



Seaway Compass



Size Revolution Now Underway And Moving Rapidly, Says Shipping Market Expert

(April 6 – Montreal, Canada) Andrew Penfold, Director, Owner and Operator of Ocean Shipping Consultants, Ltd., and world-renowned expert in container and reefer shipping and port analysis, described prospects for growth in maritime trade to an international audience gathered at the First Annual Shipping Federation Conference sponsored by the Shipping Federation of Canada. The Saint Lawrence Seaway Development Corporation (SLSDC) was a major sponsor of the Conference.

Mr. Penfold said the trend towards larger ships is well established and underway. Pointing to future additions to the world's commercial fleet, Mr. Penfold said:

"Firm orders (for new vessels) will be placed to 9500/10000TEU (TEU – trailer equivalent unit) capacity container ships. The search for scale economies will continue beyond this size range and...once questions of powering are solved...there will be clear scope to increase capacities to around 12500TEU."

The deep water of some Canadian ports means they'll enjoy a major opportunity in the new market, according to Mr. Penfold. He pointed out that, in North America,

aside from Vancouver and Halifax, only Los Angeles is investing in the water depth required for such units.

Such a vessel would have an overall length of approximately 380 meters (nearly 1250 feet) and a beam of 60 meters (nearly 200 feet, or 22 containers wide). The maximum draft of such a vessel would be around 14.8 meters (nearly 49 feet).

Mr. Penfold also told the audience "not to worry too much" about the short-term economic outlook. Even if the world does experience a full-blown recession, in the longer run, the projections of trade development remain very positive – especially for containers, Mr. Penfold predicted.



Eisenhower Lock, New York

In its latest submission to the U.S. Army Corps of Engineers (the Corps), the SLSDC cited the continued decrease in the number of Seaway-size vessels and called for larger locks and deeper channels as an essential step to ensuring economic viability of the St. Lawrence Seaway.

Congress, through the Water

SLSDC to Army Corps:

- Larger Locks
- Deeper Channels
- Coordination with Canada

Maybe Necessary for a Viable Seaway

Resources Development Act of 1999, has directed that the Corps undertake a study examining the feasibility of commercial navigation improvements in the Great Lakes Seaway System. The Corps is currently collecting comments from a broad spectrum of Seaway stakeholders in the initial

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Binational Website User Soon to Access Traffic Data

The SLSDC and St. Lawrence Seaway Management Corporation (SLSMC) have created a binational website (www.greatlakes-seaway.com) to provide Seaway users, whether underway or ashore, with critical “real-time” information.

The website will become fully operational in three stages, or “releases” as the website’s creators say. The first release was launched in late February, and provides: Seaway regulations and forms; a list of Seaway services; links to weather information and Seaway maps. This information is called “static” by website creators, because the website’s user does not yet tap into a database. But that is about to change, according to SLSDC project coordinator Kevin O’Malley.

The second release will be available later in the spring and will be



Cocci Traffic Center collects data

“dynamic,” said O’Malley. Users will be able to obtain a user name and password that will allow them to access traffic data maintained by the Seaway’s Traffic Management System. Users will be able to obtain detailed vessel data. A similar approach will allow users to access detailed information on the environment in the Seaway.

The availability of all this data to Seaway users is expected to facilitate more efficient dispatch of pilots and reduce congestion at locks. Those awaiting the arrival of a vessel in port will be able to monitor the vessel as it approaches. After the third and final website release, shippers will be able to locate cargo for return voyages and access additional services for a fee.

SLSDC Administrator Albert S. Jacquez said “Seaway users told us they’d be able to achieve greater efficiencies and cost savings if they were provided with more detailed and timely information. We are responding to their suggestions and by doing so will empower Seaway users.”

Corps Study, continued.

“Reconnaissance” phase of its study.

The SLSDC pointed to the continuing trend in construction of larger vessels that are too big to transit the Seaway. As things stand today, the Seaway can accommodate less than 40 percent of the world’s fleet. The Seaway must be able to accommodate more of the world’s fleet or face becoming less and less competitive, according to SLSDC Administrator Albert S. Jacquez.

Ships calling in North America’s Gulf and West Coast ports are able to load cargoes of 80,000 to 100,000 tons, while the maximum Seaway-draft cargoes are only

25,000 tons. If the Seaway were updated according to SLSDC recommendations, the maximum cargo would increase dramatically to approximately 60,000 tons. This increase in capacity would decrease the Seaway shipping cost per ton by 25 percent, based on the vessel utilization savings figures calculated in a Corps 1987 report.

SLSDC Administrator Jacquez conveyed to Corps leaders his strong belief that the feasibility of proposed commercial navigation improvements in the Great Lakes Seaway System could not be accurately determined unless Canadian authorities are fully consulted. The SLSDC is experiencing an unprecedented level of coordination with its Canadian counterpart, the SLSMC.

In late 1999, for instance, the SLSDC joined the SLSMC and Seaway stakeholders to form the Waterway Strategic Issues Forum. The Forum has developed a strategic plan for the future of the system and the SLSDC and SLSMC have already implemented a number of the plan’s elements. According to Mr. Jacquez, the relationship between the SLSDC and SLSMC is an excellent foundation for coordination of Canadian contributions to the Corps study. Mr. Jacquez pledged to provide the coordination with the SLSMC necessary to ensure an inclusive study.

SLSDC Promotes Seaway Trade; Charts Seaway Future

(Cleveland, OH, April 25) – SLSDC Administrator Albert Jacquez and Director of Trade Development Rebecca McGill led a trade development meeting in Cleveland last week. The SLSDC team reported on several current initiatives to increase trade as well as current consideration of potential initiatives necessary in the near future to maintain the Seaway as a viable commercial resource in the 21st century.

Cruise Ships

Led by SLSDC Deputy Administrator Craig Middlebrook, the SLSDC has conducted talks with the U.S. Customs Agency and a number of other regulatory agencies aimed at streamlining the process of a cruise ship's passage through the Seaway. Mr. Jacquez characterized the talks as productive, but said work with the Customs Agency was not yet complete.

"The number of cruise ship voyages through the Seaway has increased 400 percent in the last 5 years and the demand for Great Lakes cruises is likely to grow still more," said Administrator Jacquez. "Great Lakes cruising died out for several decades and if it's to be revived for the long term, we need to address some of the logistical concerns cruising companies have," he continued.

Mr. Jacquez said that he was encouraged about the future market for Great Lakes cruising, in part, by



Dan Steiner, Army Corps of Engineers, Norman Fox, Director, Trade Development, Toledo and Administrator Jacquez

his meetings in Miami last month with cruising industry officials at the world's largest cruise industry trade show, The Seatrade Cruise Shipping Convention. Jacquez told stakeholders in Cleveland that the SLSDC is working with cruise companies to ensure their ships are sized and equipped to transit the locks.

Great Lakes Cruising Coalition (GLCC) Vice President, and Director of the Port of Toronto, Michael Doran, reported that the SLSDC and the GLCC will host a visit through the Seaway and Great Lakes by a delegation from London's Passenger Shipping Association. The GLCC and representatives from ports and harbors around the Great Lakes will fund the delegation's tour, according to Doran.

Binational Website

Other SLSDC initiatives target all Seaway users, Jacquez said. The Administrator pointed to the new binational website as one such initiative. Jacquez informed attendees that the first website

release occurred on schedule and the second release will occur later this spring. Work to incorporate Automatic Identification System (AIS) and Global Positioning System (GPS) technology into the Seaway is also progressing on schedule. The AIS/GPS systems should be fully integrated by early next year. Together, these systems and the binational website will increase the visibility of Seaway operations and provide detailed "real-time" information to all seaway users both underway and ashore.

Trade Mission to Poland and Norway

The SLSDC is continuing to market the Seaway to potential users around the globe. In Spring, 2001 a trade mission will travel to Oslo, Norway, as well as Szczecin, Gdynia and Gdansk, Poland to meet with European shipping interests. In the fall, a mission will

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USCG Rear Admiral Hull raises question during SLSDC trade presentation

Trade meeting continued.

also travel to Brazil, Argentina and Venezuela to tap into growing Latin American markets.

Many SLSDC initiatives are the direct outgrowths of customer input gained by Seaway officials through "Listen-In Sessions" conducted in port communities around the Great Lakes. The Administrator reported that such sessions were held in: Toledo; Cleveland; Detroit; Duluth and Burns Harbor in 2000.

The feasibility of future initiatives to improve the Seaway's infrastructure is currently being studied by the U.S. Army Corps of Engineers. Daniel Steiner, Chief Planning Division and Navigation Account Manager in the Corps' Cincinnati office, reported on the Reconnaissance phase of the

Corps' congressionally mandated study of navigation improvements in the Seaway (see story at page 1 for details on the study).

**Economic
Impact and Fleet
Study, along
with Corps
Study to guide
Seaway Leaders.**

Additionally, two studies due out this spring will likely impact the selection of Seaway initiatives. Administrator Jacquez told attendees that a study of the Seaway's economic impact is due to be released in the coming weeks. The study is expected to

show the continued centrality of the Seaway to the economic well being of the region. "As the Canadian and U.S. governments try to match resources to infrastructure needs it's important that they see the role the Seaway plays in the North American economy," Jacquez said. Moreover, Lloyd's Maritime Information Service of London is conducting a study of the world's commercial fleet. It's expected to show that an increasing percentage of the world's fleet is too large to transit the Seaway with its current depth and lock size.

Mr. Jacquez said initiatives coming together in 2001 were among the most ambitious in the Seaway's history. "We're trying to look as far into the future as the Seaway's creators looked," Jacquez said.

SLSDC Presents Ninth Annual Pacesetter Award

(Toledo, OH, April 20) – Today, SLSDC Deputy Administrator Craig H. Middlebrook presented Seaport Director John L. Loftus, of the Toledo-Lucas County Port Authority, with a Pacesetter Award to acknowledge the increase in U.S. international cargo tonnage through the Seaway registered by the Port.

Middlebrook made the presentation during a Great Lakes trade conference hosted by the Legal Institute of the Great Lakes, University of Toledo College of Law.

The Pacesetter Award is presented annually to the U.S. Great Lakes Seaway ports and port terminals that register increases in overseas cargo tonnage shipped through the



Seaway during the preceding navigation season. The Port of Toledo is a six-time winner of the award (1992-1995, 1998 and the 2000 seasons).

Upon announcement of this year's recipient, SLSDC Administrator Jacquez noted: "Toledo did an outstanding job generating new international business that significantly contributed to the Great Lakes Seaway System's total international cargo tonnage of 10.4 million metric tons last year." He also

credited the winning organization for helping the Seaway achieve another solid year of total cargo tonnage (46.2 million metric tons).

The Port Authority moved 1.8 million tons of overseas cargo in 2000, an increase of 25,000 tons from the previous year, according to James H. Hartung, President of the Toledo-Lucas County Port Authority. "The Port Authority is doing everything within its scope of responsibility to assure that 2001 is another successful year," Hartung said.

Seaway Compass Reader Survey

Please respond, so that we may better serve you.

Please take a few minutes to complete this questionnaire about our newsletter – a user information publication produced by the Seaway Corporation, and our binational website, an innovative attempt to meet Seaway user needs using the latest technology.

Completed surveys should be returned to SLSDC Director of Congressional and Public Relations, Philip Skillman, by fax (202-366-7147). If you prefer to return this survey by mail, the address is: U.S. Saint Lawrence Seaway Development Corporation's Office of Congressional and Public Affairs, P.O. Box 44090, Washington, D.C. 20026-4090.

1. *Would you prefer to receive a full color copy of the Seaway Compass by e-mail to an e-mail address you provide for that specific purpose?*

Yes – *(please provide the e-mail address where you want us to send the Seaway Compass) -*

No

2. *Have you visited the new binational Seaway website?*

Yes *(Please skip to question 4.)*

No

3. *If you have not visited the website, why not?*

4. *If you have visited the Seaway website, please tell us what you think.*

5. *The Seaway web subsite I visit most is:*

- *About Us*
- *Seaway Map*
- *Navigation*
- *Services*
- *News*
- *Links*

6. *The Seaway web subsite most useful to me is:*

- *About Us*
- *Seaway Map*
- *Navigation*
- *Services*
- *News*
- *Links*

7. *Have you used the search engine?*

- Yes
No *(Please skip to question 9.)*

8. *Was your use of the search engine successful?*

- Yes
No

9. *What improvements to the website do you recommend?*

10. *What items should be added to the website?*

11. *Should any items be deleted from the website?*

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