

**ADMINISTRATOR BETTY SUTTON  
REMARKS FOR  
OHIO CONFERENCE ON FREIGHT  
COLUMBUS, OHIO  
SEPTEMBER 18, 2014**

**Introduction**

- Once again, congratulations to you, Paul, and to everyone at the Toledo-Lucas County Port Authority for your strong performance last season. I am confident that we'll see the port in the running for a Pacesetter Award again this year.
- It's a pleasure to be here today.
- I appreciate this opportunity to share with you my thoughts about the Great Lakes-St. Lawrence Seaway System today, and about where I think we can take it in the future.
- I believe it is time to feel encouraged about the Seaway System and about the Great Lakes commercial maritime sector.
- Why do I say that?
- I've been the U.S. Seaway Administrator for just over a year now, and as I have traveled throughout the lakes and the system, I've seen the dynamic workings of this industry, the commitment of so many individuals, and the optimistic spirit of our stakeholder community.
- And yet there is so much untapped potential.
- The theme of President Obama's State of the Union address this year was "Opportunity for All."
- Well, I like to call our Great Lakes region the "Opportunity Belt" because there is so much opportunity still awaiting us.

- To that end, I am working to:
  - Grow the strategic importance of the Great Lakes Region;
  - Expand and diversify the economy of the Seaway System;
  - Serve as a model of intermodal transportation connectivity;  
and
  - Maintain a vibrant domestic and international maritime industry.

### **Shipping delivers prosperity to North America**

- The Great Lakes St. Lawrence Seaway System extends from the Gulf of St. Lawrence at the Atlantic Ocean to the twin ports of Duluth-Superior, over 2300 miles.
- It provides direct access for inland and ocean-going vessels to dozens of U.S. and Canadian ports, including the ports of Cleveland, Toledo, Chicago, Green Bay, and Duluth.
- A vessel transiting the Seaway crosses the international border 27 times, making binational cooperation outright imperative.
- The Seaway allows for ease of maritime commerce from Europe and other destinations to our Great Lakes ports by providing a seamless, efficient transportation route.
- It is a United States and Canadian waterway that serves as a gateway to North America's agricultural and industrial heartland.

## **Seaway as an economic driver**

- The Great Lakes Seaway System is a key driver of both the U.S. and Canadian economies, generating billions of dollars in revenue annually and sustaining hundreds of thousands of jobs in the region.
- An economic impact study that was released several years ago indicated that over 28,000 jobs in Ohio are supported by cargo moving via the marine mode through U.S. ports and the Seaway System.
- Personal income from those jobs measured at more than \$2.1 billion and business revenue related to that cargo activity added up to over \$3 billion in Ohio. Total related tax revenue amounted to \$580 million.
- These numbers clearly show the positive impact of our Seaway System operations to Ohio, and you can imagine the even larger impact of marine activity throughout the region.
- Bordering two countries, eight U.S. states and two Canadian provinces, the Seaway System supports the economic health of North America's industrial heartland and a consumer market of more than 100 million people.
- Electric utilities, steel mills, construction companies, mining companies, manufacturers, and farmers all depend on the 164 million metric tons of cargo delivered by Great Lakes vessels every year.
- I'd like to address the economic development side of the Great Lakes Seaway System – the emerging market opportunities that are positioning our waterway for future growth.

## **Resurgence of manufacturing and the energy revolution**

- The resurgence of manufacturing and energy development in the Great Lakes region and particularly right here in Ohio – are transforming the North American landscape.
- Overall, last year’s shipping season was noted for increases in shipments supporting the manufacturing and energy related sectors and we are seeing those trends again this season.
- The Institute for Supply Management reported last week that manufacturing in the United States grew in August at its fastest rate since 2011. Furthermore, the report noted that manufacturing activity has climbed for 15 straight months.
- And with so much of U.S. and Canadian manufacturing based in our region, the Great Lakes-St. Lawrence Seaway is closely aligned with these trends.
- Without the Seaway providing entrance to the interior of North America, the steel necessary for our manufacturing centers would have to travel a less direct and much longer route to its destination, and costs would rise. Those costs would then be passed on to the consumer.
- Furthermore, as the *New York Times* highlighted in an article last week, the Great Lakes region, and Ohio in particular, is at the epicenter of a radically changing energy landscape. The Seaway will play a key role in the transportation decisions accompanying these changes.
- While iron ore, coal, grain, and steel still rule the tonnage roost, high value project cargoes are increasingly entering the System in the energy and mining industries.

- And many of the ports on our bi-national system handle components for the wind industry. The Seaway makes that possible.
- Our region possesses the manufacturing resources, skilled workforce, and world-class transportation infrastructure to be a significant player in this energy transformation.
- Commercial navigation stands to benefit from these developments in a number of ways.
- As the essential part of the logistics chain supplying the energy industry with the components needed for the exploration and development of oil, gas, and wind, commercial vessels will benefit directly from the continued growth of this sector in the Midwest.
- Furthermore, the energy revolution means cheaper and more secure energy to revitalize manufacturing in the region.
- When energy costs come down, manufacturing industries that rely on large amounts of energy can reduce their production costs.
- As products manufactured in the Great Lakes region become more price attractive, they will increasingly find their way to world markets in the cargo holds of commercial ships.
- All of this translates into jobs, something that is evident in the latest state-wide economic data for Ohio.
- Ohio's unemployment rate is below the national average, quite a different story from four years ago. In July, it was 5.7 percent while the national average was 6.1 percent. Four years ago, that number was 10.6 percent, and was largely attributable to the manufacturing decline in the area.

- The resurgence of manufacturing and the energy revolution are clearly impacting people's lives in Ohio and throughout the Great Lakes.
- The Seaway is uniquely situated to support both of these major developments to the benefit of this entire region.
- We have lots of spare capacity. We are a waterborne HOV lane and I will be working to increase utilization of the Seaway System.

### **New market opportunities**

- Our users are always looking for new market opportunities, and they've been successful in finding them.
- There's a lot of creativity out there!
- The Cleveland Europe Express is a great example of combining ingenuity across a combination of cargoes, including containers, breakbulk freight and project cargo.
- I was in Cleveland in April to welcome the first vessel of the new liner service that is providing nonstop direct freight service between the Port of Cleveland and Antwerp.
- This new service will help companies be more competitive and gain an edge in the global market by moving their goods and supplies faster, cheaper, and greener.
- The success of the new CEE Way liner service in Cleveland will be a tremendous boost for the entire Great Lakes - St. Lawrence Seaway System.
- And it will increase utilization of the Seaway System – providing new economic development opportunities, and jobs, throughout the region.
- This is just one example of capitalizing on opportunity.

- It will be a priority of mine to work with all Great Lakes Seaway System ports, terminals, carriers, and businesses in the region to promote and advance new and innovative economic development programs focused on increased trade and job creation.
- The future holds exciting new possibilities for the Seaway System!

### **The SLSDC is preparing for the future**

- This is a period of unique infrastructure investment and technological innovation that, together with the investment in dozens of new environmentally-friendly ships, is transforming the Seaway.
- Like many Great Lakes ports such as Cleveland and Toledo that are investing in infrastructure, the SLSDC has been preparing for the next generation of Seaway System use.
- Our Asset Renewal Program (ARP) is a multi-year, \$190 million investment plan to rehabilitate and modernize the SLSDC's owned and operated infrastructure, including the two locks in Massena, New York.
- Likewise, the Canadian Seaway has spent \$270 million over the last five years and is projected to spend another \$400 million in the coming years on infrastructure and new technologies.
- Together, when both programs are finished, both Seaway organizations will have spent over  $\frac{3}{4}$  of a billion dollars on renewing and modernizing our infrastructure – a sizable investment in any context.
- And also a signal by the U.S. and Canadian governments of a long-term public commitment to Great Lakes Seaway shipping.

- In fact, President Obama outlined his vision for investing in America's infrastructure with a \$302 billion, four year surface transportation reauthorization proposal.
- That legislative proposal, the GROW AMERICA Act, is a long-term plan for increasing transportation investments to keep pace with growing demand.
- The plan includes a new, \$10 billion multimodal freight grant program for rail, highway and port projects to strengthen American's exports and trade.
- The new grant program would build on the work the Department of Transportation is doing to develop a National Freight Strategic Plan to help guide freight investments for many years to come.

### **Importance of maritime**

- All of this gives me reason to be encouraged and optimistic! Wouldn't you agree?
- The facts and figures I've mentioned are impressive, but alone, they can't tell the whole story of the importance of the maritime industry and the potential of our binational waterway.
- If more people understood, really understood, how vitally important the Great Lakes Seaway System is to their standard of living and quality of life, we would be in an even stronger position today to realize the potential of our waterway.
- This is a role that I view as one of my major priorities - raising the profile of the Great Lakes Seaway System and elevating the role of maritime transportation.



- I will be working to promote the importance and advantages of Great Lakes commercial shipping to regional public officials, other stakeholders, and prospective users of the Seaway System in an effort to increase awareness, seek inclusion in state transportation freight plans, and generate new commerce throughout the waterway.
- The new ships, technology innovations, infrastructure investments and environmental advantages of shipping ensure that we are poised for a bright future.

## Conclusion

- In conclusion, the St. Lawrence Seaway plays a critical role in moving North American products to local customers and those around the world.
- Not only does the Seaway provide a cost-effective, efficient and safe route for cargo to be transported globally, it allows the ports the ability to be nimble when responding to changing customer needs due to such events as crop disasters or fluctuations in world markets.
- The flexibility of the Seaway, as shown over the past 55 years, is a testament to its continuing viability to support businesses, and jobs, throughout the Great Lakes.
- With reference to the Great Lakes area, the May 2013 Bank of Montreal Special Report noted: “...the region accounts for 28 percent of combined U.S. and Canadian economic activity. By comparison, the region’s output ranks ahead of Germany, France, Brazil, and the United Kingdom, and it would rank as the **fourth largest economy in the world if it were a country**, behind only the U.S., China, and Japan. Quite simply, the economic importance of the region can’t be overstated.”
- The SLSDC is committed to helping keep our region thriving.

- Thank you all for your attention.