



*May 19, 2021*

**Port of Cleveland  
Testimony of Interest; Maritime Assistance Program  
Ohio Operating Budget  
HB 110  
Ohio Senate Finance Committee**

I'd like to begin by thanking Chairman Dolan, Vice Chair Gavarone and Ranking Member Sykes for inviting this testimony. Moreover, I would like to thank the Ohio legislature and this honorable committee for believing in the power of Ohio's ports to generate jobs, wealth, and momentum for our great state. Your leadership and continued interest in the subject of Ohio's maritime economy is demonstrated in Ohio's Maritime Assistance Program – or the MAP, as we in Ohio's ports call it.

One of Ohio's key competitive advantages is its advantageous position on bodies of water that act as key conduits for commerce. Lake Erie on our northern border and the Ohio River to the south have powered our economy for over two centuries, and will only continue and grow in that role in the future.

The economic impact numbers associated with Ohio's maritime economy are impressive, showing over \$6.5 Billion in annual economic activity generated and more than 33,000 jobs are directly produced through Ohio's ports. With 100 Million in annual tonnage passing through their docks, it's no surprise that Ohio's ports produce that kind of impact.

At the Port of Cleveland, our most recent study shows that our individual economic impact produces more than 20,000 direct and indirect jobs in Northeast Ohio, and over \$3.5 billion in annual economic impact. On average, we move more than 13 million tons of cargo through our docks each year, and have shipping with direct maritime access to Europe, showing the global reach of Ohio's economy. Businesses, including many manufacturers, rely on the Port of Cleveland to keep their businesses running and make them more competitive. My peers in Ohio's other ports can testify to the same in their regions.

Two years ago, the State recognized that Ohio Port facilities need investment. Many of our facilities are aging and operators must constantly plan and execute major maintenance to keep them running; however, the funds necessary exceed capabilities of publicly-owned ports. To address the need, the Ohio MAP initiative authorized a \$23 Million grant program to fund projects that would otherwise languish years or decades due to financing.

By funding the MAP, the State provided Ohio's ports and maritime industry with critical capital dollars to prime Ohio's entire economy to be even more competitive in the global marketplace. The MAP is also fair and strategic, requiring a local dollar-for-dollar match for the State's investment, with the funds going 100% to capital, facilities, and equipment costs. Salaries and



operational costs are not included, and the focus is on increasing capacity and efficiency at our ports.

Ports across Ohio were able to leverage and invest a whopping additional \$125 Million in port, federal and private infrastructure investment dollars. That means for every dollar of MAP grant money, an additional four dollars of money was invested in Ohio's ports. This is the kind of strategic economic investment that was envisioned by when the MAP was first passed.

The first round of MAP dollars has been transformational for Ohio ports, bringing the ability to address long needed capital improvements and repairs. Projects completed or in progress have included access gates, internal cargo roads, ore tunnels, dock improvements, cargo processing and trans-load facilities, material handling equipment acquisition, and berm raising. These improvements have produced in excess of \$4 million in payroll for local construction related jobs for craftsmen and professionals.

As the federal government moves forward on its long-anticipated infrastructure bill, Ohio's renewal of the MAP program would also position our state and its ports to have a truly compelling case to secure larger allotments of federal infrastructure dollars moving forward. The MAP would demonstrate state commitment and match to any federal funds that become available, and could help launch a new era in Ohio's maritime competitiveness. Ohio's manufactures and businesses would benefit immensely from the improved access to markets and competitive costs and speeds that modernized ports in our state would provide.

However, the work is far from done. Our initial analysis of Ohio's ports showed that to achieve true global competitiveness, and to address necessary landside and waterside maintenance, the ports of Ohio are facing an unmet need of \$1 Billion. This continued need paired with the immense investments generated by the MAP show that the program needs to continue. One round of MAP funding, while impactful and appreciated, will not get the job done.

Ohio remains a place that invents, designs, and yes, makes things to sell all over the globe. The past year of pandemic also has shown the need to keep making things in the United States, and Ohio can lead the way on this. But access to water for shipping is a must for businesses to compete on the global stage. Shipping goods by water will always be the most cost and time effective method of moving products to market. Without it, our businesses will be at a distinct disadvantage.

Our Great Lakes neighbors in Illinois, Indiana, Michigan, Pennsylvania, and Wisconsin know this, and are also strategically investing state dollars in their ports. The Ohio Legislature's MAP investment assures that Ohio does not fall behind, and that businesses see Ohio as a place to start, maintain, or move their operations.

The requested biennium investment of \$23 Million is small compared to most other budget items before the legislature, but it is immensely meaningful to our ports, and has been proven to generate an outsized amount of other investment. Given the success of the first round of



funding, and the alignment of this investment with Ohio's goal of economic growth and competitiveness, the Port of Cleveland urges you to once again allocate dollars to the MAP. It will help Ohio's ports and maritime industry provide and support tens of thousands of stable, good paying jobs to our citizens and allow our businesses and manufacturers to thrive. Thank you.

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