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REMARKS FOR
GREAT LAKES WATERWAYS CONFERENCE
CLEVELAND, OHIO
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Introduction

Good afternoon. 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.

- This conference brings the vast majority of our Great Lakes waterways 'stakeholders' together so we can stay up to speed, share new developments, and collectively look at where we're headed in the world of maritime transportation.

- I've been the U.S. Seaway Administrator for about six months 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 last week was "Opportunity for All".

- Well, I like to call this the “Opportunity Belt” because there is so much opportunity still awaiting us in the Great Lakes region.
- I’ve spent a good deal of time visiting with our own stakeholders and with our Canadian partners and shipping community, with representatives of both countries’ fleets, with labor organizations and industries served by Great Lakes/Seaway vessels, and with officials from government agencies and non-governmental organizations.
- I’ve tried to visit and tour as many of our System’s ports to see firsthand how their ingenuity and resourcefulness are at work every day keeping our Great Lakes Seaway System strong and growing.
- In a short time, I have gained an appreciation of how important relationships and partnerships are in the Great Lakes Seaway System.
- I marvel at how closely two countries can work together to operate and maintain this large and complicated international waterway in a safe and seamless manner.
- More people need to know this, and not just in Washington. I think we need to do more to educate the general public about the importance and the efficiencies of using the marine mode to move goods.
- We all need to be leaders in this regard.

Seaway as an economic driver

- The Great Lakes-Seaway System is a key driver of both the U.S. and Canadian economies.
- It 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.
- Many of you are already familiar with the infrastructure investments, technological innovations, and new ships that are transforming the Seaway.
- If you're not, my colleague, Terry Bowles, who leads the Canadian Seaway Corporation, will shortly be giving you more details about some of the new and exciting things that are happening to modernize the System.
- 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.
- The resurgence of manufacturing and energy development - both renewable and traditional energy - are transforming the North American economic landscape. The Seaway is uniquely situated to support both of these major developments to the benefit of this entire region.

- With half of Canadian manufacturing and one-fifth of U.S. manufacturing based in our region, the Great Lakes-St. Lawrence Seaway is closely aligned with manufacturing 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.
- It will be a priority of mine to work with all Great Lakes Seaway System ports, terminals, carriers, labor organizations, and other stakeholders to promote and advance new and innovative economic development programs focused on increased trade and job creation.

New market opportunities and the energy revolution

- 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!
- Last fall, the Port of Cleveland announced a new nonstop direct Express Ocean Freight Service to begin this Spring that will run between Cleveland and major European ports. During this conference, you'll be hearing more about the CEE WAY, that's C-E-E Way, for Cleveland Europe Express.

- The service will carry a combination of cargoes – containers, breakbulk freight, and project cargo.
- Businesses are always looking for ways to be more competitive and to gain an edge in the global market; this new service will help companies do this by moving their goods and supplies faster, cheaper, and greener.
- And it will increase utilization of the Seaway System - providing new economic development opportunities throughout the region.
- This is just one example of capitalizing on opportunity.
- The future holds exciting new possibilities for the Seaway System!
- The Great Lakes region is at the epicenter of a radically changing energy landscape, and 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.

- On another energy front, I don't think a day goes by that you don't see a headline about the shale gas revolution that is catalyzing the manufacturing industries.
- The development of shale gas resources is proving to be pivotal to North America's manufacturing expansion and "reshoring" movement.
- The Great Lakes region possesses the manufacturing resources, skilled workforce, and world-class transportation infrastructure to be a significant player in this energy transformation.
- For the commercial marine industry and the customers it serves, the development of Midwest gas reserves will probably have the most dramatic, far-reaching impacts.
- What does this shale energy revolution mean for the marine industry on the Great Lakes Seaway System?
- It means new jobs, lots of them, both on water and on land.
- It means cheaper and more secure energy to revitalize manufacturing in the region.
- It means better environmental performance, as more vessels begin to utilize gas and thereby reduce their emission of greenhouse gases.

- Let's take a moment to look at the marine industry's environmental performance because we really do have something to talk about here that is important to the general public...
- ...and the general public needs to know about it!

Environmental benefits of the marine mode

- Marine shipping is the most energy efficient mode of transportation. Let me share three illustrative facts...
- Great Lakes ships can carry vast amounts of cargo long distances and use significantly less fuel than both trains and trucks. On average, vessels are **7 times** more fuel-efficient than trucks and **1.14 times** more fuel-efficient than trains.
- Ships also have the smallest carbon footprint compared to trucks and trains. Rail and trucks would emit **19 percent** and **533 percent** more greenhouse gas emissions respectively if the three modes carried **the same cargo, the same distance**.
- And lastly, if we were to eliminate Great Lakes shipping and move all the cargo currently handled by Great Lakes vessels – an additional **7.1 million truck trips** would be required. The resulting additional highway maintenance costs are calculated to be **\$4.6 billion** amortized over a 25 year period.
- Think about that number in terms of our already over-crowded highways.

Safety Performance of the Marine Mode

- The safety record of the marine mode is a critical component of why water transport is desirable over land-based alternatives in certain circumstances.
- Goods and commodities are going to move; the question is HOW are they going to move?
- Moving them safely and efficiently in water is often best alternative for the environment, and for consumers.
- Compared to other ways of transporting goods, shipping is the absolute clear leader in terms of public safety.
- We need to keep working to get the word out about our vast maritime resources, to keep communicating how important those resources are to economic development, and to keep telling our good story of safety, efficiency, and cost-effectiveness.

Conclusion

- All of this gives me reason to be encouraged and optimistic! Wouldn't you agree?
- The facts and figures 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. We also need to do that.
- 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 collectively, together with all of you, 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, investments and environmental advantages of shipping ensure that we are poised for a bright future.
- 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."
- I know we'll all be working closely to keep our maritime industry strong and always moving forward.
- I will be happy to answer any questions you may have.