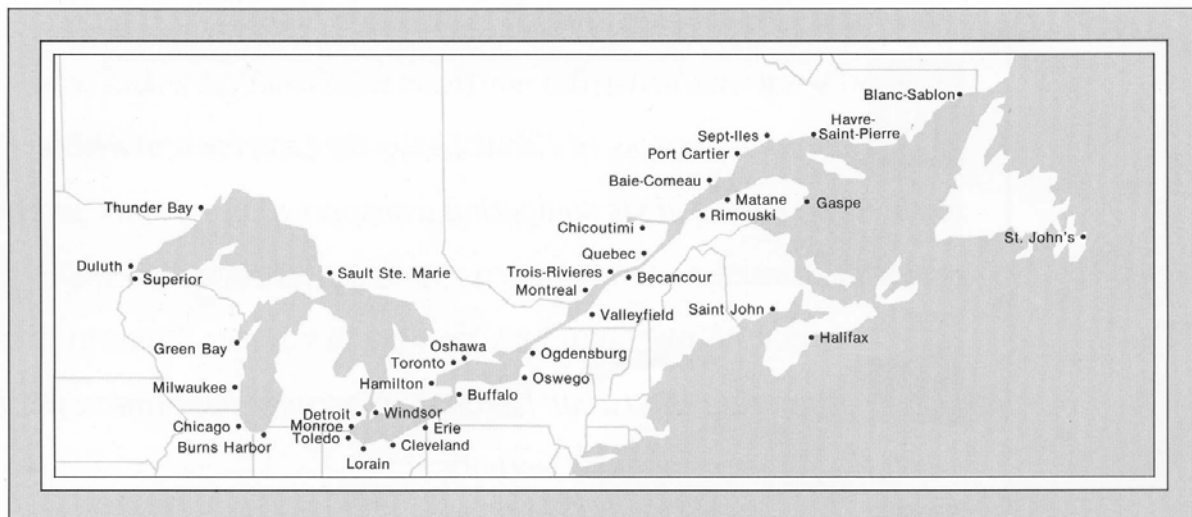


DECLARATION OF INDIANA

— A maritime agreement for the Great Lakes-St. Lawrence System —

The Great Lakes-St. Lawrence Maritime System is a regional asset of national and global significance that offers a comparative advantage for Great Lakes and St. Lawrence region industry. The System is essential for this region's domestic economy and for its exports. It reduces manufacturing and distribution costs, and it provides a healthy competitive option to other transport modes. To survive and prosper, the System requires efficient operation, continuing maintenance and modernization, aggressive marketing and governmental policies favorable to maritime commerce.

Signatories to this Declaration represent organizations whose constituencies include a broad representation of maritime interests in the binational Great Lakes-St. Lawrence River region. The Declaration identifies and articulates widely held principles for use, development and enhancement of the System now and in the future. In so doing, this Declaration demonstrates regional unity and support on the matters addressed, builds public awareness of the national and international importance of the System, and strengthens the basis for advocating appropriate federal maritime/transportation and related development policies.



GREAT LAKES-ST. LAWRENCE MARITIME SYSTEM PORTS

OVERVIEW

As a trade route among native peoples and a corridor of discovery and commerce for the Europeans, the Great Lakes-St. Lawrence River System and tributaries were an established transport network long before the United States and Canada became nations. The combination of an in-place water transport infrastructure and a strong natural resource base promoted population settlement, agricultural development and industrial enterprise. Waterborne commerce and the Great Lakes-St. Lawrence regional economy have been inextricably linked from their mutual beginnings. This binational transportation system was the foundation on which the U.S. and Canadian regional and national manufacturing economies were built.



DECLARATION

— A MARITIME AGREEMENT FOR THE C

The parties gathered at Merrillville, Indian
spectrum of maritime interests in the Great Lakes-St. Lawrence River region
and will work collectively and inc

P R I N C

I *A strong and healthy Great Lakes-St. Lawrence Maritime System is a necessary foundation for the economic well-being of the region both in Canada and the United States.*

II *Full consultation and cooperation between Canada and the United States at the Federal and State/Provincial levels on all maritime matters relating to the Great Lakes and St. Lawrence Seaway is required.*

III *Competitiveness of Great Lakes-St. Lawrence maritime transport in world trade and vis-a-vis competing transportation systems and regions must be given priority.*

IV *Marketing the Great Lakes-St. Lawrence Maritime System is an essential trade development activity.*

V *Policies, laws, regulations or practices which unfairly discriminate against the Great Lakes-St. Lawrence region must be actively opposed.*

SIGNATORY ORGANIZATIONS

American Iron Ore Association
Canadian Marine Pilots Association
Canadian Merchant Service Guild
Canadian Shipowners Association

The Chamber of Maritime Commerce
District 2 Marine Engineers Beneficial
Association-Associated Maritime Officers
Great Lakes Commission
Great Lakes-St. Lawrence Maritime Forum
International Association of Great Lakes Ports

N OF INDIANA

REAT LAKES - ST. LAWRENCE SYSTEM —

on May 15, 1991, representing the broad
do hereby agree on the following Principles for the region's maritime system
individually for their implementation.

IPLES

VI *Emphasis on containment of costs and reduction or elimination of tolls, fees or other levies relating to Great Lakes-St. Lawrence maritime commerce is necessary for the System's future.*

VII *Operation by government authorities of the Great Lakes-St. Lawrence Maritime System must maximize opportunities for maritime commerce.*

VIII *The Great Lakes-St. Lawrence maritime infrastructure must be maintained and modernized on a continuing basis.*

IX *The commercial maritime industry recognizes its role as a partner in environmental protection and will support and maintain high environmental, conservation and safety principles.*

X *The U.S. and Canadian Federal governments, in full consultation with Provinces, States and private industry, should join in long-range planning and policy development for the future of the Great Lakes-St. Lawrence Maritime System in the 21st Century.*

International Longshoremen's Association
(Great Lakes District)

Lake Carriers' Association
Laurentian Pilotage Authority

Seafarers International Union
(Atlantic, Gulf, Lakes and Inland Waters District)

Seaway Review

The Shipping Federation of Canada

St. Lawrence Economic Development
Council

St. Lawrence Ship Operators Association
Upper Great Lakes Pilots, Inc.

The Great Lakes-St. Lawrence Maritime System serves a large binational area and its contribution to the regional, national and global economies is significant. For example, the Great Lakes states account for 70 percent of U.S. steel production and 50 percent of national steel consumption, as well as a fourth of the country's agricultural exports. More than 65 percent of Canada's gross national product is produced in Quebec and Ontario. In addition, half of Canadian manufacturing and one-fifth of U.S. manufacturing are based on the region's fresh water coast.

For more than 200 years, Great Lakes-St. Lawrence River System improvements, ranging from channel and lock construction to innovative vessel design and cargo transfer operations, have produced an efficient, low-cost transportation system. This unique transportation route stretches more than 2000 miles (3220 km) from the lakehead ports. In the upper Great Lakes, more than 7.7 billion short tons of commodities have transited the American Soo Locks since the mid-1800's. Each year, total U.S. and Canadian port tonnage in the region is usually more than 200 million short tons valued at more than \$8 billion. For the St. Lawrence Seaway, including the Canadian Welland Canal, the tonnage total since its opening in 1959 is more than 1.3 billion metric tons with an estimated value of \$200 billion.

The 145 ports along the Great Lakes-St. Lawrence shores range from small, one-or-two-commodity terminal operations to large port facilities handling bulk, palletized, containerized and heavy-lift cargo. With their warehouses, sophisticated cargo transfer equipment and intermodal connections, port operations are a vital part of the shipping scene as well as of the larger economic picture. The cargo mainstay is the relatively low value, bulk commodities of iron ore, grain, coal, limestone, salt, cement and liquid fuels. Higher value general cargoes such as steel, special heavy-lift and project cargoes also are very important to the System particularly because handling is labor-intensive and creates many jobs.

During the 1950's, U.S. and Canadian interest in transboundary economic development and commercial navigation potential coalesced in the joint decision to build the modern St. Lawrence Seaway. Construction of five new Canadian locks and two U.S. locks on the St. Lawrence River, along with the world's largest joint hydropower complex, was completed in 1959 after a five-year effort. The new locks were built to correspond with the existing Welland Canal locks. This provides for vessel sizes up to a maximum length of 730 feet/222.5 meters and a beam of 76 feet/23.16 meters. Operational vessel draft was also limited to 26 feet/79.2 decimeters through the Seaway. Canadian costs were \$336.5 million and U.S. costs amounted to \$133.8 million, excluding the deepening of Great Lakes connecting channels and harbor entrances.

The early high expectations for the Seaway have not yet been realized. With few exceptions, the tonnage carried annually increased until the peak year of 1977, when over 57 million metric tons were reported. While there have been year-to-year fluctuations, the 36.5 million metric tons in 1990 reflect the general decline in average Seaway tonnage since 1977. High-value general cargoes have declined from their tonnage peak in the early 1970's. Seaway tolls, strong competition from rail carriers, increased use of container shipping and use of large vessels in trans-ocean shipping, a limited navigation season due to winter ice, along with limited regional promotion have all combined to depress the overall cargo situation. The waterway's geographic position has encouraged the low-cost movement of raw materials to industrial centers, and access to the ocean has assured a level of success, however, there is concern about government policies that raise costs and may create serious difficulties in the future.

The Great Lakes-St. Lawrence Region has been proclaimed the world's richest economic region, served by the world's most efficient trade route. The region's maritime interests have committed through this Declaration to address present and future challenges and to maintain the Great Lakes-St. Lawrence Maritime System's world class status.

