

Great Lakes Maritime Task Force

Promoting Shipping on America's Fourth Sea Coast Since 1992

2020 Annual Meeting Minutes¹

Jim Weakley, 2nd Vice President, opened the meeting at 10:03 AM on November 5, 2020, by reading the Anti-Trust Statement for the Great Lakes Maritime Task Force (GLMTF).

Rick Hammer, President, welcomed all attendees.²

ISSUE PRESENTATIONS

FEDERAL ELECTIONS 2020: Mark Ruge, K&L Gates, gave a presentation on the status of the federal elections.

The Congressional elections remained static with Democrats maintaining control of the House and Republicans control of the Senate, subject to the special election for two Georgia Senate seats in January 2021. The Great Lakes Region has virtually the same Congressional players.

Two days after the election there was still no clear winner of the Presidential race. Most experts believe Vice President Biden had the inside track to win, and later did. Regardless of who won, both President Trump and Vice President Biden will continue to support the Jones Act and U.S.-built, crewed, and operated vessels. President-elect Biden made positive campaign statements supporting the Jones Act. President Trump supported the maritime industry with his appointments of Secretary Choi to the Department of Transportation and Admiral Buzby to the Maritime Administration. President-elect Biden could favor environmental issues but that may be offset by a Republican-controlled Senate.

TRIBUTE TO KURT LUEDTKE: Jim Weakley, Lake Carriers' Association (LCA), provided comments on the contributions made by Kurt over the years with his outstanding support for GLMTF and particularly his advocacy on the Great Lakes dredging crisis. A moment of silence was observed in remembrance of Kurt.

COVID-19: Eric Peace, LCA; Paul Christensen, The Interlake Steamship Company; and Ian Hurt, Ports of Indiana, provided perspectives on the impacts of COVID-19 and actions moving forward to continue to operate safely.

Early and proactive action by shipping companies, ports, and facilities contributed to a safer Great Lakes Navigation System with minimal impacts to the supply chain. Thorough vessel response plans to a COVID-19 outbreak and procedures to remove ill crewmember(s), disinfecting the ship, and continue operations provided a sense of comfort for the Center for Disease Control, local public health departments, and the U.S. Coast Guard (USCG). Collaboration amongst GLMTF members proved vital as the sharing of best practices remains essential to continue to operate safely.

¹ The meeting was recorded and will be available online through the end of December 2020 at:

<https://web.microsoftstream.com/video/07bdd2f3-66f6-4d02-8e35-9f946b511c5b>.

² 2020 Annual Meeting attendees list is provided in Appendix 1 and Appendix 2 is the final Agenda as presented during the meeting.

Resources have been provided in a centralized location on the GLMTF “members only” website page.

Shipping companies took immediate action to screen crewmembers for illness to prevent the introduction of the virus onboard a vessel. Once onboard, the vessels became a “bubble” where crewmembers were isolated from the outside environment. Challenges remain as the economy faltered with a significant reduction in the steel utilization rate. A rebound has started and steel shipments are increasing.

The ports have struggled with the economic slowdown, customs officers, and interactions with container ships requiring shoreside worker interaction. Precautions have been taken to minimize contact between shoreside and shipboard workers to include mask use and procedures for hand washing. Ports have experienced some COVID-19 cases and responded to those with isolations and quarantines.

Ken Gerasimos, Great Lakes Fleet, acknowledged the exceptional cooperation of the maritime unions. Certain portions of the Collective Bargaining Agreement were suspended to include restriction to ship which proved vital to keeping all our sailors safe.

SOO LOCKS: Jim Weakley, LCA, provided the status of the new Soo Lock and efforts to maintain the Poe Lock. Tom Bajko, Ryba Marine, provided insight into their project to replace the MacArthur Lock tainter valves and other upgrades. Aaron Harke, Durocher Marine, spoke about their recent contract award to construct the new large lock upstream approach walls.

The combination of President Trump mentioning the Soo Locks an unprecedented seven times and the correction of the flawed cost benefit analysis finally put the project on track for funding and now construction. There are three ongoing projects at the Soo which include the Asset Renewal Program, the Major Rehabilitation, and the new large lock construction. The Asset Renewal Program has received nearly \$150 million over the past ten years. The Major Rehabilitation has received \$56 million, but remains \$37 million short of impacting the 100-year-old Davis pump wells. Finally, the new large lock received \$123 million in the President’s FY21 budget, which makes the total to date over \$300 million including the State of Michigan’s \$52 million match. However, it remains \$100 million short of the U.S. Army Corps of Engineers’ (USACE) efficient funding goal. The \$100 million shortage for the new lock was \$50 million, but since the Corps is ahead of their schedule, they can absorb an additional \$50 million this fiscal year.

Ryba Marine’s three projects at the Soo Locks include installation of safety signs on the upstream end of the locks, replacement of crane rails at the hydroelectric plant, and replacement of the tainter valves operating machinery at the MacArthur Lock during the 2021/2022 off season. Tom Bajko emphasized the importance of every project at the Soo due to the old infrastructure currently in place.

Durocher Marine has been awarded the second phase of the new large lock construction at \$111 million. Next Spring, they will be constructing 54 34-foot diameter sheet pile cells and between 1,400 and 1,500 feet of concrete wall. They also intend to construct a batch plant on the north pier to make their own concrete, avoiding any delays on the larger pours that are required.

PORT AND LEGISLATIVE UPDATES: Steve Fisher, American Great Lakes Ports Association, provided an update on the 2020 Water Resources Development Act (WRDA).

The USACE operations and maintenance budget is funded by the Harbor Maintenance Trust Fund (HMTF) which is populated with monies acquired through an *ad valorem* tax placed on shippers based on the value of cargo. The HMTF has continued to grow over the years as Congressional budgetary restrictions have limited the amount that was distributed to USACE on an annual basis. There is currently \$9.2 billion in undistributed funds.

Lobbying has taken place on two fronts regarding the HMTF and its distribution. First, the goal is to continue to seek an equal distribution of funds received via the tax to funds appropriated to USACE. This could be done by taking the HMTF off budget. Another initiative would also include the drawdown of the unspent \$9.2 billion for much needed USACE projects across the U.S. The Great Lakes is included in those much-needed projects. Despite the temporary high-water levels, the Great Lakes still face a dredging crisis with a \$150 million backlog in current projects and over 10 million cubic yards of dredging backlog.³ In addition to dredging, there is \$300 million in outstanding navigation infrastructure projects (i.e., breakwalls, etc.) and the Soo Locks project which is underfunded by \$75 million this year. The “Cares Act” signed this past spring included a provision to appropriate more of the HMTF to USACE on an annual basis.

LABOR UPDATE: John Clemons, American Maritime Officers (AMO), provided an update on issues facing labor.

COVID-19 has had an impact on mariners since fit-out this year. With five less ships, mariners did not get to sail as much as in the past, but most did stay employed. Things have improved and today AMO has one more ship sailing than last year. AMO is stretched thin with deck personnel, especially those with Great Lakes pilotage endorsements. As the steel utilization rate continues to climb, more sailors will be required in the future both on the deck and in engineering.

SHIPYARD UPDATE: Rick Hammer, Donjon Shipbuilding and Repair, gave an update on COVID-19 impacts on shipyards.

While COVID has had an impact, shipyards have seen an increase in revenue. Donjon has not had a positive COVID-19 case to date. Personal Protective Equipment (PPE) was a main concern with the need for welders to have filter cartridges. This was mitigated by stockpiling certain PPE consumables. At the onset of the pandemic, getting enough labor onsite at the yard was difficult as people took vacation and leaves of absence. As time progressed, labor did return and the number of skilled workers that became available actually increased as the other manufacturing and construction sectors remained closed.

ICEBREAKING: Eric Peace, LCA, gave a presentation on the current status of U.S. and Canadian icebreaking resources.

Progress has been made over the past year with another \$4 million dedicated to the USCG budget and language mandating they stand up an Acquisition Program Office to start the process of acquiring another heavy Great Lakes icebreaker. In addition, the USCG completed a Congressional report detailing options to expedite construction which included waivers of required

³ This is calculated to “functional” dimensions, the minimum necessary to maintain commercial navigation versus “authorized” dimensions which are set Congressionally and may bring the total backlog in the Great Lakes to over 30 million cubic yards.

Federal Acquisition Rules allowing them to sole source the design and construction to a Great Lakes shipyard. The report also stated the USCG needs \$350 million for the new build.

Another positive step was the introduction of the “Great Lakes Winter Commerce Act” in both the House and the Senate. The act would codify the icebreaking mission in law, currently an Executive Order signed by President Roosevelt in the 1930s, and require the USCG to conduct icebreaking in all U.S. ports and waterways on the lakes, mandate performance reports that accurately reflect whether they were able to achieve that goal, and not allow U.S. icebreakers to work in Canadian ports until U.S. ports were successfully serviced.

BALLAST WATER: Tom Rayburn and Jim Weakley, LCA, provided an update on the progress on U.S. and Canadian Ballast Water regulations.

The U.S. Environmental Protection Agency (EPA) released their draft Vessel Incidental Discharge National Standards of Performance on October 26, 2020, implementing their role in the Vessel Incidental Discharge Act of 2018. The draft rule proposed regulating 20 separate discharges. Thirteen are virtually unchanged from the 2013 Vessel General Permit, with one extremely positive note that eliminates the requirement for the post-2008 lakers to meet a numeric ballast water discharge standard that would have required those vessels to install a Ballast Water Management System (BWMS). LCA and GLMTF will be submitting comments on the proposed regulations.⁴ The USCG is required to complete the enforcement piece of the VIDA regulations which is not expected until late 2022 or more likely sometime in 2023.

Canada has signed on to the International Maritime Organization’s (IMO) Ballast Water Convention which requires vessels meet a discharge standard. The U.S. is not a signatory. The Canadian’s proposed ballast water regulations differ from the IMO standard in two significant ways. First, they have invented the term “deemed compliant” which allow for vessels to meet the requirements if they have BWMS installed regardless of whether the systems meet the discharge standard. Second, the Canadians are proposing to regulate uptake of ballast water in addition to discharge, essentially cutting the U.S. fleet out of any cross-lake trade, particularly shipping American cargoes to Canadian ports. In response, LCA has filed a petition with the Federal Maritime Commission who voted unanimously to investigate the allegations that the Canadian ballast water regulations are actually meant to give Canadian companies an unfair economic advantage over U.S. carriers.

WISCONSIN DOMESTIC MARITIME COALITION (WIDMAC): Mark Ruge, K&L Gates, provided an overview of the success of the recently created WIDMAC

WIDMAC was created to educate and advocate for the maritime industry within the Wisconsin Congressional delegation specifically on the Jones Act. WIDMAC packages all the maritime issues from shipyards, to ports, to facilities, to shipping and presents the importance of the industry to Wisconsin decision makers.

⁴ GLMTF submitted comments in support of limiting the comment period to 30 days, which it was, and then submitted comments again on Tuesday, November 24, 2020, and LCA submitted two sets of comments on Tuesday and Wednesday, 24 and 25 November 2020.

Jim Weakley, Lake Carriers' Association, expanded on the topic as it relates to WIDMAC as a case study in defense of a specific Jones Act threat. The success of WIDMAC and the lessons learned could be applied to GLTMF making the organization more effective in communications.



GREAT LAKES MARITIME TASK FORCE BUSINESS

2021 GREAT LAKES LEGISLATORS OF THE YEAR (LOTY) AWARD: After discussion and a follow-up email vote, members selected two legislators, Wisconsin Congressman Mike Gallagher (R-8th District) and Michigan Senator Gary Peters as their honorees for 2021 because of their continued support of the Great Lakes Icebreaker, Great Lakes Winter Commerce Act, and other Great Lakes maritime issues. Members are asked to keep this confidential for the time-being. Protocol requires that we ask Rep. Gallagher and Sen. Peters if they will accept the award.

Both award presentations for the 2020 LOTY nominee, Congressman Moolenaar, and the lifetime achievement nominee, Congresswoman Kaptur, have been delayed until an in-person event can take place.

REVIEW OF 2021 POSITION PAPERS: Agreement was reached to retain the position papers as written on state maritime academies, short sea shipping, Jones Act, shipbuilding, and dredging. The position paper on the new large lock at the Soo was slightly modified to reflect updated budgetary numbers. Icebreaking and ballast water had significant revisions. Ballast water updates include progress on VIDA and the Canadian proposed regulations. Icebreaking updates include full support of the Great Lakes Winter Commerce Act, \$350 million in appropriations for a new heavy icebreaker, relief from Federal Acquisition rules which would expedite construction of the icebreaker, and repower and recapitalization of the 140-foot icebreaking tugs. These are posted online at: <http://www.glmf.org/category/position-papers/>.

FINANCIAL REPORTS: Katie Gumeny, GLMTF Treasurer, said GLMTF will spend about \$44,500 in 2020, which is about \$5,000 under budget. The major savings came from LOTY award presentation not being hosted, 2020 Annual Report will only be published as an eVersion, and the 2020 Annual GLMTF meeting was held virtually.

Some members have not paid their dues which leaves the 2020 budget short \$8,250. Communications with those members indicate about \$4,500 will be paid before the end of the year.

The budget for 2021 proposes to spend \$55,275, which is largely a repeat of this year's budget. The proposed budget for 2021 was approved.

Additional items for the budget discussion included GLMTF taking over the administration of WIDMAC with Mark Ruge assuming the role as President. Costs for WIDMAC administration, including maintenance of the existing website: <https://widmac.org/>, are expected to run around \$2,800 per year. The GLMTF website is dated and needs updating. A website update would cost approximately \$15,000. A separate vote will be taken on these two items in December via email.

OFFICERS FOR 2021: The following officers rotate into these positions in 2021:

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

ADJOURNMENT: With no further business, the meeting was adjourned at 12:05 PM.

APPENDIX 1: ATTENDANCE

John D. Baker, 3 rd Vice President	ILA, Local 1317
John D. Baker Jr.....	Great Lakes District Council, ILA, AFL-CIO
Tom Bajko.....	Ryba Marine Construction Company
Mark Barker	The Interlake Steamship Company
Tom Bell	International Organization of Masters, Mates & Pilots
Chris Bence.....	DTE Energy
Todd Brdak	Michigan Maritime Trades Port Council, MTD, AFL-CIO
Kyle Burluson	Detroit/Wayne County Port Authority
Matt Carr	DTE Energy
Paul Christensen	The Interlake Steamship Company
John Clemons, 1 st Vice President GLMTF.....	American Maritime Officers, AFL-CIO
Deb DeLuca	Duluth Seaway Port Authority
Ania Ediger	Cleveland-Cliffs Inc.
Steve Fisher.....	American Great Lakes Ports Association
Sara Fuentes.....	Transportation Institute
Brian Gallaway	Consumers Energy
Ken Gerasimos.....	Great Lakes Fleet
Katie Gumeny	Lake Carriers' Association
Dean Haen.....	Brown County Port & Resource Recovery Dept.
Richard Hammer, President GLMTF.....	Donjon Shipbuilding and Repair LLC
Aaron Harke.....	Durocher Marine
Ian Hirt.....	Ports of Indiana
Ron Hogerty.....	Cleveland-Cliffs Inc.
Travis Husby	Fraser Shipyards, Inc.
Kyle Larson	Ryba Marine Construction Company
Richard Laskey	Great Lakes Fleet
Mike LaWell.....	ArcelorMittal USA
Jennifer Lindsey	U.S. Steel Corporation
Zac Morrish.....	Ryba Marine Construction Co.
Jon Olney.....	Western Great Lakes Pilots Association
Deven Patel	ArcelorMittal USA
Eric Peace.....	Lake Carriers' Association
Mark Pietrocario.....	American Steamship Company
Tina Potuto Kimble.....	Tata Steel
Tom Rayburn.....	Lake Carriers' Association
Mark Ruge	K&L Gates, LLP
Joe Starck	The Great Lakes Towing Company
John Stockert	Great Lakes Fleet
Jeff Stollenwerk.....	Duluth Seaway Port Authority
Todd Thayse	Bay Shipbuilding Company
John Tomshack.....	LafargeHolcim
Chris Ventura	Consumer Energy Alliance-Midwest
Jim Weakley, 2 nd Vice President GLMTF.....	Lake Carriers' Association
Tom Wiater.....	Central Marine Logistics
Mark Wolfe.....	Hallett Dock 8 LLC
Susan Zlajic.....	ArcelorMittal USA

APPENDIX 2, AGENDA

Thursday, November 5, 2020

Held Virtually Via Microsoft Teams

Issue	Speaker	Outcome/Topics	Time
Meeting Logistics	Tom Rayburn, LCA; Jim Weakley, LCA; Rick Hammer, Donjon	<ul style="list-style-type: none"> ▪ Meeting logistics ▪ Antitrust statement ▪ Introductions 	1000-1015
Federal Elections	Mark Ruge, K&L Gates	Overview of results and potential implications	1015-1025
COVID-19	Eric Peace, LCA; Paul Christensen, Interlake; Ian Hirt, Ports of IN	<ul style="list-style-type: none"> ▪ Review of year-to-date ▪ Impacts to the industry ▪ Looking forward 	1025-1040
Soo Locks	Jim Weakley, LCA; Tom Bajko, Ryba Marine; Aaron Harke, Durocher Marine	<ul style="list-style-type: none"> ▪ Progress on funding ▪ Project updates 	1040-1050
Port Update and Legislative Update	Steve Fisher, AGLPA	<ul style="list-style-type: none"> ▪ Update on activity ▪ Water Resources Development Act 	1050-1100
Labor	John Clemons, AMO	<ul style="list-style-type: none"> ▪ Update on activity 	1100-1105
Shipyards	Rick Hammer, Donjon	<ul style="list-style-type: none"> ▪ Update on activity 	1105-1110
Icebreaking	Eric Peace, LCA	<ul style="list-style-type: none"> ▪ Great Lakes Winter Commerce Act of 2020 ▪ Progress with USCG on new GLIB and metrics 	1110-1120
Ballast Water Legislation and Regulation	Jim Weakley and Tom Rayburn, LCA	<ul style="list-style-type: none"> ▪ VIDA Regulation ▪ Transport Canada ▪ Federal Maritime Commission 	1120-1130
Jones Act 2020	Mark Ruge, K&L Gates	<ul style="list-style-type: none"> ▪ Advocacy efforts ▪ WIDMAC 	1130-1135
Other Business	All	<ul style="list-style-type: none"> ▪ Legislator of the Year ▪ Position Papers ▪ GLMTF Financial Report ▪ Approval of new officers ▪ Other items 	1135-1155
Wrap-up and Adjourn	All	Invite to U.S. Army Corps of Engineers' Stakeholder Meeting	1155-1200