



RESOLUTION

Adopted June 9, 2022

Support for Short Sea Shipping on the Great Lakes-St. Lawrence Seaway System

Whereas, the concept of “short sea shipping” has been promoted by the federal governments of both the United States and Canada for its potential to relieve congestion on major surface transportation corridors by utilizing coastal and inland water routes for freight transportation; and

Whereas, the Great Lakes-St. Lawrence Seaway system is ideally suited for short sea shipping applications as it parallels surface corridors linking major North American mid-continent markets including, but not limited to, Montreal, Buffalo, Toronto, Chicago, Cleveland, Toledo, Hamilton, Detroit Green Bay and Milwaukee; and

Whereas, the Harbor Maintenance Tax (HMT), an ad valorem tax of .125 percent on the value of cargo carried by ship between any two U.S. ports, and cargo imported to the U.S. from other countries, represents a significant deterrent to short sea shipping ventures, particularly those involving high value, intermodal, containerized cargo; and

Whereas, the Great Lakes Navigation System currently supports a robust network of short sea shipping routes for dry and liquid bulk cargoes; and

Whereas, enabling more short sea shipping activity on the Great Lakes-St. Lawrence Seaway system is in the best economic interest of the party states and provinces of the Great Lakes Commission as a generator of more jobs and investment; and

Whereas, short sea shipping maximizes the advantages of maritime transportation over other modes, through lowered air emissions, greater fuel efficiency and safety standpoints; and

Whereas, an HMT exemption would facilitate more efficient trade between the United States and Canada — which currently represents the largest binational trade partnership in the world — by encouraging more cross-lake truck ferry operations, thus easing chronically bottlenecked surface border crossings such as Detroit-Windsor, Port Huron-Sarnia and Buffalo-Niagara; and

Whereas, the passenger, car and truck ferry *Badger* operating between Ludington, MI, and Manitowoc, WI, facilitates the movement of oversized loads and avoids Chicago’s congested roads and railways

Therefore, Be It Resolved, that the Great Lakes Commission encourages Congress to enable short sea shipping on the Great Lakes by providing an exemption to the HMT for non-bulk cargo transported between U.S. ports and between Canada and the United States in the Great Lakes-St. Lawrence Seaway system.

Adopted at the 2022 Semiannual Meeting of the Great Lakes Commission, June 7-9, 2022, held in Green Bay, Wisconsin. The resolution was passed unanimously.