



LAKE CARRIERS' ASSOCIATION



2021 State of the Lakes



You'll have to bear
with me because I'm going
to talk a bit more COVID-19 than
I was hoping to. There are a few things
that need to be shown how they have impacted
the U.S.-flag fleet of Great Lakes commercial maritime
and in corollary, Great Lakes and our Nation's economy.



First off, Lake Carriers' Association's (LCA's) work has always been about the mariner, but 2020 and the beginning of 2021 pegged the needle, so to speak. Unlike many of us, the mariner never had a chance to work "remotely." Their job is one of the most hands-on out there. We need them on the boat, in the engine room, and at the wheel. During the 2020 sailing season, none of our members' crew contracted COVID while serving onboard their vessel. We may very well be the only fleet in the U.S. and the world to be able to boast that achievement. We credit planning, education, and response. As I discussed last year, we developed plans for onboard prevention and response plans focusing on onshore partnerships, extensive coordination, and building out infrastructure. At the outset of the 2021 shipping season, we were not as fortunate with two vessels reporting incidents of confirmed COVID cases. However, our plans, members, their crew, and the shoreside partnerships we formed worked like they should, without a hitch. Safety as I said is job number 1 and a good response lets the business jump back quickly with a few lessons learned.

Numbers are the most succinct demonstration of the impacts to our business from COVID-19. Looking at the 2019 May versus 2020 versus 2021 year-to-date cargo reports:

- May 2019 year to date: Limestone – 6.7 million tons, iron ore – 14.5 million tons
- May 2020 year to date: Limestone – 5.8 million tons, iron ore – 13.2 million tons
- May 2021 year to date: Limestone – 6.2 million tons, iron ore – 15 million tons

A quick "back of the envelope calculation" shows that the equivalent of two lakera carrying limestone were not sailing and that same "V" shaped collapse and recovery happened with iron ore, too, equating to two-1,000-footers not sailing in 2020 versus 2019 and 2021. For more details, we publish and post our cargo numbers monthly to our website (www.lcaships.com) and Twitter page (@lcaships).

Other highlights that we discuss in this issue of the 2021 State of the Lakes includes the Congressional progress as the Great Lakes Winter Commerce Act (GLWCA) winds its way through the halls of the Capitol in D.C., our program in concert with the Chippewa County (Michigan) Health Department and the U.S. Army Corps of Engineers in the Soo to get vaccines to our mariners (aptly named "Shots on Ships" or "SOS"), funding for the new large lock at the Soo, the growth in federal funding for the maritime infrastructure here in the Great Lakes and progress on other matters of importance to maintain the most efficient and environmentally friendly mode of transportation ... I'll never get tired of saying that. And so, we feel we are getting back to a more 'normal' that most of us recognize.

Jim Weakley, President of Lake Carriers' Association



Lake Carriers' Association is:
James H. I. Weakley, President
Thomas Rayburn, Vice President
Eric Peace, Director of Operations and Communications
Katherine Gumeny, Office Manager and Treasurer
Robert Burger, General Counsel

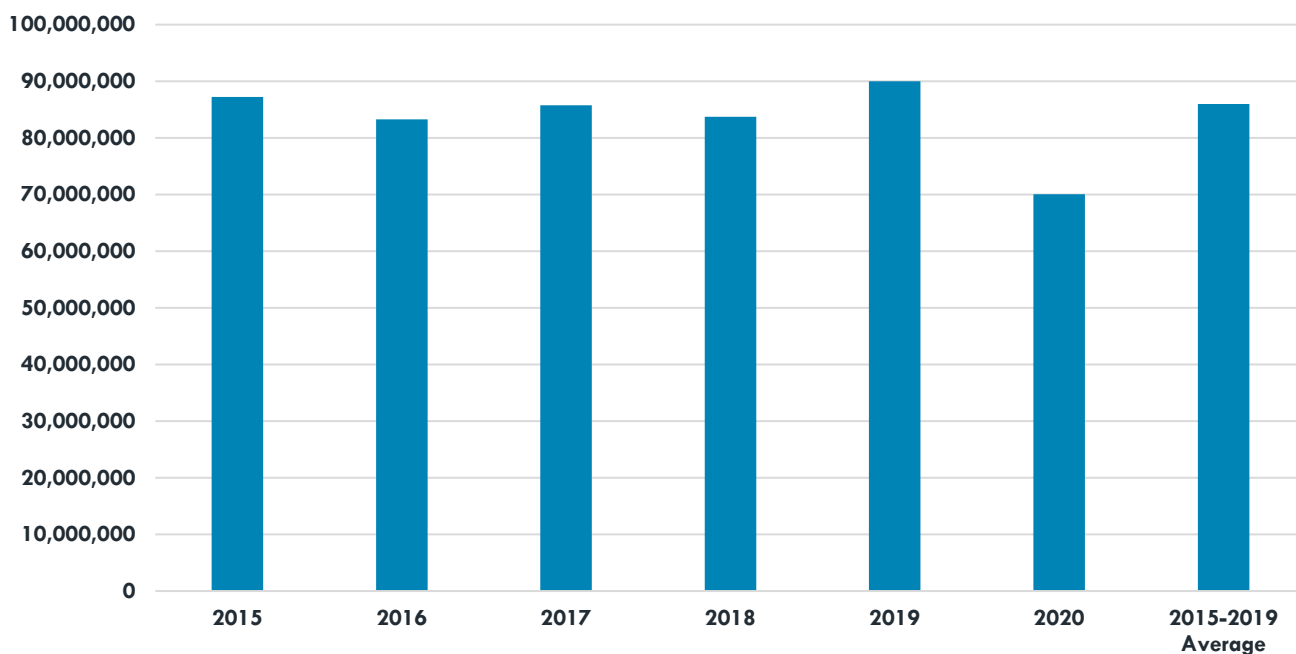
Cargo Tonnage for 2020

Iron ore on the docks, Gary, Indiana

U.S.-flag Great Lakes fleet moved 70 million tons of cargo in 2020, down 22.2 percent compared to 2019 when the fleet moved 90 million tons. The 2020 float was also 18.5 percent below the fleet's 5-year average.

Shipments of cement increased by 4.7 percent while grain shipments increased by 8.7 percent. However, shipments of all other commodities decreased in 2020. Iron ore cargos totaled 37.1 million tons, down 25.4 percent from 2019. Coal was down 35.9 percent. Limestone dipped by 14.1 percent and salt cargos were off by 6.2 percent. Sand shipments decreased a little under 1 percent.

Total U.S.-flag Great Lakes Tonnage and 5-year Average



Commodity	2015	2016	2017	2018	2019	2020	2015-2019 Average
Iron Ore	40,864,953	44,074,832	45,988,815	45,804,433	49,683,474	37,060,018	45,283,301
Coal	17,654,314	12,964,877	13,332,497	11,816,332	11,318,946	7,255,435	13,417,393
Limestone	23,142,584	21,193,845	21,553,131	21,961,050	24,086,722	20,694,823	22,387,466
Cement	3,451,989	3,246,471	3,182,636	2,933,346	3,288,509	3,441,467	3,220,590
Salt	1,411,169	1,259,409	1,067,836	460,577	923,476	866,354	1,024,493
Sand	319,891	265,220	375,638	493,128	413,040	411,165	373,383
Grain	356,268	249,999	237,331	259,745	289,728	314,849	278,614
TOTAL	87,201,168	83,254,653	85,737,884	83,728,611	90,003,895	70,044,111	85,985,242

Priority: Great Lakes Winter Commerce Act

The Great Lakes Winter Commerce Act (GLWCA) will codify the U.S. Coast Guard (USCG) domestic icebreaking mission and ensure standards of performance are met. Government transparency remains a critical measure of the nation's ability to maintain infrastructure, including resources that keep the Great Lakes fleet sailing as the season opens in March and before it closes in January, vital to economic security.

Bill language directs an independent study of the Great Lakes icebreaking mission by the Government Accountability Office that would evaluate the USCG performance based on improved target goals and provide Congress with recommendations for a future Great Lakes icebreaking fleet that increases reliability of the Great Lakes waterways during normal winter navigation. Due to extensive involvement from the Great Lakes Congressional delegation, the GLWCA passed the Senate Commerce, Science, and Transportation Committee this April and a similar version of the Senate bill is expected to clear the House Transportation and Infrastructure Committee by the end of this September.

In addition to measuring USCG icebreaking performance, it authorizes \$350 million for a new heavy Great Lakes icebreaker as capable as the current USCGC MACKINAW. Without that second heavy Great Lakes icebreaker, ports and facilities in the region will continue to face deleterious economic impacts similar to those documented during the 2013, 2014, and 2019 seasons when the economy took an unprecedented hit of \$2 billion and the loss of 10,000 jobs due to ice delays and cargos left at the dock. With the GLWCA Congress has spoken loud and strong that the Great Lakes navigation system, the pilot light of the North American manufacturing, stays lit and burns brightly.

Nesting Herring gull, Cleveland Bulk Terminal, Cleveland, Ohio

The Jones Act is the bulwark of the Great Lakes economy.

The Jones Act is a seminal piece of legislation with roots in American law dating to the first U.S. Congress in 1789. Its simple message is that vessels trading between U.S. destinations must be American built, American owned, and American crewed. The Jones Act is critical to the U.S. economy and jobs, security of our waterways, and our manufacturing strength. It must be defended. Our fleet, the U.S.-flag Great Lakes fleet, are some of the most efficient vessels in the world. The U.S. Army Corps of Engineers estimates that the Great Lakes navigation system saves the U.S. economy over \$3.9 billion in transportation costs over any other mode of transportation.

New large lock at Sault Ste. Marie, Michigan

Now that the new large lock at Sault Ste. Marie, Michigan (the “Soo”) is underway, it is imperative to maintain the U.S. Army Corps of Engineers’ annual “efficient” funding that maximizes a design and construction schedule for this project to keep it moving ahead at full steam. The President, Congress, and the Corps, with a generous kickstart provided by the State of Michigan in 2018, have been providing this efficient funding but it has been an annual balancing act to cobble together these funds. The President’s budget for the federal fiscal year 2022 (FY ‘22) has proposed \$480 million which meets that target. LCA wholeheartedly supports and asks Congress to appropriate the full \$480 million for FY ‘22.



Downbound at the Rock Cut, St. Marys River, Michigan

Priority: Ballast water

Ballast water regulations that are protective of the environment, maintain efficient waterborne commerce, and are binationally compatible are critical to ensuring the ecologic and economic health of the Great Lakes region. Within the last year, the U.S. Environmental Protection Agency (U.S. EPA) published its draft rules implementing their role to set standards per the Vessel Incidental Discharge Act that Congress passed in 2018. Largely, this draft regulation blended U.S. EPA’s 2013 Vessel General Permit and USCG’s regulation at 33 Code of Federal Regulations Part 151. It established a unique review and amend regimen that gave the Great Lakes Governors regional control in changing regulations. Final regulations are still pending and then USCG will have two years to draft and finalize their implementing and enforcement regulations.

And Transport Canada finalized their ballast water regulations this June. They look more like an economic grab to shift American cargoes moved to Canada exclusively to Canadian vessels. To call on these Canadian ports, these regulations will force the U.S.-flag Great Lakes fleet to install upwards of \$639 million of equipment on our vessels for what may very well be nothing more than for the sake of appearances and not effect. Canadian-flag vessels already control 90 percent of the cross-lake traffic. The Government of Canada essentially gave them the other 10 percent. This is not how you run a shared, binational asset.

Shots on Ships (SOS)

The first shots started in early April 2021 with several nurses from the Chippewa County Health Department (CCHD) in Sault Ste. Marie, Michigan climbing ladders, boarding ships, and administering life protecting COVID vaccines to more than 300 U.S. sailors on 25 different vessels. The SOS Program was the epitome of Great Lakes cooperation with the U.S. Army Corps of Engineers helping to schedule logistics for the vessels at the Soo Locks and the CCHD responding to each request for a COVID vaccine.

Desperate to get sailors vaccinated, LCA reached out to the Corps at the Soo as vessels were fitting out for the 2021 sailing season. In March, vaccine availability was extremely limited and few vessel crews, designated essential workers, had received the shot. Sailors were difficult to get immunized as they mobilized for their work from across the U.S. The Corps understood and appreciated the seriousness of the situation and engaged the CCHD directly on behalf of the Lake Carriers'. With one phone call the process was underway within days. CCHD and the Corps set the example for the entire Great Lakes navigation system (GLNS) as other locations including Cleveland, Duluth, Presque Isle County in Michigan, and Marquette jumped to help vaccinate sailors.

U.S. Steel ore dock, Conneaut, Ohio

Priority: Great Lakes Navigation System


Funding through the disbursement of the Harbor Maintenance Trust Fund (HMTF) from the ad valorem tax collected on cargo shipped through U.S. ports is necessary to operation and maintenance funding in the Great Lakes for projects such as dredging (to maximize efficient cargo delivery and keep commercial and recreational ports open), coastal infrastructure protecting shoreline property owners and businesses, and navigational structures such as the Soo Locks. The Great Lakes have over 10 million cubic yards of sediment backlog in our waterways requiring dredging. Putting coastal infrastructure jeopardizes fragile shorelines. Proper maintenance of navigational locks keeps the \$35 billion Great Lakes economy reliant on commercial navigation operating. The HMTF has a \$9 billion unspent surplus. Spending down these funds and ensuring that all funds collected are targeted to their statutory requirement to keep the U.S. and GLNS running efficiently is critical to the Great Lakes and American economies.

The Fleet

Vessel	Length (feet)	Beam (feet)	Carrying Capacity (tons)
American Steamship Company, Buffalo, New York			
American Century	1,000	105	68,880
American Integrity	1,000	105	68,320
American Spirit	1,000	105	66,080
Burns Harbor	1,000	105	71,120
Indiana Harbor	1,000	105	68,757
Walter J. McCarthy, Jr	1,000	105	68,757
Andrie, LLC, Muskegon, Michigan			
Samuel De Champlain/Innovation	536	70	17,600
Gary L. Ostrander/Integrity	530	70	17,600
Central Marine Logistics, Inc., Griffith, Indiana			
Joseph L. Block	728	78	41,664
Edward L. Ryerson	730	75	30,800
Wilfred Sykes	678	70	24,080
Great Lakes Fleet, Duluth, Minnesota			
Edwin H. Gott	1,004	105	69,664
Edgar B. Speer	1,004	105	69,552
Presque Isle	1,000	104	58,240
Roger Blough	858	105	50,305
John G. Munson	768	72	28,616
Arthur M. Anderson	767	70	28,336
Phillip R. Clarke	767	70	28,336
Cason J. Callaway	767	70	28,336
Great Republic	635	68	27,183
Inland Lakes Management, Inc., Muskegon, Michigan			
Alpena	520	67	17,097
The Interlake Steamship Company, Middleburg Heights, Ohio			
Paul R. Tregurtha	1,013	105	69,580
James A. Barker	1,000	105	67,475
Mesabi Miner	1,000	105	67,475
Stewart J. Cort	1,000	105	64,690
Hon. James L. Oberstar	806	75	35,280
John Sherwin	806	75	35,280
Lee A. Tregurtha	826	75	32,884
Herbert C. Jackson	690	75	27,776
Kaye E. Barker	767	70	29,008
Dorothy Ann/Pathfinder	699	70	23,800
Interlake Maritime Services, Middleburg Heights, Ohio			
Badger (car ferry)	410	60	N/A
Undaunted/Pere Marquette 41	494	58	5,750
Port City Marine Services, Inc., Muskegon, Michigan			
St. Marys Conquest	437	52	9,520
St. Marys Challenger	538	56	12,656
Commander	495	71	14,453
Soo Marine Supply, Inc., Sault Sainte Marie, Michigan			
Ojibway (supply vessel)	60	28	N/A
VanEnkevort Tug & Barge, Inc., Escanaba, Michigan			
Clyde S. VanEnkevort/Erie Trader	845	78	39,766
Dirk S. VanEnkevort/Michigan Trader	845	78	39,766
Joyce VanEnkevort/Great Lakes Trader	845	78	39,766
Laura L. VanEnkevort/Joseph Thompson	707	71	23,744

For over 140 years, Lake Carriers' Association has represented the U.S.-flag Great Lakes fleet. Our members move the iron ore that is the backbone of America's manufacturing economy; stone and cement that build America's infrastructure; grain that feeds the world; and cargos that support the energy needs and economy essential to American prosperity.



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