



Lake Carriers' Association

Suite 915 • 614 West Superior Avenue • Cleveland, Ohio 44113-1383 • www.lcaships.com



2007 Position Papers






DREDGING GREAT LAKES PORTS AND WATERWAYS SO SHIPPING CAN MEET THE NEEDS OF COMMERCE

Lost Inches, Lost Efficiencies



Graphic courtesy of U.S. Maritime Administration.

Impact of Dredging Crisis on Per-Trip Carrying Capacity Major U.S.-Flag Great Lakes Vessel Classes

Great Lakes Bulk Carriers	Vessel Length (feet)	Per-Trip Carrying Capacity	Capacity Per Inch Of Draft
	1,000	69,664	267
	806	34,720	146
	767	28,336	127
	635	22,064	107
	501	13,776	71

*Capacity per inch of draft reflects the incremental tonnage carried at normal loaded draft.



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By the end of 2006, the largest U.S.-Flag Lakers were forced to leave as much as 8,000 tons of cargo behind each trip because of inadequate dredging of ports and waterways. Some vessels were utilizing less than 90 percent of their designed carrying capacity. These "light loads" not only negated the efficiencies of waterborne commerce on the Lakes, they shortchanged vital industries, such as steel, power generation and construction. Chronic shortfalls in the U.S. Army Corps of Engineers' dredging budget are crippling the Great Lakes transportation system.

Michigan's Saginaw River has long been one of the busiest waterways on the Great Lakes. In a typical year, the River will receive more than 5 million tons of cargo, including limestone for the construction industry and coal for the power plant in Essexville. It is a main artery of commerce.

The Saginaw River has, however, acquired a new standing. It is a poster child for the Great Lakes dredging crisis. When shipping resumed in the spring of 2006, the first vessels to call on Saginaw River terminals found conditions nearly intolerable. In fact, two vessels became stuck in the turning basin, and there were fears the River would have to close to commercial navigation. That numbing scenario was avoided, thanks to emergency dredging, but the Saginaw River is sadly representative of the lack of adequate dredging on the Great Lakes. The turning basin had not been dredged since 1983.

Indiana Harbor, Indiana, is probably envious of the Saginaw River. That major iron ore receiving port has not been dredged since 1972!

This entire page could be filled with examples of inadequate dredging at port after port. The problem is system-wide. LCA members estimate 75 percent of the cargos they've carried in the past 5 years have been less than full loads.

Why is this problem so prevalent? The answer is simple: decades of inadequate Federal funding.

The Lakes have been shortchanged in another way. The formula the Federal Government employs to allocate its already insufficient dredging dollars favors the inland rivers. It is not unusual for the Ohio River to get twice as much money as the Lakes on a tons-of-cargo-handled basis. The solution, therefore, involves two steps. First, the Federal Government must appropriate

enough funds to maintain the nation's navigable waterways. Second, balance must be restored to the way Federal dollars are allocated.

The cost of waging the war on Terrorism has strained the Federal budget. However, dredging for "coastal ports" is not funded from general revenues. The Federal Government levies a tax on waterborne commerce; the receipts go into the Harbor Maintenance Trust Fund. As of this writing, that Fund has a surplus of \$3.5 billion, which continues to grow. By contrast, maintenance of the inland rivers is fully Federally funded by the General Treasury.

The U.S. Army Corps of Engineers projects it needs more than \$200 million to restore the Great Lakes Navigation System to project dimensions. With one stroke of the pen, the Administration and Congress could finance a Great Lakes Dredging Restoration Fund and still have billions left for navigation needs elsewhere.

The Great Lakes deserve their fair share of Federal dollars. The system primarily moves cargo from Americans to Americans by Americans. Cargo movement can top 200 million tons a year.

The nation needs Great Lakes shipping to be fully utilized. The region accounts for 70 percent of the nation's steelmaking capacity ... 70 percent of its automobile production ... 55 percent of all heavy manufacturing.... When these vital industries suffer increased transportation costs or shortfalls in deliveries, the nation's economic heartbeat is weakened.

The Administration and Congress must work together and end the chronic underfunding of the Great Lakes Navigation System! The payback to the nation will be a tremendous return on investment.