

**Administrator Betty Sutton
Remarks for
Great Lakes Legislative Caucus Annual Meeting
Friday, July 25, 2014
Quebec City, Quebec**

“The Seaway – Environmentally Friendly, Economically Important”

Introduction and Thanks

- Good morning. Before I get started, I want to thank Ohio Representative Don Ramos for facilitating the connections that made it possible for me to speak here today.

- *Something about Don*

- The Great Lakes Legislative Caucus serves a needed and important role in the collective effort to protect the integrity of the Great Lakes as well as to further the role of the Great Lakes in the region’s economy.

- Those are roles we share at the Saint Lawrence Seaway Development Corporation. The Seaway provides an excellent model of how to promote the environment AND the economy.

The Administrator is a strong proponent of the environment

- I realize that some of you may not know much about me.

- I am a native of the Great Lakes region.

- I served in the U.S. Congress for six years representing a district in northern Ohio that included part of the Lake Erie waterfront.

- I am committed to public service and the search for cooperative and collaborative solutions that support the public interest.
- When Congress considered the Great Lakes Compact a number of years ago, I served as the leader managing the debate on this legislation in the House of Representatives.
- Believe me, I understand and was very much a part of the collaboration it took to achieve this milestone environmental agreement involving multiple uses of water.
- That effort is a testament to the ability of diverse interests coming together for a common goal, for the greater good.
- It's with that collaborative spirit in mind that I wanted to undertake the role of U.S. Seaway Administrator, a position I've now held for nearly a year.
- I am here to tell you that the Saint Lawrence Seaway Development Corporation takes its mission and its responsibilities concerning the Great Lakes and the St. Lawrence River very seriously, particularly as they relate to the environmental health of these waters.
- We strive to work closely with our fellow stakeholders who share in that responsibility.
- The Seaway's use of the river is defined by law, treaty, and history.
- Our stakeholders, both from industry and from the environmental community, share an avid interest in many issues that affect the River and the Lakes. In many of those areas, I believe our interest is mutual, not contradictory.

Environment is a Priority for the Seaway

- There is no question that the Great Lakes & St. Lawrence River Basin region offers environmental and economic challenges, but the region is uniquely endowed with tremendous resources to confront these challenges.
- I reject the idea that the question posed to us here in the Great Lakes region is one between the environment OR jobs, and instead believe the correct question is how we maximize both jobs AND the environment.
- That is the question before me as the Seaway Administrator, before you as legislators and stewards of the environment, and before the business leaders in our communities who seek economic revitalization. We all share these common goals.
- The Seaway provides an example of how to balance effectively the goals of environmental stewardship and economic development.
- We are a public entity, managing a public resource. As such, we have many stakeholders with diverse interests in using that resource.
- That speaks to commerce; it also speaks to the environment. Co-existence is possible!
- The St. Lawrence River is the connector between the Great Lakes and the rest of the world.
- The Seaway is the gatekeeper to the Great Lakes and plays a key role in facilitating waterborne commerce.

- As a steward of the environment, I want you to know that we make it our priority to promote environmentally responsible maritime commerce.

Environmental Benefits of Shipping

- Every year, 164 million metric tons of cargo is moved on the System - iron ore, coal, stone, salt, grain and steel that supply North American steel mills, power stations, factories, and food manufacturers.
- These commodities are going to move; the question is, HOW are they going to move?
- Moving commodities by water offers an environmentally friendly mode of transport.
- In an age when the effects of greenhouse gas emissions are impossible to ignore, maritime transportation offers a sustainable and efficient alternative to road and rail. You can't ignore the facts.
- Maritime efficiencies have been documented. Shipping is the most energy efficient way to move the goods and materials that are necessary for our daily lives.
- **A maximum Seaway-size Laker** carrying 30,000 metric tons per voyage, is the equivalent of **301 rail cars** or **963 semi-trailer trucks**.

- A binational study released in February, 2013 called *The Environmental and Social Impacts of Marine Transport in the Great Lakes-St. Lawrence Seaway Region* concluded:
 - The Great Lakes-Seaway fleet is nearly 7 times more fuel-efficient than trucks and 1.14 times more fuel-efficient than rail;
 - Rail and trucks would emit 19 percent and 533 percent more greenhouse gas and emissions respectively if these modes carried the same cargo the same distance as the Great Lakes-Seaway fleet;
 - Great Lakes fleet performance will significantly improve in the coming years due to new regulatory standards and investments in new vessels;
 - Moving cargo by water instead of by rail or truck results in:
 - Less traffic congestion
 - Reduced highway infrastructure costs
 - Better quality of life...less noise, pollution and delays
- The report also concluded that if Great Lakes-Seaway marine shipping cargo shifted permanently to trucks, it would lead to \$4.6 billion in additional highway maintenance costs over a 60-year period.
- Great Lakes marine shipping saves companies approximately \$3.6 billion per year in transportation costs compared to the next least-costly land-based alternative, enabling employers to hire people.
- Great Lakes St. Lawrence Seaway shipping provides jobs. An economic impact study found that the Great Lakes St. Lawrence Seaway System supports over 225,000 jobs and generates billions

of dollars in income and revenues annually in both the U.S. and Canada.

- Those are jobs for people right here in the Great Lakes region – your neighbors, friends, and families.
- The jobs sustained by the maritime industry include not only those located directly on the waterfront; but also many industrial sector jobs such as construction workers, miners, and steelworkers, many of which would disappear if it was not for a vibrant, healthy maritime industry operating along the Great Lakes St. Lawrence Seaway System.
- And, as the most cost effective way to transport goods, ships save consumers money on the products they buy.
- As a consumer, saving money sounds pretty good to me.
- Goods are going to move one way or another. Moving them safely and efficiently on water is often the best alternative for the environment, and for consumers.

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.
- As Administrator of the SLSDC, safety is a paramount concern. We want the benefits of robust marine commerce, including the jobs, but know that it must be done in a safe and environmentally conscious way.
- Compared to other ways of transporting good, shipping is the absolute clear leader in terms of public safety.

- The best way to avoid a problem is to prevent it.
- We do everything possible in the Seaway System to prevent something from going wrong.

SLSDC Environmental Sustainability Efforts

- In addition to the Seaway System's excellent safety record, we also have a very stringent ship inspection program in place to combat invasive species that is proving to be very effective.
- Here's what we do at the Seaway.
- Every international ship coming into the Great Lakes through the Seaway receives a ballast tank exam, BEFORE it enters the system.
- There is close coordination among inspectors from the U.S. Coast Guard, Transport Canada, and the two Seaway organizations.
- It begins with a detailed review of ballast water reports, logs, records, and ballast water management plans.
- The ship's crew is interviewed to assess their understanding of the requirements of the vessel's ballast water plan and to answer questions on actual practices.
- Finally, ballast tanks are sampled for salinity or the presence of mud to determine if a satisfactory management practice was employed.
- Any water found not to be in compliance is "sealed" in the ballast tank and reexamined upon the vessel's exit of the system.

- We can, and have, issued fines, (up to \$36, 625 per occurrence), for non-compliance.
- The 2013 navigation season marked the fifth consecutive year that 100 percent of ballast tanks entering the Great Lakes via the St. Lawrence Seaway were examined. (6,803 ballast tanks were assessed during 371 vessel transits in 2013)
- It is a highly effective inspection program; **since 2006, there have been no detections in the Great Lakes of new invaders introduced through commercial shipping.**

Ballast Water – Collective Efforts

- Beyond what the Seaway is specifically doing with our ship inspection program and our ongoing sustainability efforts, several years ago we helped facilitate the formation of the Ballast Water Collaborative.
- Some of you may be familiar with this group which brings Great Lakes state, provincial, and federal representatives together with the marine industry, as well as respected U.S. and Canadian scientists, who are dealing with ballast water and invasive species issues.
- Where regulatory authority is widely dispersed and knowledge is limited, it is essential to:
 - Build new relationships and partnerships,
 - Create of forum for candid and unbiased discussion,
 - Exchange relevant and substantive information and data,
 - Emphasize inclusive participation, and

- Strive for flexibility.
- Yes, we actually sit down in the same room and share different viewpoints on how to approach this problem, but with a common goal, to find workable and effective solutions to this challenge in the Great Lakes.
- This group has helped to better inform decision makers and to harmonize the regulatory approaches to managing ballast water. By just communicating with each other, it has proven to be a far better approach to making progress on this issue.

Other Environmental Initiatives

1. Great Ships Initiative

- The SLSDC participates in other collaborative environmental programs such as the Great Ships Initiative.
- This program is providing scientific research, testing, and evaluation of ballast water treatment systems for ships that operate in the Lakes.
- I visited the Great Ships Initiative facility when I was in Duluth last year and came away quite impressed with their expertise and with their progress.
- But we're not going to stop there. We will continue to identify ways to minimize the environmental footprint of shipping.

2. Green Marine

- How many of you are familiar with the Green Marine program?
- This is a really important and growing program in the maritime industry and I think you should know about it.
- It is a voluntary, industry-run program that challenges its members to improve their environmental performance across a wide range of indicators.
- It goes beyond just complying with the regulations.
- Those who participate, and that includes ship owners, ports, terminals, shipyards, and the Seaway Corporations, are scored on their performance and the results are independently verified by a third party and shared publicly.
- It is a transparent program that addresses nine key environmental issues including air emissions and environmental leadership.
- The program encourages its participants to reduce their environmental footprint by taking specific, measurable actions and reporting on their progress.
- This past year, the program expanded beyond the Great Lakes region to include marine transportation companies operating anywhere in Canada or the United States.
- There has been continuous self-improvement since the program began. The industry is pushing itself to meet benchmarks and working to constantly reduce its environmental impact.

- Green Marine is clearly being recognized as a rigorous, effective sustainability program for the North American marine industry.

Concluding Thoughts

- No other region in North America, and perhaps the world, possesses the economic and environmental assets of the Great Lakes St. Lawrence Seaway System.
- Quote from the May 2013 Bank of Montreal Special Report: *"The Great Lakes region boasts a massive geographic footprint, and is a major driver of the North American economy. With economic output of \$4.7 trillion in 2011, the region accounts for 28% of combined Canadian and U.S. 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."*
- According to the Great Lakes Information Network, the Great Lakes contain *"6 quadrillion gallons of fresh water; one-fifth of the world's fresh surface water (only the polar ice caps and Lake Baikal in Siberia contain more); 95 percent of the U.S. supply; 84 percent of the surface water supply in North America. Spread evenly across the continental U.S., the Great Lakes would submerge the country under about 9.5 feet of water."* This quote doesn't even begin to describe the ecological diverseness and richness of the region.
- These facts never get old and need repeating - the Great Lakes region is like no other on the planet – uniquely blessed with ecological riches and economic might.

- We must not lose sight of the importance of simultaneously achieving economic and environmental objectives – increasing the economic output and jobs created in the region as well as improving and preserving the ecological quality of the region.
- It is not one or the other.
- When the debate is pushed as an ‘either-or’ proposition with policymakers, that is a question of whether you are for jobs or you are for the environment.
- The environment often loses because if people don’t have a way to provide for their families by virtue of having a job, they are often unable to worry about the environment in that moment.
- I reiterate - not mutually exclusive goals. Ultimately, you cannot achieve one goal without the other.
- To frame the question as having to choose one or the other is a "false" choice, which diminishes our ability to focus on the more relevant, difficult, and potentially more successful choices that confront us.
- Our collective challenge is to bring forward conversations, ideas, and outcomes that maximize both of these tremendous assets.
- The Seaway, as the maritime gatekeeper to the Great Lakes region, is uniquely situated to play an important role in the development of those ideas and outcomes.
- I look forward to working with your caucus and the Council of State Governments to ask the right questions to make the best

possible decisions about how to promote the environment AND the economy to the benefit of all.

- Thank you.