



ADMINISTRATOR'S
COLUMN



**Albert S.
Jacquez**

SLSDC
Administrator

**A Year to
Remember**

This winter issue of the e-Seaway Compass seems an appropriate moment to put pen to paper and briefly recount for our workforce and stakeholders a number of significant accomplishments the Corporation achieved in 2004.

Each year, the U.S. Department of Transportation sets a tough lock availability performance standard to ensure that the U.S. portion of the St. Lawrence Seaway, including the two U.S. locks, is available to its customers 99 percent of the navigation season. This year we reported a 99.1 percent system availability rate for the U.S. portion of the Seaway.

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www.greatlakes-seaway.com

**Increased Tonnage Along the
Seaway**

The recently completed 2004 navigation season saw 43 million mt of bulk and general cargo move through Seaway locks on 4,060 vessel transits. The tonnage represented a 5.3 percent increase while the additional 174 transits reflected a 4.5 percent improvement over the 2003 navigation season.

The general cargo category, comprised mostly of iron and steel, exhibited a sparkling increase of 66 percent in the movement of more than 4.2 million metric tons of slabs, blooms, billets, rods, and coils. Moving steel is labor intensive and generates far more business revenue than bulk products per ton. Steel centers from Cleveland to Burns Harbor to Milwaukee registered substantial gains over the previous season.

Historically, iron ore, grain and coal are the big three of Seaway staple commodities. Oddly, none had a good year. Iron ore demand was strong yearlong but Canadian labor management problems restricted movement of the ore through Seaway locks. That resulted in almost a 4 percent drop through Seaway locks with only 10.2 million tons shipped. The U.S. – flagged fleet picked up demand by moving taconite pellets, limestone and coal in big numbers to lakefront factories.



Steel is being off-loaded in Cleveland-Cuyahoga County Port Authority

Grain promised to show excellent increases but extended rains at harvest time in the Canadian breadbasket region dampened those prospects. Farmers in America's cereal region could only keep pace with last year's harvest; the combined numbers meant almost a 4 percent drop to 9.2 million mt.

Finally, eastern coal numbers read like a carbon copy of 2003 - down only 15 tons.



Stone

The Seaway knight in shining armor was the miscellaneous category known as 'other bulk' commodities. This group of 11 cargoes – coke, petroleum products, stone, salt, cement and clinkers, potash, ores and concentrates, scrap metals, chemicals, gypsum, and other – posted a strong 9 percent increase overall. Their 15 million mt represented more than a third of total Seaway cargo. Among individual standouts were scrap metals, which more than doubled. A healthy construction industry kept stone and gypsum in demand on board vessels as their 49 and 36 percent improvements confirmed.

U.S. Department of Transportation • Saint Lawrence Seaway Development Corporation

Seaway Compass



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Our maintenance and lock operations staff exceeded that mark and merit due praise. Their achievement is proof positive that the Seaway is a reliable international waterway.

The Seaway is also a secure system that demands compliance with environmental regulations. Seaway mariners inspected every foreign commercial vessel that traded within the Great Lakes Seaway System last year. They performed 224 enhanced Seaway inspections in Montreal and 52 ballast water inspections for the U.S. Coast Guard. Marine safety is the number one Seaway priority. A barge accident last summer fortunately resulted in no injuries and negligible environmental damage. The silver lining in this regrettable incident was confirmation that the Saint Lawrence Seaway Development Corporation (SLSDC) Emergency Response Plan works. Coordination with local, state, federal and provincial officials in law enforcement, emergency services, environmental response, and government did not occur serendipitously: we work at it daily.

Marketing last year took on increased prominence. The SLDC joined with our Canadian partner, the St. Lawrence Seaway Management Corporation and Transport Quebec to lead a successful trade mission to Greece. As we pitched our strategic advantages and noted our established business – 2004 marked the 50th anniversary of the beginning of construction of the Seaway.

The e-Seaway Compass moved on-line, providing our varied stakeholders real-time access. We publicized the achievements of U.S. Ports and Terminals in our System that increased Seaway tonnage with presentation of our coveted Pacesetter Award. We noted our 41st consecutive clean financial audit. We reported on the progress of the 42-month, binational, interagency Great Lakes Seaway System study: two Steering Committee meetings, five stakeholder outreach forums, and a new communications plan in effect with a new website that is now open to the public (www.gsls-study.com).

It was indeed a year to remember.

GUEST COLUMNIST

Keith Robson, *President and CEO, Hamilton Port Authority*

Remember the old saying “takes two to tango?” It’s a simple phrase but at the Hamilton Port Authority it now represents our operating philosophy. When we asked ourselves the fundamental question “how do we grow the business of the port” we recognized that development could not take place in a vacuum and determined that not only were we in the “port” business but we were also, for example, in the steel, fertilizer, grain and oil business.



It seems fairly basic but acceptance of this reality has meant that we’re now much more focused on relationships. As part of our strategy we regularly conduct joint marketing exercises with tenants, customers, stakeholders (including the Seaway Corporations) to promote our mutual interests.

The strategy is working; it proved to be instrumental in causing us to invest recently in a state-of-the-art steel-handling warehouse leased to longstanding tenant Steelcare. This facility, the most advanced in North America, will likely be joined in 2005 by a second such facility for port terminal operator Federal Marine Terminals, making the Port of Hamilton the undisputed leader in this market sector.

With respect to short sea shipping initiatives we are partnering with Canadian operator Seaway Marine Transport in promoting ferry services for freight trailers that will alleviate highway and border congestion. We are actively evaluating the potential for a container feeder service into Hamilton working with key tenant McKeil Marine.

It is very clear to us that our long-term future is intimately intertwined with continued investment and improved service from the Seaway. We are of the opinion that extending the Seaway season needs to be given a high priority if we are to gain new business in the growing trade in container transportation.

Recently we joined the Saint Lawrence Seaway Development Corporation and the Saint Lawrence Seaway Management Corporation in promoting the Seaway at Posidonia in Piraeus, Greece and at Breakbulk in New Orleans. Our support of the Seaway’s Hwy H?o campaign is unequivocal; only by seizing the OPPORTUNITY can we renew the System.

DOT's Saint Lawrence Seaway Development Corporation Posts 41st Clean Financial Audit



The Saint Lawrence Seaway Development Corporation (SLSDC), a wholly-owned government corporation of the U.S. Department of Transportation, earned its 41st consecutive unqualified or “clean” financial audit for fiscal year 2004 after a

review by the independent auditing firm of Dembo, Jones, Healy, Pennington & Marshall, P.C., of Rockville, MD. The firm reported no material weakness or conditions present at the agency.

Administrator Albert S. Jacquez lauded the results delivered this year, which met the new requirement for government agencies to complete the financial audit process 45 days following the end of the fiscal year. “We take our financial oversight responsibility seriously at every level of our agency, and these results prove it,” said Jacquez. “The Corporation’s unprecedented record of fiscal accountability

shows that attention to detail and a commitment to excellence are recipes for success.”

Improving financial management is one of five Presidential Management Agenda initiatives that determine performance of governmental agencies and corporations such as the SLSDC. The Office of Management and Budget has called a clean financial audit “a basic prescription for any well-managed organization” and noted that “most federal agencies that obtain clean audits only do so after making extraordinary labor-intensive assaults on financial records.”

Because of its wholly-owned government corporation status, the SLSDC is not included in the Department of Transportation’s Consolidated Financial Statements. Instead, it undergoes an annual independent audit, with final review and concurrency by the Department’s Office of Inspector General.

Duluth-Superior Welcome the Bluebill

The Antigua-flagged M/V Bluebill, operated by Canfornav of Montreal and designed for Great Lake St. Lawrence Seaway trade, made her inaugural visit to the Port of Duluth-Superior on November 3.

The Bluebill, owned by Harren & Partner of Bremen, Germany, docked at Duluth’s AGP Grain Limited facility to load 21,500 tones of soybeans and wheat for Northern Europe.

At 78 feet wide, the ship passes the Seaway locks’ concrete walls with just a foot to spare. Small by ocean standards, the ship is still more than two football fields long – and her gleaming white bridge rises some seven stories above the water.



Last Vessel of the 2004 Navigation Season

The last westbound vessel for the season was the M/V PINEGLEN, owned and operated by Canada Steamship Lines, Inc. She cleared Eisenhower lock at 10:43 a.m. on December 30th, 2004. The vessel was in ballast and bound for Port Colborne.



2004 Annual Grunt Club Reception

In recognition of the Great Lakes St. Lawrence Seaway System stakeholders, the Saint Lawrence Seaway Development Corporation hosted its annual reception on December 2, 2004 during the Grunt Club events in Montreal, Canada. More than 100 Seaway Stakeholders representing a cross section of the maritime community attended this annual event.



Left to right – Stephen Pfeiffer, Maritime Director, Cleveland Cuyahoga County Port Authority, Suzanne Bleau-Myrnad, Marketing Manager, Fednav, and Adolph Ojard, Executive Director, Duluth Port Authority.



Left to right – Keith Robson, President & CEO, Hamilton Port Authority and Albert S. Jacquez, Administrator, Saint Lawrence Seaway Development Corporation.

2005 Carol A. Ratza Memorial Scholarship

This scholarship is to recognize outstanding achievement and vision in electronic communications technology.

The Great Lakes Commission is pleased to announce a scholarship opportunity for students with an interest in electronic communications technology and its applications in the Great Lakes region. The scholarship is in memory of Carol A. Ratza, a veteran employee of the Great Lakes Commission and a staunch supporter of the lakes. With unique vision, Carol created and led numerous influential communications projects for the region; the most notable being the Great Lakes Information Network and the Great Lakes Regional Air Toxic Emissions Inventory.

Eligibility

A US \$500 scholarship will be awarded to a deserving student enrolled full-time at a college or university in the Great Lakes states (IL, IN, MI, MN, NY, OH, PA or WI) or Canadian provinces (Ontario or Quebec) during the fall 2005 semester. The eligible student must have a demonstrated interest in the environmental or economic applications of electronic communications technology, exhibit academic excellence, and have a sincere appreciation for the Great Lakes and their protection.

This scholarship is open to high school seniors and returning students enrolled full-time at a Great Lakes college or university in fall 2005. The application deadline is April 1, 2005.

For more information log onto:

<http://www.glc.org/about/scholarships/scholar.html>

Seaway Personnel Changes



William Friedman

William Friedman resigned from his position as the Executive Director, Ports of Indiana, on November 5, 2004. Mr. Friedman will be an independent consultant for freight transportation, maritime and logistics industries around the country. Mr. Friedman came to the Ports of Indiana in 2000 after 10 years with the Port of Seattle.

The Indiana Port Commission named Rich Cooper as acting Executive Director. Mr. Cooper has served as Chief Operating Officer for the Ports of Indiana since 2001.



Rich Cooper

Daniel B. Loughney recently resigned as Executive Director of the Ogdensburg Bridge and Port Authority.

Upcoming Events

March

March 2

Great Lakes Day in Washington Rayburn House Office Building
Washington, DC
Info: Rita Straith (734) 971-9135 or
"mailto:rstrath@glc.org" rstrath@glc.org

March 10-14

Great Lakes District Council of the International Longshoremen's Association Conference
Tampa, FL
Info: John Baker (216) 781-7816

March 14-17

Seatrade Cruise Shipping Convention
Miami Beach, FL
Info: "http://www.cruiseshipping.net"
www.cruiseshipping.net

March 21-23

20th Annual Shipping Conference and Exhibition
Stamford, CT
Info: www.shipping2005.com

March 21-23

International Congress on Maritime Security
Fort Lauderdale, FL
Info: "http://www.maritimesecurity.org/agenda_speaker.htm"
www.maritimesecurity.org/agenda_speaker.htm

April

April 4-6

American Association of Port Authorities Spring Conference
Washington, D.C.
Info: "http://www.aapa-ports.org"
www.aapa-ports.org

April 21

Windsor Marine Night
Windsor, ON
Info: Nancy Wiseman at (519) 258-5741 or
"mailto:wpa@portwindsor.com"
wpa@portwindsor.com

May

May 16-18

12th Annual International Conference on the St. Lawrence River Ecosystem
Cornwall, ON
Info: Christina Collard at (613) 936-6620

May 26-27

Great Lakes Mayor's Conference
Quebec, CA