

James Weakley

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SPEAKERS

Announcer, Ed Clemente, James Weakley

A Announcer 00:01
Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.

E Ed Clemente 00:28
Hello, I'm your host today, Ed Clemente. And we have a unique guest today. Jim Weakley, President Lakes Carriers Association. Welcome to the show, Jim.

J James Weakley 00:38
Thanks for having me Ed.

E Ed Clemente 00:39
You know what I'm calling you, Jim. But it says James. [I go by Jim.] Okay, good. Good. And I know we've done a pre-call before but I think you have a really fascinating background and what you do. But before we get to you a little bit, people might not roll off the tongue what the Lake Carriers Association is, so if you met somebody brand new, didn't know anything about you guys, what would you tell them you do?

J James Weakley 01:04
So the Lake Carriers Association is actually the oldest trade association in the United States.

We've been around since the 1880s. We represent US flagships on the Great Lakes. And I always say we're the pilot light for North American manufacturing. We move limestone, we move iron ore, we move coal, we move sand, we move bulk products. And that's what makes the lights go on. And what makes manufacturing in the Great Lakes States as great as it is.

E Ed Clemente 01:33

And I would imagine, just as a side note, with all the infrastructure activity, a lot of that couldn't take place without you guys, right?

J James Weakley 01:39

That's exactly correct. And car construction stone numbers are up, our iron ore numbers are up. So you know, we we are with the rest of the economy, we took a hit during the COVID. But we've bounced back we're really resilient industry, and things are looking good with the infrastructure. I think we're going to see more more cargo moving on the Great Lakes, it's a good it's a good sign for the Great Lakes region, and it's a good sign for the Great Lakes Carriers Association.

E Ed Clemente 02:08

And you came to me by a unique, I knew about you a little bit when I was in the legislature, but Marty Fittante, who does Invest UP is the one that said you'd be a good interview. Because you really work a lot, I think with the UP, I think three lakes touching that right?

J James Weakley 02:24

I do. I love the Soo. I'm intimately involved with the Valley Camp, the museum ship there at Sault Sainte Marie and have I spend so much time at the Soo Locks. And the Army Corps actually has my own hard hat that they keep for me in the closet.

E Ed Clemente 02:41

Well, we're going to talk some more about the Soo a little bit further down. And but I'd like, you're interesting, and I you know, people are surprised that you know, you're actually based in Cleveland, right?

J James Weakley 02:53

Correct. So it goes back to literally the 1880s when Cleveland was kind of the epicenter of the owners of the mining companies, Cleveland Cliffs, Pickands Mather, and the Shipping Company. So it makes sense for Cleveland to be the home of the Lake Carriers Association. There's a good argument now that really Michigan is the epicenter of Great Lakes shipping, but we just haven't made the move up to the state up north.

E

Ed Clemente 03:18

Yeah, I would maybe make that argument but I'm biased. The other thing too, is that your path your was not, well, maybe it's traditional for your field, but you were in Coast Guard, but why don't you mention a little bit where you started and how you got to this job?

J

James Weakley 03:35

Sure, so, I'm an Army brat. My dad's family's from California. My mom's family's from Wyandotte, Michigan. So I actually remember as a kid, fishing off the ore docks there and watching the lake freighters go by. So never in my wildest dreams did I think I'd end up in the in the industry. Although my grandfather actually was a coal passer, you know, back in the 30s, in the 40s on a lake freighter. I went to the Coast Guard Academy, and I graduated, went to see for a couple years on the West Coast. The Coast Guard sent me to Cleveland in 1989. And I just never left I had a good a job opportunity within Lake Steamship, one of the member companies, I worked for them for several years and the I got recalled after 9/11 I did a year of active duty and my predecessor at Lake Carriers was retiring just as why one year active duty recall post-9/11 was coming up. So you know, I was fortunate I had coastguard experience, I had industry experience and I had recent maritime security experience. So right place, right time with the right resume and you know, I'm truly grateful to have this job.

E

Ed Clemente 04:46

Why don't you, you and I talked about this a little bit before but you actually had pretty extensive experience with the 9/11 situation, didn't you?

J

James Weakley 04:54

I did. So I was I got off active duty at the nine year mark. So I stayed in the Coast Guard reserves for another 13 years. So I was a Drilling Reservist at the Ninth District Command Center in Cleveland, and 9/11 hit and 9/12, the very next day I was put on notice that I'm subject to recall 9/14 You know, I'm back on active duty recalled for a year, or up to a year is with the order said. And, you know, I think everybody after 9/11 wanting to do their part, and I was fortunate, I was able to do something, I felt I was able to make a difference. So what I did is I stood up the Coast Guard's Crisis Action Center, and we dealt with Coast Guard 9/11 issues, because everybody was remember, we were waiting for the second attack. And then my focus was maritime. So you know, once we got things stabilized, I stood up the Marine Safety, or the Marine Security Division of the Marine Safety Department. And we started tracking ships and started risks and managing incidents. And, you know, like I said, a year later, I was released, because things had calmed down, and they decided that it was time to let me go back to the the civilian job. And I was, I really did feel like I made a difference. And I was, I was glad to do it. A lot of other people did more than I did. I was just glad to do my part.

E

Ed Clemente 06:19

Ed Clemente 07:10

Well, you know, it's funny I, at that time, I was President of the Chamber of Commerce for Downriver where your family came from. And we had to coordinate with the Chamber with the Coast Guard, that they had to patrol part of their own waterfront because a lot of its international border, you know, with Canada. And I remember doing these meetings with the Coast Guard, so I know you guys were very active after 9-11 Because they approached us to help coordinate all the businesses because there's such huge property owners along the Detroit River in our area. But I know that that's probably some of the activitie, we had to get security for them. One other weird thing. I know Wyandotte, and you can probably mention this, but everyone's seen the movie Trainspotting, but there's like ship spotting, too, isn't there isn't there like associations that look at all your ships as they come by?

J

James Weakley 07:10

Yeah, the technical term for them is they're called boat nerds. And, and we love them, in fact, there's a good website boatnerd.com. And they keep track of the ships that are coming. They have great pictures of our freighters. You know, a lot of times you'll see a ship go by and you'll see a kid on the dock, pulling his hands up and down to you know, trying to get the whistle to blow and, you know, our captains and masters are happy to do it. It's not just a job, it really is a way of life and people find it fascinating. And to tell you the truth. That's how we get some entrants into our business. And, you know, we're always looking for workers. And I've had people when I was the personnel guide, a kid, kid was bored in class was looking out the window and that inspired him to call and see how you get a job at Interlake Steamship as a deck hand. So we hired him.

E

Ed Clemente 08:02

Well, I want to get into a couple things now, too. You touched on this a little bit earlier, but you guys are in, is it eight states? And you work kind of with Canada, too? I would imagine a little bit or are you strictly domestic, right?

J

James Weakley 08:20

Well, about 90% of the cargo we move is domestic, but we do move to or from when you move cargo to and from Canada. Most of our ships are too big to get through the Welland Canal, so when I say we're a Great Lakes operating company, we're primarily the upper four Great Lakes, the Welland Canal, for those that may not know, it goes around Niagara Falls. And that's the ships are smaller. So I always say the, you know, the Canadian Laker is smaller, less efficient, not nearly as physically attractive as that US flag ship. Because our ships are 1000 foot long by 105 feet wide by 50-56 feet deep where the Canadiens. They're limited to the Welland Canal. So they're only 740 feet long by 78. You know, they're not nearly as efficient carriers as our big ships are, but they can go places that we can't.

E

Ed Clemente 08:32

What is the average crew size and your ships, roughl;y?

J James Weakley 09:15

So we're, what I'd say average crew size is around 20 people, it used to be closer to 25. That numbers come down through automation. And it's it's regulated by the Coast Guard. So it's controlled both by union contract and by Coast Guard regulation.

E Ed Clemente 09:34

You also do other things that people wouldn't realize, but maybe they would, but don't you do things sort of like with ice and a few other activities like dredging canals. Those kinds of like, those kinds of activities or you don't actually do it, but maybe you work in coordination with people doing it.

J James Weakley 09:52

We do, so really what we've done is recognized the need and there's, I head another organization called the Great Lakes Maritime Task Force. So that's 80 organizations, unions, shipyards, docks, where LCA is only 11 companies. So LCA is my day job Great Lakes Maritime Task Force IS kind of my part time gig. But it's all about this the system, the navigation system, and when you take a system approach, everybody wins. And everybody has a vested interest in making it work. And part of that making it work is making sure that we get money to fund our dredging needs on the Great Lakes. It wasn't that long ago, we were in a dredging crisis, we were simultaneously inadequately funded and we were having record low waters. Now we're having record high waters. So now what we need to do is make sure we have enough money to maintain those infrastructures, the break walls and the things that protect you from high water. So it's all about system resiliency and funding. So we we've really, almost tripled the amount of money that the Army Corps of Engineers receives for operation and maintenance over the past decade. And we've done that with the support of our congressional delegation in changing the way the Great Lakes is funded compared to the coastal ports. It's been a huge change. Our next challenge is icebreaking, as you mentioned, the Coast Guard God bless them, does the best they can with inadequate icebreaking assets and what we think are inadequate or you know, if not, misinforming Congress, they certainly don't give an accurate measure of the icebreaking effort and the need. And when I say that, you know, let me back that up. And I'm very careful, you know, I'm not critical of the men and women of the Ninth District that are doing the best they can. What I'm criticizing is the metrics they use to fund the mission. So they may only measure icebreaking, in four critical waterways in the Great Lakes, and there are none of those on Lake Superior. So it's only the Detroit St. Clair River, the Straits of Mackinac, the St. Marys River, and Pelee Pass, a little passage on Western Lake Erie. So if there's not a problem in any of those four areas, it doesn't count. It's kind of like letting the algebra student define a passing grade at 40%. Right? If all you got to do is hit 40% right, all you're going to, that's all you're measuring, that's all you're going to be resourced to do. So, you know, we've calculated over a seven year period, the Great Lakes economy lost a billion dollars in economic activity because of cargo we couldn't move because it was stuck. Or it was it couldn't get to the dock. So you know, we need to fix the metrics problem and our solution there's a bill called the Great Lakes Winter Commerce Act that, you know, is moving in the Transportation Infrastructure Committee. We had it attached to the National Defense Authorization Act in the House, we think it fell off, and we're hoping to get it back in the Senate. If that falls through,

we'll go for the Coast Guard Authorization Bill. Independent of that is an off an appropriation to build a new Mackinac Class icebreaker either Mackinac or better. We think the Mackinac is a great design, we'd like to see a twin of that. If the Coast Guard thinks they've got a better design, then we're certainly open to that. And there's that that has legs as well in the Build Back Better bill and reconciliation builders and appropriation to build that Great Lakes icebreaker. And as you saw in Port Huron in February last year, you know, we had a mild winter and then that polar vortex hit, and those poor people in Algo and Port Huron were just flooded out and why? Because there was an ice dam and the Coast Guard didn't have the icebreaking resources to clear that dam. So it's it's not just a economic need for the system, it's really a resiliency issue for the entire Great Lakes. So we're optimistic there.

A

Announcer 13:58

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E

Ed Clemente 14:14

Let me change directions a little bit here. This is something that I worked on a teeny bit. We just pass resolutions back then, but it's actually happening now is the expansion of the Soo Locks. Could you touch on that quickly and tell people what that really means to the economy and things like that?

J

James Weakley 14:32

Sure. So the the Soo Locks, obviously the connects Lake Superior to Lake Huron. Since 1855, they built a new lock in Sault Sainte Marie every 19 years, up until 1986. In 1986 they authorized the replacement lock at the Soo. And that project just went nowhere for 22 years. And the reason that sat there is because the Coast Guard or the Corps had a flawed benefit to cost ratio and they made some wrong assumptions. And we literally spent 10 years arguing with the Corp over that VCR and it took Senator Levin, God bless his soul, his personal intervention in the issue to force the court to recalculate. When they recalculated it, it more than tripled. It went from 0.73 to 2.43. And then it became fundable. So in 2018, is when things really happened or began to happen, right, for the first time. You know, President Trump said he was going to fix the lock of credit, Congressman Bergman and Moolenaar and Miller for whispering in President Trump's ear on the way to a rally. Governor Snyder, former Governor Snyder pledged and committed \$52 million from the State of Michigan, I think, you know, State Senator Wayne Schmidt has, from the beginning, was a supporter of that helped make that happen. So we've got Michigan money committed so we had local skin in the game. We had Presidential support, we had Congressional support, and we finally fix the flawed VCR, and now we're couple \$100 million, in fact, we're pushing for the full funding in the infrastructure bill, that bipartisan bill that's already passed, there's enough additional money in that bill for the Corps to finish funding that project. And we're talking a billion billion and a half by the time they're done. So it's a big project.



E**Ed Clemente 16:27**

Yeah, so what is that really going to mean, though, in the economy? How does that help us out? I mean is that a just like a logistics issue, obviously, and you could, I'd like you to comment a little bit about supply chain at this point to even though I know, it's not as bad here in the Midwest. But go ahead.

J**James Weakley 16:46**

I'll kind of give you three aspects to that. One is the construction itself. So the building of that lock is the equivalent of putting a small automobile manufacturing plant in Sault Sainte Marie, Michigan. So that northern part of Michigan is going to have a big economic impact from that. But it's not going to be limited to that area because we're moving limestone into for the project, the steels coming into the project. So the other parts of the state and other parts of the Great Lakes region are gonna benefit from that one, \$1.5 billion expenditure. The second part of that question, I think, is efficiency, are we going to move things more efficiently? And the answers a little, right? There are lock delays when we get traffic. Are they significant? Yeah. Are they overly burdensome? Not really, because we can make it work now. The the real benefit is system resiliency. I'll keep going back to that. So if the if the Poe were to go down there at Sault Sainte Marie, Michigan, the only lock that's big enough to take our 1000 footers if that lock were to go down for six months. According to a DHS report, 11 million Americans, and 3 to 5 million Canadians and Mexicans would lose their job. It would be a recession worse than the 2008 recession, Michigan's unemployment rate would skyrocket to 22%. And keep in mind it topped out at 50% During the 2008 recession. Also, keep in mind that it's it is a resource-base recession with most recessions, you can use monetary policy to stimulate the economy. We've never experienced the resource-based recession, the closest thing we've have had is a is the oil embargo during the Carter years. So it would be catastrophic, not just for the Great Lakes, for the entire country. And that's why I say we're the pilot light for North American manufacturing. That Soo lock is the most critical piece of infrastructure, in my opinion, in the entire US government portfolio.

E**Ed Clemente 18:48**

Well, thank you for giving us an explanation because I think a lot of people, you know, just drive by it or might see it when they go up to visit the Soo, but thanks for explaining that. You know, you're you're we're down to the last couple questions already. So is there, before I get to the last two, did you have something you also want, well, maybe this will tie into it. Let's just say if you could tell anybody to maybe give a commencement speech or something like that, what would you recommend? Because I know you guys, you've been on freighters and you know what that lifestyle is like, what would you tell people,

J**James Weakley 19:29**

So I would tell them exactly what I tell the cadets at Great Lakes Maritime Academy in Traverse City every year. We go up to visit with the Board of Visitors and here's what it comes down to, and it applies to our industry as well as other industries. First of all, do what you say you're going to do. Second of all, show up on time. Next, dress appropriately for the occasion, right? If the job requires steel toes, wear steel toed boots. If you're going on the beach, flip flops are

fine, but dress appropriately for the occasion. Next, and this might be the most important one, be a good shipmate. Or in other words, play nice with others, right? And then this one's more unique to our industry, but it's stand a quality watch. And what I mean by that is, you need to both know what you're doing, and you need to do it well. It's about knowledge and execution and the Great Lakes Maritime Academy at Traverse City prepares officers for our industry, and I think they do an excellent job of doing that mission

E

Ed Clemente 20:30

That's in Traverse City.

J

James Weakley 20:32

Yes sir, Traverse City, Michigan, a beautiful location. And it's kind of like a it's a State Maritime Academy, one of the State Academies, you know, I think it's the best value in education, they have 100% employment, right. Think of any other college that can boast 100% employment, and their graduates are starting out at \$80,000 to \$90,000 a year after a four year program. That's a that's a pretty, that's a sweetheart deal. And I might have reconsidered the Coast Guard Academy had I known about that 30 years ago.

E

Ed Clemente 21:01

So if someone wanted to really get into this industry, would you tell them to come to your website or somewhere else?

J

James Weakley 21:07

I would so for unlicensed positions go to LCAships.com, right? That's our website. And on there, you can find out about our members, and there are links to our different members. And then you have to you can apply with the companies, you know, you have to have your Merchant Mariners documents, its a Coast Guard credential, there's a process of that, you have to take a pre-employment drug test. And marijuana is not acceptable in federal transportation systems. So you know that that eliminates some people. It's a great job, even our unlicensed people are making \$50,000. It's not an easy job, because you're away from home. It's hard work. And we love hiring people from Michigan and Minnesota and Wisconsin, because especially if they're hunters or fishermen or or women that just love the outdoors, because it's cold out there. And you know, some some people from the South just can't handle the cold the way we can up north.

E

Ed Clemente 22:02

It's true. So you're speaking of that, what would be an ideal day for you in Michigan.

J

James Weakley 22:00

J James Weakley 22:09

So my ideal day in Michigan and I've done this and I've actually taken people with me to do it. It's going to be in Sault Sainte Marie, Michigan, of course. I'm going to start out on the museum ship, the Valley Camp, which is downstream from the locks, I'm going to teach them about Great Lakes shipping, and I'm specifically gonna take him to the Great Lakes Mariners Hall of Fame, where there's a, you know, the literally it's the Hall of Fame of our industry. Some of those people I know personally, some I just know by reputation, like George Steinbrenner is a member of the Great Lakes Maritime Hall of Fame. He used to own Great Lakes Freighters. And then I'm going to go to West Pier, which is a drive-thru burger joint. It's a small whight shack west of the Soo Locks. And they only have car hops. And I'm telling you, it is the best hamburger in the entire Great Lakes region, if not the entire country. I love those burgers so much, I've been there for dinner and gone back the next day for lunch after I met with the Army Corps. And then I'm going to sit there, with my hamburger, and I'm gonna watch the ships go through the Soo Locks because you're at the West Pier, that's why they call it the West Pier. Then I'm going to go to the Soo Locks Visitor Center with the Army Corps with and you know, teach people about the locks themselves. And then I'm going to go up to the viewing stand and I'm just going to eavesdrop on the conversations and hear people talk about the lake freighters going through because it's amazing. Some of those boat nerds know more about our industry than I do. And some people are just kind of making it up and trying to impress their kids. So that's my ideal day in Michigan. I've done it before and I look forward to doing it again.

E Ed Clemente 23:41

Well, once again, our guest today was Jim Weakly, President Lake Carriers Association. Thanks again, Jim, for doing this today and you were excellent. Thank you

J James Weakley 23:51

Glad to do it. It's always great to talk about Michigan and my favorite favorite places in Sault Sainte Marie.

E Ed Clemente 23:57

Maybe I'll go have a hamburger with you someday.

J James Weakley 23:59

It's yeah, it's seasonal, though. I gotta warn you. In fact, they closed September 25, that was my birthday. That was the last burger I had up there.

E Ed Clemente 24:06

Okay, way to get your birthday in the show. All right. All right. Thanks.

J James Weakley 24:10

Yes sir, thanks Ed.

A Announcer 24:12

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