



Lake Carriers' Association

Soo Locks Fact Sheet

Commerce in North America relies heavily on Great Lakes shipping routes to ensure the timely delivery of large volumes of goods and raw materials. However, the Soo Locks – a key component of the Great Lakes shipping infrastructure connecting Lake Superior and Lake Huron – are underfunded and already nearing the end of their useful life cycles. Should they fail, the U.S. stands to suffer a severe economic blow.

Great Lakes Shipping:

- Shipping in the Great Lakes currently adds billions of dollars worth of economic value to the North American economy.
 - 227,000 Jobs
 - \$33.5 Billion in business revenue
 - \$14.1 Billion in annual personal income
 - \$6.4 Billion in local purchases
 - \$4.6 Billion in tax revenue
 - \$3.6 Billion in saved transportation costs

□ The Soo Locks:

- **79%** of the iron ore mined in the United States is shipped through the Soo Locks.
- Iron ore has become the world's **second** most valuable mineral resource, second only to oil.
- In the U.S. almost all (**99%**) of the usable iron ore comes from mines in Michigan and Minnesota.
- In 2012, iron ore shipped through the Soo Locks had a direct value of **\$5.4 billion**. Its total dollar value to the U.S. economy was **\$500.4 billion, or 3.2% of GDP**. This includes:
 - Steel made from U.S. iron ore worth **\$15.7 billion**;
 - Steel-intensive consumer products (e.g., automobiles) worth **\$287.5 billion**;
 - Ancillary value of iron ore, steel, and other consumer products worth **\$212.9 billion**.
- Over **650,000 jobs** depend on the steel produced by Great Lakes iron ore shipments.

The Poe Lock:

- The Poe Lock is the **only Soo Lock that can handle 1,000 foot long vessels and 19 other U.S.-flag vessels**.
 - These vessels comprise the overwhelming majority of the U.S. Great Lakes fleet's capacity.
 - Each 1,000-foot vessel carries ore valued at 3.5 million dollars per trip.
- Almost 88% of the cargo transiting the Soo Locks must use the Poe Lock.
- 57 million tons of commerce passes through the Poe Lock annually.
- The Poe Lock has been described as the "Achilles heel of the Great Lakes Navigation System" by the Corps of Engineers.

Additional Resources:

"An Examination of the Maritime Nuclear Smuggling Threat and Other Port Security and Smuggling Risks in the U.S.", The House Homeland Security Committee's Maritime and Border Protection Subcommittee; Cong. (2016) (testimony of Jim Weakley). Print.

Kakela, Peter J., Ph.D. *The Economic Value of Iron Ore Transiting the Soo Locks*. Rep. East Lansing: n.p., 2013. Print.

Spangler, Todd. "Despite Soo Shutdown, New Lock a Long Shot." *Detroit Free Press*. Gannett, 29 Aug. 2015. Web. 18 Oct. 2016.

Testimony on the Locks at Sault Ste. Marie, Michigan, Ohio House of Representatives (2016) (testimony of Jim Weakley). Print.

United States. Department of Homeland Security. National Protections and Programs Directorate. Office of Cyber and Infrastructure Analysis. *The Perils of Efficiency: An Analysis of an Unexpected Closure of the Poe Lock and its Impact*. Web. 18 October 2016.

U.S. Treasury Department: 40 Proposed U.S. Transportation and Water Infrastructure Projects of Major Economic Significance. In partnership with Compass Transportation Inc., Raymond Ellis Consulting, Rubin Mallows Worldwide Inc.

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Lake Carriers' Association

The Greatest Ships on the Great Lakes

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Via E-mail: EricLeutheuser@house.mi.gov

The Honorable Eric Leutheuser
Chair, Michigan House of Representatives Committee on Commerce and Trade
124 North Capitol Avenue
Lansing, Michigan 48909-7514

HOUSE CONCURRENT RESOLUTION NO. 2

Dear Representative Leutheuser:

Lake Carriers' Association represents 13 American companies that operate 49 U.S.-flag vessels on the Great Lakes. These vessels move the raw materials that drive industrial America: iron ore for steel production; limestone and cement for construction, coal for power generation... Eight of our members are based in Michigan.

We are writing to voice our appreciation and support for House Concurrent Resolution No. 2 that calls for construction of a new lock at Sault Ste, Marie, Michigan, and urges the President and U.S. Congress to fully fund the project as was authorized in 2007. It is no exaggeration to say the future of America's industrial heartland is at stake. A recent study by the U.S. Department of Homeland Security forecasts that if the Poe Lock were out of service for just six months, the country would be plunged into a recession much worse than 2008-2009. Nearly 11 million Americans would lose their jobs as steel production and all the heavy manufacturing that depends on the steel came to a screeching halt. **Michigan's unemployment rate would skyrocket to nearly 23 percent.** This is all because vessels that are restricted to the Poe Lock by their size represent 70 percent of U.S.-flag carrying capacity on the Great Lakes. More importantly, those Poe-class vessels haul 90 percent of the cargos that LCA members move through the Soo Locks each year. That is why we must twin the Poe Lock as quickly as possible.

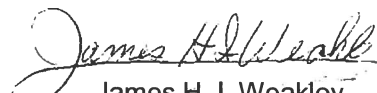
Michigan has a great stake in this project. With the closure of the loading dock at Escanaba, Michigan, all the iron ore mined in Michigan is shipped from Marquette, which means it must transit the Soo Locks in order to reach blast furnaces in Detroit.

Equally important, it is most economical that Poe-class vessels deliver clean-burning low-sulfur to power plants in St. Clair and Trenton.

Support for a second Poe-sized lock is growing daily. Just this year the U.S. Treasury released a report estimating that the economic benefits of a second Poe-sized lock could be as high as \$1.7 billion. Even the U.S. Army Corps of Engineers acknowledges that Soo Locks are the single point of failure that could bring Great Lakes shipping to a standstill. We fully support House Concurrent Resolution No. 2 and urge its quick passage.

If you need additional information, please contact me at your convenience.

Very respectfully,


James H. I. Weakley
President

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The Association Representing Operators of U.S.-Flag Vessels on the Great Lakes Since 1880

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