

Transportation by Anthony K. Wikrent

Great Lakes faces shipping bottleneck

Authorization to expand shipping capacity by constructing a new lock at Sault Ste. Marie, is about to expire.

Unless Congress does the unexpected, and moves speedily, authorization for the construction of a desperately needed second large lock on the St. Mary's River between Lake Huron and Lake Superior, may expire in less than a year.

At present, there is only one lock—the Poe—on the St. Mary's River at Sault Ste. Marie, Michigan large enough to handle the big Great Lakes ore carriers. In fact, the size of Lake bulk carriers has been limited by the size of the Poe lock, just as a class of "Panamax" ships has evolved, limited by the maximum size of passage allowed by the Panama Canal.

The dimensions of the largest Lake vessels are thus limited to just over 1,000 feet in length, 105 feet in width, and 28 feet in draft. The maximum draft in the Poe lock varies with water levels. A 1,000-foot vessel can load 267 net tons of iron ore for every inch of draft. The loss of 17 inches of draft—which occurred between July 1986 and July 1988—meant that each such vessel lost the capacity to carry 4,600 tons of cargo through the Poe lock. Since a lake vessel averages 45 trips during the typical Great Lakes shipping season (nine to ten months of the year), 205,000 tons of carrying capacity per year were lost.

In 1986, the U.S. Congress passed the Water Resources Development Act, authorizing the construction of a new lock at Sault Ste. Marie at least the size of the Poe lock. However, funds for the new lock have never been appropriated, except for a minimal amount for a design study. The authorization for the second Poe-size

lock expires five years after the bill became law.

The reason no funds have been appropriated is a good example of how disastrous it is to apply "free market" theory to the construction and maintenance of transportation infrastructure. Congress had mandated in the 1986 act that at least 35% of any new project be funded by local authorities or businesses. But the St. Mary's River is also an international boundary between the U.S. and Canada, so there have been no tolls collected at the locks since the State of Michigan relinquished control in 1881. With no revenues derived from operation of the locks, there have been no local authorities or businesses willing to commit to pay for 35% of the estimated \$240 million needed to build a new lock. Imposing a fuel tax probably would not suffice, since vessel owners would likely purchase cheaper fuel in Canada.

On Jan. 25, 1989, Sen. Daniel P. Moynihan (D-N.Y.), in introducing his National Infrastructure Act of 1989, boasted that "By requiring local cost sharing, we have seen a dramatic downsizing of [U.S. Army] Corps [of Engineers] projects. The federal government is no longer paying 100% of project costs, and people are much more mindful of asking only what they need, and no more."

The senator did not mention that many projects, such as a second Poe lock, are not being built at all. The Lake Carriers Association has asked Congress repeatedly to recognize the unique circumstances and the pressing need for a new Soo lock, and provide

100% funding, but without success.

The Poe lock is an especially crucial link in the increasingly fragile chain of U.S. transportation infrastructure: Some 83.7% of all iron ore produced and 67.4% of all iron ore consumed in the U.S. in 1989, passed through the Soo Locks-St. Mary's River system on its way to the steel-producing cities of the Great Lakes.

The largest iron ore deposits in the U.S. are concentrated in Michigan and Minnesota, around Lake Superior. According to the U.S. Bureau of Mines, of the 59.032 million tons of usable iron ore produced in 1989 in the U.S., 41.370 million tons came from Minnesota, and 15.611 million tons came from Michigan. The U.S. consumed 73.263 million tons of usable iron ore in 1989.

The iron ore of Minnesota and the Upper Peninsula of Michigan is loaded onto Lake carriers at Duluth, Superior, Two Harbors, Taconite Harbor, and Marquette on Lake Superior, and at Escanaba on Lake Michigan.

According to the Lake Carriers Association, 49.931 million tons of ore were transported on Lake Superior in 1989—83.7% of all U.S. iron ore produced. Another 6.329 million tons of ore, or 10.7% of all U.S. iron ore produced, was transported on Lake Michigan.

In addition, 39.470 million tons of coal and 25.108 million tons of limestone were shipped on the Great Lakes in 1989. Much of the coal, and almost all of the limestone, was destined for steelmakers.

The consequences, should the Poe lock be damaged and put out of commission, are serious. It's time Congress returned to the dirigistic policies that built the U.S. in the first place, and provide the funding for a new lock at Sault Ste. Marie, even bigger than the Poe, providing for future growth as well as for needs deferred for so long.