

**Testimony of Thomas J. Winston, President & CEO  
Toledo-Lucas County Port Authority  
before the  
House Committee on Appropriations  
Energy and Water Development and Related Agencies Subcommittee**

**3/11/2021**

Chairwoman Kaptur, Ranking Member Simpson, and esteemed members of the Subcommittee— Thank you for the opportunity to testify today regarding the critical importance of investing in the nation’s port infrastructure. My name is Thomas Winston, and I am the President & CEO of the Toledo-Lucas County Port Authority.

Today I would like to provide a brief overview of our organization, provide some examples - regarding how investments in the Great Lakes St. Lawrence Seaway System and specifically in the Port of Toledo have cultivated economic development and job creation, and share some thoughts on some challenges and opportunities we face moving forward.

There is a saying in our industry that once you have seen a port, you’ve seen a port. All ports are organized differently, and the Toledo-Lucas County Port Authority is one of the most diverse and sophisticated Port Authorities in the country. We were founded in 1955 as the first port authority in the State of Ohio in conjunction with the beginning of construction of the St. Lawrence Seaway. Since then, our organization has significantly evolved to truly become more than a port.

The Port Authority is an engine for economic development in the Great Lakes Region using broad based powers from the State of Ohio including the ability to construct facilities, issue bonds, make loans, and sell or buy property. The Port continues to evolve and take on more economic development responsibilities while addressing the needs of our community. Some of our current responsibilities include:

- Managing the operation of Toledo Express Airport and Toledo Executive Airports for the City of Toledo since 1973.
- Owning and managing Toledo's Dr. Martin Luther King Jr. Amtrak and Greyhound station
- Owning and managing downtown Toledo's parking system
- Ownership of several office buildings in downtown Toledo including One Government Center
- Administering Foreign Trade Zone #8 since 1960 and facilitating brownfield development on contaminated industrial sites.
- Administering various financing programs including the Northwest Ohio Bond Fund, and PACE Energy financing programs that have facilitated over 575 economic development projects representing a total investment of more than \$2B while helping to create and retain 19,000 jobs.

For the purposes of this discussion, I'd like to shift focus back to the Toledo Seaport, one of the largest and most cargo diverse seaports on the U.S. Great Lakes System. Each year the Port of Toledo handles between 8-12 million tons of cargo on 400-800 vessels that call upon our 16 marine terminals and full-service Shipyard.

Toledo is an important part of the bi-national Great Lakes St. Lawrence Seaway System that in total supports over 237,000 jobs in the US and Canada while generating \$35 Billion in economic activity. The U.S. ports on the Great Lakes serve a critical role in moving raw materials, grains, and other products throughout the interior of the nation in a manner that is economical and has a lesser environmental impact than other modes of transportation. The U.S. and Canadian ports in the system do not view one another as competitors but instead as trading partners in a supply chain network that has served the nation well for generations.

Unfortunately, many Great Lakes port facilities were constructed in the 1950s and 1960s and need investment to modernize and remain competitive. Our Great Lakes ports are in fact reinvesting in themselves with the assistance of local, state, and federal programs. Although it is funded by another subcommittee, I'd like to highlight the importance of continued funding for the U.S. Maritime Administration's Port Infrastructure Development Grant Program. Only three years old, this program is the only federal grant program specifically for port infrastructure improvements.

The U.S. Army Corps of Engineers plays a key role in the Great Lakes St. Lawrence Seaway System by keeping the ports within the system connected, safe to navigate, and resilient. The Corps maintains our marine highway by dredging shipping channels, constructing, and maintaining breakwaters and confined disposal facilities for dredged material, and taking on massive construction projects such as the new Soo Lock in Northern Michigan where approximately 80 million tons of commercial commodities pass through annually.

We rely on the U.S. Congress to appropriate sufficient funding so the Corps can continue to keep the entire Great Lakes navigation system open for business. I want to commend the committee for its efforts in recent years to expand appropriations for the Corps' operation and maintenance activities. These funds are desperately needed. Currently, the Great Lakes Navigation System suffers from a \$920 million maintenance backlog. This backlog includes \$375 million to dredge Great Lakes harbors and connecting channels to authorized dimensions; \$320 million in breakwater and jetty repairs; and \$225 million of maintenance work for the existing Soo Locks.

As I mentioned, the Corps is currently constructing a new navigation lock on the St. Marys River in northern Michigan. It is critically important that Congress maintain efficient annual funding to keep the Soo Lock project on schedule and to avoid costly delays. In FY2022, the project will need \$229.1 million in the Corps' construction account. An additional \$37.3 million is needed from the construction account to upgrade a pump well that will serve both the existing locks and new lock.

At the Port of Toledo, we rely on the Army Corps of Engineers to dredge and maintain Toledo Harbor which has a greater dredging need than any U.S. Great Lakes port. Each year the Corps dredges between 400,000 to 1.2 million cubic yards of material from the Maumee River and Maumee Bay in the shallow western basin of Lake Erie. The area was once the Great Black Swamp and is naturally shallow. The U.S. government derives a return on the annual

investment to dredge Toledo Harbor in the form of the more than 7,000 jobs which are associated with the Port operations. In addition, \$375M in direct business revenue is generated each year and used to hire people, purchase goods, and pay taxes. \$50.3 million is generated annually in state taxes and \$129.5 million in federal taxes.

Many companies throughout Ohio, Michigan and Indiana depend on the maritime capabilities of the Port of Toledo. Some examples include ADM Grain and The Andersons who export soybeans and corn via the Seaway and also handle wheat and fertilizer. Kuhlman and Hansen Mueller bring in oats and other bulk materials. Mondelez operates the largest flour mill in North America at the Port of Toledo. CSX exports coal and imports iron ore for AK Steel in Middletown, Ohio. Shelly Liquids and Seneca use the port to handle liquid asphalt used for road construction. Arms, MidAmerican Salt, and Detroit Salt all operate terminals to bring in salt for winter road treatment. Toledo's BP refinery uses the Port to move liquids for fuel manufacturing. St. Marys and LaFarge have marine terminals to bring cement for regional construction projects. At our general cargo dock Midwest Terminals imports pig iron for North Star Steel, steel coils and aluminum for automobile and appliance manufacturing, and a variety of bulk materials and project cargo too heavy and large to move great distances over the road. The list goes on and on.

Without annual maintenance dredging, the Port of Toledo would silt-in and vessels would not be able to safely access Toledo's marine terminals, having a devastating impact on the US Steel industry, agricultural exports, power generation and many other aspects of the regional and national economy.

In Toledo, multi-modal transportation connectivity has long served as the backbone for economic development in the region. In 2008 a former Chevron refining site along the Maumee River was acquired by the Port Authority so the Port could expand and gain access to Norfolk Southern Railroad. The site offered access to the shipping channel and over 100 acres of land to support future development.

Using private investment dollars and with assistance from various local, state, and federal programs, the Port Authority converted the former brownfield refining site into an active marine terminal by 2014. Because of those investments, in 2017, Cleveland Cliffs announced that they would construct a new \$850M hot briquetted iron production facility at this site using the latest technology to supply their new HBI product to steel mills in the Great Lakes region. The HBI operation is dependent on receiving over 100 vessel loads of iron ore from Minnesota annually totaling over 2 million tons. The vessels will bring the ore to Toledo from the Minnesota iron range through the Soo Locks that we spoke about previously and through navigation channels dredged by the Army Corps each year. Without the maritime connectivity facilitated by the Corps, the project would not be located at the Port of Toledo.

Our Port Authority and the Army Corps have a longstanding partnership and work closely together with other agencies such as the Ohio EPA and Ohio Department of Natural Resources to ensure that dredging is done annually and so that there is a plan for what to do with the massive amounts of material after it is dredged which can be a real challenge. The State of Ohio has banned the practice of open lake placement for dredged material in all of Ohio's harbors. For the first time in decades, in the fall of 2020, all the material dredged from Toledo Harbor was placed upland into the Port's confined disposal facility instead of in the open waters of Lake Erie. This effort required a multi-million-dollar investment by the State of Ohio to assist the Port in making capacity improvements to the confined disposal facility to accommodate the material. The 2020 effort was closely coordinated with the Corps and the Corps' dredging contractors. We have capacity for approximately 10 more years of material into the CDF in Toledo before it reaches capacity. The Port, Corps and other agencies continue to explore beneficial uses for the material. We need to shift the mindset and begin thinking of it as more of a resource than a waste product.

The Port is involved in several research initiatives cooperating with multiple universities at Toledo's Dredge Center of Innovation, where we are studying how well crops can grow in

dredged material and what engineered soils can be produced with Toledo's dredged material. It is our hope that we can one day return the dredged material to the agricultural fields from which it originates as well as make marketable products and use the material for wetland construction and in other landscaping applications. We view these and other beneficial uses as opportunities. There are however regulatory barriers that the Army Corps and State of Ohio will need to address so that more beneficial reuses for this material are permissible. Currently, to use material dredged from the Federal Channel in certain beneficial use applications, the Corps would require individual project permits consisting of a full NEPA analysis and other components that are costly, slow moving, and burdensome. The end user will always find alternative material rather than going through this permitting process to utilize dredged material. We are hopeful that the State of Ohio and the Army Corps can streamline and coordinate permitting for beneficial use projects moving forward so that we can one day harvest material from the CDF for beneficial uses to make more space and extend the life of the facility beyond 10 years.

Thank you for the opportunity to share this information with the Committee and we are happy to answer any questions you may have now or in the future.