



Saint Lawrence Seaway Development Corporation

Advisory Board Meeting Minutes

Tuesday, September 1, 2015 (9:00 a.m. Central)
Duluth, Minn.; Massena, N.Y.; Washington, D.C.

The Advisory Board of the Saint Lawrence Seaway Development Corporation (SLSDC) convened on Tuesday, September 1, 2015 at 9:00 a.m. (Central) at the offices of the Duluth Seaway Port Authority in Duluth, Minn. One member of the Advisory Board (Wenona Singel) participated telephonically from East Lansing, Mich. Additional representatives from both the SLSDC's Washington, D.C. and Massena, N.Y. offices participated via teleconference.

The following individuals participated in the meeting on behalf of the SLSDC:

- Betty Sutton, SLSDC Administrator
- David McMillan, SLSDC Advisory Board Chairperson
- William Mielke, SLSDC Advisory Board Member
- Wenona Singel, SLSDC Advisory Board Member
- Dr. Arthur Sulzer, SLSDC Advisory Board Member
- Nancy Alcalde, SLSDC Director of Congressional and Public Relations
- Tom Lavigne, SLSDC Associate Administrator for Infrastructure Management and Strategic Programs
- Carrie Mann Lavigne, SLSDC Chief Counsel
- Craig Middlebrook, SLSDC Deputy Administrator
- Kevin O'Malley, SLSDC Director of Budget and Economic Development
- Deborah Perkins, SLSDC Director of Human Resources
- Sal Pisani, SLSDC Associate Administrator for Seaway Operations
- Adam Schlicht, SLSDC Great Lakes Regional Representative
- Nancy Scott, SLSDC Director of Financial Management and Administration
- Charles Wipperfurth, SLSDC Special Advisor to the Administrator

I. Call to Order

In his capacity as Board Chairperson, David McMillan welcomed all participants to the Advisory Board meeting and, noting the presence of quorum, called the meeting to order at 9:03 p.m. The Chairperson reiterated the importance of hosting the SLSDC Advisory Board in the Twin Ports area of Duluth, Minn. and Superior, Wis., a vital economic hub of maritime transportation on the Great Lakes. The Chairperson further observed that the Advisory Board would temporarily break during the regular proceedings in accordance with SLSDC Administrator Betty Sutton's presentation of the 2014 Pacesetter Award to the Duluth Seaway Port Authority. The meeting continued pursuant to the meeting agenda.

II. Approval of the Minutes

Approval of the minutes from the June 2015 meeting was motioned by SLSDC Advisory Board Member William Mielke and was seconded by Member Arthur Sulzer. Without objection, the motion passed unanimously, and the June 2015 meeting minutes of the SLSDC Advisory Board were approved as written.

III. Quarterly Updates

SLSDC Administrator Betty Sutton provided a quarterly update to the Advisory Board membership, including an update about the *Saint Laurent* cruise ship incident at Eisenhower Lock on June 18, 2015. The Administrator described how SLSDC personnel effectively followed protocols in its Emergency Response Plan in cooperation with emergency responders from Canada and the North Country of New York State. Due to the professionalism and competency of the emergency response staff, navigation was able to resume on the St. Lawrence Seaway in full 48 hours after the incident. Advisory Board member Mielke asked if the vessel caused any permanent damage to Eisenhower Lock, and Associate Administrator Thomas Lavigne replied that some minimal concrete damage will be repaired during the winter 2016 non-navigation season. Both Chairperson McMillan and Member Sulzer inquired about the official causes of the incident, and Deputy Administrator Middlebrook noted that the incident was still under investigation by the U.S. Coast Guard but did not immediately fall under the review threshold of the National Transportation Safety Board.

A number of other internal initiatives were discussed by the Administrator, including the SLSDC's successful replacement of its historic Financial Management System (FMS) with the U.S. Department of Interior's Oracle Federal Financials in July 2015. The Administrator also mentioned the SLSDC's ongoing commitment to promoting trade on the Great Lakes St. Lawrence Seaway System, particularly through its ongoing Great Lakes Regional Initiative based in Cleveland, Ohio. Two new major hiring decisions were also announced by the Administrator: the appointment of Nancy Scott as Chief Financial Officer, after serving in an acting capacity for several months, as well as the appointment of Deborah Perkins as the SLSDC's new Director of Human Resources. Board Member Mielke acknowledged Administrator Sutton and Great Lakes Regional Representative Adam Schlicht's recent efforts in Milwaukee, W.I. as part of the Wisconsin Commercial Ports Association meeting as a sign of the SLSDC's ongoing commitment to Great Lakes trade and economic development.

Associate Administrator Lavigne presented an operational update on behalf of Director Lori Curran in absentia, including a brief overview of the SLSDC's response efforts to the *Saint Laurent* cruise ship incident. The SLSDC is also pursuing the purchase of four all-season buoys to try in various locations in the river, according to the Associate Administrator. The SLSDC is also participating in operational and emergency response exercises in coordination with the St. Regis Mohawk – Akwesasne First Nation communities as well as the U.S. – Canada Beyond the Board initiative. Advisory Board member Sulzer inquired about double pilotage requirements on the Seaway when buoys are removed, and Mr. Lavigne noted that the SLSDC has worked closely with U.S. and Canadian pilots to strategically limit the amount of double pilotage required on the inland waterway.

The SLSDC's ongoing Asset Renewal Program (ARP) was next discussed by Associate Administrator Lavigne. Particular ARP projects mentioned include miter gate upgrades at both Eisenhower and Snell Lock, the ongoing structural modifications to the ice flushing system at Snell Lock as well as the SLSDC's plans to implement Hands Free Mooring (HFM) and Vessel Self Spotting (VSS) technologies in the future. Advisory Board Chairperson McMillan asked about how HFM and VSS work in conjunction, and Mr. Lavigne noted that the VSS system utilizes laser-based technology to properly position a vessel within the lock, allowing HFM units to attach to it. Deputy Administrator Middlebrook added that the SLSDC is preparing for full



implementation of HFM in accordance with its internal “Jobs of the Future” initiative and that the SLSDC has leveraged research and development support by the Canadian SLSMC throughout its planning process.

The SLSDC Advisory Board meeting was halted at 9:30 a.m. Central time to allow for SLSDC Administrator Betty Sutton’s presentation of the 2014 Pacesetter Award to the Duluth Seaway Port Authority. The SLSDC Advisory Board meeting officially restarted at 11:10 a.m. (Central).

The SLSDC’s budgetary and financial posture was next presented by Director Kevin O’Malley and Director Nancy Scott, respectively. Mr. O’Malley noted that the SLSDC’s preparations for the conclusion of Fiscal Year (FY) 2015, on September 30, were on target. Mr. O’Malley noted that the SLSDC leveraged its reserve fund to support the modernization of the SLSDC’s FMS to Oracle Federal Financials. Moreover, the SLSDC is currently preparing and supporting its FY 2016 and FY 2017 budgets, which will include support for HFM as well replacement of the *Robinson Bay* tugboat. In her capacity as Chief Financial Officer, Ms. Scott highlighted the SLSDC’s successful conversion to Oracle as well its plans for Phase II deployments for eTravel and inventory-related modules. The SLSDC hosted representatives from DOT’s Office of Inspector General in summer 2015 as an advance audit of its financial processes prior to the expected arrival of its annual third-party audit in October 2015. Advisory Board member Mielke inquired about the issuance of tariffs on the Seaway, and Mr. O’Malley responded by noting that the SLSMC collects its own tolls. The SLSDC, however, as an appropriated federal agency through the Harbor Maintenance Trust Fund, does not. The SLSDC, however, does collect approximately \$800,000 annually in non-federal revenues through its rental payments at the Administration Building, interest on its investments, and revenues at the duty-free store at the Seaway International Bridge outside Massena.

Great Lakes Regional Representative Adam Schlicht presented an overview of the SLSDC’s recent trade, marketing, and economic development-related initiatives since implementation of the program in Cleveland, Ohio in February 2015. The SLSDC is coordinating closely with the Canadian SLSMC on HwyH₂O-related initiatives, including preparation for the Breakbulk Americas Conference (Houston, October 2015) and the HwyH₂O Conference (Toronto, November 2015). The SLSDC has also recently participated in the Wisconsin Commercial Ports Association, Indiana Logistics Summit, and the Ohio Conference on Freight. Mr. Schlicht also highlighted presentations presented by the SLSDC, including at the City Club of Cleveland, the Federal Emergency Management Agency in New York City, and on Southeastern Wisconsin Load Center concept in Milwaukee. Finally, numerous 2014 Pacesetter awards have been distributed by Administrator Sutton at various events throughout summer 2015. Advisory Board Chairperson inquired about administration of the HwyH₂O program, and Mr. Schlicht noted that the Canadian SLSMC has two full-time staff dedicated to the HwyH₂O program and that the SLSDC’s Office of Budget and Economic Development supports the program on a daily basis with its binational counterparts.

The latest environmental policy updates were presented by Deputy Administrator Middlebrook, including information about the approaching January 2016 deadline on ballast water technology. Mr. Middlebrook provided significant detail about the Akwesasne shoreline restoration project and the SLSDC’s ongoing coordination with the environmental division of the St. Regis Mohawk. The SLSDC remains engaged in securing grant-supported funds for the Akwesasne-led initiative.



As Director of Congressional and Public Relations, Nancy Alcalde also spoke about the latest in ballast water-related legislation in the U.S. Congress as well as recently proposed port performance legislation. The SLSDC, through the Great Lakes Seaway Partnership, is also expected to participate in a Seaway briefing on Capitol Hill in October 2015. Ms. Alcalde also discussed the SLSDC's response to the *Saint Laurent* cruise ship incident, noting the heightened traffic on SLSDC web-based resources, including the Seaway binational site (greatlakes-seaway.com), the SLSDC governmental information site (seaway.dot.gov), and the SLSDC's official Facebook page (facebook.com/usdotslsc).

The final report from SLSDC senior staff was provided by Chief Counsel Carrie Mann Lavigne, who elaborated on continue coordination with the International Joint Commission specific to the proposed water regulation plan. In particular, comments have been provided by the DOT and SLSDC, and the order of approval has been revised. The status of the Canadian revisions is not known at this time. The Chief Counsel also administered ethics training to the SLSDC Advisory Board, as required annually of its membership.

IV. Old and New Business

Chairperson McMillan again thanked SLSDC senior staff for contributing to the SLSDC Advisory Board meeting in Duluth as well as the Pacesetter award presentation to the Duluth Seaway Port Authority. Advisory Board members discussed potential dates for its next meeting, and preliminarily mentioned December 8 or 9 as viable options. In his capacity as Special Advisor to the Administrator, Chuck Wipperfurth promised to follow-up with the SLSDC Advisory Board electronically. Advisory Board member Mielke reiterated the educational importance of the meeting in Duluth, and Advisory Board member Sulzer agreed, suggesting that maintaining connections across the Great Lakes St. Lawrence Seaway System is vital. Mr. Mielke further suggested that the 2016 in-person Advisory Board meeting be held in Cleveland, Ohio.

V. Closing Discussion and Adjournment

Deputy Administrator Middlebrook and Advisory Board Chairperson McMillan acknowledged Associate Administrator Sal Pisani, who is expected to retire in fall 2015, for his years of service to the SLSDC and 40+ years in the maritime industry. The meeting was adjourned at 12:03 p.m. (Central), with a motion to close from Mr. Sulzer, as seconded by Mr. Mielke.

#####

