

**TESTIMONY FROM PAUL C. LaMARRE III
PORT DIRECTOR, PORT OF MONROE MICHIGAN
CHAIRMAN, GOVERNOR'S PORT ADVISORY COMMITTEE
SECRETARY-TREASURER, AMERICAN GREAT LAKES PORTS ASSOC.**

**HOUSE COMMITTEE ON COMMERCE AND TRADE / SENATE COMMITTEE ON
COMMERCE**

**LANSING, MICHIGAN
OCTOBER 3, 2017**

Dear Mr. Chairman & Committee Members,

Thank you for taking the time to make Great Lakes marine transportation a priority in the "Great Lakes State".

My name is Paul C. LaMarre III, and I am representing not only the Port of Monroe but rather all Michigan Ports including the members of Governor Snyder's Port Advisory Committee, and the American Great Lakes Ports Association.

Today, you will hear from leadership representing each partner in the ever evolving and critically impactful Great Lakes & St. Lawrence Seaway system which, to the State of Michigan alone, represents over 10,000 jobs, nearly \$4 billion in business revenue, and in excess of \$187 million in State and Local taxes.

Every waterfront or "port" town in our State exists above all else because of its strategic location to a waterway. Whether commercial or recreational the Great Lakes and their tributary waters have served as the vein of commerce that has allowed Michigan to prosper. Yet, while it is common knowledge that our State's recreation wonderlands produces highly visible signs of economic prosperity, it is the commercial vessels which come and go in the dark of night that allow for all aspects of our mutual sustainability.

The State of Michigan has 33 active cargo ports, at which over 60 million tons of America's natural resources cross our shores and are delivered to a hungry State and nation. These resources include iron-ore for manufacturing, coal for electrical generation, aggregates for construction, and the grains to feed our people. While our coastal competitors handle the commercial goods that feed the "big-box" stores, we handle the raw goods that sustain our economy through war and peace.

As the Chairman of Governor Snyder's Port Advisory Committee I can assure you that Michigan's Port interests are well represented but need your support. While, the Great Lakes Governors & St. Lawrence Seaway Premiere's Great Lakes Maritime Initiative seeks to double seaway trade in the years to come it will not be without a significant need for State support both financially and legislatively.

Critical barriers to our sustainability include inconsistent inspection practices by U.S Customs and Border Patrol (USCBP), the need for a second Poe-size lock at Sault Ste. Marie, deteriorated port infrastructure, regulatory harmonization, and overall legislative awareness.

While my waterborne partners will undoubtedly address the Soo Locks and regulatory barriers to include ballast water and others, I would like to briefly introduce our challenges with USCBP and our aging infrastructure.

Most people at this hearing have probably heard of the Arauco fiberboard plant being constructed in Grayling Michigan at a cost of \$400 million. This will be the largest facility of its kind in North America, will create 250 permanent jobs, and generate the most significant growth in Michigan's logging industry in decades. This project was destined to be staged in its entirety at the Port of Monroe where European shipments would be staged and trucked to Grayling for assembly. However, my Port lost 14 European vessel shipments because a wood break-bulk crate is being considered a "shipping container" requiring radiation scanning in Michigan and nowhere else in the nation. In turn, cargo for a key Michigan project that was destined to have significant impact on port jobs and regional transportation was diverted to Ohio and Canada significantly increasing costs to all parties working to further our state's economic prosperity. Did you know that USCBP will not clear a "shipping container" at any seaport in the State of Michigan?

Despite challenges, like USCBP, Michigan Ports continue to develop new diverse cargoes while expanding our State's global reach. Yet, this is being done in most cases on port facilities constructed prior to WWII. While, we are a resilient industry and have adapted to less than ideal operating conditions it is critical that we move from a position of damage control to one of preventative maintenance and growth for cargo is inevitably increasing. The first commercial Port infrastructure project funded by the State of Michigan is under construction at the Port of Monroe thanks to the efforts of the Michigan Economic Development Corporation (MEDC) and Michigan Strategic Fund (MSF). It is our goal that this project will serve as a pilot for State Harbor Assistance Program similar to that of Wisconsin which has invested over \$110 million in port infrastructure since its inception in 1979.

As for legislative awareness, that is both of our responsibility. Ours to educate our elected partners and yours to ensure that the future of our State's maritime prosperity does not lie within the pages of a study or report but rather within the hold of a ship which is discharging on our shores. Michigan Port's, public or private, deep-water or specialized, will succeed or fail together. Failure is not an option and in turn we need your support on this voyage.

Thank you.