

2019 Annual Meeting Minutes¹

Jim Weakley, 3rd Vice President, opened the meeting at 10:06 AM on November 12, 2019, by reading the Anti-Trust Statement for the Great Lakes Maritime Task Force (GLMTF).

Kyle Bureson, Executive Director, Detroit/Wayne County Port Authority, welcomed the GLMTF members.

ISSUE PRESENTATIONS

ICEBREAKING: Eric Peace, Lake Carriers' Association, gave a presentation on the current status of U.S. and Canadian icebreaking resources. Three issues were addressed including the U.S. Coast Guard's (USCG's) inaccurate depiction of "adequate icebreaking resources" through poor performance metrics, re-powering the 140-foot icebreaking tugs, and a second heavy Great Lakes icebreaker.

The USCG performance metrics are in the process of being revised with input from industry. The new performance metrics will highlight the gap between the reasonable demands of commerce and the USCG's ability to meet those demands based on their current lack of adequate icebreaking resources. That gap should be filled by re-powering the 140-foot icebreaking tugs and acquisition of a second heavy Great Lakes icebreaker.

JONES ACT 2020: Jim Sartucci, K&L Gates, gave a presentation on the Jones Act and highlighted current threats and opportunities to defend the law as it approaches its 100th birthday in June 2020.

The Cato Institute, a libertarian think tank, has started a campaign to repeal the Act as a protectionist law that unnecessarily drives up costs and does not serve the Department of Defense or Homeland Security needs. It appears that if they are unable to repeal the Jones Act in full they will work to significantly revise portions of it to weaken its overall impacts.

A bicameral and bipartisan majority of Congress, Democratic Presidential hopefuls, the Maritime Administration, and the Department of Defense support the Jones Act but need others, including industry, to defend and support the Jones Act, especially in 2020. Members of the GLMTF were called upon to submit letters, specifically to those members of Congress that have no public position yet on the Jones Act, asking for their support of the law. Sartucci offered to supply a list of those with no position for a targeted campaign.

¹ 2019 Annual Meeting attendees list is provided in Appendix 1 and Appendix 2 is the final Agenda as presented during the meeting.

Great Lakes Maritime Task Force

Promoting Shipping on America's Fourth Sea Coast Since 1992

BALLAST WATER: Tom Rayburn, Lake Carriers' Association, provided an update on the progress on U.S. and Canadian Ballast Water regulations.

The U.S. Vessel Incidental Discharge Act (VIDA) was approved in December of 2018 and requires the U.S. Environmental Protection Agency to have draft regulations on national standards of performance for approximately 30 discharges, including ballast water, published by December 18, 2020. Draft regulations are due to be published by December 18, 2019. After those regulations are finalized, the USCG has two years to publish enforcement procedures of those regulations.

Transport Canada continues to pursue requirements for all vessels to have a Ballast Water Management System (BWMS) installed if a vessel is performing any ballasting operations, including uptake, while in Canadian waters. The largest issue is that in the Great Lakes the Canadian government does not enforce a discharge standard as the rest of the world does for regulated vessels, they only require that a BWMS be installed, operated, and maintained. Transport Canada refers to these vessels being "deemed compliant." The requirements by Transport Canada give the Canadian shipping companies an unfair advantage in the cross-lakes trade because their vessels are much less complex, minimizing the difficulties in operating and maintaining those systems. Their final regulations are due in spring of 2020.

CRUISE THE GREAT LAKES: Steve Fisher, American Great Lakes Ports Association, presented an informational brief on the increase in cruise ship traffic on the Great Lakes and the challenges that it poses.

The Great Lakes Governors and Premiers continue to advocate for increased cruise ship tourism on the Great Lakes. The push has resulted in several mid-sized cruise companies investing in Great Lakes-capable vessels, additional voyages, and increased tourism from a new and developing sector. With the mid-sized companies already staking a claim, larger companies are jumping in and will be adding Great Lakes itineraries to their catalogue as well.

Increased cruise ship traffic poses some challenges including customs clearance for passengers, adequate pilotage capacity, and inconsistent shoreside infrastructure across ports.

HARBOR MAINTENANCE TRUST FUND: Jim Sartucci, K&L Gates, updated members on the status of the Harbor Maintenance Trust Fund (HMTF) to include the current efforts to expend the remaining surplus of \$9.3 billion on harbor maintenance needs.

Along with dredging projects, the HMTF is used for the operation and maintenance on projects like the Soo locks and harbor infrastructure. Annual revenue from the *ad valorem* tax is approximately \$1.7 billion. The Great Lakes currently receives about 12 percent of the annual revenue and the process has started to solidify that number to avoid "donor" and "energy transfer" ports from attempting to take a portion that may cut into that share.

SOO LOCKS: Jim Weakley, Lake Carriers' Association, provided the status of the new Soo Lock and efforts to maintain the Poe Lock.

Efforts to efficiently fund the new Soo Lock and ensure the U.S. Army Corps of Engineers has multi-year contracting authority continue. Michigan provided \$52 million in late 2018, the Corps provided \$32 million from their discretionary work plan funds, and the President's 2019 Budget

request has \$75.3 million which has been included in the House version of their budget and has been passed by the Senate Appropriations Committee. The new lock remains on track but a rebid was required for the 2020 dredging of the upstream approach to the lock. Without multi-year contracting authority the project could take 10 years versus seven with “efficient” funding. In addition, ongoing funding is needed to repair and maintain the existing Poe Lock which includes sill maintenance, replacement of the World War I era dewatering pumps, the west approach wall repairs, and replacement of the Poe Lock ship arrestors, among others.

PORT OF MONROE – CBP ISSUES: Paul LaMarre, Port of Monroe, spoke about the Port’s issues with unfair and inequitable treatment by the Customs and Border Patrol (CBP) office in Detroit and how they effectively negate any cargoes being imported or exported from the port. LaMarre and Senator Gary Peters (D-MI) met with the CBP and were told that they were in fact being treated differently than the rest of the U.S. ports and that was not going to change.

SHORT-SEA SHIPPING: Steve Fisher, American Great Lakes Ports Association, stated that legislation to exempt high value, non-bulk cargo moving between ports on the Great Lakes from the Harbor Maintenance Tax (HMT) will be reintroduced by Congressman Brian Higgins (D-NY).

ENBRIDGE – STRAITS OF MACKINAC: Eric Peace, Lake Carriers’ Association, provided a brief update on efforts by Enbridge to protect their pipeline under the Straits of Mackinac from an anchor strike. Currently, three vessels are available and patrolling the Straits observing commercial vessel traffic and confirming their anchors are secured. Currently this is a daylight-only activity. Twenty-four hour operations began on November 19, 2019 and will continue until weather and ice in the Straits makes this prohibitive. Long-term plans, probably in place sometime during 2020, include a system of high resolution cameras for remote observation monitored at Enbridge’s emergency operations center in Superior, Wisconsin.

NATIONAL MARINE SANCTUARIES: Tom Rayburn, Lake Carriers’ Association, discussed the current National Marine Sanctuary (NMS) in Thunder Bay, Michigan and plans for additional NMS’s across the Great Lakes to include a recently re-sponsored sanctuary by Wisconsin Governor Tony Evers (D) in Lake Michigan, the Wisconsin-Lake Michigan NMS off shore of the Wisconsin counties of Ozaukee, Sheboygan, Manitowoc, and Kewaunee. Former Wisconsin Governor, Scott Walker (R), withdrew his support for the Sanctuary in 2018.

GREAT LAKES MARITIME TASK FORCE BUSINESS

REVIEW OF 2019 POLICY STATEMENT AND POSITION PAPERS: Agreement was reached to remove the position paper on the Great Lakes Maritime Research Institute since it appears that the available funding through annual grants is being met. The Great Lakes Maritime Academy Resolution will be rewritten into a position paper to align with the other position papers. The Icebreaking Position Paper will be revised from “Re-engine” to “Re-power” to capture other critical components including propulsion generators and the main engines on the 140-foot icebreaking tugs. All other papers and the policy statement were approved as submitted. Once revised they will be added to the webpage, www.glmtf.org.

FINANCIAL REPORTS: Katie Gumeny, GLMTF Treasurer, said GLMTF will spend about \$47,000 in 2019, which is about \$9,000 under budget. The major savings came from Legislator of the Year (LOTY) award presentation being hosted by Great Lakes Towing Company, 2019 Annual Report printing, and the annual meeting held without charge in Detroit courtesy of the Port of Detroit.

The proposed budget for 2020 proposes to spend \$50,255, which is largely a repeat of this year’s budget. As agreed to in 2016, LCA’s management fee will be increased from \$31,000 to \$32,000.

Seven members have not yet paid their annual dues. It was agreed to remove those members from the GLMTF unless payment is received by December 31, 2019.

The proposed budget for 2020 was approved.

2020 GREAT LAKES LEGISLATOR OF THE YEAR AWARD: After discussion, members selected Michigan Congressman John Moolenaar (R-4th District) as their honoree for 2020 because of his strong support for the new large lock at Sault Ste. Marie and his consistent support of Great Lakes commercial maritime. Rep. Moolenaar will be the first GLMTF Legislator of the Year (LOTY) who does not have a Great Lakes coastline in his district. Members are asked to keep this confidential for the time-being. Protocol requires that we ask Rep. Moolenaar if he will accept the award.

In addition, a lifetime achievement award was approved for Ohio Congresswoman Marcy Kaptur (D-9th District). It was also decided to put Michigan Senator Gary Peters (D) at the top of next year’s LOTY nominations list.

OFFICERS FOR 2020: The following officers rotate into these positions in 2020:

President – Richard Hammer, Donjon Shipbuilding
1st Vice President – John Clemons, AMO
2nd Vice President – Jim Weakley, LCA
3rd Vice President – John D. Baker, ILA Local 1317

FEEDBACK: Please provide any feedback from the annual meeting regarding the Port of Detroit venue to Katie Gumeny at gumeny@lcaships.com.

APPENDIX 1: ATTENDANCE

Bobby Atanasovski.....	IAMAW District Lodge 60
John D Baker, Jr.....	Great Lakes District Council, AFL-CIO
Mark Barker	The Interlake Steamship Company
Willie Barrere	American Maritime Officers, AFL-CIO
Chris Bence.....	DTE Energy
Marc Burd	Soo Marine Supply, Inc.
Kyle Burluson	Detroit/Wayne County Port Authority
Jason Callahan.....	Marine Engineers' Beneficial Association
Matt Carr	DTE Energy
Paul Christensen.....	The Interlake Steamship Company
John Clemons, 2 nd Vice President GLMTF.....	American Maritime Officers, AFL-CIO
Ryan Covert.....	Detroit/Wayne County Port Authority
Steve Fisher.....	American Great Lakes Ports Association
Sara Fuentes.....	Transportation Institute
Katie Gumeny	Lake Carriers' Association
Bill Hanka	Port of Cleveland
Ian Hirt.....	Ports of Indiana
Gerret Jarman	Seafarers International Union
Jason Kolar	The Interlake Steamship Company
Travis Lake.....	Ryba Marine Construction Company
Paul LaMarre.....	Port of Monroe
Kurt Luedtke.....	Luedtke Engineering Company
Ron Matthews	Verplank Dock Company
Joe McCoy	MCM Marine Inc.
Sharon McCoy.....	Soo Marine Supply, Inc.
Brendan O'Connor.....	The Interlake Steamship Company
Jon Olney.....	Western Great Lakes Pilots Association
Eric Peace.....	Lake Carriers' Association
Shannon Price	Detroit/Wayne County Port Authority
Tom Rayburn.....	Lake Carriers' Association
Mark Rohn.....	Port of Monroe
Jim Sartucci	K&L Gates, LLP
Scott Skrzypczak	International Shipmasters Association
John Stockert	Great Lakes Fleet
Larry Sutthoff	AK Steel
Joe Starck	The Great Lakes Towing Company
Rosa Tarquini.....	AK Steel Dearborn Transportation
Qiana Thrower.....	AK Steel Dearborn Transportation
John Tomshack.....	LafargeHolcim
Chris Ventura	Consumer Energy Alliance-Midwest
Jim Weakley, 3 rd Vice President GLMTF	Lake Carriers' Association

APPENDIX 2, AGENDA

Tuesday, November 12, 2019

Detroit Wayne County Port Authority, 130 Atwater St, Detroit, MI 48226

Issue	Speaker	Outcome	Time
Antitrust Statement	Jim Weakley, LCA	Required	1000-1005
Introductions	All	Introduce participants	1005-1010
Icebreaking	Eric Peace, LCA	Overview	1010-1030
Jones Act 2020	Jim Sartucci, K&L Gates	Present advocacy efforts for 2020	1030-1040
Ballast Water Legislation and Regulation	Tom Rayburn, LCA	Current state of legislative and regulatory progress	1040-1055
Great Lakes Cruising	Steve Fisher, AGLPA	Governor's priority	1055-1105
Harbor Maintenance Trust Fund	Jim Sartucci, K&L Gates	Legislative update	1105-1115
New Soo Lock	Jim Weakley, LCA	Progress on funding and project update	1115-1130
Customs and Border Patrol	Paul LaMarre, Port of Monroe	Michigan Update	1130-1140
Short Sea Shipping	Steve Fisher, ALGPA	Update	1140-1150
Working Lunch (with short break)			
Enbridge Line 5-Straits of Mackinac	Eric Peace, LCA	Update of Enbridge efforts	1205-1215
National Marine Sanctuaries	Tom Rayburn, LCA	Update	1215-1220
2020 Legislator of the Year Nominations	All	Identify LOTY for 2020	1220-1230
Position Papers	Tom Rayburn, LCA	Review and approve	1230-1240
Great Lakes Maritime Academy Resolution	Jim Weakley, LCA	Review and vote	1240-1245
GLMTF Financial Report	Katie Gumeny, LCA	Review and approve	1245-1255
Other Business	All	Open	1255-1300
Adjourn	All	Close meeting	1300