



ADMINISTRATOR'S  
COLUMN



**Albert S. Jacquez**  
SLSDC  
Administrator

**Ballast Water Initiative**

Protecting the St. Lawrence Seaway from non-indigenous aquatic species is a major environmental responsibility, and the Corporation is committed to working closely with its Canadian partner and the U.S. Coast Guard (USCG) to protect the Great Lakes St. Lawrence Seaway System. The recent implementation of the USCG final rule, "Mandatory Ballast Water Management Program for U.S. Waters" is an important achievement that states clearly what the requirements are and the penalties for ignoring them.

For roughly two decades, scientists have been addressing

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**Seaway Corporations Working Under New ISPS Code**

Effective July 1, the International Maritime Organization's International Ship and Port Facility Security (ISPS) Code took effect throughout the Great Lakes St. Lawrence Seaway System. These worldwide security standards have been implanted without serious incident. According to Captain Randy Helland, the U.S. Coast Guard's (USCG) 9th District Chief for Marine Safety, Security and Environmental Protection, these worldwide security standards have been implanted throughout the Seaway System without any serious problems.

The new code establishes an international standard that must be met to detect and deter security incidents directed against ships, ports and marine facilities. It sets out specific security standards that must be met by all ports and vessels involved in global commerce. The USCG views ISPS as an important complement to the Marine Transportation Security Act of 2002 passed little more than a year after the September 11 terrorist attacks.



*Marine Inspector Terry Jordan, SLSDC, giving the refractometer to Chief Officer Dmytro Poteshkin so he can see the salinity level as the Chief Engineer looks on.*

Responsibility for enforcing the ISPS Code in the Great Lakes Seaway System in U.S. waters falls to the Coast Guard's Cleveland district. It works with both Seaway Corporation officials and Transport Canada to ensure every domestic port and all commercial vessels plying U.S. waters have security plans that address a variety of terrorist and emergency scenarios. The USCG approves these plans before vessels can enter United States territorial waters.

"The joint verification program that we developed after many months of intensive coordination between the USCG and Transport Canada helps us ensure that foreign ocean vessels comply with security regulations prior to entering the Great Lakes System," said Helland. "Every foreign flagged vessel undergoes an extensive screening by the USCG and Transport Canada in Montreal prior to being given permission to enter the Great Lakes."

The Code specifically spells out that operators of vessels, marine facilities and port administrations are legally responsible for ensuring qualifications of individuals named security officers. It requires security drills and exercises be part of a mandatory security program. And it requires record keeping and equipment to document program activities.

With a long history of friendship and shared values, both nations have instituted largely transparent maritime security procedures and accept their neighbor's inspections fully. The Saint Lawrence Seaway Development Corporation's Administrator Albert S. Jacquez, stressed

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**Seaway Compass**



the improved security that benefits stakeholders following the new code's implementation.

"Security has never been more important than it is today, and the good news for Seaway customers is that the USCG has deemed the St. Lawrence Seaway fully compliant," said Administrator Jacquez. ed to it: it is fast, fun and luxurious," said Szallai. "Passengers I spoke to were incredibly supportive of the service and thankful that it was inaugurated."

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the problems posed by transport of tiny, often microscopic creatures that can hitch a ride in the ballast water taken on by ships in ports for maneuverability and stability during sea transit. While invasive species have been introduced into the Seaway System through pleasure crafts and fishing boats, ships discharging its ballast water in other ports can also release these creatures into a new environment with few or no natural predators where they may multiply rapidly.

The zebra mussel, the best known Great Lakes invader, has been joined by the round goby, fishhook water flea and Eurasian ruffe and others. Controlling their spread poses significant operational and financial challenges.

Government grants, awarded to researchers to develop safe, affordable, efficient, reliable and effective means of killing these exotic species, inching the search for a solu-

tion. Scientists, engineers and mariners are working diligently together on varied projects. Options under study include filtration, ultraviolet irradiation, deoxygenation and chemical and shore-based treatments. Until a breakthrough occurs, the most effective standard remains mid-ocean ballast water exchange required at least 200 nautical miles from shore.

Seaway inspectors are doing their part to stem the tide of intruders. Before ocean ships transit our System they must meet rigorous USCG environmental and safety standards. The ballast water rule has made the Great Lakes Seaway System the leader in mandatory ballast water management practices. For example, the Shipping Federation of Canada's Code of Best Practices for Ballast Water Management are nearly identical to the new rule. Those were originally voluntary management practices that the Saint Lawrence Seaway Development Corporation adopted as part of its regulations. Vessels arriving from outside the exclusive economic zone have been complying with them as a condition of Seaway entry since the beginning of the 2002 shipping season.

The new rule signals a shift away from low-key monitoring with modest financial penalties for failure to meet standards to one where noncompliance bites increasingly into profits. Stiff penalties – up to \$27,500 per day, per incident – will provide enforcement authority needed to ensure compliance. The result will be what every responsible stakeholder in the Great Lakes Seaway System should applaud: a maritime industry that increasingly protects the environment for ourselves and posterity.

## GUEST COLUMNIST

### One Hundred Pillars

If you are going to tackle big issues, you need a committed team of dedicated professionals. Today the Great Lakes St. Lawrence Seaway System is at a crossroads, facing issues that require a coordinated effort from a diverse group of stakeholders. And, the choices we make today will have a profound impact on our quality of life within the entire Great Lakes Basin for years to come.

Communication and shared responsibility are the keys to success. At the national level we see the Saint Lawrence Seaway Development Corporation (U.S.), and the St. Lawrence Seaway Management Corporation (Canada), working together more closely than ever before to address common concerns. Just as these groups have discovered the value and impact of working in unison, the Great Lakes Ports have recognized the value of leveraging their assets to deal with the complex issues facing the Great Lakes and the communities they serve.

It is clear we need access to new information, and we need to form new partnerships if we are going to optimize our

### Adolph Ojard

*Executive Director, Duluth Seaway Port Authority and President of the American Great Lakes Ports (AGLP)*



resources and make intelligent choices for the future. Our quality of life is dependant on a complex web of factors that cross economic, social, and environmental concerns. To maintain our global competitiveness and improve our region's air and water quality, we must work collectively.

Just as it takes many columns to support the weight of a great building, we must make a coordinated effort to support the weight of our common goal: the wellbeing of the Great Lakes and the 100 million people living within its basin. We must embrace and value diversity as we focus on a greater good. What we need is more pillars to bolster the support for Great Lakes issues at the national level, and we at the Association of Great Lakes Ports look forward to working with all of you.

## Pacesetter Award Winners – *What Made Them Winners*

Two Great Lakes-Seaway ports and four terminals earned the prestigious Pacesetter Award in 2003 for posting increases in international tonnage. Presented annually by the Saint Lawrence Seaway Development Corporation (SLSDC), the Pacesetter Award goes to any port or terminal showing increased numbers of international freight tonnage shipped through the Seaway over the previous season. Recipients this past year were the ports of Green Bay and Cleveland, Federal Marine Terminals in both Cleveland and Milwaukee, K&K Warehousing in Green Bay and Hallett Dock Company in Duluth, Minnesota.

Last season presented ports and terminals with the difficult challenge of increasing or at least maintaining business, while faced with a vacillating economy. The tough economic situation, combined with the weak American dollar resulted in a greater incentive for companies to look for more cost effective opportunities from Great Lakes ports and terminals.

The Port of Green Bay, WI, announced a 100 percent increase in international tonnage, over the same period in 2002. Port Director Dean Haen attributed the increase to new cargo shipments of lumber and wood pulp arriving primarily from Finland. Haen said the Port focused on “accessing grants and working closely with local companies who were doing international business at the time, and then directing that business through the port.” Currently this port is reconstructing the U.S. Oil Company’s mooring facility.

Federal Marine Terminals, Inc. (FMT) of Cleveland and Milwaukee both reflected growth in international tonnage as well. FMT achieved its 52.5 percent increase by continuing to provide the high quality service customers have come to expect, while at the same time reaching out to new markets worldwide. For example, they handled a new cargo of imported Windmill components from Spain.

K&K Warehousing, in Green Bay, WI, worked in close coordination with ship operators in order to target available vessels in transit to international markets. It recently purchased a new hydraulic crane from Finland, the first of its kind in the United States, possessing unparalleled capabilities in productivity that should appeal to businesses worldwide. Moreover, this crane will reduce time at the dock for the ship owner, resulting in lower shipping rates.

A huge development for Cleveland-Cuyahoga County Port Authority, OH, was an export movement of machinery through the Seaway to Iceland. Using the Seaway

saved the company a substantial amount of money compared to shipping from the East Coast. Stephen Pfeiffer, Port Director, also noted that “last year we exported 150,000 tons of steel for International Steel Group so we had to sell our capabilities to them.” As in the past, the port continues to dominate in international steel shipments.

Officials at Hallett Dock Company in Duluth, MN, attributed its increase to a strong “word of mouth” advertising campaign through the Duluth Seaway Port Authority, to international markets.

Through the interest generated, business with Europe boomed

by 2003. To become more competitive, Hallett focused on increasing efficiency and productivity, and cutting costs.

All six Pacesetter recipients are optimistic about the 2004 navigation season. Sustained growth in the national economy over the last several quarters projects hopes of increased international tonnage, steel movements and project cargoes. Even with the fluctuating economy, our Pacesetter Award winners have managed to overcome tight dollars by decreasing costs for their respective markets, and in the process, attracting new ones.



*Craig Middlebrook, Deputy Administrator, SLSDC, presenting the Robert J. Lewis Pacesetter Award to William McGiffert, Vice President Operations, Hallett Dock Company*

## New Members to the Saint Lawrence Seaway Development Corporation Advisory Board

The Saint Lawrence Seaway Development Corporation (SLSDC) is pleased to announce two new appointments to its Advisory Board and one new nomination. Both Scott K. Walker, of Wisconsin and Jack E. McGregor, of Connecticut were nominated by the President on November 25, 2003. Mr. McGregor was recess appointed on July 12, 2004, and Mr. Walker on July 30, 2004. SLSDC has a statutorily mandated five-member Advisory Board, which reviews the general policies of the SLSDC and advises the Administrator with respect to these policies. The members of the Advisory Board are appointed by the President with the advice and consent of the Senate. No more than three of the members may belong to the same political party.



*Scott K. Walker*

Mr. Walker has consistently exhibited strong leadership initiatives through public service in the Milwaukee County community and now as the elected County Executive. Prior to becoming County Executive, Mr. Walker served as State Legislator for the 14th Assembly district. Before beginning his career in politics, Mr.

Walker also served as the Financial Development Specialist for the Greater Milwaukee Chapter of the American Red Cross.

Mr. McGregor is Of Counsel with the Bridgeport-based law firm of Cohen & Wolf. He has served in various positions of leadership within the U.S. Marine Corps and in

public service positions and has significant background experience relating to maritime transportation issues.



*Jack E. McGregor*

Nominee James S. Simpson, of New York, is currently the Chairman of Victory Worldwide Transportation, a domestic and international moving and storage company. Mr. Simpson



*James S. Simpson*

is also the Director and on the Board of the New York City Partnership and Chamber of Commerce, serving on the transportation committee, an Observer to the New York State Financial Control Board which oversees the finances of New York City, for the New York City Republican minority leader and on the Board of

Directors of the New York Council on Transportation.

The SLSDC would like to acknowledge and thank the three resigning members of the Advisory Board who contributed many years of dedication and leadership to the Board and the Corporation. Former Governor of Wisconsin and SLSDC Advisory Board Chairman Anthony S. Earl served as a distinguished member since 1996; Jay C. Ehle former Chairman of the Port of Cleveland, from Texas, served as a board member since 1996; and Attorney Vincent Sorrentino of New York, also served as a board member since 1996.

## Trade Development Meeting – Cleveland, Ohio

On October 5, twenty stakeholders, representing a cross section of the maritime community from the Great Lakes St. Lawrence Seaway System, attended the binational Seaway Trade Development Meeting held in Cleveland, Ohio.

This binational meeting, co-hosted by Administrator Jacquez and his Canadian counterpart, Richard Corfe, President of the Canadian St. Lawrence Seaway Management Corporation provided an opportunity for both Seaway Corporation leaders to discuss opportunities to increase tonnage and vessel transits throughout the

Great Lakes Seaway System, detail current and future initiatives, and target international locations to conduct future Trade Missions. The meeting also provided a forum for our stakeholders to discuss any concerns or marketing ideas they had regarding their operations or future domestic or international trade leads. Issues discussed included tonnage and traffic flows for this navigation season, security-related issues, joint marketing initiative, cruise ship promotion, upcoming Seaway Trade Missions, and other binational initiatives. Stakeholders in attendance represented U.S. and Canadian port authorities, terminals, and government agencies.



## The New Staten Island Ferry “Guy V. Molinari”

This summer, the new Staten Island Ferry transited through our locks. The Guy V. Molinari was built by Marinette Marine in Marinette, WI, named after a well-known former Borough President of Staten Island, who also was a former United States Congressman (1981-1989), and New York State Assemblyman (1974-1980). The Guy V. Molinari can carry 4,400 passengers and 30 vehicles and will be operated by 22 crew members. The 310-foot ferry is one of three to be built for the Staten Island Service.



## Seaway Personnel News

Rear Admiral Robert J. Papp, Jr. assumed the position as the Commander, Ninth Coast Guard District in May 2004, replacing Rear Admiral Ronald Silva.

As the region's operational commander, Rear Admiral Papp leads over 7,700 regular, reserve, auxiliary and civilian men and women, two air stations, two air facilities, five Group offices, eight Marine Safety offices, nine cutters and 46 small boat stations.



Rear Admiral Papp is a 1975 graduate of the United States Coast Guard Academy in New London, CT. He holds a Master of Arts degree in National Security and Strategic Studies awarded by the United States Naval War College in Newport, RI and a Master of Science degree in Management awarded by Salve Regina College, also in Newport, RI.

Ken Szallai stepped down as Milwaukee's Port Director on September 10, and recently took over as President and

Chief Executive Officer of Lake Express LLC. Eric Reinelt, Director of Marketing is now acting Port Director.



As Port Director for 18 years, Mr. Szallai rebuilt the docks and doubled cargo volume to 3 million tons a year, while cutting

staff from 43 to 15 and holding his budget at \$2.2 million a year. The port has showed a profit in 16 of the 19 budgets he prepared, adding \$8 million to city coffers. But in recent years, he has been best-known for promoting the high-speed ferry and building its \$3.5 million terminal.

## Upcoming Events

### *November*

#### November 16-17

7th Marine Transportation System Research & Technology Coordination Conference  
Washington, DC  
<http://trb.org/conferences/mts>

#### November 18

St. Lawrence Day at the Welland Canal  
Info: Marc Gagnon at (418) 648-4572 or  
[MarcG@portquebec.ca](mailto:MarcG@portquebec.ca)

### *December*

#### December 2

Grunt Club Dinner  
Bonaventure Hilton Hotel  
Montreal, QC  
Info: Rebecca McGill at (202) 366-0091 or  
[Rebecca.mcgill@sls.dot.gov](mailto:Rebecca.mcgill@sls.dot.gov)

### *January*

#### January 20

CMC Board of Directors Meeting  
Royal York Hotel  
Toronto, ON  
Info: Joanne Shields at (613) 233-8779 (ext. 3)

#### January 21

IAGLP/AGLP Joint Winter Meeting  
Royal York Hoel  
Toronto, ON  
Info: George Strathy at (416) 482-1619

#### January 26

Great Lakes Marine Community Day  
Cleveland Sheraton Centre  
Info: Mark Bobal at (216) 902-6052