

ST. LAWRENCE SEAWAY  
VOIE MARITIME DU SAINT-LAURENTADMINISTRATOR'S  
COLUMNCollister  
Johnson, Jr.*Change Has Come*

With the new year has come a new Administration in Washington and new leadership at the helm of the Department of Transportation. It is a time of change and a time for reassessment. For the Seaway, it is also a time for beginning to mark our 50<sup>th</sup> anniversary year.

For the first time since Gerald R. Ford of Michigan, the President of the United States hails from one of the Great

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

## 2008 U.S. Great Lakes Seaway Ports Tonnage-Traffic Review

Preliminary indications from the U.S. ports in the Great Lakes St. Lawrence Seaway (GLSLS) System indicate that the 2008 traffic tonnage season was down compared to 2007 numbers, reflecting the yearlong economic recession that began a little more than a year ago. While data for specific ports will not be available until later this spring, the snapshot for Seaway commodities is complete now and reveals a 5 percent drop in cargoes and a 4 percent reduction in lock transits. Despite these drops, overall tonnage still topped 40 million tons, with overall Seaway tonnage totaling 40.7 million metric tons.

There were occasional bright spots suggesting some hope for next year. Coal was up 15 percent, and iron ore held its ground. By far the single largest commodity by tonnage (11.9 million mt), iron ore's steady pace kept those in the bulk business hopeful. While individual commodities like coke and salt boasted a 73 and 32 percent rise, because they are shipped in far smaller quantities than the Seaway's big three commodities—iron ore, grain and coal—they could not offset the disappointing performance posted by grain. This bellwether commodity dropped to less than 7.6 million mt, a 27 percent fall for U.S.-Canadian totals. Unfortunately, the U.S. numbers sank 64 percent and clearly hurt ports like Duluth and Toledo.

Why such a drop in U.S. grain through the Seaway? Europe's grain belt, the Black Sea region, rebounded from last year's drought with a bumper harvest. Their closer proximity to historic Seaway markets in Europe and the Middle East, expensive ocean freight rates (until autumn) and unfavorable currency exchange rates meant plummeting demand for more expensive U.S. grain.

Add in the significant fall in salties trading in the Lakes which depend upon grain as a backhaul cargo and the result was painful if not unexpected. Ocean-going vessels from Europe typically arrive flush with iron and steel products—steel coil, slabs, and rods—heading to U.S. steel centers. In 2008 that general cargo tonnage dropped more than 18 percent. A U.S. economy in recession, and China's slowing growth rate (they produce as much steel as the next 9 competitors combined) meant less saltie steel traffic. U.S. lakers saw historic drops in limestone and iron ore movements in November and December as integrated steel mills began laying off workers and cutting production runs.

All was not gloom in 2008. The Ogdensburg Bridge and Port Authority enjoyed its best year ever handling lucrative project cargo. Port Director Wade Davis welcomed 10 shiploads of windmill parts from Denmark. In the active summer-autumn season, stevedores offloaded outsized blades, turbines hubs and nacelles to laydown areas for subsequent weekly barging by McKeil Marine to Wolfe Island near Kingston, Ontario. The Canadian Renewable Energy Corporation is overseeing construction of a \$410 million project that includes 86 wind turbines on the island.

The Port of Cleveland also benefited from having pioneered barge traffic of steel from Sault Ste. Marie in 2007. Steve Pfeiffer, Vice President of Maritime Services, said his port and Père Marquette Barge Company saw a major jump in transported steel coil from Essar Steel Algoma in

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

# Seaway Compass



*Administrator's Column, continued from page 1*

Lakes states. Barack Obama was sworn in as the nation's 44<sup>th</sup> President on January 20<sup>th</sup>, indicating during his inaugural address that he would take quick action to help the nation's economy recover, in part by improving the country's transportation system. His \$825 billion economic recovery bill moving forward in Congress includes about \$63 billion in transportation infrastructure spending which will, in part, help make the country's seaports more secure and move cargo more efficiently. I am hopeful that President Obama realizes the Seaway's relevance to his hometown of Chicago and that issues surrounding the Great Lakes region will resonate with him.

On January 22<sup>nd</sup>, the Senate unanimously confirmed the Honorable Ray LaHood as the 16<sup>th</sup> U.S. Secretary of Transportation. He was sworn in the next day in a ceremony at U.S. DOT headquarters in Washington, allowing the former seven-term Republican representative from Peoria, Illinois to begin his new job. Congressman LaHood held a seat on the House Transportation & Infrastructure Committee in the 1990s, and most recently served on the House Appropriations Committee. Considered a centrist Republican, he had a reputation for crossing party lines and supporting infrastructure investment. As a lawmaker, he often played the role of conciliator, working to narrow the difference between the parties and between factions in his own party. He is a former staff member and protégé of former House Minority Leader Robert Michel, whose seat he held until his retirement. Secretary LaHood's stated priorities for the Department include safety — across all modes; the economy — restoring economic health and creating jobs; sustainability — shaping the economy of the coming decades by building new transportation infrastructure and, livability — assuring that transportation policies

focus on the people and communities who use the transportation system.

With a concerted focus on infrastructure investment emanating from Washington, the Seaway's Asset Renewal Program (ARP) is well positioned for its initial capital infusion. I am hopeful that the first year of funding to begin our infrastructure improvements will be approved by Congress in the near term and that we can begin the work that needs to be done. This will be the first time in the waterway's 50-year history that a coordinated effort to repair and modernize the U.S. Seaway infrastructure will be taking place. This is just the beginning of the work on over 50 projects that have been identified for the next 10-years as to renew all assets owned and operated by the Seaway.

On the legislative front, we must continue to work to advance short sea shipping operations in the Great Lakes. Despite the efforts of Congressional sponsors of legislation to waive the Harbor Maintenance Tax (HMT) for short sea shipping operations, the 110<sup>th</sup> Congress failed to approve any of the relevant bills addressing this issue. A new bill, H.R. 528, has been introduced by Congressman John McHugh (R-NY) that builds on legislation introduced during the last Congress. We are anticipating the introduction of a similar bill in the Senate. The provisions include a waiver of the HMT nationwide for short sea shipping operations and a change in the definition of the eastern boundary of the Seaway System to include Nova Scotia (where container shipping opportunities will be centralized). It is important for maritime industry groups and Seaway System stakeholders to actively support this effort.

I am confident that hard work from all of us this year will make a difference.

*2008 U.S. Great Lakes Seaway Ports Tonnage-Traffic Review, continued from page 1*

2008 — 96,500 tons compared to 10,200 the year before. The waterborne service is turning a profit and providing reliable, competitive shipping rates, while reducing harmful air emissions and lowering surface congestion by almost 5,000 truck loads yearly.

The Port of Erie moved six shiploads of biofuel through the Seaway. The fast-growing alternative fuel is manufactured a stone's throw from the port by Lake Erie Biofuels. The shipments totaled more than 40,000 tons and headed to Rotterdam.

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*A P&H electric mining shovel like this one left the Port of Milwaukee in early December by saltie headed to Russia's Kuzbass coal mining region via the port of St. Petersburg and the Trans Siberian Railway.*

2008 U.S. Great Lakes Seaway Ports Tonnage-Traffic Review, continued from page 2

In Milwaukee, Federal Marine Terminal officials worked with Vision Logistics to transport a P&H Mining Equipment electric mining shovel (P&H 2800XPB) to St. Petersburg, Russia. Built by Job Global Inc., the shovel is the sixth one to be sent to Russia via the port since 2006. The shovels are used to extract coal in the Kuzbass region of Siberia. The shovel is dismantled prior to ocean shipment, and is railed to the site where it is reassembled and set to work for 20–40 years.

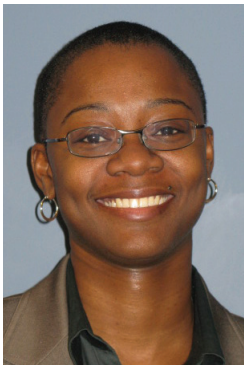
The Twin Ports of Duluth-Superior saw almost a 5 percent drop in overall traffic tonnage, though its commodity leader, coal, posted a healthy 6 percent increase at its Midwest Energy Resources Co. terminal.

Recent press statements caution a downturn in Powder River Basin coal shipments in 2009. Wind turbine traffic in 2008 at the Lake Superior Warehousing Terminal matched the strong season posted the previous year, according to Jonathan Lamb, Executive Director. The terminal handled 20 ships of windmill parts and additional breakbulk commodities.

A Toledo delegation led by Representative Marcy Kaptur and marine industry officials (including SLSDC Administrator Johnson) flew to Nova Scotia last July to talk to officials planning a \$300 million ultrasophisticated container facility at the Strait of Canso. The Melford International Terminal will be able to handle the largest container ships afloat once in service (target date is spring 2011). Toledo is eager to market its port as a key short sea shipping feeder hub ideally situated to handle Midwest box traffic once appropriate infrastructure improvements are made.

The 2009 season start up will face a challenging economic environment. Two potentially significant and positive developments that could provide a long term benefit for the GLSLS System would be Congressional funding for the Seaway's 10-year Asset Renewal Program and for a second Soo Lock. The Obama Administration infrastructure development packages, currently under Congressional scrutiny, may provide substantial resources for projects impacting Great Lakes states. Alternative energy funding may double, which could ramp up wind energy projects. If so, that would be wonderful news as the SLSDC celebrates the Seaway's 50<sup>th</sup> anniversary in Massena in early July.

## Seaway Announces NOAA Sea Grant Knauss Marine Policy Fellow



Hello — My name is Dr. Marvourneen Dolor and I am very excited to be joining the U.S. Saint Lawrence Seaway Development Corporation (SLSDC), Washington, D.C. office for the next year as the recipient of the John Knauss Fellowship. I will play a key role in advising the Corporation on environmental issues, and in particular, ballast water policies.

The Dean John A. Knauss Marine Policy Fellowship of the National Sea Grant College Program is a national program that attracts accomplished graduate students who have an academic interest in ocean, coastal, and

Great Lakes resources and in the national policy decisions affecting those resources. This is the first time in the 30-year history of the program that the SLSDC welcomes a Knauss Fellow.

My background includes an undergraduate degree from the U.S. Coast Guard Academy in Marine and Environmental Science, with a focus on Environmental Chemistry and Physical Oceanography. I hold a Master of Science degree in Chemistry from the University of Maryland, and recently attained a doctorate degree in Environmental Chemistry from the University of Maryland. My environmental research background is wide-ranging and interdisciplinary, combining the disciplines of chemistry, oceanography, geology, and microbiology. My doctoral work has focused in particular on the detection of trace elements in sediments. I am happy to come to the Seaway at an opportune time, as environmental issues are a priority in many areas of the SLSDC's mission. I anticipate combining my academic training with a professional interest to help bridge the gap between scientific research and those who rely on it to make sound public policy decisions.

ST. LAWRENCE SEAWAY  
VOIE MARITIME DU SAINT-LAURENT



## Save the Date

Events are shaping up for the 50<sup>th</sup> anniversary weekend celebration to be held July 9–12 in Massena, N.Y. Save these dates on your calendar so that we can have a strong turnout at the many activities that are planned including opening ceremonies, a concert, parade, fireworks, and open house at the locks. It will be both an educational and fun weekend of activities for all the Seaway's families, friends, stakeholders and supporters.

### *Celebration Weekend Schedule (Tentative as of February 2009)*

#### THURSDAY, JULY 9, 2009

- 7:00 pm**                    **An Evening to Honor Seaway Construction**  
**Location:** New York Power Authority's Frank S. McCullough, Jr. Hawkins Point Visitors Center  
**Featuring:** Dr. Claire Parham, author of *The St. Lawrence Seaway and Power Project* — *An oral history of the greatest construction show on Earth*

#### FRIDAY, JULY 10, 2009

- 3:00 pm – 5:00 pm**        **Opening Ceremonies**  
**Location:** Dwight D. Eisenhower Lock/Visitors' Center
- 5:00 pm – 7:00 pm**        **"Concert in the Park" sponsored by the Massena Chamber of Commerce featuring "Conrad Story Blues Band" (Bring your own picnic)**  
**Location:** Dwight D. Eisenhower Lock/Visitors' Center
- 6:00 pm – 7:00 pm**        **Reception (VIPs, local dignitaries — invitation only)**  
**Location:** Massena Country Club
- 7:00 pm**                    **Dinner Celebration (VIPs, local dignitaries — invitation only)**  
**Location:** Massena Country Club  
**Featuring:** Davis Helberg, Great Lakes historian and former Executive Director, Duluth Seaway Port Authority

#### SATURDAY, JULY 11, 2009

- 11:00 am – 1:00 pm**        **Parade**  
**Location:** Downtown Massena
- 2:00 pm**                    **Seaway Employee Recognition Picnic (invitation only)**  
**Location:** Massena Town Beach
- 1:00 pm – Dark**            **A Day to Celebrate the Seaway's 50<sup>th</sup> Anniversary sponsored by the New York Power Authority including a craft show, and entertainment**  
**Location:** New York Power Authority's Frank S. McCullough, Jr. Hawkins Point Visitors Center

#### SUNDAY, JULY 12, 2009

- 10:00 am – noon**        **Open House**  
**Location:** Dwight D. Eisenhower Lock/Visitors' Center

For more information contact: Vicki Garcia, Public Affairs Specialist, (315) 764-3208; vicki.garcia@dot.gov



## Toronto Marine Club Celebrates the St. Lawrence Seaway's 50<sup>th</sup> Anniversary

Members of the Great Lakes St. Lawrence Seaway Maritime industry met in Toronto Canada on January 16<sup>th</sup> to attend the Marine Club's 70<sup>th</sup> Annual dinner and meeting.

The Seaway's top executives, The St. Lawrence Seaway, Dick Corfe, President and CEO, The St. Lawrence Seaway Management Corporation and Terry Johnson, Administrator, Saint Lawrence Seaway Development Corporation, kicked off the event to commemorate the Seaway's 50<sup>th</sup> Anniversary. Approximately 1,000 industry representatives got an insight as to what is planned for the historic occasion.



*Left to right—Terry Johnson, Administrator, SLSDC; Jim Pound, Director Operations, Seaway Marine Transport, and Dick Corfe, President and CEO, SLSMC.*

## Great Lakes Seaway System's 30<sup>th</sup> Trade Mission to Italy and Turkey



*Great Lakes Trade Mission Delegation*

The Saint Lawrence Seaway Development Corporation (SLSDC) Administrator Terry Johnson and St. Lawrence Seaway Management Corporation (SLSMC) President and CEO Dick Corfe, led a 17-member delegation from the Great Lakes St. Lawrence Seaway System to Genoa, Italy and Istanbul, Turkey from November 7–15, 2008.

This was the third time a Seaway trade delegation has targeted Italy (previous visits included 1995 and 1986) and the second trip to Turkey (first in 2000). The delegation focused on steel imports, project cargoes, and grain exports. Both nations have steel export commodities and participate in pipeline projects, a fact that attracted U.S. and Canadian attention.

In both countries the Seaway delegation met with industry associations, port officials, and shippers about the many opportunities awaiting them in trading through the Seaway. Meetings also took place with international shipowners, operators, brokers, and freight forwarders

A Memorandum of Corporation (MOC) between the Great Lakes Seaway Corporations' Highway H<sub>2</sub>O Port Partners Program ([www.hwyh20.com](http://www.hwyh20.com)) and the Ligurian Ports in Northern Italy was finalized at a formal signing ceremony. The document was signed by Dick Corfe and Secretary General Giam Battista D'Aste, Port of Genoa. The MOC aims to establish a cooperative partnership between U.S. and Canadian ports in the Great Lakes St. Lawrence Seaway System and the Ligurian Ports of Genoa, La Spezia and Savona. As specified in the MOC, the forms of cooperation will include discussions for expanding marine transportation and trade; exchanging data and information; and joint communications on ways to improve port management and economic development. The MOC takes effect immediately.

## Recently Published Reports of Note

*An Evaluation of Maritime Policy in Meeting the Commercial and Security Needs of the United States* (January 2009) prepared by HIS Global Insight, Inc. for U.S. Maritime Administration. The report evaluates the adequacy of current maritime policy in meeting commercial, economic, security and environmental needs of the U.S. in the next three decades.

To view the report: <http://www.marad.dot.gov>

*St. Lawrence and Great Lakes Trade Corridor Study* (September 2008) by IBI Group. The study is based on the St. Lawrence and Great Lakes transport industry representative consultations designed to define the main cargo transport trends, the system's existing and potential bottlenecks, and the priorities that will make it possible to meet demand in context of increased traffic in the next 15–20 years. It indicates a diagnosis of the St. Lawrence Great Lakes region transportation system and analysis of the future development needs of this vital trade corridor.

To view the report: <http://www.st-laurent.org/ressources/fichiers/Report-SLGLCorridor-SEPT2008.pdf>

*Economic and Benefits Analysis of the Final Vessel General Permit (VGP)* (December 2008) by Abt Associates, Inc. for U.S. EPA Office of Wastewater Management. Draft report released with EPA National Pollutant Discharge Elimination System Vessel General Permit for Discharges Incidental of the Normal Operation of Vessels on December 18, 2008.

To view the report: <http://www.epa.gov>

*Predicting Future Introductions of Non-Indigenous Species to the Great Lakes* (January 2009). The report was prepared by the National Center for Environmental Assessment, within EPA's Office of Research and Development. The purpose of the report is to help resource managers focus monitoring activities on particular non indigenous species at ports that are most at risk of invasion.

To view the report: <http://cfpub.epa.gov/ncea/cfm/recorddisplay.cfm?deid=190305>

*Impact of High Oil Prices on Freight Transportation: Modal Shift Potential in Five Corridors* (October 2008). Prepared by Transportation Economics and Management Systems, Inc. for the U.S. Department of Transportation, Maritime Administration. The study evaluates the impact of oil prices on U.S. domestic freight transportation in four corridors including the East, West, and Gulf Coasts as well as inland (i.e., the Mississippi River).

To view the report: [http://www.marad.dot.gov/documents/Modal\\_Shift\\_Study\\_-\\_Technical\\_Report.pdf](http://www.marad.dot.gov/documents/Modal_Shift_Study_-_Technical_Report.pdf)

*Michigan's Off Shore Wind Potential* (September 2008). Prepared by The Hannah Professor Research Program Land Policy Institute, Michigan State University. This study projects Michigan's potential offshore wind energy resource capacity.

To view the report:

[http://www.landpolicy.msu.edu/modules.php?name=Documents&op=viewlive&sp\\_id=812](http://www.landpolicy.msu.edu/modules.php?name=Documents&op=viewlive&sp_id=812)

## 2008 Annual Stakeholder Appreciation Reception

This year's Stakeholders' Appreciation Reception during Montreal Marine Days served as the official kick off of the System's 50<sup>th</sup> anniversary celebration. The SLSDC and SLSMC welcomed more than 175 stakeholders from the Great Lakes St. Lawrence Seaway System and abroad. The annual event provides an excellent opportunity for both Corporations to personally thank our stakeholders for their continued support of the Seaway System.



*International Longshoreman's Association Representatives. Left to right — John Baker, Sr., John Baker, Jr. and Michael J. Baker.*

## Saint Lawrence Seaway Development Corporation Loses a Legend

*(April 1929 – December 2008)*



*Ed Margosian (middle) receiving the Department of Transportation (DOT) Secretary's Meritorious Award, the third highest award within the Department given by the Secretary in recognition of exceptionally meritorious service to the Federal Government. Left to right — Mary E. Peters, former DOT Secretary, Ed Margosian, and Terry Johnson, Administrator, SLSDC*

We have truly lost a legend with the passing of Edward Margosian, who was the longest-serving Saint Lawrence Seaway Development Corporation (SLSDC) employee. Ed had been with the Seaway since before the Seaway's official opening in 1959, just celebrating his 50<sup>th</sup> year with the corporation last year.

Ed served honorably in the United States Army and after that pursued his career in accounting and financial management. Returning to his hometown, Massena, New York, Ed began a long and outstanding career with the SLSDC in 1958. As the Corporation's Chief Financial Officer, he was responsible for ensuring the sound financial management of the Corporation's accounts. Under Ed's skillful knowledge, the SLSDC received 45 consecutive clean financial audit reports.

Ed will be sorely missed by not only his fellow co-workers, but by the many Seaway stakeholders who worked with him.

## Seaway Personnel Changes

Former President and CEO of the Toronto Port Authority, Lisa Raitt, has been elected to Parliament and appointed Minister of Natural Resources by Right Honorable Stephan Harper. She was also elected chair of the Association of Canadian Port Authorities recently.



*Lisa Raitt*

Raitt took unpaid leave from the port authority to seek public office in September. At that time, Alan Paul, VP & CEO of the Toronto Port Authority was appointed acting CEO.

## Upcoming Events

### March

March 16–19

#### Annual Seatrade Exhibition

Miami, FL

Contact: Rebecca McGill; (202) 366-0091,  
rebecca.mcgill@dot.gov

March 18–23

#### International Longshoreman's Association Winter Meeting

Tampa, FL

Contact: <http://www.ilaunion.org>

### April

April 1–2

#### North America's Marine Highways Conference

Jacksonville, FL

Contact: <http://www.joc.com/conferences/NAMH>

April 19–23

#### 16<sup>th</sup> International Conference on Aquatic Invasive Species (ICAIS)

Montréal, Canada

Contact: [http://www.icaais.org/html/info\\_intro.html](http://www.icaais.org/html/info_intro.html)

April 29–May 1

#### Inland River and Ports Association Spring Conference

Chicago

Contact: <http://www.irpt.net>

### May

May 20–21

#### Green Tech 2009

Toronto, ON

Contact: <http://www.green-marine.org/activities>

### July

July 9–12

#### SLSDC 50th anniversary celebration in Massena, New York

Contact: Joy Pasquariello; (202) 366-0480,  
joy.pasquariello@dot.gov