



ADMINISTRATOR'S
COLUMN



Collister
Johnson, Jr.

*Setting Our Course:
New Development
Corporation Priorities*

Tangible results. Those two words are ones you will hear me repeat many times over the upcoming years as the new Seaway Administrator. They are essentially the marching orders Secretary of Transportation Mary E. Peters greeted me and every modal executive with in our initial meeting. Her direction was simple and direct. Identify key areas needing improvement and effect their delivery by January 2009. I made my list, received approval, and we are underway.

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www.greatlakes-seaway.com

Great Lakes Seaway System Environmental Challenges

Environmental challenges confronting the binational Great Lakes St. Lawrence Seaway System are increasingly attracting media attention. Green Marine, a marine industry environmental partnership of seven marine associations and more than 500 Canadian and American companies, has identified seven priorities within the System requiring prompt action. They include reducing or eliminating: the harmful impact of air emissions and greenhouse gases; exotic species vectoring via ballast water; dredging and sediments; water level changes resulting in shoreline erosion; petroleum and chemical spills; cargo residues; and sewage.

The public demands a sustainable maritime industry, one that will serve not only today's needs but those of following generations. Time has shown the 'wait until standards are written' approach does not work; action, not further wrangling, is needed. The maritime industry has received and understood the message.

The Saint Lawrence Seaway Development Corporation (SLSDC) and its Canadian partner, the St. Lawrence Seaway Management Corporation, are committed to sharing with the public the progress that has been made to date on marine environmental challenges impacting our waterway and its stakeholders. Our binational website will soon include a section providing timely updates on environmental activities. Simply click on www.greatlakes-seaway.com for additional details.

No issue attracts more controversy than the waterborne introduction of exotic invasive species. A ban on ocean trading in the Lakes, however well-intentioned, cannot halt these costly introductions and most certainly would impose economic hardship on tens of thousands of people while reducing the quality of life for millions. Today, this threat has had one salutary effect — catalyzing industry-government partnership. One of the System's largest international carriers, Fednav, is in the final phase of its ballast water program dubbed OceanSaver where it has been conducting full-scale tests onboard the *M/V Federal Welland* and the *Hual Trooper* for months.

Scientists, engineers, mariners and technicians throughout the System are working on potential solutions to an array of vexing environmental issues. The desire to operate vessels and implement shipping procedures responsive to the public's needs prompted creation of a Great Ships Initiative (GSI). The GSI is an industry-led cooperative effort designed to develop safe, effective, affordable and quick answers. It incubates treatment alternatives for promising technologies such as ultraviolet irradiation, deoxygenation, filtering, nonoxydizing biocides and shoreside treatment. The two Seaway Corporations are senior Board Members and have contributed \$100,000 to purchase a mobile lab to assist personnel in performing vital research.

A major player in helping address broad environmental problems is the Great Lakes Maritime Research Institute. This Institute is a joint project between the University of Minnesota-Duluth and the University of

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Seaway Compass

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



Administrator's Column, continued from page 1

Safety. The St. Lawrence Seaway was North America's first waterway to implement mandatory carriage of the Automatic Identification System (AIS) for commercial vessels. This digital marine Global Position System (GPS)-based navigation system provides cutting edge technology for mariners plying the Seaway, but it is unavailable from the Gulf of St. Lawrence to Montreal and from Long Pt., Ontario to Duluth. The enhanced safety and security provided by AIS are compelling reasons to have real-time communications now, and the Seaway Corporations will help to be making that happen, by working closely with the United States Coast Guard, Canadian Coast Guard, and Transport Canada.

Ballast water. Granted, the issue of invasive species vectored through ship ballast tanks is complex and costly, but that's no reason to treat it like a game of 'kick the can.' This edition of the *Seaway Compass* focuses on environmental challenges confronting the Great Lakes Seaway System, and all deserve our absolute best efforts for prompt resolution. The Seaway Corporations are working closely with R&D experts at the Great Lakes Maritime Research Institute, the U.S. Coast Guard and U.S. Navy, and marine industry to catalyze progress on implementation of safe, reliable and affordable ballast water solutions from the many potential technologies that scientists have reviewed over the past decade.

Short sea shipping. America is the world's Number 1 trading nation and Canada its top partner. Growing surface congestion endangers prosperity. The Seaway's excess capacity, roughly 60 percent today, is a resource

too important to be overlooked. Look to see redoubled Seaway marketing efforts. Shifting surplus freight onto the Great Lakes via innovative projects like MarineLink (set to begin service June 1 between Nanticoke, Ontario, and Erie, Pennsylvania) and aluminum barge shipments from Trôis-Rivières, Québec to Toledo, Ohio, can help. We need to do our part to make these projects happen.

The Great Lakes St. Lawrence Seaway Study. Though the binational, interagency study is nearing completion, these last months will be the most critical for the study. The SLSDC is working actively with our study partners to ensure this report is completed and presented to the public in 2007. This 50-year roadmap will address engineering, economic and environmental issues of enormous significance. When the report is finished, we must work tirelessly to get the considerable resources that will be required to ensure this unique waterway continues to serve future generations at least as well as those it has served over the past half century.

The recently completed 2006 navigation season suggests the Seaway is sailing the right course. The overall 10 percent increase in traffic handled, more than 48 million tons, means we have had our best year since 1998, with large increases in steel — the System's highest value commodity — and increased project cargo for wind farm construction and Alberta's many oil sands projects.

May the New Year turn our wishes into tangible results through our hard work, commitment and willingness to innovate to achieve lasting benefits for all System stakeholders.

Great Lakes Seaway System Environmental Challenges, continued from page 1

Wisconsin-Superior that pursues research efforts in marine transportation, logistics, economics, engineering, environmental planning and port management.

The Institute has a busy agenda, working with others academic, industry and governmental organizations on such far-reaching proposals as replacing high sulfur fuels with cleaner biofuels. Scientists have increasingly urged lower airborne emissions of nitrogen oxides, major causes of smog and acid rain, from container ships, especially in urban settings. The practice of dumping cargo sweepings into the Lakes is currently under review. Though the sweepings are non-hazardous, nontoxic bulk cargoes, they may pose a significant concern according to scientists if jettisoned in large quantities, so the practice has long

been banned. Currently, the U.S. Coast Guard staff has published a notice of intent to prepare an environmental impact statement.

While the challenges confronting the marine industry are undeniable, there is reason to be optimistic. The marine industry receives high environmental marks by scientists and engineers when head-to-head tests are conducted with other transportation modes. Ships and barges use a fraction of the fuel needed by trucks and rail when moving equal volumes of freight. Waterborne transport's excellent safety record makes it ideal for moving hazmat commodities and petroleum. Land-based discharges of sewage and industrial effluents are six times higher than those caused by marine transport. These are compelling reasons to keep pushing 'green marine' for transportation, especially as trade blooms and shippers seek serious options for reducing increasing surface congestion.

GUEST COLUMNIST

Maria Cino, Deputy Secretary of Transportation



Seaway Important to Reducing Surface Transportation Congestion

I'd like to thank Administrator Johnson for giving me the opportunity to see the Seaway System in person last November. He's a great leader and someone who is hard to say 'no' to. So when

he invited me along for a two-day swing, I simply couldn't refuse. Let me tell you, it was time well spent, giving me a real appreciation for just how vital the Seaway is to the strength and continued growth of our economy. But, as important, it showed that the waterway has a real role to play in cutting the congestion that is clogging our transportation network.

As you already know, Secretary Peters and I are leading a new national effort to tackle traffic congestion in all its forms. Whether it is trucks stalled in traffic or cargo stuck at overwhelmed seaports, congestion is costing America an estimated \$200 billion a year. Worse, congestion is affecting the quality of Americans' lives by robbing them of time that could be well spent with families and friends. That's why it is so encouraging to learn just how the Seaway can help ease congestion.

At a time when we hear about bottlenecks at many of our seaports, the Seaway holds great promise for tapping into unused capacity. Take my home town Buffalo for example, which Terry and I visited to present the Robert J. Lewis Pacesetter award to its Port. Even though the port's growth is up 300 percent since 2004, it still has room to grow. Indeed, up and down the Great Lakes, the story is the same, proud ports with strong growth but plenty of room to expand. I know we'll be looking at ways to better use that capacity.

Meanwhile, in Massena, I saw what it takes to keep ships and goods moving along the Seaway. What struck me is the contrast between the cutting-edge technology of the new vessel identification system and the concrete lock walls that are beginning to show their age. We simply are going to have to find new and creative ways to maintain this system so it can live up to its full potential. That's what makes this year's Seaway study so vital.

It's also clear that many of your closest partners aren't waiting for this study to address the system's challenges. When I met with many of them in Montreal, they made a strong case for the value of the waterway and were equally frank in discussing the challenges facing the system. Fortunately they are already working on practical and creative solutions to these challenges in a way that crosses industries and interests as much as it does borders.

Indeed, seeing the Seaway firsthand has given me a new, deeper appreciation for the value of this vital waterway. It can help ease congestion, support our growing economy and show the world how strong the bond is between the U.S. and Canada. And I know the Secretary and I will be able to count on all of you to help us make a real difference in keeping traffic, goods, and our economy moving. So thanks to Terry for the tour and thanks to all of you for what you do.

SLSDC's Ninth Administrator Is Sworn In



Terry Johnson, Jr. being sworn in as the 9th SLSDC Administrator by Secretary Mary E. Peters, Secretary of DOT. Terry's wife Liz stands proudly by him.

Collister ("Terry") Johnson, Jr. was sworn in by U.S. Secretary of Transportation Mary E. Peters on October 5, 2006 as the ninth Administrator of the Saint Lawrence Seaway Development (SLSDC).

Mr. Johnson brings to the position three decades of experience in the transportation industry, working diverse marine, rail, and air issues that focused on capital investment, research and development, and strategic planning.

As Administrator, Mr. Johnson leads the federal government corporation responsible for maintaining and operating the two U.S. Seaway locks located in Massena, New York, and vessel traffic control in areas of the St. Lawrence River and Lake Ontario, in collaboration with its Canadian partner, the St. Lawrence Seaway Management Corporation. The SLSDC is responsible for providing safe, efficient, reliable marine services on this critical binational waterway and marketing the Great Lakes St. Lawrence Seaway System.

Mr. Johnson's complete bio can be viewed at www.greatlakes-seaway.com.

New Seaway Advisory Board Member Confirmed by Senate

Charles E. "Trip" Dorkey, III, President Bush's nominee for a position on the five-member Saint Lawrence Seaway Development Corporation (SLSDC) Advisory Board, received Senate confirmation on December 8, 2006.

As a partner in the U.S.-Canadian law firm of Torsys' LLP, Mr. Dorkey brings to the Board his experience in business



Charles E. Dorkey, III

litigation and in state and city government service.

The Advisory Board advises the Administrator on Corporation policies affecting the overall effective operation and development of the St. Lawrence Seaway. The Board is charged with reviewing Corporation policies in connection with any major design and construction change of navigation facilities.

St. Lawrence Seaway Management Corporation Appoints New Director of Market Development



Bruce Hodgson

The St. Lawrence Seaway Management Corporation announced the appointment of Mr. Bruce Hodgson to the position of Director, Market Development.

"We are fully committed to our approach of marketing the overall system through the HWY H₂O brand and

working in partnership with other interests to grow the business on the Seaway. Mr. Hodgson will play an important role in making this happen," stated Richard Corfe, President of the St. Lawrence Seaway Management Corporation.

Mr. Hodgson will be responsible for advancing the work already underway to attract more traffic, including both traditional and new cargoes, into the Great Lakes Seaway System and positioning HWY H₂O as a key component of the North American intermodal transportation system.

Mr. Hodgson, who will be based in St. Catharines, has extensive marine industry experience in British Columbia. Prior to joining the Seaway, Mr. Hodgson ran his own company, and he previously held management and senior sales positions with Norasla Container Line Canada Ltd., Wheels Pacific Freights Systems Inc., Westwood Shipping Lines and International Sea-Land Shipping Service Ltd.

Upcoming South America October 2007 Trade Mission

The Saint Lawrence Seaway Development Corporation and the St. Lawrence Seaway Management Corporation will host the Seaway's binational trade mission to Brazil and Argentina, South America in October 2007. The Trade Mission program last visited Brazil in 1995 and Argentina in 1991. Brazil ranked third for overall Seaway tonnage, accounting for nine percent of total tonnage. Many of the Great Lakes Seaway System steady commodities originate from Brazil and Argentina, such as pig iron, steel coils and slabs and sugar. There is significant potential for new cargoes like fuel-based alcohols such as methanol and ethanol made of sugar cane.

The delegation will host formal presentations with ship owners, operators, cargo representatives, and government and maritime officials from both countries. The two Seaway Corporations will facilitate one-on-one meetings and tour some of South America's largest ports and cargo facilities.

If you are interested in joining the delegation, please contact Rebecca McGill, Director of Trade Development, Congressional and Public Affairs, at (202) 366-0091 or email her at: rebecca.mcgill@sls.dot.gov.



Trade Promotion Stakeholder Appreciation Reception in Montreal



Left to right — Sal Pisani, Associate Administrator, SLSDC, John Baker, President, International Longshoremen's Association, Maria Cino, Deputy Secretary, Department of Transportation, and John Baker, Jr., International Longshoremen's Association.

In conjunction with the annual events surrounding the Grunt Club dinner and Montreal Marine Day, the Saint Lawrence Seaway Development Corporation (SLSDC) sponsored its annual Trade Promotion and Stakeholder Appreciation reception. This event allowed the SLSDC and the St. Lawrence Seaway Management Corporation (SLSMC) to promote the ongoing and future marketing efforts that are designed to raise the profile of the System, and increase tonnage and vessel activity. This event was also an opportunity to thank our Stakeholders for their continued support of the Great Lakes St. Lawrence Seaway System.

This year we were honored to have Maria Cino, Deputy Secretary of Transportation, join the SLSDC team in highlighting the importance of maritime transportation and personally thanking each Stakeholder for their continued support to the Great Lakes Seaway System. More than 150 Stakeholders representing a wide spectrum of public and private maritime industry leaders from the Great Lakes Seaway System attended the reception.

Highway H₂O Marketing Events

*Highway H₂O Workshop — Calgary, Alberta
October 19, 2006*

This was the fifth workshop in a series of outreach informational sessions designed to discuss the Seaway's many transportation and logistics opportunities. This workshop was designed to enable decision-makers to participate in an open, constructive discussion as to how the marine movement of equipment destined for Western Canada's petroleum sector can be better served by the Seaway.

The Saint Lawrence Seaway Development Corporation and the St. Lawrence Seaway Management Corporation sponsored the workshop for select transportation and logistics professionals within Western Canada's oil and gas industry. The workshop was designed to provide a forum for individuals to discuss the equipment



transportation needs of the industry and how the Great Lakes Seaway marine transportation passage can help meet those needs.

*Reverse Trade Mission and Workshop —
Seaports of Niedersachsen (SoN)
October 26, 2006*

The Saint Lawrence Seaway Development Corporation and the St. Lawrence Seaway Management Corporation hosted a reverse Trade Mission and workshop in St. Catharines for port representatives from SoN. Prior to the workshop, the German delegation received a tour of the Welland Canal and an afternoon workshop with Highway H₂O Port Partners. The workshop provided the participants an opportunity to promote trade between the U.S., Canada, and Germany discussing the advantages of promoting a group, or system of ports, as opposed to an individual port and of exchanging views and ideas on such matters as strategy and future projects, that could result in an increase in trade between the three countries.

Port of Buffalo Gateway Metroport Terminal Receives the Robert J. Lewis Pacesetter Award

Several shiploads of low sulfur coal from Canada helped the Port of Buffalo win its first ever Robert J. Lewis Pacesetter Award for increasing international tonnage shipped through the St. Lawrence Seaway.

"The Port of Buffalo tripled its Seaway tonnage last year due to coal shipments from the Upper Lakes, and we're on pace to repeat again this year," said Steven Detwiler, President of the Port of Buffalo Gateway Trade Center Inc.

Deputy Secretary of Transportation Maria Cino, a Buffalo native, presented the Saint Lawrence Seaway Development Corporation's annual international tonnage award to the port at the invitation of new SLSDC Administrator Terry Johnson, Jr.

Buffalo's port handles primarily dry bulk cargoes such as stone, sand, gravel, salt, coal, and lumber. The port shipped 200,000 metric tons through the Seaway in the 2005 navigation season.

The Pacesetter plaque is awarded annually to the U.S. Great Lakes Seaway ports and terminals that increase international tonnage shipped through the Seaway over the previous navigation season.



Right to left — Maria Cino, Deputy Secretary, Department of Transportation, presents the Pacesetter Award to Steve Detwiler, President, Port of Buffalo. Terry Johnson, Jr., Administrator, Saint Lawrence Seaway Development Corporation also pictured.

Seaway Personnel Changes



Mary E. Peters

Mary E. Peters was nominated by President George W. Bush on September 5, 2006, and confirmed by the U.S. Senate as the 15th Secretary of Transportation on September 30, 2006, after spending more than two decades crafting solutions to our nation's toughest transportation challenges.

Secretary Peters brings a unique perspective to her role as the nation's transportation chief,

having spent her career working on transportation issues in the private and public sectors, including leading both federal and state transportation agencies. This hands-on experience allows her to understand and appreciate the real-life aspects of planning, building and operating transportation systems on local, regional and state levels.

Over her 20-plus years in transportation, Secretary Peters has earned a solid reputation as an innovative problem solver, a force for safety and a strong advocate for effective use of taxpayer dollars. As Secretary of Transportation, she intends to use these same skills to tackle today's most pressing challenges including fighting congestion across all modes of transportation, improving safety and addressing strains on traditional sources of transportation funding.

She is responsible for maintaining a safe, reliable and efficient transportation system, while leading an agency with almost 60,000 employees and a \$61.6 billion budget that oversees air, maritime and surface transportation missions.

Prior to joining President Bush's Cabinet, Peters worked in Phoenix, AZ, as the national director for transportation policy and consulting at HDR, Inc., a major engineering firm. She was responsible for building a management consulting practice and formulating public policy initiatives for the firm's transportation program.

In 2001, the President asked Peters to lead the Federal Highway Administration (FHWA). As FHWA Administrator from 2001 to 2005, she placed special emphasis on finding new ways to invest in road and bridge construction, including innovative public-private partnerships that help build roads faster and at less expense. She also was a strong advocate for using new technology to reduce construction time, saving taxpayer money and resulting in safer, longer-lasting roads and highways.

A fourth-generation Arizonan and an avid motorcyclist, Secretary Peters holds a bachelor's degree from the University of Phoenix and attended Harvard University's John F. Kennedy School of Government Program for State and Local Government Executives. She and her husband, Terry, have three grown children, and five grandchildren.

Captain Ray Skelton — It is with great sadness we announce the death of Captain Ray Skelton, Duluth Seaway Port Authority Security, Environmental and Government Affairs Director.

Following a courageous battle with cancer, Captain Skelton, 63, died on October 13, 2006 at his home in Duluth, Minn.



Captain Ray Skelton

Captain Skelton, a former Great Lakes ship master, was also the foreign trade zone manager. He began his career with the Port Authority in 1990, and was the Authority's liaison on maritime trade and environmental issues with elected and appointed officials at regional and national levels.

Captain Skelton was past Grand President of the International Shipmasters' Association, past Chairman of American Association of Port Authorities Harbors, Navigation and Environment Committee, past President of the Propeller Club of the United States-Twin Ports Chapter, a former director and instructor of the Associated Maritime Officers School of Navigation and served as U.S. Ports Representative on the National Research Council Marine Board Ballast Committee.



Gaétan Boivin

Gaétan Boivin — The President of the Board of Directors of the Port Authority of Trois-Rivières, Mr. Pierre Ducharme, recently announced that Mr. Gaétan Boivin has been appointed Chief Executive Officer of the Port of Trois-Rivières. Mr. Boivin will be in charge of orientation, development, marketing and administration as well as relations with partners of the Port in accordance with its mission and values.

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Mr. Boivin holds a master's degree in Project Management and a B.A. in Administration with a major in Maritime Transportation from the Université du Québec à Rimouski. He began his career as an officer of the Merchant Marine and later joined Transport Canada as a marine surveyor in ship safety. He worked as a project manager in the engineering department of Canada Steamship Lines until his transfer to ACOMARIT (an independent Ship Management and Consultancy Company.)



Jonathan Lamb

Jonathan Lamb — Jonathan Lamb was recently appointed General Manager for Lake Superior Warehousing Company, Inc., (LSW).

He will be responsible for retaining and generating commerce through the Port of Duluth-Superior via Duluth's Clure Public Marine Terminal, working with waterborne and overland carriers, shippers, receivers,

agents, forwarders and organizations engaged in domestic and international trade.

Prior to joining LSW, Lamb worked six years for the Burlington Northern Santa Fe Railway, most recently serving as Terminal Manager at BNSF's Allouez Taconite Facility. For the past five months he also acted as Superintendent of Operations for BNSF's northeastern Minnesota operations.

Lamb has more than 10 years of experience working with business and industry professionals and representatives of state and local government. Lamb is a graduate of St. Olaf College in Northfield, Minn., where he obtained a B.A. in Political Science.

Upcoming Events

February

February 28

Great Lakes Marine Community Day
Cleveland, OH

Info: <http://www.uscg.mil/d9/wwm/marinesafety>

March

March 7

Great Lakes Day
Washington, D.C.

Contact: Jon MacDonagh-Dumler; jonmacd@glc.org

March 12 – 15

Seatrade Exhibition
Miami, Florida

Info: www.cruiseshipping.net

March 19 – 20

American Association of Port Authorities
Spring Conference
Washington, D.C.

Info: www.aapa-ports.org

May

May 14 – 16

Semiannual Meeting of the Great Lakes Commission
Indiana

Contact: Tim Eder; teder@glc.org

May 15 – 17

14th Annual International Conference
on the St. Lawrence River Ecosystem
Cornwall, Ontario

Contact: Christina Collard; ccollard@riverinstitute.ca