. Our Great Lakes contracted employers were unable to provide these cadets with sea projects onboard their vessels. Nor did the Training Ship (T/S) STATE OF MICHIGAN provide all the necessary observation time. Again, all due to COVID-19 restrictions.

The dilemma we now have is not having enough Deck Officers to back fill retirements and those who've left the industry. What remains is the U.S. Coast Guard COI manning requirements for Deck Officers to have Great Lakes Pilotage.

Per the Great Lakes Pilotage Act of 1960, licensed pilots with Great Lakes endorsements provide safe, efficient, and reliable pilotage service to foreign-flag vessels transiting the Great Lakes-St. Lawrence Seaway System. Most Great Lakes Pilots come from AMO ranks. This too, exacerbates the issue and will affect all maritime commerce in the System. Finding enough Deck Officers with Great Lakes Pilotage seems to be a recurring theme with other stakeholders, which include Operators' and Pilots' Associations.

I would like to suggest one method (in prevention) is having all State-run maritime academies require Great Lakes Pilotage. AMO Great Lakes seems to have a good turnout of officers from Maine, SUNY, and Mass Maritime. I attribute this to the latitude provided by these Academies. The Cadets that attend these are more acclimated to the rigors of being a Great Lakes Merchant Marine Officer. We then have the GLMA and the T/S STATE OF MICHIGAN to provide billets for these other Academy Cadets and operate this vessel for longer periods.

This is an ongoing, annual issue that has immediate and long-term ramifications for our industry with staggering impacts to the Great Lakes, national, and international economies reliant on a safe, efficient, and environmentally responsible mode of transportation for moving vital cargoes.

* A maritime term referring to a ship's officer who began their career as an unlicensed merchant seaman and did not attend a traditional maritime college or academy to earn an officer's license.

Full Federal Funding for State Maritime Academies –

Sufficient long-term federal funding for State Maritime Academies to support their role in the education of the next generation of licensed mariners is critical to the long-term viability of U.S.-flag commercial navigation. The maritime industry faces a shortage of licensed merchant mariners. This will have profound commercial and national security implications. State Maritime Academies, including the Great Lakes Maritime Academy in Traverse City, Michigan, produce 70 percent of all new licensed officers in the U.S. Congress should appropriate State Maritime Academies, including the Great Lakes Maritime Academy, with sufficient federal funding to continue their role in educating and training cadets to become licensed officers.

The U.S. Department of Transportation's Maritime Administration authorized the construction of two additional National Security Multi-Mission Vessels. This will bring the total to five. While a new vessel for the Great Lakes Maritime Academy in Traverse City, Michigan, is not on the books, the other maritime academies do provide licensed crewing for U.S.-flag Great Lakes vessels and any re-capitalization of these vessels is greatly appreciated and checks off our list this critical piece of American maritime infrastructure.

Great Lakes Winter Commerce Act –

The Great Lakes Winter Commerce Act is vital to protecting the economic security of the nation. Bills announcing the Act were introduced in both the House and Senate, with bi-partisan support, in 2020. Those bills were reintroduced in both houses of Congress in 2021. It would codify the U.S. Coast Guard's icebreaking authority into law, currently it is an Executive Order signed in 1936. They also mandate icebreaking be performed in all U.S. Great Lakes waterways where vessels need assistance from damaging ice, not just four short connecting waterways. Finally, they require icebreaking performance be measured based the reasonable demands of commerce, not an interpretation which justifies a smaller fleet of icebreakers on the Great Lakes.

The need to safeguard the viability of these shipping lanes cannot be exaggerated. Annually, U.S. Great Lakes waterborne commerce supports more than 147,000 jobs in eight Great Lakes states, \$20.3 billion in business revenue, \$10.5 billion in wages, and \$4.6 billion in federal and state taxes. Vessel delays due to lack of icebreaking in the 2018-2019 winter season alone cost business that depend on the region's maritime industry \$1.04 billion in lost revenues. These economic losses resulted in the loss of 5,421 jobs dependent on the U.S. flagged fleet's ability to deliver cargo throughout the Great Lakes Region.



Keep Commerce Moving on the Great Lakes During the Winter Months – Protect the Supply Chain –

Impacts of inadequate icebreaking can be staggering. Vessel delays due to a lack of icebreaking in the 2018-2019 winter season cost business that depend on the region's maritime industry \$1.04 billion in lost revenues. This economic hit resulted in the loss of the equivalent of 5,421 jobs dependent on the U.S.-flag fleet's ability to deliver cargo throughout the Great Lakes Region.

Bipartisan bills have been introduced in both the House and the Senate which will codify the U.S. Coast Guard icebreaking mission into law and define the requirements that must be measured. Known as the "Great Lakes Winter Commerce Act of 2021," this bill will correct the chronic issue of false performance measures that have covered up the Great Lakes icebreaking atrophy over the past 40 years with nearly a 50 percent reduction in the number of icebreakers compared to the fleet in 1979.

Sufficient funding must be provided now for a second heavy icebreaker that is at least as capable as the USCG MACKINAW to be built and operated on the Great Lakes. The USCG must repower the 140-foot icebreaking tugs, preferably at shipyards in the Great Lakes. Full support for the Congressional push to codify the USCG icebreaking mission into law and with that authority, detailed performance measure requirements which illustrate whether the mission is being performed adequately. Provide American Great Lakes ports and waterways the same level of government icebreaking service provided to American East Coast ports and waterways and Canadian Great Lakes ports and waterways.



COVID-19

2020 was a year filled with uncertainty and adjustment. Great Lakes commercial maritime trades and their workers - longshoreman, mariners, miners, skilled craftsmen, electricians, welders, steel workers, all the supporting staff, and countless others throughout the lakes - were among the many essential workers who continued to work for the U.S. economy during the COVID-19 pandemic. Preparation equaled performance in every instance as all facets of the Great Lakes maritime industry took early and effective action to mitigate the spread of the virus.

Ports across the Great Lakes instituted screening procedures for workers, limited non-essential visitors, reduced personal interactions with vessels and vendors, and created plans to mitigate outbreaks if they occurred. Personal protective equipment including masks, hand sanitizer, gloves all came at a cost but not at the expense of the health of workers. With assistance from state, local and federal agencies protective equipment was ordered and supplied so essential port operations could continue and vital cargoes could continue to be delivered.

Shipyards across the Great Lakes experienced issues like the ports and responded immediately by creating procedures to protect their workers. When COVID first hit, many yards faced a workforce shortage as skilled trades went home to protect their families. As preventative measures were put into place and response plans were created, workers returned in droves to assume the mantle of keeping U.S. ship building on track. Great Lakes shipyards have continued to do their part by refining protective measures and plans as the winter layup of vessels approached.

Commercial maritime carriers and their nationally critical sailors were just fitting out the vessels when the pandemic struck in earnest at the end of March. Again, plans were developed to get the sailors to the ships safely and keep them healthy in their onboard "bubble." Cooperation and communication between companies was constant as best practices were discussed and implemented across the U.S.-flag Great Lakes fleet. Captains and crews of the vessels shined with leadership driving home the importance of taking care of their shipmates.

Other GLMTF Policy Priorities –

Great Lakes Shipbuilding and Government Programs to Promote the Industry –

GLMTF supports programs that increase commercial shipbuilding and repair at Great Lakes shipyards. These shipyards employ more than 2,700 men and women, and the wages they provide top \$125 million each year. U.S.-flag vessel operators can spend \$70 to \$100 million each winter at Great Lakes shipyards to maintain and modernize their fleets. Great Lakes shipyards are actively engaged in new commercial and military construction, including the U.S. Navy’s Freedom class littoral combat ship and its first-in-class guided missile frigate. Workers at these shipyards build and service ships sailing not only the Great Lakes but also the inland river system, saltwater coasts, and the high seas.



Jones Act and Other U.S. Maritime Cabotage Laws –

Passed into law in 1920 as the Merchant Marine Act but commonly referred to as the Jones Act after its lead author, mandates that all cargo moving between U.S. points be carried in vessels that are crewed by, built by, and owned by Americans. Strict adherence to the Jones Act and all existing maritime cabotage laws is a crucial role in America’s national, homeland, and economic security. The American Great Lakes states’ maritime industry is directly and indirectly responsible for 20 percent of the national economic impact. The Jones Act and other cabotage laws ensure the U.S. has the ships, skilled mariners, and shipyards needed to supply American troops during a national emergency.

Uniform Regulation of Ballast Water –

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 are critical. The Vessel Incidental Discharge Act (VIDA), included in the Frank LoBiondo Coast Guard Authorization Act of 2018, establishes that long-sought process on the U.S. side of the Lakes to set uniform federal discharge requirements jointly regulated by the U.S Environmental Protection Agency (EPA) and the U.S. Coast Guard. U.S. EPA published their proposed implementing regulations for VIDA on October 26, 2020 which addresses 20 discharges incidental to the normal operation of a vessel. In general, GLMTF supports this regulation including how ballast water is regulated in the Great Lakes.

Full Funding for Dredging Great Lakes Deep-Draft Ports and Waterways –

We must ensure that the 60 federally-maintained deep-draft ports and connecting waterways in the Great Lakes navigation system are adequately funded for dredging through the Harbor Maintenance Trust Fund (HMTF). The Great Lakes are a single maritime transportation system that is the foundation of U.S. manufacturing, infrastructure, and energy production and opens the U.S. Great Lakes ports to the world.

Efficient Funding for the Second Poe-Sized Lock at Sault Ste. Marie, Michigan –

A resilient Great Lakes navigation system with sufficient and efficient federal funding for the second Poe-sized lock at Sault Ste. Marie, Michigan is critical to the American economy. The navigational locks at the Soo connect Lake Superior to the lower four Great Lakes, the St. Lawrence Seaway, and international markets. Eighty million tons of cargo, valued at \$6 billion and supporting 123,000 jobs, transit the Soo Locks each year. The locks allow cargoes like iron ore and grain to move from mines and farms to customers in the U.S., Canada, and overseas as well as allowing domestic and overseas cargoes to move “up the system” and into upper Midwest markets.

Short Sea Shipping –

Federal policy should encourage short sea shipping by enacting a narrow exemption from the Harbor Maintenance Tax for non-bulk cargoes moved on the Great Lakes. However, that is a key impediment to launching new short sea shipping services. The tax is only assessed if the cargo moves on a vessel, so it serves as a disincentive to move trucks and their payloads by water. So, the tax unintentionally encourages greater highway and rail use, which leads to more congestion, fuel consumption, and air pollution.

For full details and proposed actions on GLMTF policy priorities please visit us online at:

<http://www.glmtf.org/>



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Great Lakes Maritime Task Force Policy Statement

The Great Lakes Maritime Task Force is a member-driven organization formed in 1992 to promote Great Lakes commercial maritime industry and trades, speak with a unified voice on issues impacting our members and economic efficiency, to share lessons-learned on practices and our common tools of our businesses, and advocate for the Great Lakes in the state capitals and in Washington, D.C. To that end, the Great Lakes Maritime Task Force:

1. Promotes a strong U.S.-flag Merchant Marine on the Great Lakes to best advance the domestic and international trades.
2. Seeks expanded domestic and international trade through public and private Great Lakes ports and docks.
3. Seeks to restore adequate funding for the maintenance and operation of Great Lakes deep-draft ports and waterways.
4. Promotes full utilization of U.S. shipyards in the Great Lakes region.
5. Seeks to strengthen the economy of the Great Lakes basin in ways that promote commerce while protecting the environment.
6. Promotes adequate icebreaking resources and policy in Great Lakes ports and waterways.