



**AMERICAN
GREAT LAKES PORTS
ASSOCIATION**

February 3, 2016

Mr. Dave Naftzger
Executive Director
Conference of Great Lakes and St. Lawrence Governors and Premiers
20 North Wacker Drive, Suite 2700
Chicago, Illinois 60606

Dear Dave:

The American Great Lakes Ports Association is an organization representing the major commercial ports on the United States side of the Great Lakes. Our members include public port agencies, and port-related businesses that rely on an efficient maritime transportation system. We are writing to share our support for the draft Maritime Transportation System Strategy released for public comment by the Conference of Great Lakes and St. Lawrence Governors and Premiers on January 4, 2016.

Since this initiative was announced during the summer of 2013, our organization has taken an active role in supporting the states and provinces. Our members have served on the regional Maritime Task Force, on the Maritime Task Force Advisory Committee, and on the strategy's Drafting Committee. We have participated in every meeting and contributed both time and ideas to help ensure the success of this effort.

Our engagement is born of a deep-seated belief that a key handicap of the maritime transportation system is a lack of state engagement. Maritime commerce supports more than 128,000 jobs in the eight Great Lakes states. State governments have a reason to be engaged and to partner with us to develop the maritime transportation system and maximize its economic benefit to our citizens.

We appreciate this opportunity to offer comments on the draft strategy prior to its adoption by the Governors and Premiers later this year. Our greatest concern is follow-through. Once

adopted, the various states must take steps to truly "own" the strategy and incorporate its goals into state policy, programs, budget and staffing. We also believe the strategy must become a living document that evolves with time and is open to future change and enhancement. Therefore, the strategy isn't a document, but rather, a process.

The strategy lays out a comprehensive plan to address infrastructure, regulatory and management issues related to the marine transportation system. We commend the Task Force for taking a strong position on three issues of particular concern to Great Lakes ports.

Section 2.1.4 makes a strong statement in support of a more workable marine pilotage system on the Great Lakes, particularly pilotage services for ocean shipping. Originally designed in the 1960s, the Great Lakes pilotage system includes five different organizations providing pilotage services to ships at a huge expense. Today, the daily cost of pilotage on the Great Lakes exceeds the cost of chartering the entire ship. U.S. portions of the system are structured as a regulated monopoly, and lack market forces or consumer protection. Mismanagement of pilotage has resulted in cruise ships being delayed and tourists being inconvenienced, a threat to the fledgling Great Lakes cruise industry. Truly, the Great Lakes pilotage system is ripe for reform and we support the Task Force's decision to highlight this issue.

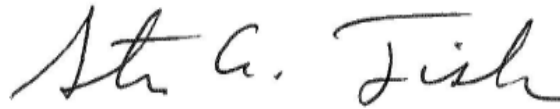
Section 2.3.3 calls for states to establish long term port investment programs such as Wisconsin's Harbor Assistance Program and Minnesota's Port Development Assistance Program. We support this goal. Unfortunately, most Great Lakes states fail to recognize port development as an economic development opportunity. Ports are economic drivers in their communities. States should be making investments to leverage ports and other maritime assets to create jobs and expand economic activity. Florida has an aggressive and successful port development program that is focused on economic development. Between 2011-14, Florida invested \$642 million in on-port infrastructure projects. Florida's thoughtful port and economic development program is an example for Great Lakes states. Illinois ports handle more waterborne commerce than Florida ports, yet the state has no focus on ports. With more than 20 federally authorized commercial harbors, and twice the shoreline of Florida, the State of Michigan largely ignores its ports and has failed to strategically leverage these assets to grow its economy. The same can be said for Ohio. Its time to turn away from this model of neglect.

Section 2.2.1 correctly identifies seasonality as one of the most important issues affecting the viability of Great Lakes Seaway shipping, particularly ocean shipping, general cargo and container shipping. In a nutshell, customers don't want to move cargo on the Great Lakes Seaway system for nine months of the year and then have to find an alternative for the winter months. This complication discourages many customers from using the navigation system or seeing it as a reliable transportation option. While 12-month navigation may not be viable, the maritime strategy wisely calls for studying ways to maximize the shipping season. A near term goal is to harmonize the Seaway opening and closing dates with the Soo Locks opening

and closing dates. Every additional day the navigation season can be extended improves the competitiveness of the maritime transportation system and enhances its economic benefit.

Finally, we'd like to thank the Conference of Great Lakes and St. Lawrence Governors and Premiers for its leadership on this important project. Countless meetings and hundreds of hours of work have gone into this effort. The Governors and Premiers themselves, state agency staff, and the Conference staff are to be commended. The regional dialogue has brought stakeholders together and built a greater understanding of the importance of the Great Lakes Seaway system to the region. We are committed to the success of this effort and it is our intension to continue to assist the Conference and the states as they work to implement the recommendations.

Sincerely,

A handwritten signature in black ink that reads "St. A. Fisher". The signature is written in a cursive, flowing style.

Steven A. Fisher
Executive Director