

# Soo Replacement Lock Project

*The citizens of Northwest Wisconsin request that the Legislature:*

- **Formally commit and allocate funding Wisconsin's share toward the Soo Replacement Lock Project, as all Great Lakes States are being asked to do.**

## **Background:**

Since 1855, the Soo Locks have provided an indispensable shipping link between Northern Wisconsin, the Great Lakes St. Lawrence Seaway System and the rest of the world. The Soo Locks, located in Sault Ste. Marie, Michigan, consist of four separate locks that raise and lower ships by 21 feet, providing the only connection between Lake Superior and Lake Huron. Of these four locks, only one, the Poe Lock, can accommodate 1,000+ Ft. cargo vessels. Of the three remaining locks, one, the Davis Lock is out-of-date and rarely used; another, the Sabin Lock is closed all together.

The U.S. Army Corps of Engineers is planning to replace the smaller and antiquated Davis and Sabin Locks with one newer, larger lock similar to the Poe Lock. The Water Resources Development Act (WRDA) of 1986 authorized construction of this new lock that would provide an important backup for the existing Poe Lock. This critical project's total estimated cost is \$225 million, of which the total non-federal cost share (funding that must come from the Great Lakes states) is \$54.8 million. The Great Lakes Commission (GLC) has acted as the 'lead organization' to maintain a regional position on funding and to develop an equitable payment format for the project's non-federal cost share. The amount that each Great Lake State is being asked to contribute depends upon each state's origin/destination tonnage shipped through the Soo Locks. It is anticipated that Wisconsin will be responsible for approximately 11% of the non-federal share, roughly \$5.8 million.

Congress and the Great Lakes Commission have worked diligently to reduce the non-federal cost share of constructing the back-up lock by extending the state's payback periods to 50 years and waiving the interest charges. Two interest-free payment formulas exist for Wisconsin to pay its anticipated \$5.8 million share:

- 50 annual interest-free \$117,000 payments
- A one-time *present worth* payment of \$2.15 million that would accrue to \$5.8 million over 50 years, assuming a 5% interest accrual rate.

To date, four of the eight Great Lakes states (Michigan, Illinois, Pennsylvania and Indiana) have committed and provided their respective allotments. The Great Lakes Commission has presented to Wisconsin equitable and resourceful funding options that make this regionally significant project a very sensible and sound endeavor.

## **Reason for Request:**

The significance of this venture is made even more evident by a few noteworthy statistics:

- During the 2000 navigation season 85 million net tons of cargo transited the Soo Locks.
- Of those 85 million net tons, 67 million traveled through the Poe Lock. Most of that cargo has an origin or destination at the Duluth-Superior port.
- Thousand foot long '*Poe-Class*' vessels represent 70% of the US-Flag capacity on the Great Lakes. Annually the Duluth-Superior port has 1,100 vessel calls, equating to nearly 40 million metric tons of cargo moved through the port each year. Of these 1,100 port calls, over 400 are made by the 1,000+ Ft. '*Poe-Class*' vessels.

To put it in context, a thousand-footer carries approximately 60,000 tons, or more than 1,700 semi-truck loads of cargo. Further, the Duluth-Superior Port has a \$200 million annual regional economic impact, with 2000 jobs dependent upon the port. One can only imagine the regional, environmental, and economic consequences if the existing Poe Lock were decommissioned for any number of possible reasons.

Governor Jim Doyle has included Wisconsin's share of the funding for the new lock in his budget recommendation. The following organizations have passed resolutions in support of Wisconsin's investment in a new lock: City of Superior, Douglas County, The Development Association, Wisconsin Commercial Ports Association and Wisconsin Economic Development Association. We urge your formal support and commitment to this project.

**For Further Information Contact:**

**Andy Lisak**

Executive Director – The Development Association

(715) 392-4749

[lisaka@developmentassociation.com](mailto:lisaka@developmentassociation.com)