## STATEMENT OF JAMES H. I. WEAKLEY, PRESIDENT, LAKE CARRIERS' ASSOCIATION, BEFORE THE THE SENATE COMMERCE SUBCOMMITTEE ON OCEANS, FISHERIES, CLIMATE CHANGE, AND MANUFACTURING Friday March 1, 2024

## "The Importance of Great Lakes Icebreaking to the Regional Economy"

The Lake Carriers' Association has been advocating for additional U.S. Coast Guard (USCG) icebreaking resources for the Great Lakes for decades including the construction of the current heavy icebreaker MACKINAW commissioned in 2006. Our efforts have been stymied in the past by a lack of transparent Domestic Icebreaking performance measures where the USCG claimed success with the mission despite serious winter shipping delays. To counter the false claims, we hired an expert in USCG icebreaking who previously held command positions on three USCG Great Lakes icebreakers and finished his career in uniform as the Program Manager for all USCG ice operations including polar icebreaking, domestic icebreaking encompassing the Northeast and Great Lakes, and the International Ice Patrol.

The below testimony provides support for acquisition of a second heavy USCG icebreaker for the Great Lakes and the immediate recapitalization of the USCG 140-foot icebreaking tug fleet.

Since 1880, the Lake Carriers' Association (LCA) has represented the U.S.-flag Great Lakes fleet, which today can move 90 million tons of cargos annually. These cargos are the building blocks of American manufacturing, infrastructure, and energy: iron ore, construction stone, coal, cement, and other dry bulk materials such as grain, salt, and sand.

A reliable Great Lakes Navigation System (GLNS) is critical to the success of our nation and the economy. Similar to interstate highways, infrastructure is a key component to a safe and efficient maritime system. USCG icebreakers are a critical piece of maritime infrastructure which, when adequate in both numbers and capability, facilitate the movement of commerce via the most economically and environmentally friendly mode of transportation: bulk cargo ships known as "Lakers" on the Great Lakes.

The U.S. Army Corps of Engineers (Corps) estimates that the GLNS results in an annual transportation rate savings of \$3.9 billion annually. A recent report, <u>Economic Impacts of</u> <u>Maritime Shipping in the Great Lakes</u>, highlights Great Lakes shipping's contribution to the economic success of our nation. The industry drives \$36 billion in annual economic activity, which generates more than \$6 billion in Federal, State, and local tax revenue annually. Almost 150,000 U.S. jobs are tied to our fourth seacoast and more than \$17.8 billion in family sustaining wages are paid every year.

The economic impact of inadequate icebreaking is staggering. A study commissioned by LCA and completed by Martin and Associates, a well-respected economist, found that over the course of the last ten years \$2 billion in economic activity and 10,000 jobs have been lost due to a lack

of sufficient USCG icebreaking on the Great Lakes. U.S. cargo vessels have been left stranded for days in waterways around the Great Lakes, often awaiting assistance from the only heavy Great Lakes icebreaker, MACKINAW. Unfortunately, when MACKINAW is unavailable due to a casualty or scheduled maintenance, shipping companies, ports, and jobs suffer.

During the height of ice onset in 2023, MACKINAW was not available due to a casualty. Last year, MACKINAW also was unavailable during the early part of the ice season and had to be towed back to homeport with an electrical problem. When a serious ice jam occurred in the St. Clair River in February 2021 requiring a heavy icebreaker to relieve coastal community flooding north of Detroit, MI, MACKINAW was once again unavailable. With only one heavy icebreaker on the Great Lakes when heavy ice conditions persist across their vast expanse, the USCG is forced into deciding which port, which vessels, and which facilities will bear the pain.

While a new USCG heavy Great Lakes icebreaker is needed now, the USCG has stated it will take 10-years to build one after they receive construction funds. which is the same timeline the new \$3.2 billion Soo Lock mega project will take. LCA finds that timeline unacceptable and untenable that we must endure another \$2 billion impact with additional lost jobs while waiting for this new icebreaker.

It is not just MACKINAW that faces challenges to remaining operational during the ice season. A direct correlation can be made between casualties and the severity of the ice season. In total, the USCG fleet on the Great Lakes suffered 246 lost operational days during the 2017/2018 ice season and another 182 during the 2018/2019 ice season, two of the heaviest ice seasons during the past decade. Based on LCA's observations over the past two years, these casualties are increasing at an alarming rate, particularly in the 40-year-old 140-foot icebreaking tug fleet. The USCG men and women sailing these vessels are subject to work-arounds to critical failing operational components. In fact, when KATMAI BAY's boiler heating system failed last year, the crew bravely continued to operate in sub-zero temperatures with portable space heaters and heavy clothing.

The USCG has claimed they have extended the life of the 140's with their Service Life Extension Program (SLEP), but I respectfully disagree. Since the 1970's era main propulsion engines were not replaced or overhauled during that SLEP, annual failures have forced these critical icebreaking resources to the dock for emergency repairs on several occasions. The USCG Great Lakes icebreaking mission is facing a complete collapse, and the fallout will be the shuttering of domestic steel production, which will have massive impacts on our national and economic security.

The real question is how did we get to this point of certain failure? In 1979, the U.S. and Canadian Coast Guards maintained a combined 20 icebreakers on the Great Lakes, including two heavy USCG icebreakers. Today, that number is eleven which includes two less ice capable buoy tenders. The USCG operates nine while the Canadian Coast Guard operate two, and they claim to work as one team. However, the Canadian commercial fleet receives a higher level of service from both the USCG and Canadian Coast Guard due to a glaring difference in performance measures. The Canadian Coast Guard measures their ability to get to a vessel stuck in ice within eight hours <u>anywhere</u> on the Great Lakes or St. Lawrence Seaway, while the USCG only measures their ability to free a vessel within 24-hours of being stuck in one of only four waterways. Green Bay is not one of those waterways; in fact, no Wisconsin waters are in those four waterways. A vessel could be stuck for a month in the middle of the bay and the USCG would not count this as a mission failure.

The Canadian Coast Guard has justified their reduction in Great Lakes icebreakers by using USCG icebreakers to meet their higher level of service in Canadian waters. The USCG has justified their reduction by lowering their level of service to U.S. waters and U.S. ships. After enactment of the 2022 Coast Guard authorization Act, I believe the USCG has realized there is an issue with their icebreaking performance measures on the Great Lakes and trust that they, in consultation with U.S. vessel operators, will find a reasonable solution that accurately measures the ability of winter commerce to move safely and efficiently on the Great Lakes. This needs to happen now, as the Great Lakes will have to fight for future USCG icebreaking assets and the actual impacts of the currently inadequate fleet need to be captured.

I was pleased to hear that Admiral Fagan has put her full support into acquiring another heavy icebreaker for the Great Lakes and the Fiscal Year 2024 budget request included \$55 million in construction funding, but ten years is too long to wait for this vital national asset. The acquisition process must be accelerated.

Based on the current timeline for the new heavy icebreaker, I can only assume that the timeline for replacing the fleet of 140-foot icebreaking tugs will be even longer as there are more of them to replace. The USCG should act now to start the process of replacing these aging assets.

Icebreaking is a contact sport requiring stout vessels that can withstand the daily punishment during the winter months. I commend the crews of these vessels who work in some of the most challenging environments on the planet, but they deserve to have the proper tools to perform the job effectively and safely. I also commend the U.S. merchant sailors who struggle to deliver their critical cargos faced with inadequate USCG resources statutorily tasked with assisting commerce in the winter on the Great Lakes.

## Conclusion

Senator Baldwin, I applaud your commitment to the Great Lakes, the U.S. shipping industry, and the USCG. I respectfully ask that the Commerce Committee continue to work with the USCG to expedite the construction timeline for the new heavy Great Lakes icebreaker. The original heavy Great Lakes icebreaker MACKINAW was authorized and received full appropriations on December 17, 1941 ten days after the attack on Pearl Harbor. The vessel was operational assisting vital war time domestic steel production three years later. While that timeline probably can't be replicated during peacetime, we all should be striving to approach it.