



# Seaway Compass

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

## Seaway Trade Mission to Belgium & The Netherlands

The Seaway's 26<sup>th</sup> trade mission to Belgium and The Netherlands was an unqualified success according to the co-hosts of the week long series of briefings, tours and one-on-one meetings. Administrator Albert Jacquez, Saint Lawrence Seaway Development Corporation (SLSDC), and President Dick Corfe, Saint Lawrence Seaway Management Corporation (SLSMC), jointly led a 19-member delegation to five ports in the Low Countries including Rotterdam, Amsterdam, Antwerp, Ghent and Zeebrugge.

"Maritime officials from these two countries expressed keen interest in what the Seaway System offers as a market gateway for their products to North America's industrial

heartland," said Jacquez. "They were eager to explain moving steel and iron exports from their ports through the Seaway and to discuss their experiences with short sea shipping. The Trade Mission delegation

also took the opportunity to pursue new cargoes and emerging business."

Trade mission participants included port directors from U.S. and Canadian Great Lakes ports, marketing and communications directors, terminal operators, shipping agents, marine experts, and labor representatives. They arrived in Antwerp the first weekend in October and quickly began coordinating closely on strategy, contacts, and statistics.

Monday morning started with an early bus ride to the Belgian port of Zeebrugge on the North Sea. Making every moment count, the delegates received the official country briefing from a senior commercial officer of the Commercial Service, U.S. Embassy en route. Following the presentation by Zeebrugge's port director, the Seaway delegation received a tour of Europe's top Ro-Ro port followed by business discussions. The world's busiest port for shipping new cars, Zeebrugge receives large quantities of agricultural products and is an intersection key for moving forest products.

The afternoon included a visit to the port of Ghent which handled 40 million tons of waterborne freight recently, one-third of which is via inland waterway. Port Authorities provided delegates a presentation and tour, leaving the group with a keen appreciation of Ghent's extensive canal system. Shipping iron and steel from major steelworks like Arcelor located on the canal lowers transport costs.

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*Left to right – Adolph N. Ojard, Executive Director, Duluth Seaway Port Authority; Goris van Lit, Assistant Regional Manager, U.S. Wheat Associates; and Albert S. Jacquez, Administrator, SLSDC.*

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## Biking the Seaway Trail

by Albert S. Jacquez, SLSDC Administrator

The Seaway Trail is a jewel that no one should miss, and last August I had an unforgettable opportunity to combine Seaway work with pleasure and indulge in one of

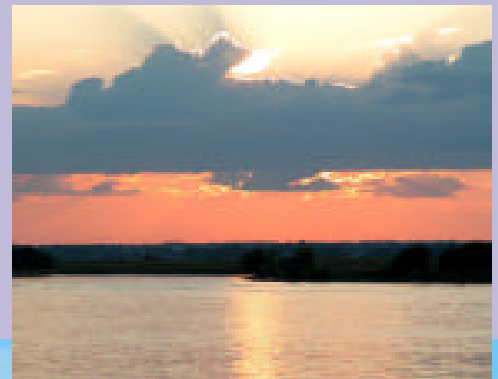
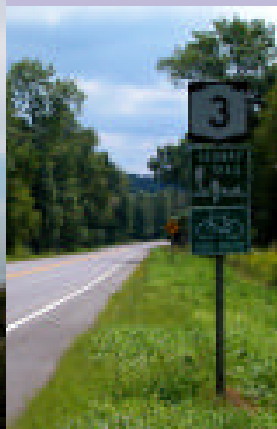
my passions—cycling. I had long wanted to explore up close the beauty of the superb 500-mile long trail that borders the North Country and Lake Ontario, so after mulling upon the idea I decided there was ‘no time like the present’ to take the plunge.

I arranged a series of meetings with key local governmental and environmental officials. After driving by car to the North Country with bike in tow, I began my odyssey at Rooseveltown and made my first stop at Ogdensburg. I met with Ogdensburg Bridge and Port Authority’s new executive director Dan Loughney over breakfast and discussed port activities and Seaway issues.

From there it was off to the Thousand Islands region and a meeting in Clayton with Ann Ward, President of Save the River, and Sandra LeBarron, New York State’s Region 6 Director of Environmental Conservation.

A day later I met with Dave Cutter, landscape architect and planner of the Seaway Trail, in Alexandria Bay, and together we cycled to Sackets Harbor. There we met with Teresa Mitchel, executive director of the Discovery Center.

From there I followed the water’s edge to Oswego, Rochester, and on to the Canadian border. After several hundred miles of solo biking it was great to get back from nature to a business-oriented conversation. I met with Michel Drolet, Vice President of the SLSMC Niagara Region, and discussed Seaway issues. The next day, I received a ride to the Toronto Train Station, returned to Cornwall and made it back to my car for the trip home with a thousand memories and as many photos.



# The Great Lakes, Fast Ferries and New Directions

by Ken Szallai, Port Director, Port of Milwaukee



I don't know how many times during the currency of my tenure as Port Director

here in Milwaukee, that people have asked me "Ken, why aren't there more ferries in the Lakes, it's a no brainer to see that ferries should be whizzing back and forth all over the place." That's a very good questions, particularly given the long and rich history of passenger vessel movements on the Great Lakes. Railroad and passenger car ferries, mini-cruise vessels such as the Milwaukee Clipper and numerous other craft have provided passenger service between Great Lakes ports over the years. Unfortunately, with the advent of the interstate highway system, the Lakes became to be regarded as a barrier to, rather than as a facilitator of, passenger transport. We as an industry didn't help. We continued to run old, outmoded equipment that not only became increasingly expensive to operate but unsuitable for changing life-styles. In fact, we still do that to some degree.

But, as they say, times change. The interstates in the Illinois/Wisconsin area that used to speed passenger travelers along (and helped bring about the demise of water based passenger service), are not congested and often the recipients of scorn from those forced to sit in traffic jams. While we try to road-build our way out of the mess, we seem only to create more jams due to construction. As Yogi Berra might have said, "The more we build, the wiser it gets."

Things can change for the better, though, and they are about to on Lake Michigan. After extensive study and planning, Lake Express LLC will inaugurate cross - Lake Michigan auto/passenger high-speed ferry service between Milwaukee, WI and Muskegon, MI. Scheduled to commence on May 28, 2004, the service will run May through December each year and offer two round trips daily in the shoulder seasons of May and October/December and three round trips daily June through September.

The ship, currently under construction at Austal USA in Mobile, Alabama will carry 46 cars and 250 passengers at a speed exceeding 34 knots. Designed by Austal, the 192' catamaran will be the first U.S. built and flagged vessel of its kind operating in the Continental U.S.

Lake Express will be, without a doubt, the ultimate "Chicago bypass", moving travelers and their vehicles across Lake Michigan in about 2.5 hours, dock to dock. A conventional vessel would take about 6.5 hours to make the same voyage; while the drive around the Lake through the congested

and stressful "Chicago corridor" take about 5.5 hours on a good day, when there is one. The positive, extensive roadside market surveying and the public response since the announcement of the service bode well for Lake Express' prospects for success. People want an alternative to sitting in traffic on their vacations and long weekends and the Lake Express experience, being fast, safe and fun seems to have tapped into this feeling.

There are markets for waterborne passenger service on the Great Lakes



Artist illustration of the high-speed ferry, Lake Express LLC.

if they are well designed and responsive to the customer, and while not every market can sustain such a service, perhaps Lake Express represents a Renaissance of waterborne passenger service on the Great Lakes in those that can!

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## Trade Mission

Those savings help determine whose steel finds its way to Great Lakes industrial centers via the Seaway.

The Trade Mission moved next to the Port of Antwerp, a port world renowned for traffic and



*Cargo transfer operation being conducted at the Port of Rotterdam.*

infrastructure. Some 16,000 ships call annually and tonnage last year totaled 130 million tons. Antwerp's inland location with excellent intermodal connections and easy access to Rhine and Danube inland waterways makes it a natural business center. Finished and semi-finished iron and steel products—bars and rods, billets, blooms and ingots, slabs and coils—all find their way from Belgium, French, and German factories to steel centers like Cleveland, Burns Harbor, Hamilton and Detroit.

While at the Port of Antwerp the delegation conducted meetings with Cobelfret Logistics and Trans Ocean Logistics. The latter is owned by the Arcelor Group, one of Europe's largest logistics companies in the steel export industry. Delegates heard from port officials on the importance of barge traffic for Antwerp: roughly 59,000 barges carried more than 74 million tons of goods, and container carriage by barge is growing.

By midweek it was time for a brief bus ride across the Belgium border to Amsterdam. After a country briefing from the Commercial Service, U.S. Embassy, the Trade Mission headed to the port where delegates received briefings and a facilities tour. The port's proximity to the sea, expressways, the Rhine canal, extensive rail connections throughout the harbor area and Schipol international airport offer superb intermodal links that have resulted in a fast-growing port.

The Trade Mission's final work day centered around the Port of Rotterdam, Europe's busiest and the world's largest port. The delegation received a general port presentation followed by a short sea shipping presentation, one of particular interest to them. Delegates were eager to learn from Europe's success moving rail and truck cargo from overcrowded surface transport routes to inexpensive, efficient and environmentally friendly marine ones.

About 30,000 seagoing vessels arrive and depart Rotterdam yearly and more than four times that many inland craft do the same. Petroleum products account for roughly half of the megaport's tonnage. The delegation's interest focused on dry bulk cargo, especially grain, the Seaway's largest export product by tonnage. Last year the U.S. and Canada sent more than 297,000 metric tons of soybeans, wheat and flaxseed to Rotterdam with most ships topping off at ports in the Gulf of St. Lawrence.

Meanwhile smaller Handysize vessels carry much of the Netherlands exports to the Great Lakes-Seaway system. In 2002 that totaled more than 526,000 tons with manufactured steel and steel slabs accounting for roughly 78 percent, all of it going to Cleveland and Burns Harbor.

The 2003 Seaway Trade Mission was an outstanding success according to Administrator Jacquez.

"We learned as much as we taught, and I think that's a good balance of what you hope to achieve when you lead or participate in these trade missions," said Administrator Jacquez.



*Pictured left to right – John Baker, President ILA; Captain Robert Muir, President Gresco Ltd.; William McCrimmon, Port Director, Port of Toledo and Albert S. Jacquez, Administrator, SLSDC. While conducting a tour of the Port of Rotterdam, the delegation takes time to discuss the port's success in short sea shipping.*

## Food for Peace Shipment

The Port of Duluth-Superior's first Food for Peace shipment in 12 years was loaded on August 4, at the Clure Public Marine Terminal, the Duluth Seaway Port Authority.

Nearly 1,400 metric tons of bagged peas, bound for West Africa under Title II of the federal Public Law 480 Food for Peace program was

“This may seem like a small amount of Food for Peace, but the shipment is a hopeful sign that the Great Lakes System will soon increase its share of processed goods being exported by the U.S. Department of Agriculture under the PL 480 Title II Program,” said Ron Johnson, Port Authority Trade Development Director.

PL 480 is a federal program sending food aid to developing countries. Title II is mainly processed and bagged products for humanitarian aid.

The Great Lakes had been an efficient supplier of Title II products with its proximity to agricultural producers and the St. Lawrence Seaway system for small ships compatible with ports in many developing countries. The trade was historically worth

about \$100 million a year to farmers, workers and businessmen in the region. PL 480 cargoes generated an estimated \$250,000 in terms of business activity for each port visited.

But in 1985 the cargo preference law pertaining to PL 480 cargo was amended to increase the U.S. flag requirements on such cargos from 50 to 75 percent. This law, which went into effect in 1986, killed the Lakes PL 480 program because cargo awards left for all-flag competition under the remaining 25 percent were too small to induce ships into the Seaway System.

U.S. vessels didn't need to make special trips to Great Lakes ports because under the cargo preference system USDA directs the cargo to them. The Great Lakes tried but were unable to get regular U.S. flag ocean carrier service.

The Great Lakes received about 240,000 tons of PL 480 per year for four years under a Great Lakes Set-Aside arrangement, but the last PL 480 cargo to move through the Port of Duluth-Superior was in 1991.

“Although the parcel via Duluth was considered a trial shipment because of its size, it is hoped that it will renew interest in carriers moving PL 480 via the Great Lakes,” said Johnson.



*Bagged peas bound for West Africa are waiting to be shipped.*

shipped aboard the Hong Kong-flagged M/V CASHIN. Terminal operator Lake Superior Warehousing Co., Inc., loaded the cargo, which had arrived in the port via rail from Idaho in midsummer.



*Pictured left to right – Indiana Port Commission Chairman Ken Massengill, and SLSDC Deputy Administrator Craig Middlebrook. On September 16, Deputy Administrator Middlebrook presented the Ports of Indiana, Burns Harbor with a Seaway Pacesetter Award during the 21st Century Logistics Forum in Indianapolis. For a port or terminal to qualify for a Pacesetter award it must post increases in international tonnage shipped through the Seaway over the previous navigation season. Burns Harbor was one of only five ports and one terminal to achieve this great accomplishment in 2002.*

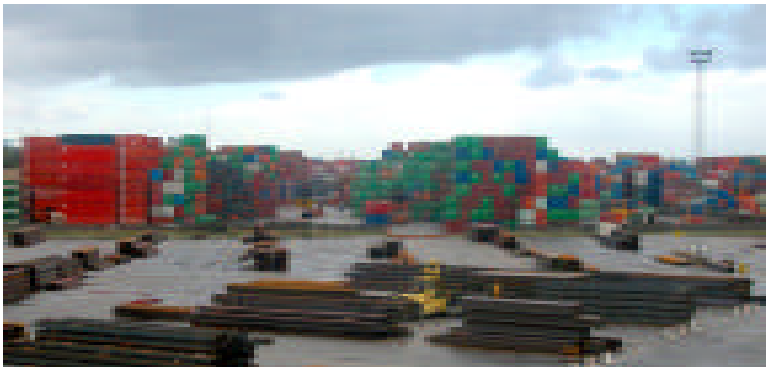
## Container Feasibility Workshop

The Saint Lawrence Seaway Development Corporation (SLSDC) and the St. Lawrence Seaway Management Corporation (SLSMC) initiated a Market Growth Study in 2002 to determine what opportunities might be available to increase traffic and tonnage levels and attract new cargos. One potential lead was container traffic which is a growing segment of the maritime industry. The timing appears right to investigate this potential as environmental considerations are starting to have a great impact at all levels, particularly

with the Government. In addition, road congestion and quality of life are becoming hot issues both from a people and infrastructure point of view.

Recent initiatives in the Great Lakes St. Lawrence Seaway Study also captured interest binationally in short sea shipping. While Transport Canada and the U.S. Department of Transportation plan to run scenarios and organize meetings, we can also be proactive and propose one or several pilot programs, which might include containers.

Administrator Albert S. Jacquez, SLSDC, and Richard Corfe, President and CEO of the SLSMC have co-sponsored and facilitated three working group meetings addressing the feasibility of maritime container operations in the Great Lakes St. Lawrence Seaway System. Participants included U.S. and Canadian ship owners, operators and port representatives.



*Fork lift operator stacks steel bars at the Port of Antwerp Coil's terminal.*

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## Great Lakes St. Lawrence Seaway Study Moves Forward

Following the May 1 signing of the Memorandum of Cooperation (MOC) between the U.S. Department of Transportation and Transport Canada, with the U.S. Army Corps of Engineers (USACE) present, work on the Great Lakes St. Lawrence Seaway Study (Study) is progressing. A meeting of the five Steering Committee members was held in Washington on July 16<sup>th</sup>. In attendance were representatives from U.S. DOT (Under Secretary Jeff Shane), Transport Canada (Kristine Burr, Assistant Deputy Minister for Policy), the USACE (Chief of Planning and Policy William Dawson), the Canadian St. Lawrence Seaway Development Corporation (President Richard Corfe), and the SLSDC (Administrator Albert Jacquez). The Steering Committee will oversee the work of the Study's Project Managers, Wayne Schloop of the USACE and Marc Fortin from Transport Canada, and the various Project Delivery Teams. The participants in the July 16<sup>th</sup> meeting agreed to expand the Steering Committee to include two more members. They also agreed to meet again in November.

The purpose of this phase of the Study is to provide a baseline, "without-project" analysis for the environment, engineering, and economics regarding the commercial navigation infrastructure in the Great Lakes and St. Lawrence Seaway. To that end, two of the Project Delivery Teams have already begun their work in earnest. The Engineering Team, chaired by the USACE, began its review of the current infrastructure around the time of the MOC signing. The Economic Team, chaired by Transport Canada, has started its deliberations as well. The Environmental Team is being formed at this time. The work of each of these teams will be integrated as part of the final report due at the end of this Study phase, which is expected to be completed in 2005.



# Welcome to the Seaway



Curtis Hertel joined the Detroit/Wayne County Port Authority as the Executive Director in August of 2003. He recently was employed by Public Affairs Associates, a Lansing-based public policy management firm. Curtis recently served nine terms in the House of Representatives, the last three in significant leadership positions. During that time he served as Chairman of the House Transportation Committee and had jurisdiction over maritime issues.



Daniel B. Loughney was appointed Executive Director of the Ogdensburg Bridge and Port Authority on June 2003. Prior to taking his new position, Dan was the Director of Operations at the Port of Vancouver for the past 10 years. He has over 20 years of leadership and management experience. Dan also held positions as Regional Sales Representative, Traffic Manager, Vice President of Traffic, Vice President of Export Operations, Director of Marketing, and lastly Director of Operations.



## SEAWAY MONTHLY TRAFFIC RESULTS As of September 30, 2003

Traffic (in Thousands of Tonnage)	September 2003		August 2003		August 2002	
	Year-to-Date		Year-to-Date		Year-to-Date	
	2003	2002	2003	2002	2002	2001
Total Cargo	18,802	192,109	20,871	202,007	20,073	201,248
Grain	8,948	42,024	9,898	52,000	10,048	8,842
Iron Ore	8,278	64,871	8,898	49,888	6,000	7,800
Coal	870	100	870	2,000	2,780	2,800
Other Bulk	8,806	45,004	8,805	5,000	10,445	8,800
General Cargo	2,900	15,200	2,900	1,000	2,780	1,800
Total Through	1,700	15,700	1,700	1,800	2,000	1,800

## Upcoming Events

### November

26-27 **WESTAC - Transportation Infrastructure Conference** – *Winnipeg, MB*  
Contact: Brodie Sakakibara at sakakibara@westac.com or (604) 687-8691

### December

1-2 **Toronto Port Authority - Port Governance Seminar** – *Toronto, ON*  
Info: [www.torontoport.com](http://www.torontoport.com)

2-5 **China Maritime Conference & Exhibition** – *Pudong, Shanghai, China*  
Info: [marintec@cmpasia.com](mailto:marintec@cmpasia.com)

5 **Grunt Club Dinner** – *Montreal, QC*  
Info: [www.cmc-ccm.com](http://www.cmc-ccm.com)

### January

15 **Chamber of Maritime Commerce Board of Directors Meeting** – *Toronto, Ontario*  
Info: [www.cmc-ccm.com](http://www.cmc-ccm.com)

28 **Great Lakes Marine Community Days Conference** – *Cleveland, OH*  
Contact Lieutenant Colmer at (216) 902-6050

### February

21 **Great Lakes Shipwreck Festival** – *Dearborn, MI*  
Contact: [festivalchair@fordseahorses.org](mailto:festivalchair@fordseahorses.org)

### March

22-24 **19th Annual International Shipping Conference & Exhibition** – *Stamford, CT*  
Info: [www.cmaconnect.com](http://www.cmaconnect.com)

The Saint Lawrence Seaway Development Corporation (SLSDC) is a wholly owned government corporation created by statute May 13, 1954, to construct, operate and maintain that part of the St. Lawrence Seaway between the Port of Montreal and Lake Erie, within the territorial limits of the United States.

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