Ohio House Transportation and Infrastructure Committee

January 26, 2016

Testimony on the Locks at Sault Ste. Marie, Michigan

My name is James H. I. Weakley. I am the President of Lake Carriers’ Association. Lake Carriers’ represents 15 companies operating 56 U.S.-flag vessels that carry more than 100 million tons of cargo a year through the Great Lakes. Lake Carriers’ has proudly represented ship owners and their vessels since 1880.

I would like to thank Representative Mike Dovilla and the resolution’s nine co-sponsors for the opportunity to present today on the importance of the State of Ohio’s support for the new navigational lock in Sault Ste. Marie, Michigan. Construction of this lock is paramount to the Ohio steel and automobile manufacturing industries, among others.

160 years ago the first vessel to transit the original lock in the St. Marys River at Sault Ste. Marie was the brigantine COLUMBIA carrying 132 tons of iron ore from Marquette, Michigan, to Cleveland. This passage at the “Soo” was a transformative event in North America’s industrial revolution. Since 1881, when responsibilities for that first lock were transferred from Michigan to the federal government, and recognizing the national significance of this link between the natural resources above the Soo to the industrial centers below, the U.S. Army Corps of Engineers has designed, constructed, operated, and maintained these locks.

The Great Lakes Navigation System has evolved into the most economically efficient and environmentally friendly way to transport ore, stone, coal, salt, cement, grain, and other cargos. Today, more than 90 percent of all iron ore feeding our nation’s integrated steel mills comes from Minnesota and Michigan mines along Lake Superior. The steel that is made from this iron ore is the only domestic source for auto, appliance, construction, farm and mining equipment, rail car, and locomotive manufacturing. The Corps estimates that Great Lakes shipping saves the U.S. economy $3.6 billion each year.

However, the Soo Locks, this vital link, is also the greatest weakness of the system. Even the Corps acknowledges the Soo Locks are the single point of failure that could bring shipping to a virtual standstill. Since the construction of the original lock there have been six others. During a significant part of that history, redundancy was built into the lock system. The first lock named after General Orlando M. Poe provided redundancy for the Weitzel and the Sabin for the Davis. But no longer. The current Poe is the only lock that can handle the 13 thousand-foot-long lakers and 19 other U.S.-flag vessels that combined represent approximately 70 percent of U.S.-flag carrying capacity. And according to the Corps, 59 percent of all Canadian and American lakers transiting the Soo Locks are limited to the Poe.

Last summer gave us a taste of the potential peril we face without that redundancy. The MacArthur Lock was down for 20 days. The closure of the MacArthur Lock forced all traffic to transit the Poe and delayed the delivery of 1.9 million tons of cargo on U.S.-flag vessels.

However, if the Poe had gone down and not the MacArthur and resulted in a sustained outage, 32 U.S.-flag Poe-
restricted vessels would have been trapped above or below the locks. Three-quarters of all integrated steel production could cease within two to six weeks, idling auto, heavy equipment, and appliance manufacturing. The Department of Homeland Security estimates Ohio’s unemployment rate could reach 17.2 percent; 60 percent higher than the 2008-2009 Great Recession. And nearly 11 million unemployed workers nationally.

This summer the Corps’ Soo team worked wonders repairing these locks which are operating far beyond their designed life.

As far back as 1986 Congress authorized a new lock at the Soo. In 2007, Congress directed the Corps to, “...construct, at Federal expense, a second lock, of a width not less than 110 feet and a length not less than 1,200 feet, adjacent to the existing lock at Sault Ste. Marie, Michigan”. Thirty years after the original authorization the project languishes.

The reason the project has stalled is a flawed benefit to cost study that incorrectly assumed rail and truck traffic can fill the void if the Poe fails. That conclusion is wrong. There is not enough trackage, trains, or crews. Rail traffic would have to triple from Marquette and Duluth to Milwaukee and would come to a near stand-still in Chicago moving the ore to mills in Indiana, Michigan, Ohio, and Pennsylvania.

Nor are there enough trucks, trailers, or drivers to get the iron ore from the mines to the mills. A truck would have to enter and leave Great Lakes’ mills every 15 seconds to supply them with enough Minnesota and Michigan ore. Besides, most mills on the Great Lakes cannot accept iron ore any other way than by ship, including ArcelorMittal’s Cleveland integrated steel mill.

The Corps’ recently reprogrammed $1.35 million to fund the Economic Reevaluation Report and update the new lock’s benefit/cost ratio. They hope to finalize the report within two years. A proper analysis should produce a benefit/cost ratio reflecting the lock’s status as a national priority and begin construction of this shovel-ready project.

House Resolution 263 is critical to moving this process forward. The Michigan Legislature passed similar resolutions last November. Last week, Michigan’s Governor highlighted this important project in his State of the State speech. With Ohio, Michigan, the U.S. Congress, and the Administration supporting this effort as outlined in HR 263, the new lock will finally transform a pair of locks built more than 100 years ago into the secure, redundant, and reliable Soo Lock system vital to Ohio, the other Great Lakes states, the nation, and the North American economy.

Finally, I want to conclude by thanking both Senators Rob Portman and Sherrod Brown for their consistent and continued support in this long effort to get the new lock built. We need continued bi-partisan support at both the state and federal level.

Again, thank you members of the House Transportation and Infrastructure Committee for your time in allowing me to present on the state, regional, and national importance of twinning the Poe; understanding the critical role the Soo Locks play in Ohio’s past, present, and future; and your support of the most efficient transportation system in the world served by the greatest ships on the Great Lakes driving our domestic industrial economy.