

**STATEMENT OF DEAN R. HAEN,
DIRECTOR, BROWN COUNTY PORT & RESOURCE RECOVERY DEPARTMENT,
BEFORE THE
THE SENATE COMMERCE SUBCOMMITTEE ON OCEANS, FISHERIES, CLIMATE
CHANGE, AND MANUFACTURING
Friday March 1, 2024**

“The Importance of Great Lakes Icebreaking to the Regional Economy”

The following testimony provides support for expedited acquisition of a second heavy U.S. Coast Guard (USCG) icebreaker for the Great Lakes and the immediate recapitalization of the 140-foot USCG icebreaking tugs.

Good morning and thank you for the opportunity to testify before the U.S. Senate Committee on Commerce, Science, & Transportation Subcommittee on Oceans, Fisheries, Climate Change and Manufacturing. I appreciate the meeting being held in Green Bay.

The topic of “The Importance of Great Lakes Icebreaking to the Regional Economy” is of vital importance to me. I am Dean Haen, Port Director for the Port of Green Bay.

The Port of Green Bay is the western-most port of Lake Michigan offering the shortest, most direct route for shipments between the Midwest and the rest of the world. The Port provides modern, state-of-the-art facilities and advocates for port infrastructure and safe navigation to economically handle diverse cargo. Waterborne transportation is an efficient and environmentally friendly mode of transportation.

The Port of Green Bay is a fundamental part of our regional economy, our history and our lives. It plays an important role in the transportation of goods and commodities that are critical to the economic health of the region. The Port of Green Bay receives and/or sends commodities as far south as Sheboygan, Wisconsin, west to Wausau, Wisconsin and north into the Upper Peninsula of Michigan.

Commodities typically include limestone, cement, salt, coal, forest products, petroleum products (diesel, gasoline and ethanol), liquid asphalt, gypsum, ash, slag, aluminum components, project cargo and other essential commodities annually valued at over \$300 million. Eight (8) terminal operators handle dry bulk commodities such as coal, cement, limestone, salt, gypsum, ash and others. Four (4) terminal operators handle bulk liquids including tallow, petroleum products, chemicals and liquid asphalt. Three (3) general cargo docks are capable of handling machinery, aluminum components, bagged agricultural commodities, wood pulp and other forest products.

The Port of Green Bay plays a vital role in providing Northeast Wisconsin with a natural competitive advantage for businesses to locate and prosper while paying good wages for families

to live and thrive in our communities. The Port's economic impact illustrates the profound role the Port plays in our region and its value to both current and future businesses. It includes the direct jobs of dockworkers and ship crew members to the indirect jobs that are generated, such as equipment supplier jobs and jobs at office supply firms. Those who are directly employed use their wages, in part, to purchase goods and services in our community. In addition, businesses' revenue is also used to hire people, purchase goods and services and pay taxes, all adding up to make a significant contribution to our regional economy.

The Port of Green Bay has a 13-mile outer channel leading to the Fox River, where 14 Port businesses span more than three miles upriver. **The recently concluded 2023 shipping season saw 1,782,887 metric tons of cargo.** A total of 170 vessels moved through the Port of Green Bay this past shipping season.

Economic activity generated by the Port of Green Bay during 2022 reached \$217.3 million, an increase of \$70 million since 2017, according to an economic impact study released in 2023. The report also points to 1,620 Wisconsin jobs supported by the Port of Green Bay, an increase of 331 jobs over the 2017 total. Direct personal income paid during 2022 reached \$41.7 million. When combined with induced and indirect income the impact exceeded \$142 million. This demonstrates high, family-supporting wages. Port activities also resulted in \$38 million in local, state and federal taxes which support essential services like police, fire, transportation and education.

Tier 2 Designation

As Port Director for many years, I've watched as the Port has changed significantly over time. Back in 2006, the Port saw 2.55 million metric tons (mt) of coal. As the use of natural gas has steadily increased, coal tonnage has steadily declined to a historic low of just over 100,000 mt in 2023. Year-over-year coal tonnage is decreasing at 40%/year. The Port's past efforts to advocate for more diverse cargo movements and its adaptability have proven valuable and necessary.

With the closure of the Westshore pipeline, petroleum products delivery by vessel continues to grow year after year. Petroleum products are the life blood of the economy, and marine transportation moves this cargo inexpensively into our region. Domestic imports of petroleum products have increased 81% and domestic exports have increased 34%, along with a return to the foreign export of petroleum products. Early and late ice breaking is critical to the movement of these petroleum products. **The Port of Green Bay is not looking for a year round shipping season but rather sufficient USCG icebreaking assets available to move cargo during the early ice conditions before needing to shut down due to significant ice conditions and recreational use(s) of the bay.**

The bay is one of the most heavily iced places on the Great Lakes. The Port of Green Bay

recognizes the recreational users of the bay during heavy ice conditions and is not looking for year-round service. Rather when recreational ice users are unable to use the mid bay ice, the port should stay open with ice breaker assistance to bring in these commodities when weather allows. For the record, I am an avid ice fisherman and know the Bay of Green Bay well and respect all users of the waters of the Great Lakes

According to USCG District Nine, Green Bay is a Tier 2 waterway. That means our port is a lower priority than other waterways for federal icebreaking. The USCG has and continues to provide ice breaking early and late in our seasons but only after the Soo Locks area is cleared of ice. A Tier 1 waterway designation at Green Bay would ensure USCG has assets available as needed to aid commercial navigation and would also mean delays due to ice would be measured and reported to Congress. Green Bay currently has two (2) terminal operators, Holcim and U.S. Venture, that depend on USCG ice breaking assets to keep commerce flowing. Both have expressed concern about USCG ice breaking capacity and availability to improve the movement of commerce in Green Bay.

Ice Breaker Investment

As mentioned earlier, the Port of Green Bay is a vital part of our regional economy and plays a key role in the transportation of goods and commodities that are critical to the economic health of the region. Opportunities for growth, whether using an existing port facility or developing a new property, makes the port an attractive option for businesses but requires a healthy and dependable Great Lakes Navigation System (GLNS) even during the winter months.

Ports around the Great Lakes continue to compete for cargo, including containerized cargo, which relieves pressure from congested East and West Coast ports bringing goods further into the U.S. and removing trucks and trains from the tightening surface transportation nodes and out of residential communities. It is critical that we as a nation invest in the infrastructure that is needed to support efficient and reliable waterborne transportation, especially here in Wisconsin.

Wisconsin businesses rely on Great Lakes shipping. USCG icebreakers are crucial national assets that support the movement of ships here on the Great Lakes during the winter months. They are particularly important to Green Bay and not just the port but the entire bay where vessels transit daily between March and January.

Unfortunately, our port and the entire Bay of Green Bay is not afforded a priority status for icebreaking by the USCG in the Great Lakes. Unlike harbors on the East Coast like Portland, Maine who the USCG treats with the highest levels of icebreaking service, Green Bay is not considered a top priority despite the fact that critical petroleum products move into our port regularly.

As a member of the Great Lakes Maritime Task Force which represents nearly 80 organizations including port authorities, shipboard and shoreside labor, shipyards and terminal operators, we have sent numerous letters documenting the issue with the USCG's inadequate icebreaking fleet and begging for funding to build another heavy icebreaker.

Nearly every year the USCG's only heavy icebreaker is required in Green Bay in order to free the vessels that depart the shipyard in Sturgeon Bay, Wisconsin to begin the monumental task of restocking raw materials at facilities around the Great Lakes. The smaller 140-foot icebreaking tugs are often unable to break the thick lake ice that forms in Green Bay, which makes the MACKINAW a single point of failure at the start and end of our shipping season.

That translates into a very risky business for ports and facilities around the Great Lakes. If shippers are not confident in a reliable maritime transportation system during the early and late winter months they will withdraw from the business and look elsewhere which would cripple Wisconsin exports and imports.

Conclusion

I applaud your commitment to the Great Lakes, the U.S. shipping industry and the USCG. I respectfully ask that the committee continue to work with the USCG to expedite the construction timeline for the new heavy Great Lakes icebreaker. If we have to wait ten years for a solution, we will miss new opportunities, and American jobs and the economy will pay the price. I am hopeful that USCG District Nine considers Great Lakes ports as important as ports in the Northeast and will afford us the same level of service.