



# Lake Carriers' Association

*The Greatest Ships on the Great Lakes*

**JAMES H. I. WEAKLEY, PRESIDENT**

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March 2, 2012

The Honorable Mark Begich  
Chairman, Subcommittee on Oceans, Atmosphere,  
Fisheries, and Coast Guard  
U.S. Senate Committee on Commerce, Science and  
Transportation

The Honorable Olympia Snowe  
Ranking Member, Subcommittee on Oceans,  
Atmosphere, Fisheries, and Coast Guard  
U.S. Senate Committee on Commerce, Science and  
Transportation

Dear Chairman Begich and Ranking Member Snowe:

## **RE: Please Block Proposal to Close U.S. Coast Guard Vintage Vessel National Center of Expertise**

Lake Carriers' Association ("LCA") represents 17 American companies that operate 56 U.S.-flag vessels ("lakers") on the Great Lakes and carry the raw materials that drive the nation's economy: iron ore and fluxstone for the steel industry, aggregate and cement for the construction industry, coal for power generation.... Collectively, these vessels can transport more than 115 million tons of dry-bulk cargo per year when high water offsets lack of adequate dredging. LCA members employ more than 1,600 men and women and provide annual wages and benefits of approximately \$125 million. In turn, the cargos our members carry generate and sustain more than 103,000 jobs in the United States and have an economic impact of more than \$20 billion.

We are extremely disturbed that the Coast Guard has proposed to disestablish the Vintage Vessel National Center of Expertise (VVCOE) in Duluth, Minnesota. This Center was created to be the repository of Coast Guard expertise and best practices associated with steam propulsion, riveted hulls and other legacy vessels (deep-draft hulls built before 1982) throughout the Coast Guard. Its staff serves as subject matter experts advocating for both the industry and the Coast Guard in providing technical regulatory advice and On-The-Job Training specific to vintage vessels in the Great Lakes fleet and nationwide. This Center is a key element in the Marine Safety Enhancement Program the Coast Guard told Congress just a few short years ago was crucial to keeping the Marine Inspection Program effective and efficient. The Coast Guard's expertise in such matters had diminished nationwide and a series of "Centers of Expertise," seven in all, were created. The Coast Guard also has added 500 additional people via its Marine Safety Enhancement Program since FY09.

Now, the Coast Guard proposes to shut down the Vintage Vessel National Center of Expertise and spread the responsibility among the four Sectors in the Ninth Coast Guard District. This would return us to the very problems that plagued the Marine Inspection Program just a few years ago, namely lack of in-depth knowledge of Great Lakes vessel characteristics, steam plants and vessels built before 1982. Having more inadequately trained field personnel and shuttering the one place that Coast Guard officers and industry professionals can call on for technical assistance would destroy what progress has been made.

We would also like to emphasize that this Center is a **national resource**. VVCOE professionals have traveled to the east and west coasts to assist Coast Guard inspectors with the unique problems associated with older or steam powered vessels. Coast Guard inspectors from across the nation have been trained by and called upon the VVCOE for technical assistance.

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### ***The Association Representing Operators of U.S.-Flag Vessels on the Great Lakes***

AMERICAN STEAMSHIP COMPANY ♦ ANDRIE, INC. ♦ ARMSTRONG STEAMSHIP COMPANY ♦ BELL STEAMSHIP COMPANY  
CENTRAL MARINE LOGISTICS, INC. ♦ GRAND RIVER NAVIGATION COMPANY, INC. ♦ GREAT LAKES FLEET/KEY LAKES, INC.  
INLAND LAKES MANAGEMENT, INC. ♦ THE INTERLAKE STEAMSHIP COMPANY ♦ LAKES SHIPPING COMPANY  
LAKE MICHIGAN CARFERRY SERVICE ♦ PERE MARQUETTE SHIPPING ♦ PORT CITY MARINE SERVICES ♦ PORT CITY STEAMSHIP SERVICES  
SOO MARINE SUPPLY, INC. ♦ UPPER LAKES TOWING COMPANY, INC. ♦ VANENKEVORT TUG & BARGE INC.

We do not mean to disparage the fine men and women who serve in the Ninth Coast Guard District, but the simple fact is that with the rotation system the Coast Guard and other military organization employ, it is very

difficult to be constantly acquainting new personnel with the very unique circumstances here on the Great Lakes. Because the Great Lakes are freshwater, a well-maintained hull can last indefinitely. One of the vessels enrolled in LCA was built in 1906 and it – the cement carrier ST. MARYS CHALLENGER – is still in service. Many ships were built in the 1940s and 1950s. Of course these vessels have up-to-date safety and navigation equipment, but the basic hull and machinery is decades old.

The newest self-propelled vessels date from the early 1980s. They were the culmination of a massive fleet renewal that began in 1972 to capitalize on the economies of scale offered by the construction of the Poe Lock at Sault St. Marie, Michigan, that took the maximum vessel size from 730 feet to 1,000 feet.

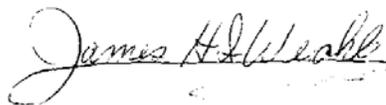
Unfortunately, just about the time the new fleet was at full strength, a bone-wrenching recession forever changed the face of Great Lakes shipping. Iron ore cargos for the steel industry used to routinely top 90 million tons per year, but in 1982, the trade plummeted to 43 million tons and steel has been more or -less in a constant state of restructuring ever since. That makes it all the more important that our vessels be well maintained. It takes 1.5 tons of iron ore (plus some fluxstone and other raw materials) to make a ton of steel, and our members are so efficient they can move a ton of iron ore from Minnesota to Indiana, Michigan, Ohio, or Pennsylvania for about what it costs for lunch at a moderately-priced restaurant.

This winter our members are spending more than \$75 million to maintain and modernize their vessels. All the work will be done here on the Greats Lakes and sustain more than 1,000 family-supporting jobs.

The men and women who work at these shipyards are second to none, but we need Coast Guard inspectors who are well versed in the technologies employed on older vessels. For example, we still have 12 steamships in the fleet. A few vessels have riveted hulls. These are no longer common to the U.S.-flag Merchant Marine. When the Coast Guard rotates personnel from the coasts to the Lakes, these powerplants and construction techniques are alien to them.

We recognize the intense budgetary pressures facing the Coast Guard and all Federal agencies, but the Vintage Vessel Center has but four full-time staff. It is not a major cost to the government, but it does ensure that U.S.-flag lakers and similar vessels throughout the country are properly inspected and inspected in a timely and efficient manner. Our members move the raw materials that are the foundation of America's industrial might and they move them safely. We want to keep it that way and a Vintage Vessel Center staffed with highly-qualified U.S. Coast Guard inspectors is vital to maintaining our industry's impressive track record. The qualification of Coast Guard Marine Safety personnel is an important safety issue and the \$500,000 it costs for the program is a wise investment. The Administration's budget proposal shortchanges the safety of our sailors, vessels and waterways. Please oppose closure of the Vintage Vessel Center of Expertise in Duluth, Minnesota.

Very Respectfully,



James H. I. Weakley  
President

Cc: LCA Board  
Great Lakes Congressional Delegation