



ACTING ADMINISTRATOR'S  
COLUMN



Craig H.  
Middlebrook

On August 29, the White House announced President Bush's intent to nominate Collister Johnson, Jr. to be the next Administrator of the Saint Lawrence Seaway Development Corporation. A senate confirmation hearing for Mr. Johnson was held on September 21.

Mr. Johnson has extensive experience in the transportation sector, particularly in maritime matters. He was the Chairman of the Board of the Virginia Ports Authority, and he currently serves as Senior Management Consultant at Mercer Management Consulting. He has served as a Member of the Board of Directors of the Overseas Private Investment Corporation since 2002. Prior to that, he served as President and

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**Tonnage, Transit, Trends**

A review of Seaway tonnage data collected a little more than halfway through the 2006 navigation season suggests that a strong year is underway. The overall traffic tonnage this year through the end of August reflects an increase of 13 percent compared to the 2005 numbers, and vessel transits are running 7 percent above as well. The big winners are steel, grain, iron ore and salt, with petroleum products and salt showing respectable increase as well.

Imports of iron and steel commodities ranging from slabs, coils, bars and rods, to pipes and fittings are up by 1,307,000 metric ton (mt) over last year at this time. General cargo for the Seaway is almost entirely iron and steel and the category jumped 75 percent. With 3 million mt unofficially recorded this year, the steel ports of Cleveland, Burns Harbor and Detroit are all reporting increases over last year. Typically, these three ports account for about two-thirds of the imported steel through the Seaway with Chicago, Milwaukee and Toledo picking up most of the remaining portion.

Roughly a tenth of the Nation's steel imports arrive via ocean vessels transiting the Seaway and are destined to these ports and others dotting heavily industrialized lake shore areas in Ohio, Indiana, Illinois, Michigan and Pennsylvania. As the single largest industrial material in the United States, steel is used in countless manufacturing applications and construction projects. Its importance is far more than its 11 percent of the total Seaway tonnage suggests, for each ton of steel handled creates \$250 in business revenue.

Canada's largest steel port in the system, Ontario's Port of Hamilton, is reporting excellent numbers this season. "We've handled more than 800,000 mt of steel through the end of August, and are anticipating this strong growth will continue through year's end," said Bob Matthews, Vice President of Marketing for the Hamilton Port Authority. He noted that this represents a 38 percent surge over 2005 numbers.



*The P.L. 480 grain mover out of the Port of Milwaukee headed through the Seaway.*

of Duluth-Superior have maintained bragging rights as the top U.S. grain ports in the Great Lakes. This year, the port is looking to reach last year's level for grain shipments. "It's early yet, so we have a chance to catch up, but right now we're shooting for duplicating last year's numbers," said Ron Johnson, Marketing Director.

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

**Seaway Compass**



*Acting Administrator's Column, continued from page 1*

Chief Executive Officer of FastShip Atlantic, Inc. Earlier in his career, he served as Senior Vice President and Director of Presidential Airways, Inc. Mr. Johnson received his bachelor's degree from Yale University and his law degree from the University of Virginia.

The SLSDC's dedicated employees look forward to having a new Administrator in place to lead the organization and

to further our mission of serving the marine transportation industries by providing a safe, reliable, efficient, and competitive deep-draft international waterway. There is a full portfolio of important issues that affect the entire Great Lakes St. Lawrence Seaway System, ranging from the Great Lakes St. Lawrence Seaway Study to ballast water to promoting the System through the Hwy H<sub>2</sub>O effort. A new Administrator will bring new energy and new ideas to these and other efforts, and we can all look forward to that!

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Toledo, a major grain port in the Lakes, reports a 129 percent jump over last year's pace with corn standing out as the lead commodity. "We're delighted with the increase in ocean vessels moving grain out of our terminals; usually the focus is heavily laker-oriented, so that's great news," said Joe Cappel, seaport Marketing Representative for the port.

Milwaukee's port also is posting superb grain numbers. "Through the end of August we're just shy of shipping 300,000 tons of grain and P.L. 480 cargo from our grain elevator through the Seaway, and that's a 140 percent jump over the figures for last year at this time," said Betty Nowak, the port's Marketing Manager.

Ontario's Port of Thunder Bay is the largest outbound port in the Great Lakes Seaway system and is synonymous with grain. Through the end of August, Tim Heney, Port Director, says his port has handled 3.7 million mt, up 9 percent over last season. "Based on Canadian Wheat Board projections, we should carry this pace or better through season end, which means we could ship up to one million more tons than we did last year," he said.

Iron ore, the single largest commodity by tonnage shipped through the waterway this year at 6.7 million mt, is enjoying a strong season as steelmaking in the United States and Canada remains healthy. Essential for steelmaking at integrated steel mills, iron ore prices rose a modest 19 percent this year after an eye-popping increase of 72 percent on world markets in 2005. Another vital ingredient to the basic oxygen furnace method is coke, and this specially refined coal product is also doing well with a 10 percent bump up as demand remains strong despite price increases and troubles in the automobile sector.

The ore shipped through Seaway locks originates almost entirely from the Labrador Trough region of that province and Quebec, and moves by lakers primarily to Hamilton, Ontario, Canada's steel center. Iron Range ore from Minnesota and Michigan moves largely via the U.S.-flagged fleet 1,000 foot lakers to Upper Lakes ports for rail or truck movement to nearby steel mills after having

first been beneficiated into taconite pellets near the mines. Two other commodities doing well this year include salt (23 percent jump) and chemicals (up 29 percent). Coal shipped through the Seaway, largely out of Sandusky, Ashtabula and Conneaut, is maintaining last year's pace. According to the Lake Carriers Association, however, the intralake numbers show that 20.4 million mt in 2006 is roughly one million tons below last year's effort at this time.

Transit data is positive. Sixty-five percent of transits of commercial vessels—largely lakers and salties—have been loaded. With almost half of the season completed, there have been 172 more transits over last year's pace and the percentage of loaded ships is more than 8 percent above last year's pace. To date the total transits are 2,365.

Project cargo moving on the Great Lakes Seaway System is this year's "big story". The hot commodity is wind turbines as communities throughout North America seek alternate power sources to reduce pollution and dependence on fossil fuels. This year the Port of Oswego handled eight vessels and two barges of wind turbine parts destined for Maple Ridge Wind Farm in Lewis County, New York. The shipments follow last year's total of 17 ships and several barges trucked to the largest windfarm east of the Mississippi River, noted James Cloonan, Director of Operations.



*Wind turbine cargo handled by Lake Superior Warehousing Stevedores at the Twin Ports.*

difficult to move long distances by rail or truck.

Meanwhile, other communities from the Gaspé Peninsula to Minnesota are increasingly turning to the waterborne movement of the outsized helices and tower bases which, due to their size, are

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*Tonnage, Transit, Trends continued from page 2*

The Seaway Port of Duluth-Superior is continuing its surge in shipments of wind turbines handling several such projects last year. Danish manufactured parts move by salty from their North Sea port of Aarhus through the Seaway to the lakehead. Johnson notes that two ships have arrived with Siemens 2.3 mega watt turbines that will be trucked to Mower County near the Iowa-Minnesota border where they'll be erected at one of several windfarms mushrooming across the Midwest. A third ship is due in late September, and the turbines will be trucked to the Bismark, North Dakota area.



*Siemens 2.3 mega watt wind cargo destined for Mower County MN recently arrived into the Twin Ports.*

business in moving these large cargoes to their destinations," said Johnson.

"We also expect to begin shipping wind turbine tower bases by barge to Buffalo in a few weeks, so traffic is moving out as well as in, as more and more people in that industry learn that waterborne transport is affordable, reliable and just plain smart

#### GUEST COLUMNIST



**John Jamian,**  
*President, Seaway Great Lakes Trade Association*

#### *Seaway Great Lakes Trade Association*

It seems as though not a day goes by where there is yet another news article discussing ways to shut down this vital transportation system in order to save our lakes from the invasion of non indigenous species.

Today, many of the environmental groups sell fear and work towards sabotaging our already fragile Great Lakes regional economy. As the former Acting Administrator of the U.S. Department of Transportations, Maritime Administration, former Executive Director, of the Detroit Wayne County Port Authority and a former State Representative in the Michigan Legislature, I have been involved with our Great Lakes and Seaway transportation system for well over 18 years. I now serve as the president of the newly created Seaway Great Lakes Trade Association an organization whose mission is to serve as a U.S. based advocacy organization devoted to the efficient and responsible use of the St. Lawrence Seaway and Great Lakes transportation system. Our goal is to ensure the continued operation of, and access to, this critical economic resource, one on which much of the region's industrial base relies to maintain both a domestic and international competitive advantage.

I feel compelled to set the record straight in regards to these misleading articles and give the public a more balanced view of our Seaway and Great Lakes transportation system.

A recent Associated Press article criticized our new Hwy H<sub>2</sub>O program by stating that the amount of ships will double on the Great Lakes, which will in turn deliver

more exotic species. To begin with, one of the principle objectives of Hwy H<sub>2</sub>O is to help mitigate the congestion and air quality problems we face with our current surface transportation system. As more and more freight finds itself traveling between our two countries, people are growing wary of the daily congestion and increased air emission problems on our already over crowded surface transportation system.

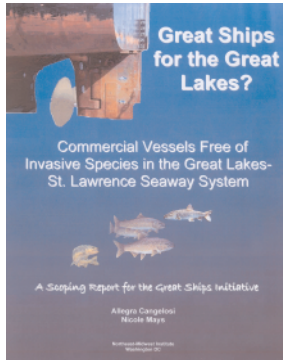
For our economy to prosper, we have to have a functional and efficient multi modal transportation system. You cannot just arbitrarily choose to close an important leg of this multi modal system without suffering repercussions. Our Great Lakes regional economy is already experiencing serious problems. The answer is not to provide fear or close the system down. The answer is in providing solutions that really work!

Our shipping companies are working aggressively to find a solution to the introduction on non-indigenous species through ballast waters discharges. There is technology currently being tested that hopefully will solve this problem. But this technology has to prove safe for everyone involved while facing certification from the International Maritime Organization and the U.S. Coast Guard.

To say that there are 182 invasive species in the lakes with two thirds arriving with the opening of the St. Lawrence Seaway is to also say, that over 60 species arrived on their own or through another vector. In the big picture, our Great Lakes have many environmental challenges. We have a very serious problem with combined sewer overflow into our lakes every time we have a bad rainstorm. Yet we rarely see the environmentalist calling to shut down our local wastewater treatment plants.

My point is that the environmentalist should stopped-dling fear while trying to destroy jobs associated with our transportation industry and instead report truthfully about how involved our industry has been in working to protect our environment. After all the Great Lakes are our back yard also.

## Great Ships Initiative



The Saint Lawrence Seaway Development Corporation (SLSDC) is involved in several initiatives to combat the spread of invasive species in the Seaway System. One such effort is the Great Ships Initiative (GSI) which is focusing resources and expertise on producing solutions to the problem of ship-mediated invasive species in

the Great Lakes. Announced on July 12, 2006, the GSI program is an industry-led cooperative effort initiated by the Northeast-Midwest Institute, in collaboration with the American Great Lakes Ports Association. It will operate

on two fronts: 1) activating a set of “technology incubators” to accelerate the identification and verification of treatment alternatives to stop organism introductions by ocean-going ships’ and 2) monitoring Great Lakes ports and harbors for new introductions of invasive species by ships.

The SLSDC was charged by the Department and Representative David Obey (WI) with serving as the “project manager” for the FY 2005 earmark grant of \$500,000 awarded to the University of Wisconsin at Superior for GSI ballast water research.

Seaway officials attended the launching of the “Great Ships Initiative” in Duluth, MN on July 11, 2006. The \$3.5 million research center is the first in the Great Lakes region designed to specifically focus on developing the technology necessary to prevent the introduction of aquatic nuisance species into the Great Lakes by ocean-going ships.

## Highway H<sub>2</sub>O Signs Agreement with German Port Group

The marketing initiative, Hwy H<sub>2</sub>O, led by the Saint Lawrence Seaway Development Corporation (SLSDC) and the St. Lawrence Seaway Management Corporation (SLSMC), recently signed a Memorandum of Cooperation with the Seaports of Niedersachsen in Oldenburg, Germany, establishing a marketing alliance between the two groups. The agreement was signed by Mr. Richard Corfe, President

and CEO of the SLSMC on behalf of Hwy H<sub>2</sub>O and by Mr. Andreas Bullwinkel, General Manager of the Seaports of Niedersachsen.

The purpose of the agreement is to promote trade between northern Europe and the Great Lakes St. Lawrence Seaway System, generate business opportunities through joint marketing, and to encourage an exchange of information and collaboration. This will be accomplished through joint participation at conferences and exhibitions, as well as an annual workshop. The agreement evolved from a meeting that was held in Germany during the October 2005 Great Lakes St. Lawrence Seaway System Trade Mission to Europe.

## Port of Milwaukee Receives the Robert J. Lewis Pacesetter Award

Acting Administrator, Craig H. Middlebrook, traveled to Milwaukee, WI on August 4, 2006, to present the Port of Milwaukee port officials with the Saint Lawrence Seaway Development Corporation’s Robert J. Lewis Pacesetter Award. The port earned the award for increased international tonnage through the St. Lawrence Seaway during the 2005 navigation season (300,000 metric tons) as compared to 2004 tonnage levels (up 63 percent). This is the seventh Pacesetter Award for the port since the SLSDC began the award program in 1992.

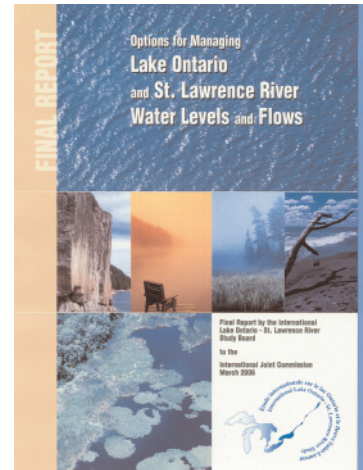


(left - right) Eric Reinelt, Port Director, Milwaukee Port, Daniel J. Steininger, President, Board of Harbor Commissioners, and Craig H. Middlebrook, Acting Administrator, Saint Lawrence Seaway Development Corporation.

## Water Levels and Flows

After the opening of the Seaway in 1959, the International Joint Commission established a plan for regulating water use on Lake Ontario and in the St. Lawrence River pursuant to the parameters of the 1909 Boundary Waters Treaty and the Orders of Approval issued jointly by the U.S. and Canada in the 1950s. This “Plan 1958-D” took effect in 1963 and has governed water use in Lake Ontario. The St. Lawrence River Study is the first review, in almost half a century, of the criteria that comprise Plan 1958-D.

The Commission established the International Lake Ontario and St. Lawrence River Study Board in 2000 to undertake the studies needed to evaluate options for regulating levels and flows in the Lake Ontario-St. Lawrence River System. Among its stated goals for this study, the Commission is seeking to ensure that the results of its review will yield net economic and environmental improvements over the existing regulatory plan. The Saint Lawrence Seaway Development Corporation and its Canadian counterpart, the St. Lawrence Seaway



Management Corporation, have been active, as members of the Study Board’s Commercial Navigation Technical Working Group, in seeking to aid the effort to reach a conclusion that is truly an improvement over the current plan.

While much has changed along Lake Ontario and the St.

Lawrence River in almost half a century, fairly balancing competing water usage needs remain as important and challenging today as ever. By reading the final report ([www.ijc.org](http://www.ijc.org)) and paying attention to this important study, you can help inform decision makers as they reassess the proper balance.

## Travis the Traveling Container

A cargo container doubled as a promotional tool during its voyage from Europe to North America, as part of an ongoing effort to encourage container shipping on the Great Lakes St. Lawrence Seaway.

The St. Lawrence Seaway Management Corporation (SLSMC) arranged for the 20-foot container to be shipped across the Atlantic Ocean where it traveled along the St. Lawrence Seaway to the Great Lakes’ largest and farthest inland port, the Ports of Duluth-Superior.

The Hwy H<sub>2</sub>O Traveling Container, also known as Travis, was launched from the Port of Aarhus, Denmark on July

19 with a large Hwy H<sub>2</sub>O themed mural on both sides of the box. The container traveled aboard a modern multi-purpose vessel owned by Germany-based BBC Chartering and Logistic. Along with the Hwy H<sub>2</sub>O container, the vessel was carrying a load of windmill parts.

A contest was held to see how long it would take Travis the Traveling Container to journey from Aarhus, Denmark

to Duluth, MN. Travis traveled by ship across the Atlantic Ocean and into the Great Lakes Seaway System, a journey which took only 13 days, 17 hours, and 55 minutes. The winner received a 5-day cruise on the St. Lawrence River aboard the Georgian Clipper. This

demonstrates the convenience and reliability of moving containers on ships directly into the heartland of North America.



## Seaway Personnel Changes

U. S. Secretary of Transportation **Norman Y. Mineta** resigned on July 7, 2006. Mr. Mineta joined Hill & Knowlton, an international communications consultancy company, as the Vice Chairman. He assumed his Cabinet post in January 2001, making him the longest-serving Transportation Secretary in the history of the Department.

Former Administrator **Albert S. Jacquez** completed his seven year term as the head of the SLSDC on July 1. SLSDC vessel transit operations continue to function seamlessly as the Corporation awaits the confirmation by the U.S. Senate of the new Administrator designate, Collister Johnson, Jr. Deputy **Craig H. Middlebrook** was designated Acting Administrator on July 1.

**Helen A. Brohl** was recently appointed Executive Director of the Executive Secretariat to the Committee on the Marine Transportation System (CMTS).

The Committee on the Marine Transportation System was established by the President's Ocean Action Plan to create a partnership of Federal agencies with responsibility for the Marine Transportation System (MTS) - waterways, ports and their intermodal connections - to ensure the development and implementation of national MTS policies consistent with national needs and report to the President its views and recommendations for improving the MTS. The CMTS is chaired by the Secretary of the Department of Transportation, and is comprised of ten cabinet level departments and several independent Federal agencies.

It's with a heavy heart that we report the passing of **Thomas H. McAuslan**, Executive Director, Port of Oswego. Mr. McAuslan passed away on August 30, 2006, after serving 11 years at the port.



*Sean Connaughton*

**Sean Connaughton** was nominated by President Bush to be the Maritime Administrator on June 27, 2006, and was confirmed by the Senate on August 3, 2006. He was sworn in on September 6.

**Lieutenant Colonel Donald Lauzon**, Commander of the U.S. Army Corps of Engineers Detroit District, retired after his 2-year term expired on July 28, returning to private industry.



*Lieutenant Colonel William Leady*

Lieutenant Colonel **William J. Leady**, has taken his place. **Lieutenant Colonel William Leady**, a native of Indiana, graduated from the United States Military Academy and was commissioned into the United States Army as Engineer Officer. Prior assignments include CJ9 Engineer, Combined Forces Command-Afghanistan, Kabul; Deputy Commander, 80th Area Support Group, Mons, Belgium; Assistant Division Engineer, 1st Armored Division, Wiesbaden, Germany; Executive Officer, 44th Engineer Battalion, 2nd Infantry Division, Camp Howze, Korea; Assistant Professor, Department of Geography and Environmental Engineering, West Point, New York; Company Commander and Battalion Staff Officer, 41st Engineer Battalion, 10th Mountain Division, Fort Drum, New York; and Platoon Leader and Company Executive Officer in the 82nd Engineer Battalion, Bamberg, Germany.

On June 29, 2006, **Robert Masson**, Chief Executive Officer of the port of Trois-Rivieres, announced he will step down from this position which he has held for the last seven years.

Mr. Masson has accepted a new challenge. In September, he will assume the position of Vice-President of Marketing and Development at the port of Montréal.

A successor will be appointed soon.



*James Yamonaco*

The Port of Buffalo is pleased to announce the promotion of **James Yamonaco** to Port Director.

**Fred Finger**, who held the position for 20 years, retired this past July.

Jim, as Assistant Port Manager, worked closely with Fred in overseeing the day-to-day port operations.

The handling of bulk commodities has grown under Fred's direction and the port currently handles well over 600,000 tons of bulk materials annually. The Robert J. Lewis Pacesetter Award will be given to the Port of Buffalo this year for their increased tonnage shipped through the Seaway.

We congratulate Jim on his promotion and wish Fred well in his future endeavors.

## Upcoming Events

### October

#### October 3-5

2006 Annual Meeting of the Great Lakes Commission  
Duluth, MN  
Info: Tom Crane, tcrane@glc.org

#### October 7

Great Lakes Maritime Research Institute  
Advisory Board Meeting  
Duluth, MN  
Info: Carol J. Wolosz, 218-726-7446,  
cwolosz@d.umn.edu

#### October 16-18

International Congress on Maritime Security  
Washington, D.C.  
Info: 202 393-1000

#### October 24

Quebec Marine Day  
Quebec City, QC  
Info: Marc Gagnon, 418-648-4572,  
marcg@portquebec.ca

### November

#### November 1-3

SOLEC (State of the Lake Ecosystem Conference)  
Milwaukee, WI  
Info: solec@ec.qc.ca

#### November 9-10

November 9-10, 2006  
Mississauga, Canada  
Info: www.hwyh20.com

#### November 14-16

General Cargo & Shallow Draft Ports Seminar  
Memphis, TN  
Info: www.aapa-ports.org

### June

#### December 1

Grunt Club Dinner  
Montreal, QC  
Info: rebecca.mcgill@sls.dot.gov