

**Administrator Betty Sutton
Remarks for
Port of Indiana-Burns Harbor
Board of Commissioners Meeting
August 21, 2014**

- Good morning.
- I am delighted to be here today and want to thank Rich Cooper, Rick Heimann, Harbor Commission President Ken Kaczmarek and all of the Port Commissioners for the invitation to speak at your Commission Meeting.
- 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.
- I've just passed my one-year mark as U.S. Seaway Administrator. As I have traveled throughout the lakes and the system this past year, I've seen the dynamic workings of this industry, the commitment of so many individuals that are a part of our port community and the optimistic spirit of our many stakeholders.
- And yet there is so much untapped potential!
- I believe that a renewed look at enhancing the economic development capabilities of the SLSDC is advantageous to all of us in the Seaway System.

- Frankly, the timing couldn't be better.
- The theme of President Obama's State of the Union address in February was "Opportunity for All".
- Shortly thereafter, the President was joined by U.S. Secretary of Transportation Anthony Foxx to announce his vision for investing in America's infrastructure with a \$302 billion, four-year surface transportation proposal.
- His plan, called GROW AMERICA, includes a new, \$10 billion multimodal freight grant program for rail, highway and port projects to strengthen America's exports and trade.
- At the same time, Secretary Foxx announced that \$600 million will be made available to fund transportation projects around the country under the latest round of DOT TIGER grants. (Transportation Investment Generating Economic Recovery)
- President Obama and Secretary Foxx are focused every day on expanding opportunities for all Americans.
- Transportation plays a key role in connecting Americans and communities to economic opportunity.
- I believe the Seaway has an important role to play in this effort to advance the President's goals of creating jobs and 'ladders of opportunity' in the Great Lakes.
- I like to call our Great Lakes region the "Opportunity Belt" because there is so much opportunity still awaiting us.

- The Great Lakes region is home to over 100 million people and produces a third of the manufactured goods in the U.S. and Canada.
- The region produces 70 percent of total U.S. steel production and is headquarters for one-half of the Fortune 500 industrial companies.
- The Great Lakes economy consists of \$4.7 trillion in annual economic output and constitutes 28% of total U.S.-Canada economic activity.
- It is North America's agricultural and manufacturing hub.
- Clearly, the Great Lakes region is a vibrant and dynamic economic environment, prime for continued use and economic development.
- Electric utilities, steel mills, construction companies, mining companies, manufacturers, and farmers all depend on the 160 million metric tons of cargo delivered by vessels in the Great Lakes every year.
- The Great Lakes-St. Lawrence Seaway navigation system and its infrastructure represent a tremendous economic asset.
- Shipping on the Great Lakes is one of the key drivers of the U.S. and Canadian economies.

- The study, *The Economic Impacts of the Great Lakes-St. Lawrence Seaway System*, documented the contributions made by the System to the state, provincial, regional and national economies.
- Maritime commerce on the Great Lakes Seaway System annually impacts 227,000 U.S. and Canadian jobs, generates \$35 billion in economic development and business revenue, and accounts for \$14 billion in wages and salaries each year.
- It also provides \$3.6 billion in transportation cost savings compared to the next least expensive mode of transportation.
- As impressive as these numbers are, I believe that the region has the potential to more fully leverage its maritime assets to maximize economic development and job creation.
- To that end, we, here at the SLSDC, will be looking for additional ways to support and encourage greater economic opportunities for the people and businesses that depend on the Great Lakes.
- One of the important objectives of the Saint Lawrence Seaway Development Corporation (SLSDC) is to promote trade and economic development throughout the Great Lakes-St. Lawrence Seaway region.
- For almost 30 years, the SLSDC has engaged in trade development activities to promote the waterway and its stakeholders to drive economic growth.

- Recently, our efforts helped bring together the stakeholders responsible for the new Cleveland-Europe Express liner service, which began in April.
- The once-monthly round-trip liner service continues on schedule between Cleveland and Northern Europe and there have been some noticeable increases in the amount of cargo moved.
- We continue to do everything we can to help make this a success in 2014 and beyond, because it's good for the entire system.
- There are other examples as well, and given the fact that the Great Lakes region represents the fourth largest economy in the world, (after the U.S., China, and Japan) there could be many more.
- The ability to generate significant economic activity in the region is more than a vision for the SLSDC; it is part of our mission.
- It is a priority of mine to work with all Great Lakes Seaway System ports, with terminals, carriers, and with other stakeholders to promote and advance new and innovative economic development programs to increase trade and grow the System.
- In our on-going efforts to enhance the SLSDC's economic development footprint in the Great Lakes region, we have been working hard to support Representative Marcy Kaptur's proposal to create a new loan and bond fund program for the eight-state region to be administered and managed by the SLSDC.

- This program would mirror similar regional and statewide programs in Ohio that have been extremely successful since the late 1980s.
- Representative Kaptur has approached both Secretary Foxx and Vice President Biden in person and in writing to stress the importance of this proposed program to the Great Lakes region.
- We are working closely with Representative Kaptur and her staff and others to do everything we can to help make this important proposal a reality as soon as possible.
- I want to turn now to give you a short recap of the 2014 navigation season thus far.
- The month of July was extremely busy for our ports on the Great Lakes Seaway System as they handled high value cargoes like steel, wind components, and machinery that arrived from 13 different countries.
- When compared to July of last year, double the number of foreign flagged ships from as far away as Korea and Taiwan transited through our U.S. locks.
- Year-to-date cargo shipments for the period March 28 through July 31 totaled 15 million metric tons.

- General cargo was up 61 percent overall with iron and steel posting an increase of 78 percent and steel slabs increasing 111 percent over 2013.
- Combined U.S. and Canadian grain shipments were up 55 percent.
- The dry bulk category was down 1 percent over 2013. However, within that category, salt, cement, ores and fertilizers were all in the positive column, with fertilizers at a 118 percent hike.
- And here at Burns Harbor, you're having an excellent year; (*as Rick has noted in his report to us earlier ?*) total maritime tonnage for July 2014 year-to-date is nearly 25 percent ahead of last year's volume with steel products leading the way.
- This volume growth is wonderful news and we hope it stays strong.
- We remain optimistic that the traffic patterns realized in June and July will carry forward into the late summer and fall months and we can approach or surpass the 2013 tonnage and transit levels.
- This would be quite an accomplishment considering how slow the season began due to the adverse weather conditions across the entire system.
- While these facts and figures are impressive, 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 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 continue to work 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 including in state transportation freight plans, and generate new commerce throughout the waterway.
- The new ships, new technology innovations, infrastructure investments and environmental advantages of shipping ensure that we are poised for a bright future.
- I know we'll all be working closely to keep our maritime industry strong and always moving forward.
- Our Great Lakes ports are the backbone of the Great Lakes-Seaway System, and I just want to acknowledge your dedication, your perseverance, and your ongoing efforts to keep our System strong and growing.

- With all of you, I look forward to continued success here at Burns Harbor and at all the ports in the Seaway System.
- Thank you. I will be glad to answer any questions you might have.