



Lake Carriers' Association
MINUTES
CAPTAINS COMMITTEE MEETING

DATE: January 27-28, 2010

PLACE: Double Tree Hotel, Cleveland, Ohio

ATTENDEES

List of attendees is on pages 9 and 10.

MINUTES

January 27, 2010

James H. I. Weakley, President, Lake Carriers' Association, opened the meeting by thanking all present for taking the time to come to Cleveland and participate in these discussions. He then introduced Rear Admiral Peter V. Neffenger, Commander, Ninth Coast Guard District, who gave a brief review of the topics his staff would be presenting in detail.

U.S. COAST GUARD ITEMS

Before turning the podium over to his staff, RDML Neffenger called these times the "Decade of the Environment." He noted all transportation modes have a footprint, but waterborne commerce is greener than most people realize. The industry "has a good story to tell."

RADM Neffenger also announced that former Ninth District Commander Vice Admiral Robert J. Papp, Jr. has been nominated to be the next Commandant. He then turned the podium over to his staffers.

DRY CARGO RESIDUE: Commander Timothy Cummins, Deputy, Prevention Division, reported on the Interim Final Rule ("IFR") currently in effect. The IFR basically adopted the Interim Enforcement Policy, with some additional restrictions on where dry cargo residue can be washed down and added some recordkeeping requirements.

The Coast Guard believed it needed more data on possible control measures before proceeding with the Final Rule, so had consultants visit some 30-40 vessels and facilities to observe loading and discharge of cargo and measure the resulting dry cargo residue.

The cost of the Environmental Impact Statement is now about \$2.3 million and represents the collective effort of some 19 experts.

There will be no more environmental studies; the Coast Guard is satisfied the practice poses no threat to the environment. All that needs to be decided is if any additional control measures are warranted.

No date has been set for publication of the Final Rule. Nor is there an expiration date for the IFR.

BALLAST WATER: Coast Guard has proposed regulations governing ballast water discharges in U.S. waters. A 2-phase approach is proposed. For lakers, the first phase will require installing equipment that meets the current IMO standard upon the vessel's first drydocking after January 1, 2016. If a system was installed before that date, the equipment can be used for 5 years. Vessels that did not install a system by that date would have to be equipped with a system meeting a standard perhaps as high as 1,000x IMO upon its first drydocking after January 1, 2016.

Committee members reiterated LCA's objections to this proposal. Just from a technical viewpoint, there are no systems that can meet the Phase I standard that can also accommodate lakers' volumes and flow rates. It appears a system that could handle lakers' need would be physically too large to fit on a vessel.

There is – as of this writing – only one system that has been certified (but not approved) for use in fresh water.

As for Phase II (potentially 1,000x IMO), there isn't even a way to verify if a system is meeting the standard. The Coast Guard recognizes no system currently meets the Phase II standard, so will perform a "Practicability Review" prior to requiring compliance. It is LCA's position that a Practicability Review must be performed for the Phase I standard, at least as it applies to lakers.

Another problem with the Coast Guard proposal is it does not pre-empt State laws, so the plethora of State requirements would remain.

There is an exemption for vessels that operate exclusively in one Captain of the Port ("COTP") Zone. The Coast Guard was encouraged to declare the Lakes one COTP Zone for purposes of ballast water. The Coast Guard's response was to concede that the boundaries for COTP Zones are arbitrary.

The Coast Guard was also encouraged to carefully consider the costs and benefits of installing ballast water treatment systems on lakers. The industry estimates the cost fleetwide will approach \$400 million. These are vessels that never leave the Lakes so have never introduced a non-indigenous species to the system.

MARINE SAFETY ENHANCEMENT PLAN AND CENTER OF EXPERTISE FOR VINTAGE VESSELS: LCDR Dean Firing, Chief – Inspections and Investigations Branch, reported on Coast Guard efforts to improve the Marine Safety Program. The Coast Guard was downsized in the mid-1990s and Marine Safety suffered the pains of understaffing. (Note: Firing will retire in May and be replaced by Commander Cummins.)

LCA was among the maritime interests that testified before Congress about the shortcomings in Marine Safety. As a result, the Coast Guard reinvigorated the program. Here on the Lakes, 21 new billets have been created. This almost doubles the staffing. Six civilian marine inspectors and seven dedicated marine causality investigators have been added. The training budget has been increased by 300 percent, which allows personnel to take classes offered outside the Coast Guard (such as American Bureau of Shipping).

The Center of Expertise for Vintage Vessels is being stood up in Duluth, Minnesota. Vintage vessels are defined as those built before 1982. The purpose of the center is to become the

depository for the specialized knowledge needed to inspect steamships, vessels with riveted hulls... in the decades to come.

LCDR Firing acknowledged there are problems with seafarer access to facilities. The regulations governing facilities do require reasonable access. Most facility plans are coming up for their first renewal and the Coast Guard will be focusing on this problem when reapproving plans.

Committee members asked LCDR Firing to pass along to Coast Guard personnel that they should sign Bridge Record Cards when visiting vessels.

LCDR Firing closed by notifying committee members Canada has ratified the Bunker Convention. Since the U.S. is not a signatory to that convention, U.S.-Flag vessels will need to apply for a certificate from Canada. **Details on how to obtain the certificate have been e-mailed to the Navigation Committee.**

AIDS TO NAVIGATION AND ICEBREAKING: Commander Kevin Dunn, Chief – Waterways Management Division, reported the Coast Guard maintains 2,409 Federal Aids to Navigation on the Great Lakes and monitors another 3,266 private aids. The Coast Guard wants to reduce the number of Federal aids nationwide by 5 percent. LCA will be consulted as Lakes aids are identified as candidates for retirement.

The switch over to solar panels to power Aids has been very successful. The LED are brighter and last for six years.

The problems with SAVICS buoys in choppy seas have resulted in their repositioning to harbors where the waters are calmer. CMDR Dunn also noted the Coast Guard has added reflectors to ice buoys so they can stay in the water year-round.

The Captains urged the Coast Guard to make sure unlighted aids have the reflective tape; otherwise they become hazards to navigation.

The Captains also noted the removal date for many aids has been advanced and questioned the reasoning for this decision. CMDR Dunn responded the Coast Guard is understaffed and the need to commence icebreaking necessitates these early removals.

Concerning icebreaking, CMDR Dunn noted the new 9th District Policy was signed on December 23. Icebreaking in Tier I and Tier II waterways is the Coast Guard's responsibility. The Coast Guard will break ice in Tier III waterways if their vessel is nearest icebreaker. Tier IV waterways are the domain of commercial icebreakers.

CMDR Dunn clarified that an "impasse" begins when no Coast Guard action causes a vessel to be delayed. He stressed vessel operators must try to find a tug and then be able to explain why that tug is, in their opinion, insufficient.

The Coast Guard was asked to do ice recon on the Maumee River, but CMDR Dunn declined, saying the Coast Guard is not in that business and does not have the resources to provide information on every port.

The Committee noted the Coast Guard's policy on rotation of personnel costs the Lakes the knowledge and experience that is so needed to make good operational decisions.

CMDR Dunn reported "substantial progress" on recapitalizing the 140s. The study is due in May. He acknowledged OMB does not like providing icebreaking, but government steps in when the barrier to entry is too high for the commercial sector.

A total of 12 cutter days were lost in the December/January ice season. There was no scheduled maintenance during the period.

BRIDGE BRANCH: Scot M. Striffler, Bridge Management Specialist, was in attendance to take Captains' comment and concerns about bridges. There was general agreement that Norfolk Southern's performance has improved greatly.

GENERAL ITEMS: The Committee objected that the permit for the Head of the Cuyahoga Regatta this fall does not include a window for commercial vessel transits. LCA will seek a District Policy limiting the time waterways can be closed to commercial navigation.

That concluded the Coast Guard presentations for that day.

VESSELS PASSING IN THE FLEMMING CHANNEL: Captain Philip J. Knetchel, Chairman, International Ship Masters' Association, asked the Captains Committee to support ISMA's request to the Windsor Harbour Master to again allow vessels to pass in the Flemming Channel. Due to the increase in the number of slow-moving vessels, the Flemming Channel is the first and only place vessels can safely pass when exiting Lake St. Clair downbound before encountering other vessels that are slowing and maneuvering for docks in Windsor and Detroit, or before entering the Fighting Island Channel of the lower Detroit River. The Flemming Channel is also the last place for vessels to safely pass before entering Lake St. Clair upbound.

The Committee endorsed the request. LCA will send a letter to the Windsor Harbour Master.

The Captains also requested that the U.S. Coast Guard change its speed regulations in the Detroit River. Currently vessels must be checked down to River speed at Detroit River Light. However, that light is several miles out into Lake Erie. River speed should commence at D33. That is when the vessel enters confined waters and wake and wash can become an issue. LCA will make this request to the U.S. Coast Guard. Every minute shaved off a transit increases the industry's efficiency.

U.S. ARMY CORPS OF ENGINEERS ITEMS

DREDGING: David L. Wright, Assistant Chief of Operations, Detroit District, reported that 2009 was the best year for dredging on the Lakes in many years. Thanks to increased funding, 2 million cubic yards of backlogged sediment was removed.

A few dredging projects are carrying over to 2010: Duluth, Manistee, Saginaw, Harbor Beach, and St. Clair River.

Unfortunately, due to reduced funding, the backlog will grow this year. LCA and others continue to seek full access to the Harbor Maintenance Trust Fund ("HMTF"). If the government would spend what the HMTF takes in each year - \$1.5 billion – there would be no dredging crisis on the Lakes or any deep-draft port in the U.S. It is hoped a provision fencing off the HMTF will be included in the next Water Resources Development Act.

SECOND POE-SIZED LOCK: Wright reported that winter work on the Soo Locks is underway and includes replacing timber fenders and preventative maintenance on the Poe Lock's hydraulics.

The latest cost estimate for the second Poe-sized lock is \$580 million (an increase of \$90 million). The coffer dams are under construction. The next big project – assuming funding is provided – is deepening the downstream approach channel.

The Captains asked that the Corps not eliminate the low lights on the Lock. They are important for navigation. Any new lights should conform to the current height.

WATER LEVELS: Keith Kompoltowicz, Meteorologist – Great Lakes Watershed Hydrology, reported the Lakes received only 35 percent of their average precipitation in January. The forecast for the Lakes is as follows:

Lake Superior – Above last year, but below Long Term Average (LTA).

Lake Michigan/Huron - Above last year; should get close to LTA.

Lake Erie – near LTA.

Lake Ontario – 8 inches below LTA.

NOAA / NATIONAL WEATHER SERVICE

NWS hopes to expand numerical modeling for the wave forecast to all the Lakes. The forecast perhaps can include maximum height.

Heat waves are projected to be more frequent. A 1-foot drop in water levels over the next 50 years is possible.

There has been a great improvement in the Observation Network. There have been 30 new coastal meteorological observation sites added to the system.

The Captains recommended observation sites at the following locations:

Presque Isle Light

Whitefish Point (at the Historical Society)

Chicago Lakefront

45 ships were active in the weather observation program in 2009. 7,927 observations in 2009, down from 10,984 in 2008. (This decrease is understandable given the number of vessels that did not sail or sailed shortened seasons in 2009.) 90 vessels were visited in 2009.

NWS is testing automated observations via the AIS on the MACKINAW. The cost of units ranges from \$10,000 to \$70,000. We recommend that the test platform be changed to a vessel more likely to actually sail.

INVASIVE SPECIES RESPONSE EFFORTS – AMERICAN STEAMSHIP COMPANY

Noel L. Bassett, Vice President – Operations, gave a presentation on American Steamship's efforts to deal with ballast water transport of invasive species. There are three key elements to ASC's efforts:

1. Install new "high" ballast intake seachests to reduce sediment in tanks.

2. Participate with National Park Service (Isle Royale National Park) Emergency Ballast Water Treatment Study.
3. Outreach to regulators and legislators and Federal and State levels and partnering with Scientific and Environmental Groups.

Bassett noted any effort must begin with this fact: Lakers are different. Their ballast water volumes, pumping rates, frequency of ballasting operations, and trip duration are dramatically different than those vessels the designers of the systems coming on the market had in mind when they were developing their equipment and procedures. Also, lakers' ballast tanks generally are not coated and many biocides are corrosive.

Concerning Outreach, Bassett stressed the need to educate one and all. ASC has issued an open invitation to State and Federal rule-makers to meet and discuss the issue at any time. ASC is willing to participate in research and testing. The company supports LCA and Canadian Shipowner Association initiatives, the Great Ships Initiative, and other efforts.

Bassett then reported on the National Park Service dye test. The purpose was to test various **emergency** biocide introduction and mixing techniques. Six ballast water tanks on the INDIANA HARBOR were fitted with multiple sampling points. Biocide introduction methods were tested using Rhodamine dye. As expected, some introduction methods worked better than others, but as a result of the tests, NPS has an Emergency Guide For Biocide Introduction And Mixing.

Reducing the intake of sediment and possibly bottom dwellers is the goal of the New High Ballast Intake Seachest effort. Four ASC vessels have been fitted to date. The cost has ranged from \$250,000 to \$300,000. Design and engineering is complete on all 18 vessels in the ASC fleet. Installation began in 2007 and the company is very pleased with the results to date.

WIND TURBINES IN LAKE ERIE

Timothy M. Ryan, President, Apex Offshore Wind, LLC., discussed the potential for wind turbines being built in Lake Erie. The company is considering a project in Lake Erie, roughly off Dunkirk, that could involve as many as 200 wind turbines. Construction of the first turbines could begin in 2014. Some believe 2,000 to 4,000 wind turbines could eventually be placed in Lake Erie.

Since Ryan did not have many specifics on his project, the Captains could not make specific recommendations other than the turbines cannot interfere with commercial navigation. LCA has suggested a safety zone three miles to each side of the course line, a 6-mile zone in total. It was noted, however, that in the Gulf Coast, the safety fairways to prevent collisions between commercial navigation and oil rigs are one mile wide.

CANADIAN-FLAG ISSUES – CANADIAN SHIPOWNERS ASSOCIATION

Michel Drolet, Vice President – Operations, reported Canadian Shipowners Association's priorities. First is removal of the 25 percent duty on foreign-built vessels. The tariff will be retired in the near future and the next generation of Canadian lakers will be built in Chinese shipyards.

New technology on ships is another continuing effort.

Drolet shared that CSA would be meeting with the Canadian Coast Guard Commissioner and would express its disappointment with the number of Canadian icebreakers available to assist on

the Lakes. Canada needs to bolster its forces, a sentiment strong endorsed on the U.S. side of the Lakes.

LCA JOINT CAPTAINS & NAVIGATION COMMITTEES MEETING

Jim Weakley updated members on LCA's request for a \$1 million grant from the EPA's Great Lakes Restoration Initiative. The purpose is to adapt the Hyde flocculent injection system for use as a biocide injection system. The grant would fund a project manager for three years to direct the effort and outfit six to 11 vessels at a projected cost of \$50,000 per vessel. LCA should know if it has been successful by March.

Much frustration was expressed concerning icebreaking, especially as concerns U.S. Coast Guard icebreakers assisting Canadian vessels and breaking ice in Canadian ports. The Memorandum of Understanding between the U.S. and Canadian Coast Guards is supposed to be renewed this year. The new MOU must better define each nation's responsibilities and more equitably distribute the workload.

The Committees also recommended that the U.S. Coast Guard again station an observer in Sarnia.

The Committee recommended that the bridge hours for outbound vessels in Saginaw be eliminated. The bridge hours were justified when there was more industrial activity in Saginaw, but with the downsizing of industry the amount of traffic no longer necessitates them.

JANUARY 28, 2010

INTERNATIONAL JOINT COMMISSION – INTERNATIONAL UPPER GREAT LAKES STUDY: FLOWS IN THE ST. MARYS RIVER AND HYDROPOWER PEAKING AND PONDING: A 5-year study to review and revise the regulations governing the release of water from Lake Superior began in 2007 and is scheduled to conclude in March 2012. The study has two key issues to address:

1. Why are Lakes Michigan and Huron water levels closer to Lake Erie levels than they used to be?
2. Can the regulation of Lake Superior be improved?

The first question – why the water level on Lakes Michigan and Huron is down – has been answered and dredging is not the explanation. Rather, natural events, primarily the ice jam in 1984, have deepened the St. Clair River and produced the higher outflow. Therefore the recommendation is that no remedial measures be taken.

The second issue – possible revisions to the regulations governing the release of water from Lake Superior – is a work in progress, though it was acknowledged that any changes will likely be small. What is of most interest to commercial navigation is regulating peaking releases from Superior during each month. Vessels cannot adjust their schedule to transit the St. Marys River at high water. Therefore, commercial navigation would like to see regulations that narrow the spread between high and low water. Minor fluctuations are inevitable, but industry needs more predictability. The water level in the St. Marys River often determines how deep vessels load. If there's not enough water, the vessel must anchor. Vessel lose as much as \$3,500 an hour, so every effort is made to minimize delays.

The IJC must factor in the value of Great Lakes shipping in developing any new regulations. The shipping industry does not question the need for electrical power, but the economic impact of the 80 million tons of cargo that transit the St. Marys River each year is substantial. While some events, such as strong winds that lower the water level, cannot be controlled, the IJC should minimize the impacts of its regulations on commercial navigation. It was noted that in the St. Lawrence River water levels sometimes are temporarily raised to assist commercial navigation.

LCA AND CSA CAPTAINS AND MEMBERS ONLY SESSION

The Captains made the following recommendations which were then endorsed by LCA's Navigation Committee:

1. The Captains recommend that the Coast Guard declare the entire Great Lakes one COTP Zone for purposes of ballast water. (This was one of LCA's recommendations in its comments on the proposed rulemaking.)
2. Ballast Water Exchange: Canadian Captains questioned why the requirement is to exchange in waters at least 200 meters deep. This can require vessels to go 40, 50 miles offshore. What is the scientific basis for this? Would exchange be effective in shallower water? (Note: This is not an issue for LCA vessels.)
3. LCA was asked to prepare a form letter than members' employees can send to their legislators on issues such as ballast water and air emissions and stress that the wrong decision can mean the end of Great Lakes shipping.
4. LCA was asked to revive the ADVISOR. It has been discontinued because the Association communicates its actions to members on an almost hourly basis. Publication will resume. It will be e-mailed to members for distribution both inside and outside their company.
5. Icebreaking: More coordination is needed between Sarnia and Detroit. The U.S. Coast Guard should assign a person to the ROC during ice operations. The Coast Guard should also designate an On-Scene Commander.
6. St. Clair River Tube Float. The starting point should be moved to the Black River.
7. The Corps should validate the soundings for Silver Bay, Minnesota.
8. New surveys are needed in Port Inland, all the ports along Michigan's western shoreline, Fairport Harbor, Duluth (Reiss' Point) and Sandusky (lower channel).
9. NOAA will be asked to produce a large-scale official chartlet of the St. Marys River.
10. The National Weather Service should pursue automatic weather reporting via Coast Guard vessels, expand shoreside stations, and test a prototype system on a laker that utilizes existing AIS equipment.
11. The Captains need more specifics before making any recommendations concerning placement of wind turbines, but noted power lines leading to shore must be submerged or they risk being cut when weather makes a vessel drag its anchor.
12. Canadian Shipowners Association will take the lead in reviewing and updating Recommended Course Lines (last revised in 1997).
13. Captains again recommended transponders be required on fishing boats.

There being no further business the meeting was adjourned.

Minutes Submitted By Glen G. Nekvasil
Vice President – Corporate Communications
Lake Carriers' Association

27TH ANNUAL CAPTAINS COMMITTEE MEETING

Double Tree Hotel – Cleveland Downtown/Lakeside
1111 Lakeside Avenue • Cleveland, Ohio 44114 • 216-241-5100 • Guest Fax: 216-241-7437

ATTENDEES

(alpha by company / by last name)

LAKE CARRIERS' ASSOCIATION MEMBERS

(LCA Captains Committee Members – **Bold** • LCA Navigation Committee Members - *Italic*)

1.	<i>Tom</i>	<i>Anderson</i>	<i>American Steamship Company</i>
2.	Noel	Bassett	American Steamship Company
3.	Captain Bill	Millar	American Steamship Company
4.	Mark	Pietrocarlo	American Steamship Company
5.	Captain Paul	Kimbro	Andrie, Inc.
6.	<i>Steve</i>	<i>Stanek</i>	<i>Andrie, Inc. / Inland Lakes Management, Inc.</i>
7.	Captain Ray	Sheldon	Central Marine Logistics, Inc.
8.	<i>Tom</i>	<i>Wiater</i>	<i>Central Marine Logistics, Inc.</i>
9.	Captain Pat	Hart	Grand River Navigation Company, Inc.
10.	<i>Ed</i>	<i>Wiltse</i>	<i>Grand River Navigation Company, Inc.</i>
11.	Captain Mark	Blatnik	Great Lakes Fleet / Key Lakes, Inc.
12.	<i>Bill</i>	<i>Peterson</i>	<i>Great Lakes Fleet / Key Lakes, Inc.</i>
13.	Captain Dan	Rentschler	Great Lakes Fleet / Key Lakes, Inc.
14.	Captain Tim	Dayton	Interlake Steamship Company
15.	<i>Bob</i>	<i>Dorn</i>	<i>Interlake Steamship Company</i>
16.	Captain Joe	Ruch	Interlake Steamship Company
17.	Captain Dave	Morgan	KK Integrated Logistics
18.	<i>Mark</i>	<i>Mather</i>	<i>Pere Marquette Shipping Company</i>
19.	<i>Jack</i>	<i>VanEnkevort</i>	<i>VanEnkevort Tug & Barge, Inc.</i>

LAKE CARRIERS' ASSOCIATION STAFF

20.	Glen	Nekvasil	Lake Carriers' Association
21.	Jim	Weakley	Lake Carriers' Association

CANADIAN SHIPOWNERS ASSOCIATION AND MEMBERS

22.	Bruce	Bowie	Canadian Shipowners Association
23.	Michel	Drolet	Canadian Shipowners Association
24.	Captain Jason	Furlong	Canada Steamship Lines
25.	Captain Kent	Powell	Canada Steamship Lines
26.	Carl	Sullivan	Canada Steamship Lines
27.	Scott	Porter	V.Ships Canada Inc. (Canada Steamship Lines)
28.	Tom	Anderson	Seaway Marine Transport
29.	Captain John E.	Greenway	Seaway Marine Transport
30.	Captain Jim	Wihelm	Algoma Central Marine
31.	Captain Cameron	Misener	Upper Lakes Shipping

27TH ANNUAL CAPTAINS COMMITTEE MEETING

Double Tree Hotel – Cleveland Downtown/Lakeside
 1111 Lakeside Avenue • Cleveland, Ohio 44114 • 216-241-5100 • Guest Fax: 216-241-7437

ATTENDEES – CONTINUED

(alpha by company / by last name)

INVITED GUESTS

32.	Charlie	Malue	International Organization of Masters, Mates & Pilots
33.	Robert	Gasior	International Ship Masters' Association
34.	Phil	Knetchel	Lakes Pilots Association / Int'l Ship Masters' Association
35.	John	Wellington	Wellington Maritime

FEDERAL AGENCIES • PRESENTERS • ATTENDEES

36.	Timothy M.	Ryan	Apex Offshore Wind, LLC
37.	Mark	Lorie	Resolution Planning LLC
38.	Bill	Werick	Werick Consulting
39.	Lt. Nick	Barrow	Ninth Coast Guard District
40.	CDR Timothy	Cummins	Ninth Coast Guard District
41.	CDR Kevin	Dunn	Ninth Coast Guard District
42.	LCDR Dean	Firing	Ninth Coast Guard District
43.	RDML Peter V.	Neffenger	Ninth Coast Guard District
44.	Scott M.	Striffler	Ninth Coast Guard District – Bridge Branch
45.	Captain Loren	Thomas	Ninth Coast Guard District
46.	David	Soroka	NWS – Headquarters
47.	Lynn	Maximuk	NWS – Central Region
48.	Tom	Townsend	NWS – Central Region
49.	Gary	Garnet	NWS – Cleveland
50.	Richard	Wagenmaker	NWS – Detroit
51.	Ron	Williams	NWS – Duluth
52.	Robert	Luke	NWS – National Data Buoy Center
53.	Jon	Brown	U.S. Army Corps of Engineers – Buffalo
54.	Keith	Kompoltowicz	U.S. Army Corps of Engineers – Detroit
55.	David L.	Wright	U.S. Army Corps of Engineers – Detroit
56.	Steve	Rose	U.S. Army Corps of Engineers – Soo