



HOLT: New York threatens to ballast Indiana exports

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VOICES FROM THE INDUSTRY
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It's no secret that Indiana's unmatched interstate access and extensive rail network have earned the state a reputation as the Crossroads of America, but Indiana's waterborne shipping industry also plays a vital role in the state's position as a logistics powerhouse.

Indiana ranks 15th nationally in terms of foreign and domestic waterborne shipping, with key ports on the Ohio River and Great Lakes.

However, recently adopted regulations in New York governing the discharge of ballast water—the water cargo ships take on to maintain stability when not fully loaded—threatens to cut off one of Indiana's key gateways, the Saint Lawrence Seaway.

In 2004, the International Maritime Organization (IMO), the maritime arm of the United Nations that coordinates international shipping policy, crafted an international treaty calling for ballast treatment technology on all vessels operating throughout the world. The world's shipping industry supports these requirements.

Because Congress failed to enact domestic legislation implementing the IMO agreement, every Great Lakes state, including Indiana, was left to adopt its own ballast water discharge regulations. Indiana, and the other Great Lakes states, adopted regulations mirroring the IMO requirements.

The new regulations passed by the New York Department of Environmental Conservation (NYDEC) require that by Jan. 1, 2013, all vessels operating in New York waters must clean and treat ballast water to a standard 100 times greater than those established by the IMO—meaning discharged ballast water would be cleaner than the tap water in the average American home.

Since cost-effective technology does not exist to meet New York's proposed standards, the regulations will result in an effective blockade of Indiana's Great Lakes ports—a major economic hit considering waterborne shipping along Indiana's Lake Michigan shoreline contributes \$14 billion per year in economic activity to the state economy and more than 104,000 jobs.

Despite the fact that Hoosier leaders had no say in these regulations, they will have a profound impact on the state's commerce. The Saint Lawrence Seaway, which would fall under New York's regulations, facilitates half of all shipping activity to and from the Great Lakes. The Port of Indiana-Burns Harbor handles more ocean-going cargo than any other U.S. Great Lakes port.

Ships entering the Great Lakes from overseas already comply with the most aggressive ballast water management requirements in the world, so New York's onerous and costly regulations are unjustified.

Under federal law, every ocean-going vessel must exchange its ballast water while at sea. This practice physically flushes organisms from the ships' ballast tanks, and the salinity of ocean water kills many organisms.

Clearly, this is an important issue to Indiana and its logistics industry. The Great Lakes maritime industry supports further protections against the spread of invasive species, including new regulations being developed by the U.S. Coast Guard that will require ocean-going vessel owners to install technology to clean ballast water to standards established by the IMO. These regulations are achievable.

This is an issue that has a wide impact on a lot of states. Conexus wants Indiana to continue to strengthen its position as a logistics leader and have the foresight to make sure we protect and further all avenues for continued growth. •

Holt is vice president of operations and business development for Conexus Indiana, a not-for-profit promoting advanced manufacturing and logistics. Views expressed here are the writer's.