



ADMINISTRATOR'S  
COLUMN



Collister  
Johnson, Jr.

*Ballast Water  
Inspection Event Was  
a Tremendous Success*

Today, ballast water management requirements in the Great Lakes St. Lawrence Seaway System are the most stringent in the world; there is no unmanaged ballast water entering the Seaway. That was the message delivered to media, state regulators, and environmental representatives during our ballast water inspection demonstration

*continued on page 2*

**In This Issue:**

- Guest Columnist
- Binational Seaway Web Site Undergoes Complete Overhaul
- SODES Receives Financial Assistance from the Canadian and Québec Governments
- Hwy H<sub>2</sub>O Appoints China Agent Plans Are Underway for the Next Binational Trade Mission
- Toll Freeze and New Tariff Target Growth in Traffic
- Pacesetter Award
- Cruise Ship Marketing Efforts
- Personnel Changes
- Upcoming Events

[www.greatlakes-seaway.com](http://www.greatlakes-seaway.com)

## Melford International Terminal: Great Lakes Ports Eager to Welcome Container Shipping

Few marine projects in the history of the St. Lawrence Seaway have offered an opportunity to significantly expand the waterway's marketing potential as profoundly as the proposed Melford International Terminal. A greenfield container terminal project tentatively set to begin construction later this year, the \$300 million, state-of-the-art facility will handle 1.5 million TEUs by 2015, as well as the largest container ships afloat. With water depths of up to 70 feet, that's enough to welcome Denmark's *Emma Maersk*, at 12,000 TEUs, the world's largest container ship.



*This schematic shows how the Melford International Terminal is designed to look and operate.*

The Seaway, historically a bulk and general cargo channel has long sought to find a way to entice container shipping. That seemed to be a tall order, but short sea shipping operations in Europe over the past decade have proven the viability of moving containers on smaller vessels. The results show they move reliably, efficiently and reduce surface traffic congestion while lowering greenhouse gases.

SLSDC Administrator Terry Johnson immediately grasped the potential impact that the growing Asia-Europe-North America trade via the Suez offers Great Lakes Seaway System ports. In a recent trip to Columbus, Ohio, he and representatives from Melford briefed Buckeye State Governor Ted Strickland and Representative Marcy Kaptur and senior staff on the economic benefits awaiting ports able to handle containerized freight. That meeting was followed by one with State transportation officials. Both talks noted the opportunity that Ohio offers as an ideally located inland distribution point for boxes filled with high value consumer goods. Hannah Marine, the largest U.S. flagged barge operator in the system, also participated in the discussions.

The Melford terminal, slated for start up operations as early as 2011, is seven hours closer than Halifax for commercial vessels originating in Europe. SSA Marine of Seattle, Washington, has been selected to operate the terminal.

*continued on page 3*

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

# Seaway Compass



*Administrator's Column, continued from page 1*

event held in Montreal on May 5 & 6. The goal of the two-day event hosted by the Canadian and U.S. Seaway Corporations was to get this message out to dispel the false notion that nothing is being done to protect the Great Lakes.

A large event such as this required significant planning and coordination among many agencies and individuals. Key participants in the demonstrations were Fednav Ltd., Transport Canada and the U.S. Coast Guard. They were joined by Canadian and U.S. scientists as well as marine industry representatives in an effort to provide information about the increased binational efforts to prevent further invasive species from entering the Great Lakes Seaway System. That so many entities would devote the time and effort to this event underscores how important we all feel it is to "get the word out."

This unique gathering provided a rare opportunity for U.S. and Canadian media and stakeholders to examine first-hand the joint ballast water inspection process which occurs in Montreal, prior to an ocean going vessel entering the Seaway System. Attendees were permitted to photograph and document ballast water inspections being performed by marine inspectors and also to examine the control room of the Fednav vessel M/V FEDERAL KIVALINA. Senior ballast water experts from the U.S. Coast Guard, Transport Canada, the National Oceanic and Atmospheric Administration (Dr. David Reid), Environment Canada and the University of Windsor (Dr. Hugh MacIsaac) participated. In all, representatives from over 22 U.S. and Canadian media outlets, 16 environmental representatives, state and provincial regulators and stakeholders came to Montreal for the chance to question key agency policy leaders, scientists, and maritime industry representatives about what is being done, to protect the Great Lakes.

Although it has not been widely reported, the Seaway, implemented new ballast water management regulations at the opening of the 2008 navigation season. The regulations now require saltwater flushing for all commercial ships coming into the Seaway, resulting in more ballast water inspections of incoming vessels and more extensive reporting requirements. Recent scientific study has shown that saltwater flushing of ballast tanks that contain residual amounts of water or sediment is highly effective in eradicating most potential aquatic invasive species.

The events provided an overview of the dynamic nature and importance of international shipping as well as the industry's energetic response to calls for tougher ballast water regulations. They will hopefully translate into a better understanding and awareness of ongoing efforts to protect the Great Lakes Seaway System.

## The ballast water inspection process



*On deck, a boatswain's mate retrieves water from a ballast water tank using his sounding tape.*



*The ballast water sample is successfully retrieved.*



*The mate places a drop of ballast water on the lens of the refractometer held by Marine Specialist, Terry Jordan, Saint Lawrence Seaway Development Corporation.*



GUEST COLUMNIST

**Patrice M. Pelletier,**  
*President and CEO,*  
*Montreal Port Authority*



Since my arrival at the Montreal Port Authority in October 2007 I have had the opportunity to assess the strengths and challenges facing our organization. Our employees are our greatest strength — the dedicated and competent individuals who work for the world’s largest in-land container port, handling 26 million tons of cargo every year and

close to 1.4 million containers (TEUs). They know how to make efficient use of our capacity to move cargo quickly through the port to its final destinations. Our enviable location allows us to offer the shortest and most economical transit times between the Atlantic Ocean and North America’s interior through two efficient rail links. We have also experienced several straight years of growth with a 10 percent increase in container traffic expected this year.

Other ports along the U.S. eastern seaboard have been very aggressive in their expansion plans. They have invested heavily, with government support, to grow capacity and position themselves to capture a large share of the booming container traffic, which is expected to grow by seven percent annually until 2020.

After a rapid assessment of the situation on my arrival last fall I asked my team to undertake an intensive strategic

planning process to determine what the port of Montreal needed to do to capture part of this growing market. Our strategic planning process culminated in the Vision 2020 plan. The plan builds on our strengths; competitive transit times; direct links to two of North America’s largest rail networks; and a balanced split between container imports and exports. The main goals are to ensure that the port facilitates international trade, identifies and taps into adequate sources of funding to fund its expansion and funnels sustainable benefits back to the community.

Container traffic will be the primary source of our growth, more than doubling in volume from 1.4M to 3.6M TEUs by 2020. This will require several major infrastructure projects to ensure sufficient capacity of our clients and strategic partners. We also plan a major redevelopment of the marine passenger terminal transforming it into a tourist landmark worthy of Montreal’s waterfront.

Sustainable development and working with the community are important pillars of our Vision 2020 plan. Any expansion will have an impact. Being conscious of the impacts is one thing, measuring them another, but mitigating or compensating for them is at the core of a true sustainable development plan, and that is what we intend to do.

I am pleased by the response to the plan, which I unveiled in a recent speech to the Chamber of Commerce. I believe that Montrealers share my commitment to ensuring that the port of Montreal has and will continue to be at the heart of trade in North America.



*The Strait of Canso is an ice-free corridor just off the Great Circle Route. The deepwater area is already receiving the largest oil tankers that sail the Atlantic Ocean.*

**Melford International Terminal: Great Lakes Ports Eager to Welcome Container Shipping,** *continued from page 1*

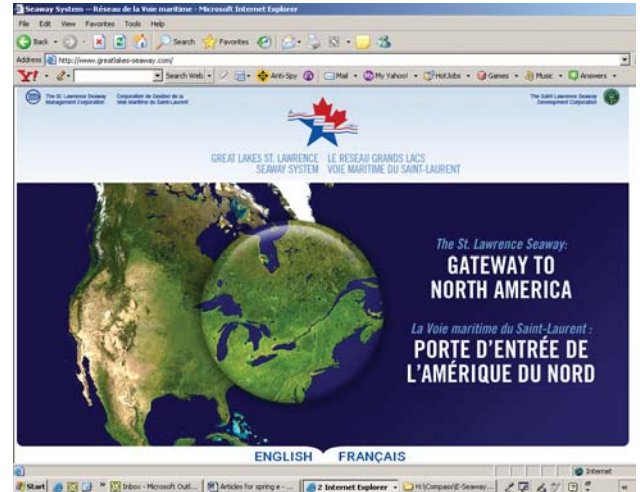
Plans call for double-stacked rail service from the Melford terminal to Montreal, Toronto and Chicago. But the strong container growth forecast through 2020 (at least a doubling of traffic) has convinced several transportation experts that a marine container feeder service into the Lakes could thrive. In order for that to occur, however, ports eager to attract this traffic must make substantial infrastructure investments.

For now, transportation industry and municipal and state governments are actively seeking to lure box service to their ports. Interest is strong at several ports on Lakes Ontario and Erie, including Toledo, Cleveland, and Erie.

## Binational Seaway Web Site Undergoes Complete Overhaul

The two St. Lawrence Seaway Corporations are excited to launch the revised [www.greatlakes-seaway.com](http://www.greatlakes-seaway.com) web site. Reflecting the comments and suggestions received from clients and stakeholders, the revised site provides an effective means of conveying the Seaway's integral role in serving Canadian-U.S. transportation needs and promoting the marine mode of transportation.

The web site was originally launched a little over seven years ago (2/19/01) by the two Seaway entities, the St. Lawrence Seaway Management Corporation and the Saint Lawrence Seaway Development Corporation, and since that time has recorded nearly 12 million page hits from viewers in more than 150 countries. Having undergone a complete overhaul, the bilingual content is now divided according to the interests of each user group frequenting the site. A clear delineation exists between information pertinent to commercial navigation of the System vs. recreational navigation of the System. Special sections also exist to meet the needs of business and industry, students and educators, communities bordering the Seaway, and the media.



The popular Seaway map has been completely redesigned, employing Google Maps™ technology. Users can now view a map of the System, and toggle on/off various map layers. These layers consist of vessels navigating the System, ports within the System, and Seaway locks. The Google Maps™ interface allows viewers to effortlessly zoom in and out of map views, and a series of tabs along the top of the map provides instant access to the most popular regions within the System.

Please visit the revised [www.greatlakes-seaway.com](http://www.greatlakes-seaway.com) today to experience for yourself the site's new architecture and functionality.

## SODES Receives Financial Assistance from the Canadian and Québec Governments for a Study on the St. Lawrence — Great Lakes Trade Gateway

The St. Lawrence Economic Development Council (SODES) has recently received a financial contribution from Canada Economic Development and Transports Quebec for a study on the St. Lawrence — Great Lakes Trade Gateway.

The St. Lawrence — Great Lakes Trade Gateway Study will analyze the St. Lawrence — Great Lakes region's transport system and evaluate future needs related to development of the St. Lawrence — Great Lakes trade gateway in the

context of increasing world trade. The study will propose economic development strategies based on an in-depth look at seaborne trade choices and challenges in the St. Lawrence — Great Lakes corridor.

“The St. Lawrence — Great Lakes corridor is one of the most important files Sodes has worked on since its creation” said Pierre Préfontaine, Sodes President and First Vice-President on the CSL Group.

In recent months, Sodes has shown great leadership in this area. In the context of the Marine Transportation Forum, Sodes helped set up the Leadership Council, which groups together marine, rail and highway transport industry leaders, and which is chaired by Madeleine Paquin, President of Logistec. The Leadership Council mandated Sodes to conduct this study, which will be used to present private-sector priorities for the St. Lawrence — Great Lakes trade gateway.

## Hwy H<sub>2</sub>O Appoints China Agent

The St. Lawrence Seaway Management Corporation has recently appointed a new agent in China to represent the Hwy H<sub>2</sub>O marketing efforts. Logistics Plus, a U.S. based company with offices in Shanghai, China, will work on behalf of Hwy H<sub>2</sub>O and its forty-two members to increase awareness of the Great Lakes St. Lawrence Seaway System and to develop new business between China and the Seaway System.

“We think Hwy H<sub>2</sub>O has the potential to offer significant benefits to customers looking to ship into the heartland of North America. We have already begun to lay the ground-

work in terms of educating our part of the world on this routing opportunity,” said Naran Andreyev, Managing Director of Logistics Plus China. Mr. Andreyev will initially focus the majority of his efforts on break bulk or project cargo, such as windmill turbines, large equipment or machinery destined for the North American manufacturing hub. In addition, Logistics Plus China will work to encourage innovative approaches to the development of increased cargo shipments, including containers, from Asia to ports along the Great Lakes.

This initiative is a direct result of the 2006 China Trade Mission hosted by the St. Lawrence Seaway Management Corporation and the Saint Lawrence Seaway Development Corporation.

## Plans Are Underway for the Next Binational Trade Mission

The Saint Lawrence Seaway Development Corporation (SLSDC), in coordination with The St. Lawrence Seaway Management Corporation (SLSMC), will be hosting a binational Trade Mission to Italy and Turkey, November 7–15, 2008. SLSDC Administrator Collister Johnson, Jr. and SLSMC President and CEO Richard Corfe, will jointly lead a delegation of Seaway Stakeholders on this mission.

Our delegation will represent a cross section of the maritime industry including: Port and Terminal Operators, Ship Owner/Operators, Shipping Agents, and the International Longshoremen’s Association. With Italy being one of the top five trading partners in the Great Lakes St. Lawrence Seaway System, as well as the increase of Turkish operations in the System, we are anticipating a large delegation.

This will be the fourth time a Seaway delegation has visited Italy (1988, 1986, 1986) and the second for Turkey (2000). While in both countries the Seaway delegation of maritime professionals will promote the benefits of shipping cargoes to and from the Great Lakes St. Lawrence Seaway System.



Italy currently ranks fifth for inbound tonnage and fourth for outbound. Total tonnage for 2007 was just less than 800,000 metric tons of cargo. Much of this tonnage is project cargo destined for the Port of Duluth and Thunder Bay



to support the Canadian Alberta tar sands project. In addition to the project cargo tonnage, Italy is a significant consumer of Great Lakes grain. The trading role of Turkey is slightly different. Current cargoes trading between the Great Lakes and Turkey consist of steel, scrap metals, grain and coal. Also on the agenda

are meetings with shipowners, operators and builders. Many of the ships that enter the Seaway System are owned and operated by Turkish companies. The visit will provide an opportunity to meet one-on-one with those owners/operators who currently trade in the System and ensure that they are satisfied with their experience.

In order to generate new business with customers in the Italian and Turkish markets, it is important for the Seaway delegation to meet with the trade, maritime, and business communities in Istanbul, Turkey and Genoa, Italy. Participants will meet with high-level government officials and key industry contacts in each city, building on the personal and professional relationships that are critical for business success in both countries. These meetings will allow the delegation to reach out to potential customers with the message that our system is a viable, safe, secure, reliable, and cost effective transportation route for vessel operators moving cargoes to and from the Great Lakes Seaway ports.

For additional information, please contact SLSDC’s Director of Trade Development and Public Affairs, Rebecca McGill at (202) 366-0091.



## Toll Freeze and New Tariff Target Growth in Traffic

The St. Lawrence Seaway Management Corporation (SLSMC) is pleased to announce a three-year toll freeze that, together with a revised tariff structure, will provide a significant boost to new business growth. With the goal of maximizing the volume of existing commodities, while at the same time attracting new cargoes to the Seaway Great Lakes System, the new tolls structure underscores the commitment of the SLSMC and Transport Canada to increase use of the Seaway.

“By maintaining stable rates through the 2008, 2009 and 2010 seasons and by introducing targeted incentives, we are setting the stage for our stakeholders to aggressively seek new business in an era of escalating costs, and to advance their business plans with a greater degree of certainty” said Dick Corfe, SLSMC President and CEO.

A New Business Incentive Program targeted at carriers and shippers will allow for a 20% discount on cargo tolls over the course of three years for commodity/origin/destination combination approved by the Corporation as “new business”. To be eligible, a carrier will have to submit to the SLSMC an application for the proposed cargo/origin/destination combination. Notably, all containerized cargo movements are eligible for the discount, from 2008 to 2012.

A volume Rebate Incentive Program targeted at shippers has also been introduced. Offering a 10% reduction on cargo tolls applicable to incremental volumes meeting a set of criteria, this program is designed to stimulate movement of the Seaway’s traditional staple cargoes. Applicable criteria can be found within the full 2008 Schedule of Tolls.

To encourage smaller cargo vessels and shipments to come into the system, the Welland Canal lockage fees have been restructured, with a net benefit applicable to all vessels. The fixed charges per lock transit have been replaced with charges proportional to a vessel’s gross register tonnage (GRT). This change will benefit small and medium sized vessels. Larger vessels will benefit from a cap placed on the maximum charge per vessel.

In a bid to promote short sea shipping within the Great Lakes Seaway System, the definition of domestic cargo now includes all movements between any combination of Canadian and American points within the Great Lakes Seaway System. This will allow these intra-system movements to be subject to advantageous bulk rates.

To assist our customers in qualifying for these incentives, the SLSMC has established the [tariff@seaway.ca](mailto:tariff@seaway.ca) e-mail address. Clients and potential clients may submit their inquiries to this address.



## 2007 Navigation Season Robert J. Lewis Pacesetter Award Winners Announced

The Robert J. Lewis Pacesetter Award is presented by the SLSDC annually to those U.S. Great Lakes ports that have registered increases in international cargo tonnage shipped through the Seaway. This is the 16<sup>th</sup> year that the award has been given.

The following four U.S. Great Lakes ports earned the award based upon improved tonnage numbers posted in 2007 over the previous year:

Port	Percent Increase
Toledo-Lucas County Port Authority	5
Detroit/Wayne County Port Authority	16
Port of Oswego Authority	220
Duluth Seaway Port Authority	15

## Cruise Ship Marketing Efforts

A delegation of U.S. and Canadian stakeholders participated in the Annual Seatrade Cruise Shipping Convention and Exhibition held in Miami, Florida on March 13 – 16, 2008. The Saint Lawrence Seaway Development Corporation, the St. Lawrence Seaway Management Corporation, and the Great Lakes



Cruising Coalition co-hosted the event and staffed an information booth.

The delegation's goal for participating in Seatrade was to promote the Great Lakes Seaway System as a cruising destination and offer our technical expertise for operating a cruise ship in the Seaway System. Each member reached out to individuals that visited the booth and reinforced the premise that the Great Lakes Seaway System continues to be recognized as one of the safest destinations for cruise ships and a comfortable environment for travelers that are seeking vacation options closer to home.

The delegation met with many itinerary planners, tour operators who charter ships, and wholesalers who generally broker ship's space to other firms.

## Seaway Personnel Changes



*Bruce Wood*

**Bruce Wood** has been appointed Chief Executive Officer of the Hamilton Port Authority.

Mr. Wood has operated his own consulting company, Fivewood Management and Associates, for the past three years. He was President and CEO of CAA South Central Ontario, headquartered in Hamilton, from 1998 to early 2005.

A graduate of Acadia University with a Bachelor of Business Administration, he received his certification in Board Governance (C.DIR) from McMaster University in 2005.

Mr. Wood replaces former federal cabinet minister Tony Valeri, who was appointed interim CEO of the Hamilton Port Authority after CEO Keith Robson announced his retirement in November 2007.

**Rear Admiral John E. Crowley, Jr.** assumed command on the Ninth Coast Guard District in April 2006, recently retired after more than 33 years of service. As District Commander, Crowley was in charge of more than 6,000 active duty, reserve duty, civilian and Auxiliary men and woman; whom conducted more than 8,700 search-and-rescue missions, executed more than 25,400 law enforcement boardings, and inspected more than 6,650 vessels.



*Rear Admiral John E. Crowley, Jr.*

Rear Admiral Peter V. Neffenger relieved Rear Admiral John E. Crowley of command of the Ninth Coast Guard District.



*Brigadier General Bruce A. Berwick,*

**Brigadier General Bruce A. Berwick**, Commander and Division Engineer of the Great Lakes and Ohio River Division of the U.S. Army Corps of Engineers, located in Cincinnati, Ohio, took command on January 31, 2005, recently retired. He was a member of the Mississippi River Commission, nominated by the Chief of Engineers to the President of

the United States and confirmed by the Senate. He served as U.S. Chair of the Lake Superior, Niagara and St. Lawrence River Boards of Control as a part of the International Joint Commission. General Berwick directed all Corps of Engineers water resources development in the Great Lakes and Ohio River basins, an area of over 355,300 square miles, including all or parts of 17 states.

Colonel Jeffrey C. Smith has assumed command of the U.S. Army Corps of Engineers Great Lakes and Ohio River Division. Colonel Jeffrey C. Smith, a 1980 graduate of the U.S. Military Academy at West Point, has a civil engineering degree from the Massachusetts Institute of Technology and a master's degree in strategic studies from the U.S. Army War College.

## Upcoming Events

### *June*

June 10 – 11

**Invasive Aquatic Species Workshop:  
Exploring the Organisms in Trade Vector**  
Romulus, Michigan  
Contact: Kathe Glassner-Shwayder shwayder@glc.org

### *September*

September 15 – 17

**2008 Ohio Conference on Freight**  
Toledo, OH  
Contact: [www.tmacog.org](http://www.tmacog.org)

September 21 – 25

**American Association of Port Authorities  
(AAPA) Convention**  
Anchorage, AK  
Contact: [www.aapa-ports.org](http://www.aapa-ports.org)

### *October*

October 14 – 16

**19<sup>th</sup> Annual Breakbulk Transportation  
Conference & Exhibition**  
New Orleans, LA  
Contact: <http://www.portno.com/>

### *November*

November 7 – 15

**St. Lawrence Seaway Binational Trade Mission**  
Italy and Turkey  
Contact: Rebecca McGill; (202) 366-0480;  
[rebecca.mcgill@sls.dot.gov](mailto:rebecca.mcgill@sls.dot.gov)