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September 27, 2019

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Valérie Jennings
Acting Senior Policy Advisor
Legislative, Regulatory and International Affairs
Marine Safety and Security
Transport Canada

Place de Ville, Tower C, 10th Floor
330 Sparks Street
Ottawa, Ontario K1A 0N5

Submitted via email to: valerie.jennings@tc.gc.ca

Subject: ADDENDUM to Comments on Canada Gazette Part I, Volume 153,
Number 23 – Ballast Water Regulations (June 8, 2019) – Comments from Lake
Carriers' Association

Lake Carriers' Association (LCA) is submitting this addendum to our original
comments submitted on September 3, 2019 for the above referenced Ballast
Water Regulations. These comments clarify our original comments and do not
replace those comments.

LCA finds it necessary to append this clarification to reinforce the deleterious
economic impact to the U.S.-flag Great Lakes fleet of commercial vessel
operators if the proposed Regulations were to become final as written in
Gazette Part I. The focus of our concern with Gazette Part I, Volume 153,
Number 23 is the equipment requirement for ballast water treatment Transport
Canada is placing on U.S.-flag Great Lakes vessels to move any goods, U.S. or
Canadian.

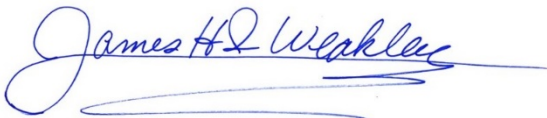
On pages 1, 5, 13-14, 22, and 25 of our September 3, 2019 comments, we
described the economic cost to the pre-2009 U.S.-flag laker fleet of complying
with the proposed Regulations by installing ballast water management systems
(BWMS) on these lakers as \$1.132B (CDN) over the 25-year analytical period of
the proposed Regulations. Please note that this figure does not include U.S.-flag
lakers' potential losses in revenue due to how these additional costs would
impact their competitiveness with Canadian vessels. We did not intend to
convey to Transport Canada that if the proposed Regulations are implemented
without change, then the U.S.-flag laker fleet would actually install BWMS solely
to comply with those Regulations. As we noted on page 5 of our September 3,

2019 comments, we estimate that the economic impact to the pre-2009 U.S.-flag laker fleet of completely exiting the trade between the U.S. and Canada would be the loss of approximately \$38-57 million (CDN) in revenue annually. Over the 25-year analytical period of the proposed Regulations (during which the BWMS requirement would apply for 20 years), LCA estimates that the economic impact to the U.S.-flag laker fleet of completely exiting the trade between the U.S. and Canada would be \$760 million - \$1.140 billion (CDN).

If the proposed Regulations are implemented without change, the economics of this decision would most likely result in the pre-2009 U.S.-flag laker fleet completely exiting the trade between the U.S. and Canada. If Transport Canada's final Regulations only apply the BWMS installation requirement to U.S.-flag lakers discharging ballast water in Canadian waters (and do not apply this requirement to U.S.-flag lakers loading ballast water in Canadian waters and discharging that ballast water in U.S. waters), then the economics of this decision would most likely result in the pre-2009 U.S.-flag laker fleet exiting the portion of that trade to which the BWMS requirement would apply (loading cargo in Canada and discharging ballast water in Canadian waters). Under the latter scenario, the economic cost to the U.S.-flag laker fleet would be less than \$760 million - \$1.140 billion (CDN), but we do not have adequate data on which to base a revenue impact estimate for this scenario.

LCA appreciates your time and attention to this letter of clarification as well as to the concerns raised in our previous comments dated September 3, 2019. Should you have any questions, please feel free to contact me at your convenience by phone at (440) 333-9995 or email at weakley@lcaships.com.

Sincerely,



James H. I. Weakley
President
Lake Carriers' Association