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June 14, 2019

The Honorable Nita Lowey Chairwoman Committee on Appropriations U.S. House of Representatives Washington, DC 20510

The Honorable Kay Granger Ranking Member Committee on Appropriations U.S. House of Representatives Washington, D.C. 20510 The Honorable Richard Shelby Chairman Committee on Appropriations U.S. Senate Washington, DC 20515

The Honorable Patrick Leahy Ranking Member Committee on Appropriations 2084 Rayburn House Office Building Washington, DC 20515

Dear Chairwoman Lowey, Chairman Shelby, and Ranking Members Granger & Leahy:

The Council of Great Lakes Governors calls on the Congress to fully fund the construction of a new Soo Lock at Sault Ste. Marie, Michigan. As you know, Congress authorized this project in 1986 and reauthorized it in 2018. President Trump has stated his support for construction of a new Soo Lock and included \$75.3 million in his Fiscal Year 2020 Budget Request.

The Soo Locks at Sault Ste. Marie, Michigan, are a vital component of the nation's infrastructure. They are essential to the movement of raw materials used by steel producers, automakers, and other manufacturers in the Great Lakes region and beyond. While there are currently two operational locks – the Poe and MacArthur – 89% of all traffic is restricted to using the Poe Lock because of vessel size. This reliance on a single lock jeopardizes the movement of iron ore and other vital raw materials throughout the Great Lakes.

The Poe Lock was constructed in 1968. The 2007 Water Resources Development Act directed the U.S. Army Corps of Engineers (USACE) to build a new Poesized lock at full federal expense. In 2018, construction of a new lock was reauthorized at full federal expense after USACE benefit-cost analysis favorably rated this project.

A 2015 report by the Department of Homeland Security (DHS) found that the Soo Locks "are the Achilles' heel of the North American industrial economy." A six-month unplanned closure at the Soo Locks would devastate production of integrated steel, automobiles, and other heavy equipment throughout North America, and would decrease U.S. gross domestic product by \$1.3 trillion,

<sup>&</sup>lt;sup>1</sup> http://www.greatlakesports.org/wp-content/uploads/2016/03/OCIA-The-Perils-of-Efficiency-An-Analysis-of-an-Unexpected-Closure-of-the-Poe-Lock-and-Its-Impact.pdf

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thereby driving the American economy into recession. While the economic impact would be most severe in the Great Lakes states, especially Indiana, Michigan, and Ohio, an unplanned closure of the Soo Locks would ripple across national supply chains. DHS estimated that the unemployment rate would double or triple in Alabama, Kentucky, and Tennessee as the flow of iron and steel came to a halt. Overall, the U.S. would lose more than 11 million jobs. The Soo Locks are the single point of failure that could cripple Great Lakes shipping and the North American economy.

The Great Lakes St. Lawrence region is home to approximately 100 million people and 20 percent of the world's surface freshwater. It is an economic powerhouse with a \$6 trillion economy. Maritime transportation is a backbone of the region's economy, and the Soo Locks are critically important to continued prosperity. A new lock will be an important component of the region's transportation system, furthering the Great Lakes Navigation System's benefits in reducing fuel-related emissions and regional traffic congestion. As Governors, the economic security of our states is of paramount concern. The Great Lakes St. Lawrence region and the entire nation rely on the manufacturing industry for economic success and growth. Any incident that impacts the Soo Locks could have a devastating impact on a critical economic engine for the United States, as well as curtailing any growth in the manufacturing sector.

We strongly support a Fiscal Year 2020 investment equal to the \$75.3 million included in President Trump's budget request. Paired with the remaining funds from the State of Michigan's recent contribution of \$52 million to construct a new lock, the USACE would receive the \$89.7 million needed in FY20 to award an upstream approach walls construction contract and continue the new lock chamber design. In future years, continuing to fully fund the Soo Locks project will help to ensure the viability of vital industries and protect the livelihood of all Americans. We look forward to our continued partnership to create jobs and expand economic opportunity throughout the Great Lakes St. Lawrence region and the Nation.

Sincerely.

Tony Evers

Chair, Council of Great Lakes Governors

Governor of Wisconsin

Mike DeWine

Vice Chair, Council of Great Lakes Governors

Governor of Ohio

Tim Walz

Governor of Minnesota

Gretchen Whitmer Governor of Michigan COUNCIL OF GREAT LAKES GOVERNORS Soo Lock Letter June 14, 2019

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Eric Holcomb Governor of Indiana JB Pritzker

Governor of Illinois

Tom Wolf
Governor of Pennsylvania

CC: The Honorable Nancy Pelosi, Speaker of the House
The Honorable Mitch McConnell, Senate Majority Leader
The Honorable Steny Hoyer, House Majority Leader
The Honorable Charles Schumer, Senate Minority Leader
The Honorable Marcy Kaptur, Chairman, House Appropriations Subcommittee on
Energy and Water Development
The Honorable Lamar Alexander, Chairman, Senate Appropriations Subcommittee on
Energy and Water Development
The Honorable Mike Simpson, Ranking Member, House Appropriations Subcommittee
on Energy and Water Development
The Honorable Dianne Feinstein, Ranking Member, Senate Appropriations
Subcommittee on Energy and Water Development