



THE GREAT LAKES SEAWAY
PARTNERSHIP

A Capitol Hill Breakfast Briefing on
The Great Lakes Seaway Navigation System
Economic Impacts, System Investments,
& Maritime Trade Opportunities
Essential to the Region, the Nation, and the World

October 7, 2015

8:30 a.m.

Rayburn House Office Building, B-339



GREAT LAKES/ST. LAWRENCE SEAWAY TRANSPORTATION SYSTEM, OPPORTUNITIES AND CHALLENGES



Prepared by:
Martin Associates
941 Wheatland Ave., Suite 203
Lancaster, PA 17603

www.martinassoc.net

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The GL/SLS System

- **160 Million Tons Annually**
- **100 Ports**
- **8 States**
- **2 Provinces**
- **U.S. Flag Fleet**
- **Canadian Flag Fleet**
- **International Cargo**

The GL/SLS Is a Key Economic Catalyst to the U.S. and Canadian Economies

226,833 jobs generated by marine cargo activity

- 92,923 direct jobs
- 66,005 induced jobs
- 67,905 indirect jobs

\$33.6 billion of direct business revenue

- Direct revenue from supply of services to cargo and vessels

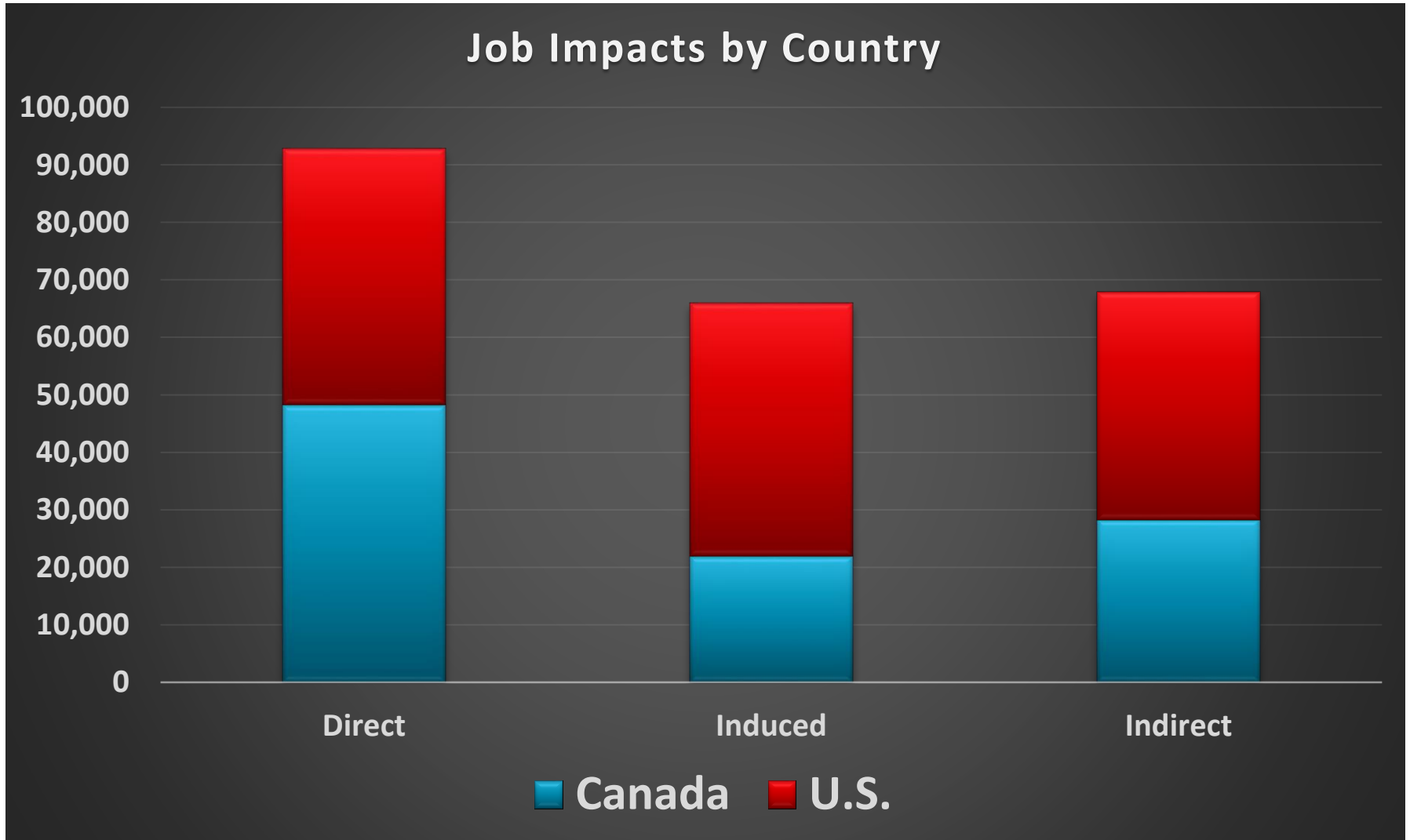
\$14.1 billion total personal income and local consumption

- \$4.4 billion direct wages and salaries -- \$47,000 average salary for direct employees
- \$6.9 billion re-spending/local consumption
- \$2.9 billion indirect income

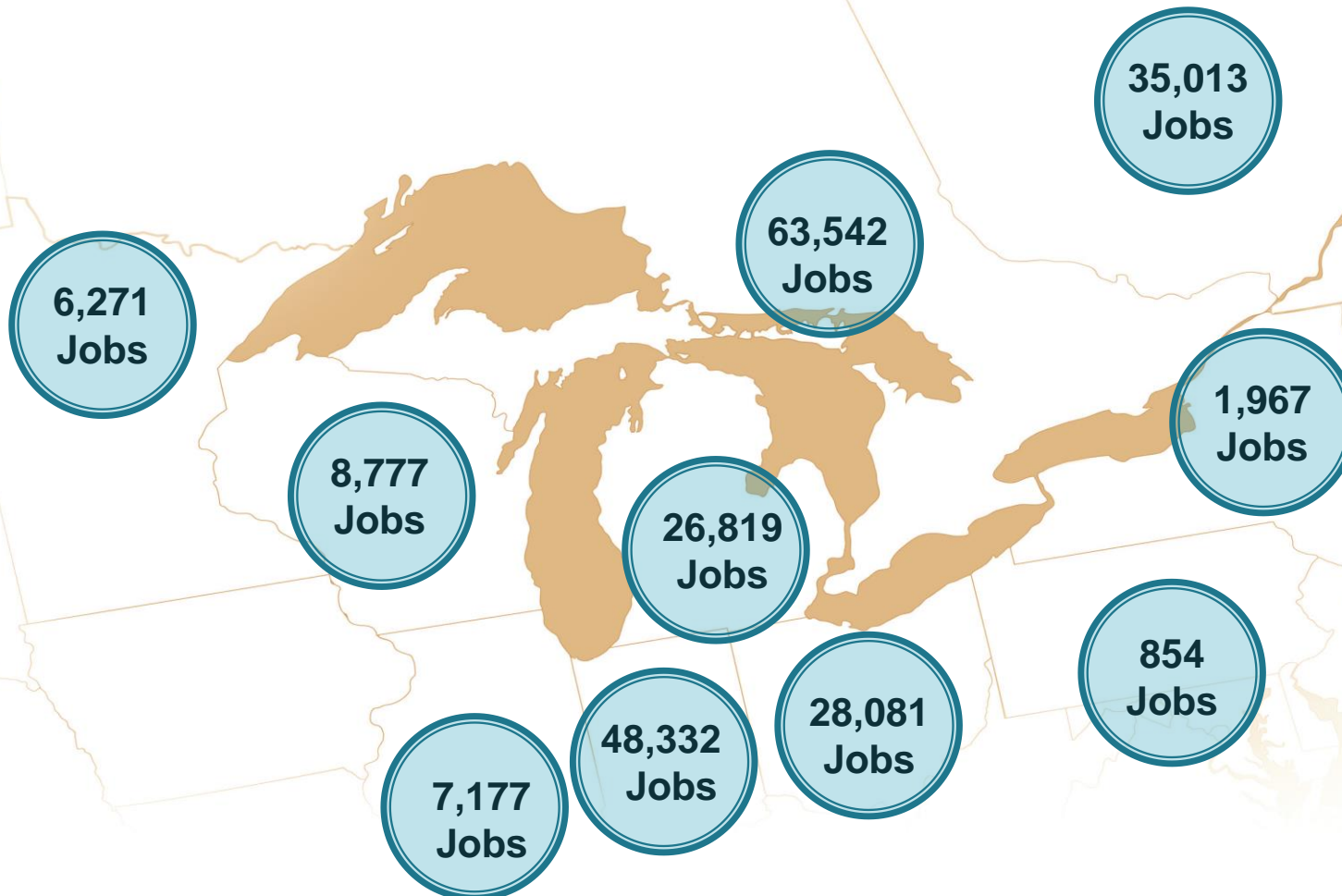
\$4.5 billion of federal, state/provincial and local taxes

- \$1.5 billion of state/provincial and local tax revenue
- \$3.0 billion of federal tax revenue

Distribution of Direct Jobs by Country



Total Jobs by State and Province



Direct, Induced and Indirect Jobs Created by U.S. and Canadian Flag Lakers



**107,612
Jobs**



**101,568
Jobs**

Nearly 500,000 Additional Jobs with Users Are Related to the Cargo Activity on the GL/SLS

477,593 jobs related to the marine cargo activity

- 393,262 related jobs in the U.S.
- 84,331 related jobs in Canada

\$115.5 billion of related business revenue

- \$83.9 billion related revenue in the U.S.
- \$31.6 billion related revenue in Canada

\$22.7 billion related personal income and local consumption

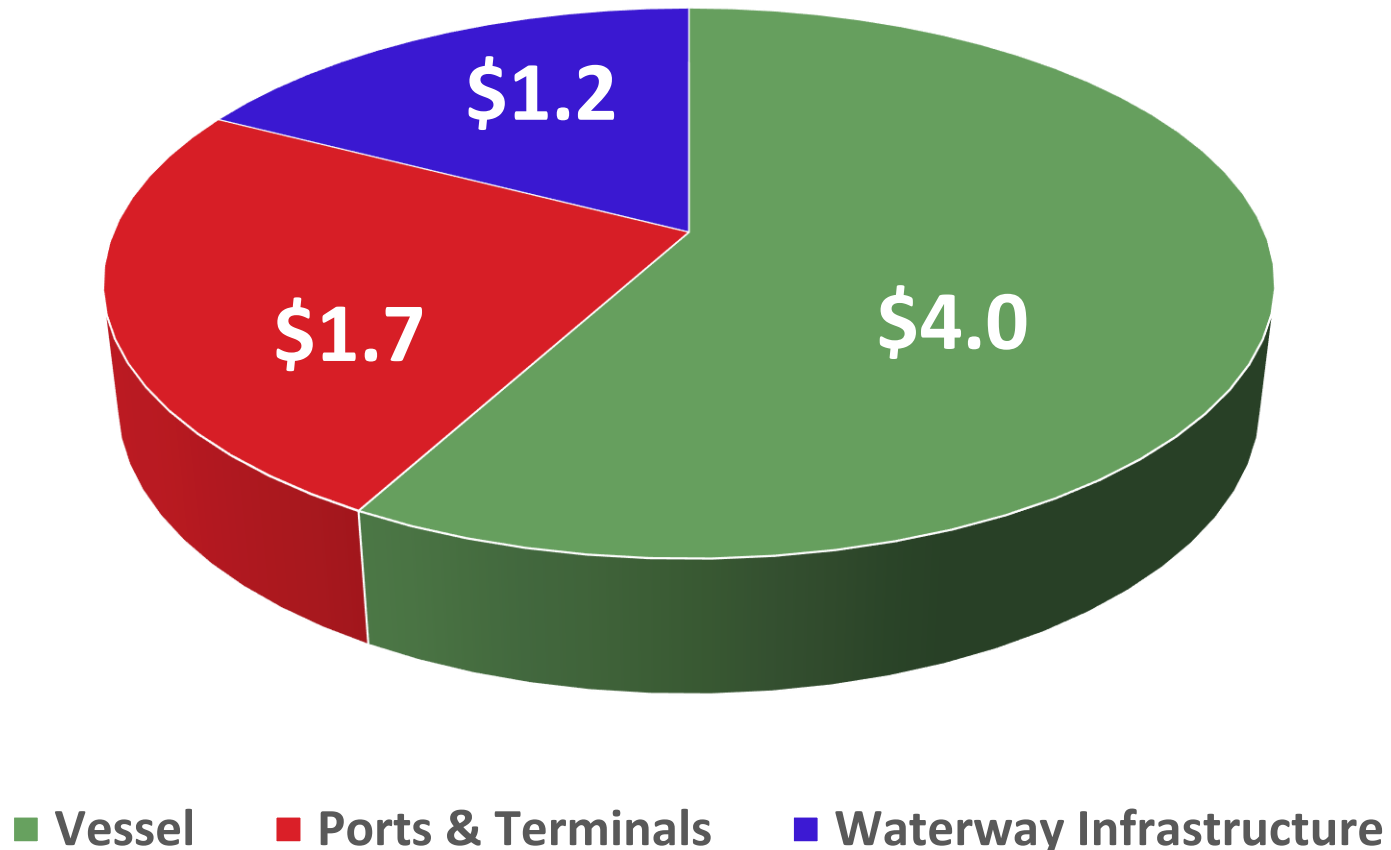
- \$18.2 billion related wages and salaries
- \$4.5 billion re-spending/local consumption

\$7.0 billion of related federal, state/provincial and local taxes

- \$5.1 billion of related taxes in the U.S.
- \$1.9 billion of related taxes in Canada

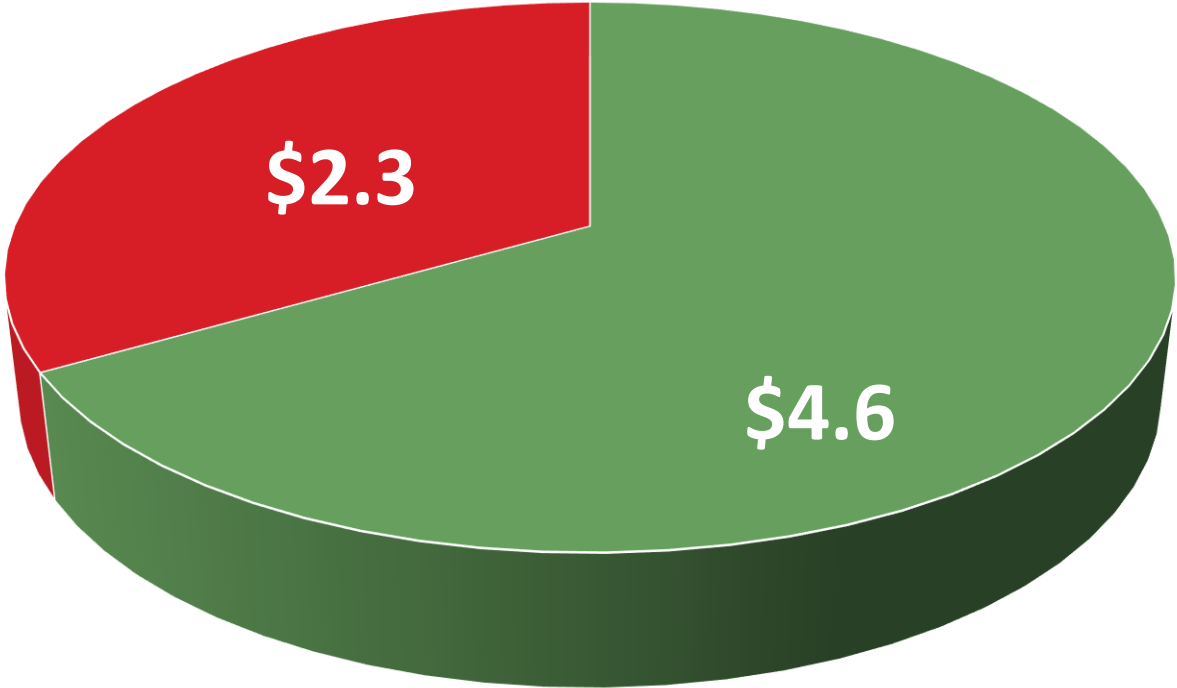
Since 2009, \$6.9 Billion of Public and Private Sector Investment on the GL/SLS

Billions of 2013 \$



Investment on the GL/SLS is Driven by Private Sector Investment

Billions of 2013 \$

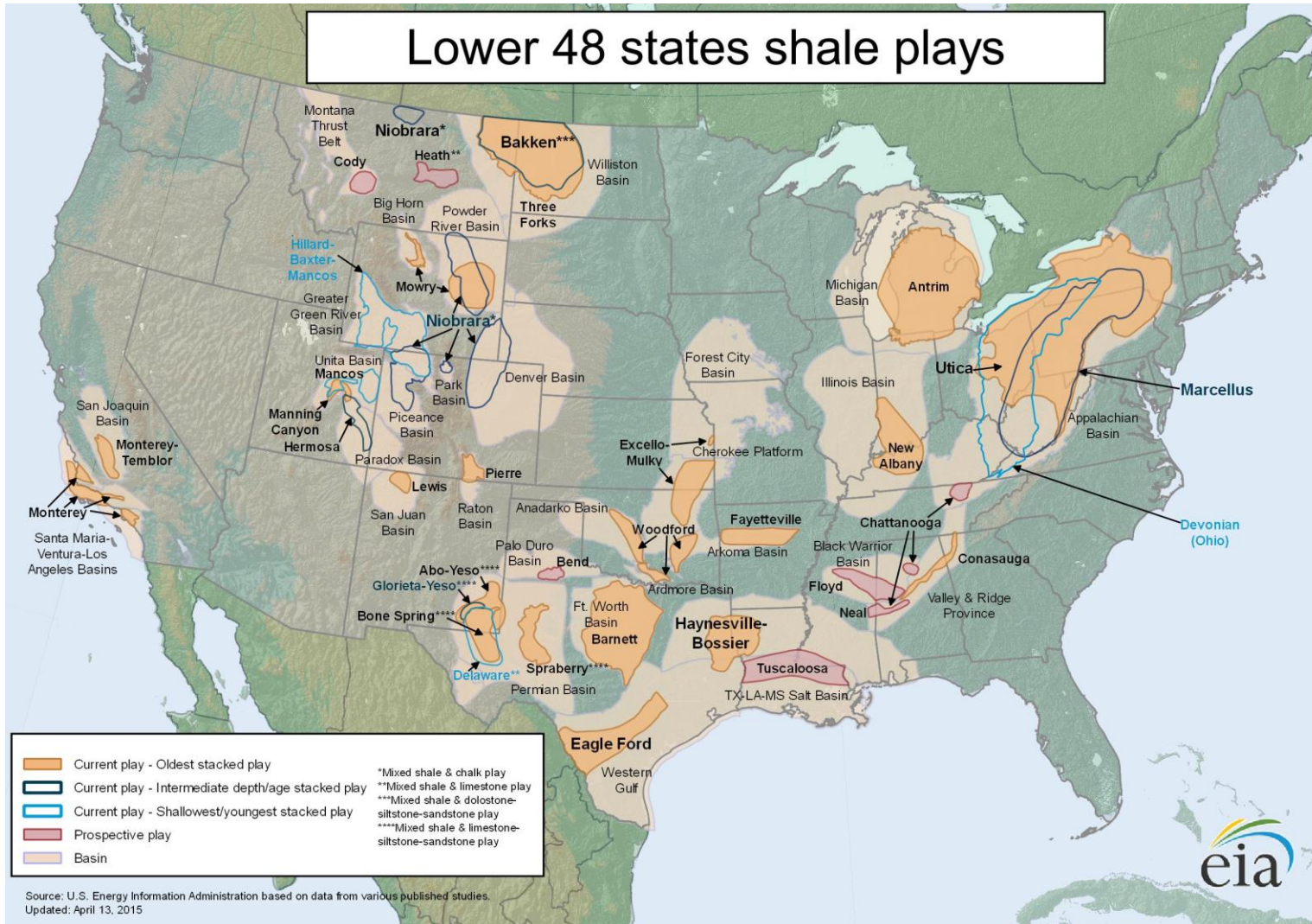


■ Private Sector ■ Ports and Terminals

Opportunities

- **Focus on near port/on-port industrial development:**
 - Bulk and aggregates
 - Steel manufacturing/assembly
 - Leverage industrial development to maximize use of ports
 - Higher value commodities
- **Development of clean energy port complex:**
 - **Wind energy:**
 - In-land project development
 - Off-shore production
 - Manufacturing and educational/research complex
 - **LNG bunkering:**
 - Compliance with ECA
 - **Bio fuels – wood chips**

Marcellus and Utica Shale Deposits Present Significant Opportunities



Energy Market

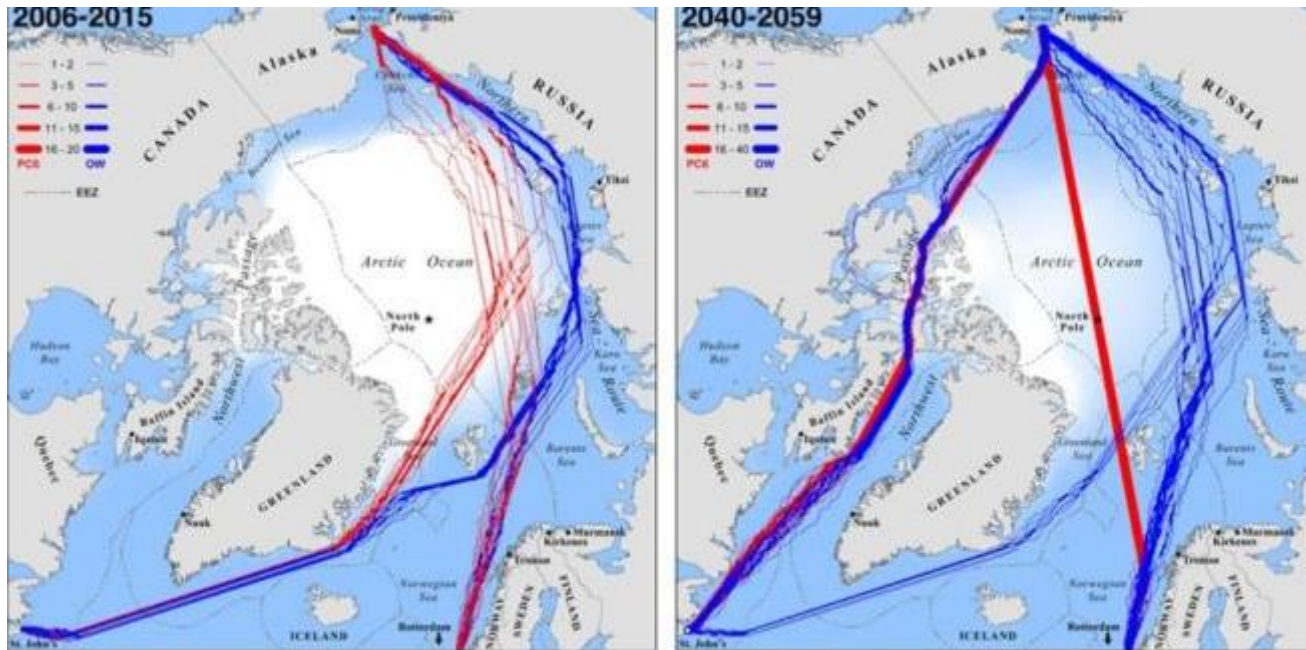
- **Provide vessel transit for LNG and NGL to serve East Coast as well as export**
- **Provide fuel for local markets:**
 - Trucking
 - Vessel
 - Utilities
- **Supply oil fields:**
 - Fracking Sand
 - Equipment

Develop Liner Service

- **Development of liner services:**
 - Cleveland aggressively pursued development of liner service
 - Identification of local markets now using coastal ports:
 - Containers
 - RoRo, Project Cargo
 - Break Bulk
 - Minimize port calls on GL/SLS to maintain schedule integrity



Polar Routing of Energy Projects??



Opportunities

- **Enhance federal opportunities to expand regional trade and economic development**
 - Maximize U.S. Seaway Corporation (SLSDC) authorities to include bonds, loans and other federal assistance
 - Ensure future national maritime and transportation policies, regulations, and laws incorporate Great Lakes Seaway System maritime commerce options for resiliency

Challenges

- **Growth in vessel size**
- **Limited shipping season**
- **Maintenance dredging issues:**
 - Lack of maintaining St. Marys River at authorized depth costs U.S. Flag maritime industry nearly \$20 million/year
- **Ice breaking issues:**
 - 2015 season ice impacts
 - Loss of 3.2 million tons from January through April 2015 (US Flag)
 - Nearly 2,000 jobs impacted
 - \$355.6 million of revenue lost

Challenges

- **Limited volume for multiple liner services**
- **Tolls**
- **Insurance**
- **Transload of grain into containers**
- **Decline in coal use in utilities:**
 - Substitute fuels
 - LNG
 - Wind energy
- **Enforcement of ECA's:**
 - Low sulphur fuel requirements
 - Scrubbers
 - LNG propulsion

THANK YOU!



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