

Great Lakes Shipping Ballast Water Regulation Update

Maritime Law Association

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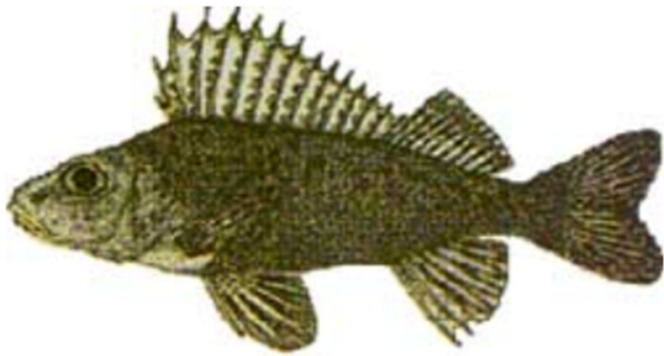
Subcommittee on the Great Lakes

Tom Baker

The Problem

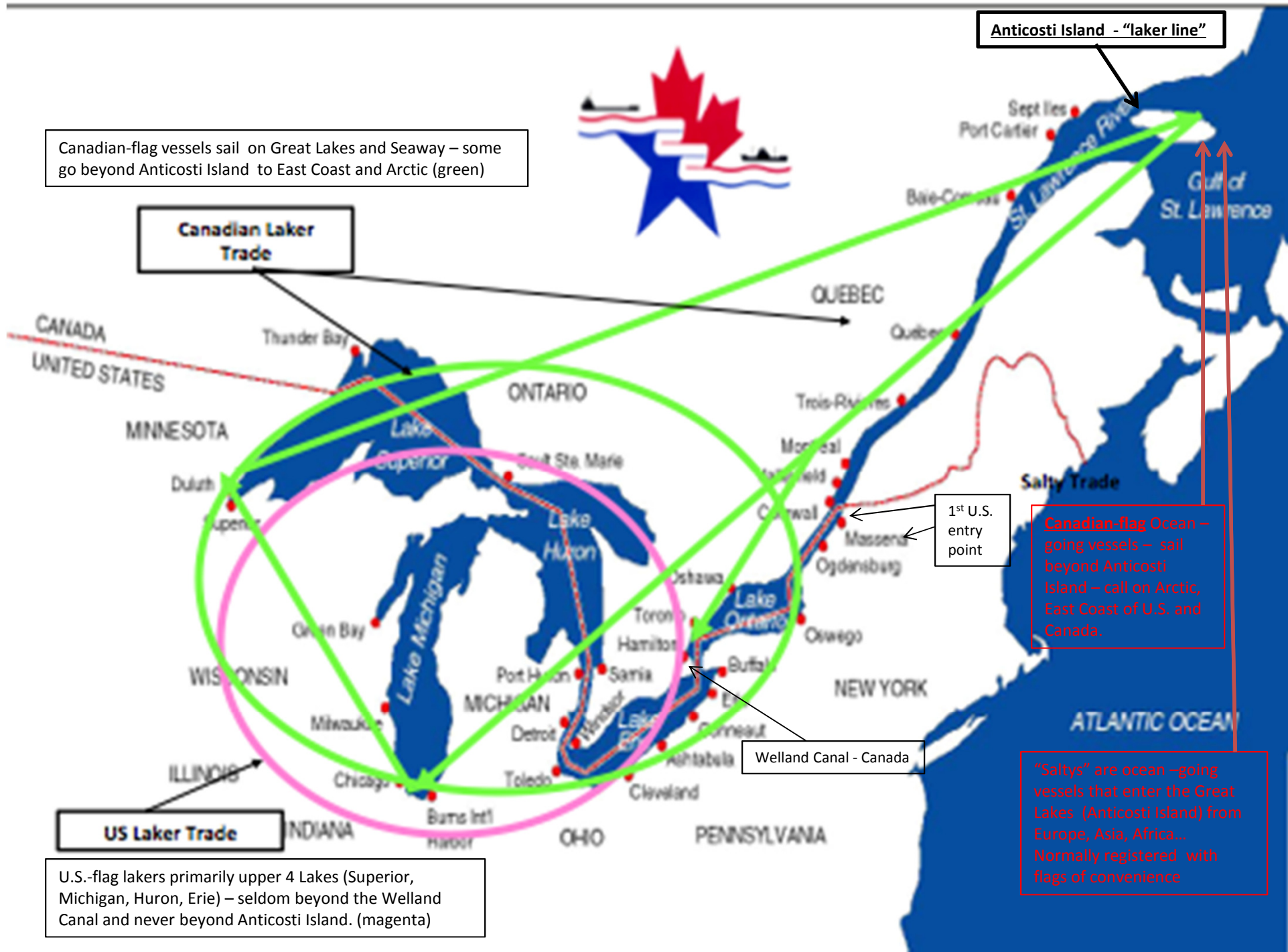
- “Invasive species” -- plants or animals that are non-native (or alien) to an ecosystem, and that can cause economic, human health, or environmental damage to ecosystem. Once established, difficult to control their spread.
- According to the EPA, 30% of invasive species have been introduced in the Great Lakes through ballast water – vessels in international trade discharging waters containing non-native invasive species.
- Example is **zebra mussels**. Introduced to Lake St. Clair in 1988, and quickly spread throughout Great Lakes and into many inland lakes, rivers, and canals. Led to problems at power plants and municipal water supplies -- clogging intake screens, pipes, and cooling systems. And have also nearly eliminated the native clam population in the Great Lakes ecosystem.

The Culprits



Current Ballast Water Framework for “Lakers” in US

- IMO’s *International Convention for the Control and Management of Ships’ Ballast Water and Sediments (the “Convention”)* -- February 2004.
- Convention imposes extensive ballast regulations – Limits the number of potentially invasive organisms discharged.
- United States is NOT a signatory. Canada is.
- Expressly decided by US Coast Guard and EPA that ballast water regulations do not apply to Lakers. No need to treat ballast water.
- Why not? (1) Not ecologically necessary (GL is a single ecosystem), (2) technology does not currently exist that would allow Lakers to comply with IMO standards.



Canadian-flag vessels sail on Great Lakes and Seaway – some go beyond Anticosti Island to East Coast and Arctic (green)

Canadian Laker Trade

US Laker Trade

U.S.-flag lakers primarily upper 4 Lakes (Superior, Michigan, Huron, Erie) – seldom beyond the Welland Canal and never beyond Anticosti Island. (magenta)

1st U.S. entry point

Welland Canal - Canada

Canadian-flag Ocean-going vessels – sail beyond Anticosti Island – call on Arctic, East Coast of U.S. and Canada.

"Salties" are ocean-going vessels that enter the Great Lakes (Anticosti Island) from Europe, Asia, Africa... Normally registered with flags of convenience

Problem of Bi-National Trade Route Regulation

Proposed Transport Canada Legislation

- In October 2012, Canada proposed implementation of the IMO Convention by way of amendment to its ballast water regulations.
- If the IMO Convention becomes law, Canada's proposed regulatory approach would apply to U.S. vessels transiting Canadian waters and would supersede U.S. ballast water rules.
- Would require U.S.-flagged "Lakers" to install costly ballast treatment systems, develop ballast treatment plans, carry ballast Convention certificates, and otherwise meet performance standards of the Convention.
- And additional regulations that are more stringent than the Convention.
- Extensions of the enforcement date are essentially unattainable – require a robust scientific assessment to justify.

The Impact – Why this Matters to Great Lakes Shipping

- U.S. Industry: 17 American companies operating 57 vessels, transporting more than 115 million tons of dry-bulk cargo/year, supporting more than 103,000 jobs in the Great Lakes with an economic impact of more than \$20 billion.

(Source: Lake Carriers Association.)

- Iron ore, coal and limestone are primary cargos.
- Would require US Lakers to meet standards the U.S. government has deemed impossible to meet.
- Cost estimates -- \$300-500MM.
- Impact of reduction in threat in aquatic invasive species is unproven (“spread” vs. “introduction”).
- When? IMO Convention is likely to be ratified in May. (Ratification threshold is 30 countries, 35% global shipping tonnage). Implementation begins 12 months later.

Questions?

Tom Baker
Tucker Ellis LLP
(216) 696-2141
tbaker@tuckerellis.com