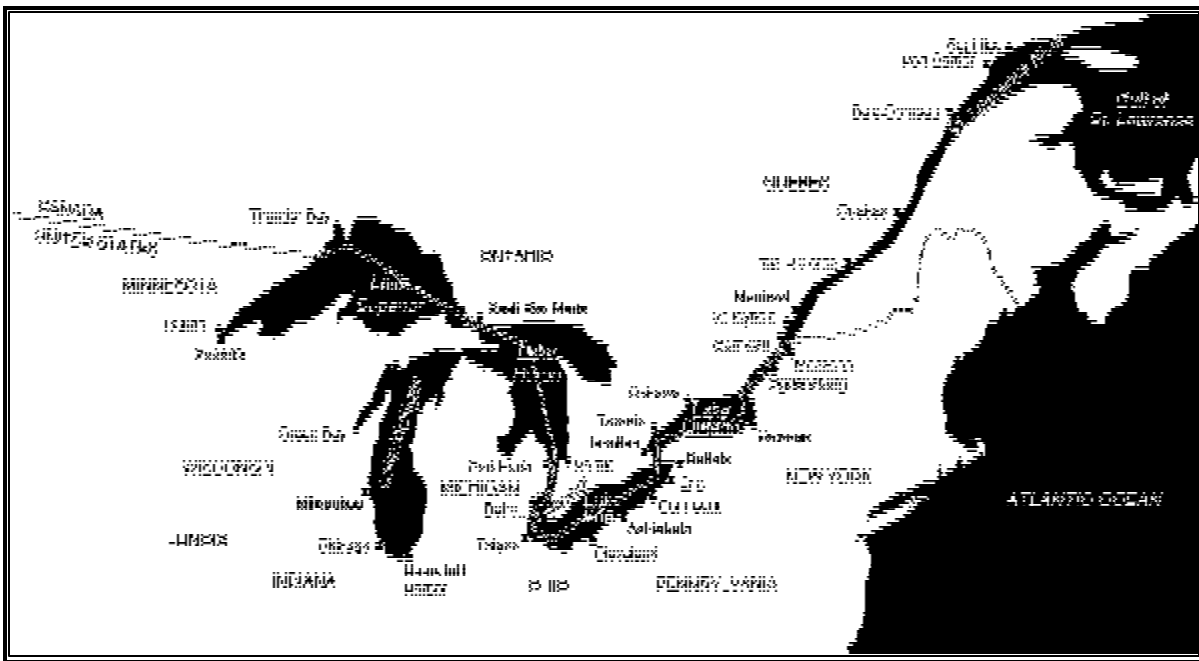


Fiscal Year 2000
Annual Report

*Great Lakes Seaway System
Moves Forward Into 21st Century*

Saint Lawrence Seaway Development Corporation



The **Saint Lawrence Seaway Development Corporation (SLSDC or Corporation)** 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.

The SLSDC coordinates its activities with its Canadian counterpart, The St. Lawrence Seaway Management Corporation (SLSMC) (formerly the St. Lawrence Seaway Authority), particularly with respect to rules and regulations, the Tariff of Tolls, overall day-to-day operations, traffic management, navigational aids, safety, environmental programs, operating dates, trade development and marketing programs. The unique binational nature of the System requires 24-hour, year-round coordination between the two Seaway entities.

The mission of the Corporation is to serve the U.S. intermodal and international transportation system by improving the operation and maintenance of a safe, reliable, environmentally responsible deep-draft waterway, in cooperation with its Canadian counterpart. The SLSDC also encourages the development of trade through the Great Lakes Seaway System, which contributes to the comprehensive economic and environmental development of the entire Great Lakes region.

The SLSDC headquarters staff offices are located in Washington, D.C. Operations and operations personnel are located at the two U.S. Seaway locks (Eisenhower and Snell) in Massena, N.Y. As of September 30, 2000, the Corporation had 157 full-time equivalent employees, or FTEs.

The audit of the SLSDC for the 12 months ended September 30, 2000, was performed by Dembo, Jones, Healy, Pennington & Ahalt, P.C., in accordance with the Chief Financial Officers Act of 1990 and the Comptroller General's Government Auditing Standards. This report is in two sections. The first section (pages 1-19), was prepared by the Corporation to provide information on its organization, missions, goals and objectives, and performance measures. The information contained in this first section was not subject to audit. The second section (pages 20-36), consists of 2000 audited financial statements with associated notes and the reports of Dembo, Jones, Healy, Pennington & Ahalt, P.C. on those statements, and supplementary management information.

An electronic copy of this report can be obtained on the SLSDC web site at: <http://www.greatlakes-seaway.com/en/aboutus/slsdc.html>

Saint Lawrence Seaway Development Corporation

Index to Fiscal Year 2000 Annual Report

Annual Report Introduction by Administrator Albert S. Jacquez	1
FY 2000 Financial Highlights	2
FY 2000 Accomplishments	8
Operations and Safety Initiatives	8
Customer Service Initiatives	11
Customer Development Initiatives	13
Corporation Management Initiatives	16
2000 Navigation Season in Review	18
2000 Performance Indicators	19
Statement on Internal Accounting and Administrative Control Systems	20
Dembo, Jones, Healy, Pennington & Ahalt, P.C. Report on Financial Statements	22
Dembo, Jones, Healy, Pennington & Ahalt, P.C. Report on Compliance and Internal Control Over Financing Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
Statements of Financial Position	25
Statements of Operations and Changes in Cumulative Results of Operations	27
Statements of Cash Flows	28
Statement of Budgetary Resources and Actual Expenses	29
Statements of Changes in Equity of the U.S. Government	30
Notes to Financial Statements	31
SLSDC Strategic Plan	Appendix
SLSDC Organization Chart and Points of Contact	Inside Back Cover

ANNUAL REPORT INTRODUCTION BY ADMINISTRATOR ALBERT S. JACQUEZ

In accordance with the Chief Financial Officers Act of 1990 and the Comptroller General's Government Auditing Standards, I am pleased to present the annual management report of the Saint Lawrence Seaway Development Corporation for the fiscal year (FY) ended September 30, 2000. This report clearly presents the financial integrity and operational accomplishments of the Corporation during FY 2000.



We completed several programs and initiatives during FY 2000 that will have lasting positive impacts on the future safety, reliability, efficiency, and competitiveness of the Great Lakes St. Lawrence Seaway System. For example, during FY 2000 the SLSDC continued to move forward in developing its Seaway's Automatic Identification System (AIS) project. The AIS project represents a major step forward in marine navigation technology. In fact, the SLSDC is the world leader in developing shore side applications for AIS technology. On September 29, 2000, we conducted the first live demonstration of AIS technologies on the Seaway to industry officials. In FY 2000, we also worked with industry partners to agree to contribute 50 percent of the final implementation cost of the program over the 2000 and 2001 navigation seasons. When testing and implementation of the AIS system is completed during 2001, Seaway vessel traffic controllers will be provided with highly accurate, real-time access to the position of commercial vessels in their vicinity.

During FY 2000, the SLSDC also continued to promote commercial navigation via the Seaway System to current and prospective customers both domestically and abroad. In 2000, the SLSDC led delegations of U.S. and Canadian System trade and maritime executives on trade missions to Greece, Turkey, England, and The Netherlands. In addition to the trade mission program, the SLSDC is working with System port authorities, the Great Lakes Waterways Management Forum, the Great Lakes Cruising Coalition, state and local governments, and tourism associations to attract cruise vessels into the Great Lakes. Another development the SLSDC started in FY 2000 will bring even greater recognition and exposure of the Great Lakes Seaway System to our customers — a binational Seaway Internet site, which is scheduled to be launched in early 2001.

Our quality management system also took another step forward in FY 2000 as the agency was awarded international recognition for the total quality performance of all of its key customer services under the prestigious ISO 9002 Certification Program. The SLSDC remains committed to serving its customers, both current and potential, in providing a safe and competitive transportation route for moving goods to and from North America.

A handwritten signature in black ink that reads "Albert S. Jacquez". The signature is written in a cursive, flowing style.

Albert S. Jacquez

FY 2000 FINANCIAL HIGHLIGHTS

The financial statements have been prepared to report the financial position and results of operations of the Corporation, pursuant to the requirements of the Chief Financial Officers Act of 1990.

Corporation Financing

Until 1987, the Corporation was a self-sustaining entity and financed its operations and investment in plant and equipment by charging tolls to users of the two U.S. Seaway locks. Toll rates were established jointly with and collected by The St. Lawrence Seaway Authority (now known as the SLSMC), with the U.S. share remitted to the Corporation. The Water Resources Development Act of 1986, Public Law 99-662, which created the Harbor Maintenance Trust Fund, made a significant change to Corporation financing. The Act required the U.S. Treasury to rebate the portion of Seaway tolls paid by users for transiting the U.S. locks. Subsequent legislation, effective October 1, 1994, waived the billing and collection process of the U.S. tolls. However, the SLSDC is still involved in the negotiations of Seaway toll levels with the SLSMC.

Operating Revenues

Operating revenues, excluding imputed financing, totaled \$11,592K in 2000, compared to \$10,531K in 1999, an increase of \$1,061K or 10 percent. Appropriations expended increased \$1,082K, from \$10,059K in 1999 to \$11,141K in 2000. Appropriations expended represents the amount of the Harbor Maintenance Trust Fund expended for operating purposes. Other revenues, principally from concession operations, decreased \$21K, from \$472K in 1999 to \$451K in 2000.

Operating Expenses

Overall operating expenses, excluding depreciation and imputed expenses, decreased \$195K or 2 percent from \$11,567K in 1999 to \$11,372K in 2000.

Personal services and benefits increased \$279K or 3 percent from \$9,018K in 1999 to \$9,298K in 2000. The Corporation employed 153 employees on September 30, 2000.

Other costs decreased \$475K or 19 percent from \$2,549K in 1999 to \$2,075K in 2000. The GSA rent payment process for headquarters and field space was decentralized in 1998. Accordingly, the Corporation became responsible for making direct rental payments to GSA. In 1999, \$203K was expended for rent of the Washington, D.C. office. In addition, \$185K was paid to the Transportation Administrative Service Center (TASC) for services used by the Washington office such as

information technology, facility services, telecommunication services, printing, graphics, and security; as well as Unemployment Compensation and drug testing. In 2000, Washington office rent and TASC totaled \$185K and \$135K respectively.

Specific operating expenditures included the winter security watch, cleaning and painting of lock machinery and equipment, lock roof cover maintenance, culvert valve motor maintenance, and asbestos related expenses. The total cost of these projects was \$285K.

Imputed Financing/Expenses

Effective in 1997, the Corporation was required to recognize and record the cost of pension and post-retirement benefits during employees' active years of service, based on cost factors provided by the Office of Personnel Management (OPM). These costs are recorded as an expense paid by another entity (OPM) offset by an imputed financing source to the receiving entity (the Corporation).

Total Assets

The Corporation's financial position continues to remain sound with total assets of \$100 million.

Time Deposits in Minority Banks

A key asset of the Corporation is time deposits in minority banks, totaling \$11,790K at year-end. In 2000, a \$1,881K decrease in short-term deposits, offset by a \$1,810K increase in long-term deposits, netted a decrease of \$71K overall.

Interest Income

Interest on deposits in minority banks remained stable, increasing by \$10K or 2 percent, totaling \$632K in 1999 and \$642K in 2000.

Unobligated Balance

The Corporation has an unobligated balance of \$13.4 million, comprised of \$3.2 million of unused borrowing authority and the \$10.2 million financial reserve. The reserve is maintained to finance emergency or extraordinary expenditures to ensure safe and uninterrupted use of the Seaway, a policy affirmed by Congress in the Appropriation Committee reports. The funds on deposit in minority banks were principally built up from toll income in excess of cash outlays prior to April 1, 1987, when the

Corporation was a self-sustaining entity, and are invested in insured deposits consistent with Executive Order 11625 (October 13, 1971).

Construction Program

Acquisition of plant, property and equipment totaled \$1,401K and \$830K in 1999 and 2000 respectively.

In 1999, the largest capital expenditures were \$405K for the maintenance building renovation, \$266K for the Vessel Traffic Control (VTC) Center relocation, and \$134K for the lock status display upgrade.

The maintenance building renovation included construction of a two-story addition and renovation of a portion of the adjacent interior space to provide office space for Office of Engineering and Strategic Planning personnel, to add a women's bathroom/locker room, and to expand the existing men's bathroom/locker room and the employees' lunchroom.

The VTC Center relocation involved renovating the Oberlin Building at Eisenhower Lock and relocating the VTC Center and several offices from the adjacent McCann Building. The work included renovation of the interior space, moving radio, telephone, closed circuit television and computer equipment/systems and making improvements required for installation of the new computerized Traffic Management System (TMS). The work was accomplished both by contractors and by Corporation personnel.

The electrical lock equipment upgrade project for 1999 was for the lock status display system which utilizes Programmable Logic Control (PLC) technology to monitor the status of the lock operating equipment at Eisenhower and Snell Locks. This information is provided to the Vessel Traffic Controllers. The new system has been expanded to include water level, fire alarm, and security information to the VTC Center as well as machinery and equipment operating information to Maintenance personnel for use in troubleshooting problems.

The primary expenditures in 2000 included capital equipment purchases of a compressor and a boiler for the Administration Building, an aerial lift vehicle (bucket truck), a tractor, a trailer, two trucks, and a copier. Major capital project expenditures were for the Automatic Identification System/Global Positioning System (AIS/GPS), a new roof for the Administration Building, and the Lock Structures Maintenance Shop.

The AIS/GPS project was designed to apply cutting-edge AIS technology to marine navigation on the St. Lawrence River and Great

Lakes. Interagency agreements were established with the Volpe Center to support the Corporation in the establishment of a program to bring AIS technology to the Seaway. The Volpe Center designed and implemented shoreside elements of a pre-operational AIS that utilizes existing shipboard transponders; and accomplished AIS field-testing, final AIS system design and development, software development, and hardware development.

The initial phases were accomplished for the Lock Structures Maintenance Shop. This project is described in more detail in the Significant Future Costs section.

Significant Future Costs

Since operations and maintenance represent the bulk of the Corporation's expenditures, five-year capital and maintenance plans have been developed for 2001 through 2005. The objective of developing comprehensive five-year plans for capital improvements, operations, and maintenance activities is to improve the Corporation's ability to invest in projects critical to maintaining infrastructure and operational efficiency. The perspective offered by viewing and evaluating resource requirements over a long term is particularly vital in this era of funding reductions. The current five-year plan projects \$6 million in capital expenditures. The Corporation plans on spending \$650K to construct a drydock at Snell Lock, \$615K for fendering improvements at both locks, \$600K for paving and drainage improvements, \$260K for air compressor replacements, \$250K for water quality improvements at Eisenhower Lock, and \$240K for dewatering pump replacements.

The main project in 2001 is for the Lock Structures Maintenance Shop construction. The plan is to construct a shop at the south side of Snell Lock in which to perform maintenance work on large structures, machinery, and equipment such as stoplogs, fender booms, culvert valves, bullgears, the SLSDC workboat, etc. This facility will be used primarily for blast cleaning and painting these items. Equipment, which has been designed to conform to Occupational Safety and Health Administration (OSHA), Environmental Protection Agency (EPA), and New York State Department of Environmental Conservation (NYSDEC) regulations for these operations, has been ordered for use in this facility. The equipment will be portable so that it can be removed from this building for use in the locks during winter maintenance for blast cleaning and painting work on the miter gates and vertical lift gate. Cost estimates indicate the total project cost will be approximately \$1 million, with the building costing an estimated 60 percent and the equipment 40 percent.

U.S. Army Corps of Engineers Lock Survey and Evaluation

In December 1999, the U.S. Army Corps of Engineers provided the SLSDC with its lock survey and evaluation report for the two U.S. Seaway locks. The Corps concluded that the lock structures and equipment were generally well maintained and in good operating condition. However, recommendations were made for maintenance and capital improvements and for modifications to maintenance and operating procedures.

The SLSDC completed a review and evaluation of the Corps report and completed preliminary project prioritization and cost estimates for the next 10-12 years. It is estimated that the SLSDC could spend over \$5.5 million in fiscal years 2001-2009 to implement the recommendations, with an additional estimated \$2 million to be spent in fiscal years 2010-2015. Major recommendations made by the Corps have been incorporated into the Corporation's five-year capital and special project plans as appropriate. Some of the projects may be accomplished in-house, provided they have minimal impact on normal maintenance functions, while larger ones will likely be accomplished by contract. In FY 2000, the SLSDC spent \$150,000 in accomplishing some of the Corps' recommendations.



Selected Financial Indicators

(In Thousands of Dollars)

For the Fiscal Years Ended September 30	2000	1999	Change	
			Dollars	Percent
Operating Revenues	11,592	10,531	1,061	10
Appropriations expended	11,141	10,059	1,082	11
Other	451	472	(21)	(5)
Operating Expenses	11,372	11,567	(195)	(2)
Personnel services and benefits	9,298	9,018	280	3
Other	2,074	2,549	(475)	(19)
Imputed Financing/Expenses				
Imputed financing	607	620	(13)	—
Imputed expenses	607	620	(13)	—
Total Assets	99,805	100,911	(1,106)	(1)
Time Deposits in Minority Banks	11,790	11,861	(71)	(1)
Short-term	9,686	11,567	(1,881)	(16)
Long-term	2,104	294	1,810	616
Interest Income (Minority Banks)	642	632	10	2

SLSDC Advisory Board

Anthony S. Earl, Chairman
Former Governor of Wisconsin
Madison, Wisconsin
1996-present

Jay C. Ehle, Member
Former Chairman, Port of Cleveland
Rocky River, Ohio
1996-present

Vincent Sorrentino, Member
Attorney, Hurley & Hewner
Buffalo, New York
1996-present

George D. Milidrag, Member
Founder, Engineering Technology Ltd.
Clarkson, Michigan
1996-present

William L. Wilson, Member
Research Fellow, University of Minnesota
Minneapolis, Minnesota
1996-present

FY 2000 ACCOMPLISHMENTS

Operations and Safety Initiatives

Seaway Automatic Identification System/ Global Positioning System (AIS/GPS) Project

On September 29, 2000, the SLSDC and DOT's Volpe National Transportation Systems Center staff conducted a demonstration of AIS/GPS technology in Massena, N.Y., to invited guests, including the Administrator and representatives from the Seaway entities, U.S. Coast Guard, Seaway pilotage authorities, electronic chart display system manufacturers, and the media. The visitors were briefed on Seaway plans for implementing AIS, attended a viewing of the Vessel Traffic Control Center at Eisenhower Lock, and had the opportunity to preview actual AIS technology on board the SLSDC's tug, *ROBINSON BAY*.

The next major goals for completing the Seaway AIS/GPS development project are: 1) complete the Seaway AIS messaging format and specifications document, and 2) develop and expand the capabilities of the shore-side AIS network to provide continuous coverage from Montreal to Lake Erie. This effort will include extensive software development for AIS message routing and shore-side data network control. In addition, the procurement and installation of AIS and data communications equipment at shore-station sites along the Seaway will commence once AIS compliant transponders are available, which is expected to be in 2001.

Another major program accomplishment during FY 2000 was a cost-sharing agreement between the two Seaway entities and carrier industry partners representing the ocean carriers and the Canadian vessel fleet operators. The agreement calls for international vessels and Canadian lakers to contribute approximately US\$600,000 to the project.

The SLSDC and SLSMC have been working since 1993 to develop state-of-the-art AIS/GPS technology to supplement two-way radio VTC technology. AIS/GPS technology allows for real-time shore-to-ship, ship-to-shore, and ship-to-ship communication of other important information such as weather conditions, lock availability and notice to mariners. Moreover, this new technology provides important safety advantages over two-way radio technology. Initial Operational Capability (IOC) of AIS/GPS technology in the Seaway is scheduled for the 2001 season, and all vessels transiting the Great Lakes Seaway System will be required to have AIS/GPS technology on board by April 2002. Implementation of AIS/GPS technology in the St. Lawrence Seaway during the 2001 season is dependent upon acquisition of necessary marine frequencies by the U.S. Coast Guard. Once implemented, the AIS/GPS project will represent the largest wide-scale use of this technology in an inland waterway anywhere in the world.

Foreign Vessel Inspection Program

The Enhanced Seaway Inspection (ESI) program is a major program contributing to safe navigation and protection of the environment. The safety and environmental vessel screening programs, conducted jointly with Canadian SLSMC inspectors in Montreal, Quebec, complete the port/state vessel inspections as well as ballast water tests.

Each year, approximately 300 foreign flag vessels from more than 50 nations transit the U.S. locks and channels of the Seaway to and from the major port facilities in the Great Lakes. Prior to 1998, ship inspections were conducted at the U.S. Seaway locks in Massena, N.Y., which reduced safety and slowed ship traffic. The SLSDC, working closely with the U.S. Coast Guard (USCG), restructured the inspection program in 1998. The major goal of the revised program was to perform 100 percent of enhanced ship inspections for the first inbound transit of each ocean vessel in advance of entering U.S. waters at Montreal. The goal was achieved in 2000 with 293 Enhanced Seaway Inspections (ESIs), 269 performed by SLSDC inspectors and 24 performed by USCG marine inspectors. The enhanced vessel inspection program exemplifies the DOT goal of partnering for excellence, as well as intermodal cooperation.

The ballast water exchange program continues to be an important function of the ship inspection program. These inspections are carried out concurrently with the ESIs, by Corporation personnel in Montreal and by USCG personnel at Snell Lock in Massena. These programs support the Oil Pollution Act of 1990 and the Non-Indigenous Aquatic Nuisance Prevention and Control Act of 1990.

2000 Winter Maintenance Program

Following the completion of each navigation season, the SLSDC conducts its annual winter maintenance program to ensure the structural integrity and efficient operation of the two U.S. Seaway locks in Massena, N.Y.

The Corporation completed its winter maintenance program for FY 2000 with all planned and unplanned projects completed. The 2000 program concentrated on projects directly related to minimizing or eliminating downtime due to lock equipment failure. During the 1999 navigation season, lock equipment failure delays totaled only 85 minutes during the 270 days of operation.

FY 2000 winter projects included preventative maintenance of the locks' electric controls; rehabilitation of mitre gate machinery, motors, bullgears, and Philadelphia Drives; and testing of the vertical lift gate.

Emergency Response Plan

The Corporation's Emergency Response Plan, unveiled in June 1989 and updated annually, was developed to serve as a regional joint response blueprint in the event of an oil spill, hazardous substance spill or vessel collision in the St. Lawrence River. The plan, which includes a computerized oil spill model, covers the 100-mile U.S. portion of the river, between Massena and Cape Vincent, N.Y. The Corporation has immediate responsibility for initiating the Emergency Response Plan and overseeing an incident until the United States Coast Guard arrives on the scene. Responsibility is immediately shifted to the Coast Guard in its role as Federal On-Scene Coordinator.

The plan incorporates a number of local, state, and federal agencies that would be needed in an emergency situation. Since 1989, the Corporation has participated in or sponsored annual simulation exercises as part of the Emergency Response Plan. These annual simulated drills are essential to maintaining readiness for emergency situations, swift response requirements, and problem resolution by the Corporation and local, state and federal agencies. An updated Emergency Response Plan was distributed to both internal agency personnel and external stakeholders in July 2000.

Emergency Response Exercises/Simulations/Training 1992-2000	
1992	Hosted tour boat grounding exercise Louisville, N.Y.
1993	Hosted chemical spill/injury exercise Alexandria Bay, N.Y.
1994	Hosted tabletop exercise Thousand Islands Bridge, N.Y.
1995	Hosted chemical spill exercise Hogansburg, N.Y.
1996	Participated in "CANUSLAK" exercise Cornwall, Ontario
1997	Participated in chemical spill exercise Alexandria Bay, N.Y.
1998	Hosted hazardous materials spill exercise Massena, N.Y.
1999	Participated in joint U.S./Canadian Coast Guard exercise Brockville, Ontario
2000	Participated in oil boom deployment training session Massena, N.Y.

Trade Development Initiatives

Seaway Trade Mission to England and The Netherlands

SLSDC Administrator Jacquez led a delegation of nine U.S. and Canadian Great Lakes executives on a Seaway Trade Mission to London, England, and to Amsterdam and Rotterdam, The Netherlands, from Sept. 16-20, 2000.

In London, a formal presentation was made to insurance industry and shipping officials, and in both countries many individual one-on-one business appointments were held between customers and potential customers, and the mission delegates.

The stop in London represented a return visit for the Seaway Trade Mission program, which last sent a mission delegation there in 1992. The stop in The Netherlands was also a return stop, with visits to Rotterdam in 1990 and The Hague in 1996.

The September 2000 mission represented the 23rd that the SLSDC has sponsored or cosponsored over the past 15 years for the purpose of boosting trade through the Great Lakes Seaway System.

Seaway Trade Mission to Greece and Turkey

On June 5-14, 2000, SLSDC Administrator Jacquez led the 22nd Seaway Trade Mission to Athens and Piraeus, Greece, and Istanbul, Turkey. A delegation of 10 U.S. and Canadian Great Lakes/Seaway representatives took part in the mission.



During the Seaway Trade Mission stop in Istanbul, Turkey, in June 2000, SLSDC Administrator Albert S. Jacquez (center) receives an appreciation plaque from two Turkish Chamber of Shipping executives — M. Faruk Urkmez, Deputy President (left) and Erol Yucel, President (right).

In addition to formal presentations in each city, many individual one-on-one meetings with potential and existing customers took place. In Greece, the trade mission delegation also staffed a Great Lakes Seaway System booth at the biennial Posidonia International Maritime Exposition in Piraeus, the largest event of its kind in the world.

Great Lakes/Seaway “Port Listen-In” Sessions

The SLSDC completed two of its planned five “Port Listen-In” sessions in FY 2000 with one-day events at Indiana’s International Port at Burns Harbor in Portage, Ind., on August 31, 2000, and at the Duluth (Minn.) Seaway Port Authority, on September 7, 2000. The purpose of the “Listen-In” sessions was to meet with local maritime community representatives for their recommendations to help the SLSDC set priorities for the Great Lakes Seaway System over the first decade of the 21st century. Attendees at the first two sessions included representatives from the various maritime sectors of each port community (port officials, terminal operators, agents, commodity forwarders, labor interests, etc.). The balance of meetings and a program report will be issued in FY 2001.

Other Trade Development-Related Events

During FY 2000, SLSDC Administrator Jacquez and staff conducted and/or participated in over 64 events and programs throughout the U.S. and Canada with industry and government interests on a broad array of Seaway trade and transportation issues focusing on operations and maintenance of a safe, reliable, competitive international transportation system, as well as developing new business for the Seaway System.

Customer Service Initiatives

Development of a Binational Seaway Website

The SLSDC and SLSMC began work in FY 2000 on the development of a binational real-time Internet web site for Seaway users. The new site will offer current and potential users with information such as real-time weather conditions, water levels, estimated transit times, transportation costs, and precise location of vessels in the Seaway System.

On June 20, 2000, the SLSDC and SLSMC awarded a contract to IBM-Canada to perform a feasibility study of a joint, binational real-time Internet web site. In late August, IBM-Canada made its final presentation to Seaway officials that concluded that industry leaders were interested and excited about the prospect of a new real-time Great Lakes/Seaway web site.

During FY 2001, the new site will be developed by the two Seaway entities, in collaboration with IBM-Canada. The new site is expected to be launched in March 2001.

Seaway Nightcast Program

Since the mid-1980s, the Corporation has offered users a subscription based service called Seaway Nightcast. The daily service details inbound (westbound) ocean vessel movements through the U.S. locks in Massena, N.Y., to assist in matching cargoes and vessels for the outbound voyage.

The information is broadcast to subscribers via e-mail. The information, transmitted after midnight each day, covers vessel activity for the previous 24-hour period. Details include vessel passage by name, intended ports of call within the Great Lakes, a coded identification of the vessel agent, and known details of the outbound voyage. By relaying this information upon entry of the vessel into the Seaway System, potential users have several days to contact the shipping agent concerning export movements.

Seaway Tie-Up Service

To accommodate vessel operators who have elected not to install or use landing booms, the Seaway entities initiated tie-up services in 1995 on a cost recovery basis. The fee for the service continues to be \$1,000 Canadian for each round trip through the Montreal-Lake Ontario and Welland Canal sections. In 2000, a total of 162 vessels requested the tie-up service in the Montreal-Lake Ontario section, while 101 vessels requested the service in the Welland Canal section.

Ship Drawing Reviews

The Corporation offers, free of charge, a review of ship drawings for new buildings or revisions, encouraging owners to fit vessels to Seaway dimensions during construction. In addition, the Corporation provides advice and guidance to developers, shipping companies or agents on modifications necessary to meet requirements for transiting the Seaway.

Since the review services were introduced in 1992, Seaway marine experts have accommodated an average of 100 review requests a year. The free service has been a key factor in attracting ocean freighter and passenger vessel traffic to the Seaway.

Seaway Port Pacesetter Awards

In late February 2000, the SLSDC announced that three U.S. Great Lakes/Seaway ports and five port terminals had earned the Corporation's eighth annual Seaway Port Pacesetter Award. The award was presented to U.S. Great Lakes/Seaway ports and terminals that registered increases in overseas cargo tonnage shipped through the Seaway during the 1999 navigation season, versus 1998.

The three port organizations that received the award were: Duluth (Minn.) Seaway Port Authority; Indiana's International Port at Burns Harbor; and Port of Oswego (N.Y.) Authority. The Duluth and Oswego ports were both repeat winners. The five award-winning U.S. Great Lakes/Seaway port terminals were: AGP Grain, Ltd., at Duluth; Cargill North American Grain, at Duluth; Federal Marine Terminals at Portage, Ind.; Hallett Dock Co. at Duluth; and The Andersons at Toledo, Ohio. The AGP Grain and Federal Marine Terminals companies were also repeat winners.



Early Opening Date Announcement for 2001 Season

In late August 2000, the SLSDC and SLSMC announced that the St. Lawrence Seaway would be open to shipping for the 2001 season beginning March 23 – the earliest opening date in Seaway history.

The announcement also marked the earliest that the U.S. and Canadian Seaway operating agencies have ever notified the shipping industry of the official opening date for the next navigation season. In the past, the announcement has typically been made one or two months in advance.

SLSDC Internet Website

Since 1997, the Corporation has provided a website with extensive information on the Great Lakes Seaway System to serve its customers. In FY 2000, the SLSDC upgraded its web server and changed its web site address to <http://www.seaway.dot.gov>.

Seaway Management Initiatives

ISO 9002 Certification

In August 2000, the SLSDC's quality management system was awarded international recognition for the total quality performance of all of its key customer services under the prestigious ISO 9002 Certification Program with the certification of the Corporation's lock operations and maintenance programs.

This international certification is only conferred on those service firms and organizations that meet the highest quality customer service and management standards set by the Geneva, Switzerland-based International Organization for Standardization. The London, U.K.-based Lloyds Register of Quality Assurance was the independent accrediting agency that evaluated the SLSDC functions and presented the certificate.

In 1998, the Corporation's vessel inspection program was ISO-certified, followed in 1999 by vessel traffic management, aids to navigation, personnel, administrative support and management information services. ISO certification has led to performance improvements, marketing advantages, better customer service, an improved management process, better teamwork, and closer coordination with SLSDC goals and objectives.

Educational/Mentoring Programs

The Administrator, management and staff participated in several events during FY 2000 in Washington, D.C. and Massena, N.Y., including job shadowing programs, Tech Prep student case studies based on Seaway issues, student tours and demonstrations at Seaway facilities, local school web page development, and student motivational guidance for the future. The SLSDC programs reach out to students in elementary, high school and college level activities. SLSDC participates in the Massena High School Tech Prep Program together with other local industries in the area. The Program is designed to provide junior and senior students with real life job skills through various means, including "job shadowing." Students job shadow when they follow actual workers performing their daily activities at a job site over a period of several weeks.

In conjunction with the national Groundhog Job Shadow Day on February 2, 2000, 17 Massena High School juniors toured the SLSDC's Eisenhower Lock, where they were given an up-close look at the annual winter maintenance work being performed.

SLSDC has been a local Tech Prep partner with Massena High School since 1997 and during that time has provided 17 job shadowing

opportunities, as well as several Seaway-related case study assignments and field trips.

Year 2000 (Y2K) Rollover

The Corporation's information systems remain up-to-date and enable all offices to maintain timely and accurate reporting. All Corporation information technology systems, operating systems and physical facilities successfully completed Y2K validation in 1998 and remain fully compliant to date. The Corporation was an active participant in the Department of Transportation Y2K outreach task force and continued vigorous outreach activities until the key roll over date of January 1, 2000.

The Corporation also prepared a Business Continuity and Contingency Plan, which concentrated its attention on continuance of regular business functions including winter maintenance, administrative activities, and protection of Corporation facilities against winter elements. All systems remained compliant on the critical roll over date of January 1, 2000, and February 29, 2000.

2000 NAVIGATION SEASON IN REVIEW

Total cargo tonnage through the Montreal-Lake Ontario section of the St. Lawrence Seaway in CY 2000 was 35.4 million metric tons, 1.0 million metric tons or 3 percent below the CY 1999 total. Low water levels throughout the Great Lakes adversely affected the amount of cargo vessels could carry through the Seaway System. In fact, water levels in the Great Lakes during the 2000 navigation season were at their lowest levels in 35 years. Many major Great Lakes Seaway System carrier companies reported that vessels could only carry approximately 90 percent of a normal shipment load due to the reduced water levels. Exports of corn were also dramatically lower than 1999 levels due, in large part, to labor problems at a major Canadian transshipment grain terminal in the lower St. Lawrence River. The doubling of fuel costs over the last two years also contributed to the reduction in Great Lakes/Seaway cargo.

Manufactured iron and steel products were the best performing commodity in 2000, increasing by 13 percent to 4.9 million metric tons. However, steel movements slowed substantially in the later part of the shipping season due to decreased demand for finished steel products both in North America and overseas. This slowdown is expected to continue in 2001. These commodities carry the highest value of goods of shipped on the Seaway and their handling is the most labor-intensive.

The Seaway's Montreal-Lake Ontario section was open in 2000 for 275 days, March 27 — December 26, compared to 270 days in 1999. Vessel transits in 2000 of 3,047 were 4 percent below the 1999 level.

Calendar Year 2000 Commodity and Transit Summary (Montreal-Lake Ontario Section — Volume in Metric Tons)				
Commodities	2000	1999	Change	
			Tons	Percent
Grain	12,512,468	13,527,883	(1,015,415)	(7.5%)
Government Aid	9,655	80,692	(71,037)	(88.0%)
Iron Ore	10,167,877	10,686,169	(518,292)	(4.9%)
Coal	334,489	266,364	68,125	25.6%
Coke	931,110	566,637	364,473	64.3%
Other Bulk	6,366,081	6,659,291	(293,210)	(4.4%)
Manufactured Iron and Steel	4,876,906	4,317,382	559,524	13.0%
Other General	188,105	259,275	(71,170)	(27.4%)
Containers	19,521	11,573	7,948	68.7%
Cargo Total	35,406,212	36,400,227	(994,015)	(2.7%)
Vessel Transits	2000	1999	Change	
			Transits	Percent
Ocean Vessels	1,316	1,282	34	2.7%
Laker Vessels	1,232	1,402	(170)	(12.1%)
Other Vessels	499	484	15	3.1%
Transit Total	3,047	3,168	(121)	(3.8%)

2000 PERFORMANCE INDICATORS

Lockage Downtime/Availability in Hours						
Cause of Delay	1996	1997	1998	1999	2000	5-Year Average
Weather, Poor Visibility	137.2	64.6	30.3	2.0	38.2	54.5
Weather, High Wind/Ice	6.2	0.6	12.9	0.0	15.5	7.0
Water Level/Flow	0.0	17.2	0.0	0.0	0.0	3.4
Vessel Incident	38.3	31.2	43.3	46.3	27.8	37.4
Civil Interference	1.4	2.8	10.3	0.0	0.0	2.9
Lock Equipment Malfunction	4.5	15.6	1.8	1.3	2.6	5.2
Total Delay (Hours)	187.6	132.0	98.6	49.6	84.1	110.4
Equivalent Days	7.8	5.5	4.1	2.1	3.5	4.6
Duration of Season (Days) *	273	270	277	270	274	273
Percent of System Availability	97%	98%	98.5%	99.2%	98.7%	98.3%

* Based on availability of U.S. Seaway locks only

Lockage Equipment Malfunction by Type in Hours						
Type of Malfunction	1996	1997	1998	1999	2000	5-Year Average
<u>Electrical</u>						
Fender Boom	0.7	2.9	0.0	0.0	0.0	0.7
Gates	1.2	1.7	1.0	1.3	0.0	1.0
Valves	0.4	0.0	0.0	0.0	0.3	0.1
Lock Equipment	<u>0.4</u>	<u>0.8</u>	<u>0.5</u>	<u>0.0</u>	<u>2.1</u>	<u>0.8</u>
Subtotal	2.7	5.4	1.5	1.3	2.4	2.6
<u>Mechanical</u>						
Fender Boom	1.8	0.0	0.0	0.0	0.2	0.4
Gates	0.0	0.0	0.3	0.0	0.0	0.1
Valves	0.0	0.0	0.0	0.0	0.0	0.0
Lock Equipment	<u>0.0</u>	<u>0.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>
Subtotal	1.8	0.3	0.3	0.0	0.2	0.6
Grand Total	4.5	5.7	1.8	1.3	2.6	3.2

STATEMENT ON INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROL SYSTEMS

Pursuant to Section 306 of the Chief Financial Officers Act of 1990, the SLSDC is required to provide a statement on internal accounting and administrative control systems consistent with the requirements of the Federal Managers' Financial Integrity Act (FMFIA) of 1982. An evaluation of the system of internal accounting and administrative control of the Corporation in effect during the year ended September 30, 2000, was performed in accordance with "Guidelines for Evaluation and Improvement of and Reporting on Internal Control Systems in the Federal Government", issued by the Director of the Office of Management and Budget, in consultation with the Comptroller General, as required by the FMFIA, and accordingly included an evaluation of whether the system of internal accounting and administrative control of the Corporation was in compliance with the standards prescribed by the Comptroller General.

The objectives of the system of internal accounting and administrative control of the Corporation are to provide reasonable assurance that:

- ◆ Obligations and costs are in compliance with applicable law;
- ◆ Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
- ◆ Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived therefrom, and that the benefits consist of reductions in the risks of failing to achieve the stated objectives. Estimates and judgments are required to assess the expected benefits and related costs of control procedures. Furthermore, errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative control, including those limitations resulting from resource constraints, Congressional restrictions, and other factors. Finally, projection of any evaluation of the system to future periods is subject to the risk that procedures may be inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

A material weakness or non-conformance is a specific instance of non-compliance with the Integrity Act. Such weakness would significantly impair the fulfillment of an agency component's mission; deprive the public of needed services; violate statutory or regulatory requirements; significantly weaken safeguards against waste, loss, unauthorized use or misappropriation of funds, property, or other assets; or result in a conflict of interest. Each material non-conformance in a financial system merits the attention of the agency head/senior management, the Executive Office of the President, or the relevant Congressional oversight committee; prevents the primary agency's financial system from achieving central control over agency financial transactions and resource balances; and/or prevents conformance of financial systems with financial information standards and/or financial system functional standards.

The results of the evaluations described in the second paragraph, assurances given by appropriate Corporation officials, and other information provided indicate that the system of internal accounting and administrative control of the Corporation in effect during the year ended September 30, 2000, taken as a whole, complies with the requirement to provide reasonable assurance that the above-mentioned objectives were achieved within the limits described in the preceding paragraph. The evaluation did not disclose any material weaknesses or non-conformances in the internal accounting and administrative control system in fiscal year 2000 and prior years.

Dembo, Jones, Healy, Pennington & Ahalt, P.C.

Certified Public Accountants and Consultants

Report of Independent Auditors on the Financial Statements

To the Administrator of the
Saint Lawrence Seaway Development Corporation

We have audited the accompanying statements of financial position of the Saint Lawrence Seaway Development Corporation (the Corporation), a wholly-owned U.S. Government corporation, as of September 30, 2000 and 1999, and the related statements of operations and changes in cumulative results of operations, cash flows, budgetary resources and actual expenses and changes in equity of the U.S. Government for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2 these financial statements were prepared in accordance with generally accepted accounting principles as set forth for Federal government corporations which constitute a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Saint Lawrence Seaway Development Corporation as of September 30, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with the basis of accounting described in Note 2.

Our audits were conducted for the purpose of forming an opinion on the principal financial statements described above. We have reviewed the financial information presented in management's overview of the Corporation and the supplemental financial and management information for consistency with the financial statements and notes. The information presented in the overview and supplemental financial and management information is provided for the purposes of additional analysis. Such information has not been audited by us and, accordingly, we do not express an opinion on this information.

Dembo, Jones, Healy, Pennington & Ahalt, P.C.

Rockville, Maryland
December 7, 2

6010 Executive Boulevard • Suite 900 • Rockville, Maryland 20852
301 770.5100 • 888 283.5472 • Fax 301 770.5202 • djhpa@djhpa.com

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND POLARIS INTERNATIONAL

Dembo, Jones, Healy, Pennington & Ahalt, P.C.

Certified Public Accountants and Consultants

Report on Compliance with Laws and Regulations and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Administrator of the
Saint Lawrence Seaway Development Corporation

We have audited the financial statements of Saint Lawrence Seaway Development Corporation (the Corporation) as of and for the years ended September 30, 2000 and 1999, and have issued our report thereon dated December 7, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Saint Lawrence Seaway Development Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Saint Lawrence Seaway Development Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Dembo, Jones, Healy, Pennington & Ahalt, P.C.

Certified Public Accountants and Consultants

This report is intended for the information of the management of Saint Lawrence Seaway Development Corporation. However, this report is a matter of public record and its distribution is not limited.

Dembo, Jones, Healy, Pennington & Ahalt, P.C.

*Rockville, Maryland
December 7, 2000*

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2000 AND 1999

Assets		2000	1999
Current Assets	Cash:		
	Held by U.S. Treasury	\$ 1,420,606	\$ 1,005,621
	Held in banks and on hand	83,048	20,740
	Short-term time deposits in minority banks (Note 3)	9,686,000	11,567,000
	Accounts receivable (Note 4)	141,047	151,460
	Inventories (Note 2)	262,234	267,315
	Other current assets	201,568	80,000
	Total Current Assets	11,794,503	13,092,136
Long-Term Investments	Long-term time deposits in minority banks (Note 3)	2,104,000	294,000
	Total Long-Term Investments	2,104,000	294,000
Plant, Property and Equipment	Plant in service (Note 5)	155,852,541	155,665,118
	Less: Accumulated depreciation	(72,581,316)	(70,440,253)
	Net plant in service	83,271,225	85,224,865
	Work in progress	568,979	229,766
	Total Plant, Property and Equipment	83,840,204	85,454,631
Other Assets	Lock spare parts (Note 2)	688,663	612,696
	Less: Accumulated depreciation	(192,447)	(174,078)
	Net lock spare parts	496,216	438,618
	Investment in Seaway International Bridge Corporation Ltd. (Note 6)	7,440	7,440
	Total Other Assets	503,656	446,058
Deferred Charges	Workman's compensation benefits (Note 2)	1,562,180	1,623,777
	Total Deferred Charges	1,562,180	1,623,777
	TOTAL ASSETS	\$ 99,804,543	\$100,910,602

The accompanying notes are an integral part of these statements.

**SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2000 AND 1999**

		Liabilities and Equity of the U.S. Government	
		2000	1999
Current Liabilities	Accounts payable	\$ 823,857	\$ 859,163
	Accrued annual leave (Note 2)	709,145	678,002
	Accrued payroll costs	181,724	455,556
	Deferred revenue	3,000	—
	Total Current Liabilities	1,717,726	1,992,721
Actuarial Liabilities	Workman's compensation benefits (Note 2)	1,562,180	1,623,777
	Total Actuarial Liabilities	1,562,180	1,623,777
Total Liabilities		3,279,906	3,616,498
Equity of the U.S. Government	Invested Capital	98,630,255	100,261,662
	Cumulative results of operations (deficit)	(2,105,618)	(2,967,558)
	Total Equity of the U.S. Government	96,524,637	97,294,104
TOTAL LIABILITIES AND EQUITY OF THE U.S. GOVERNMENT		\$ 99,804,543	\$100,910,602

The accompanying notes are an integral part of these statements.

**SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF OPERATIONS AND CHANGES
IN CUMULATIVE RESULTS OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2000 AND 1999**

		2000	1999
Operating Revenues	Appropriations expended	\$ 11,141,270	\$ 10,059,434
	Imputed financing (Note 9)	606,620	620,418
	Other (Note 7)	450,682	471,925
	Total Operating Revenues	12,198,572	11,151,777
Operating Expenses (Note 8)	Locks and marine operations	2,489,246	2,436,884
	Maintenance and engineering	3,285,507	3,776,392
	General and development	2,620,521	2,519,923
	Administrative expenses	2,976,965	2,834,287
	Depreciation	2,461,137	2,421,594
	Imputed expenses (Note 9)	606,620	620,418
	Total Operating Expenses	14,439,996	14,609,498
	Operating Loss	(2,241,424)	(3,457,721)
Other Financing Sources	Interest on deposits in minority banks	642,227	632,316
	Transfer from invested capital for depreciation	2,461,137	2,421,594
	Total Other Financing Sources	3,103,364	3,053,910
	Operating Revenues and Other Financing Sources Under Operating Expenses	861,940	(403,811)
	Beginning cumulative results of operations (deficit)	(2,967,558)	(2,563,747)
	ENDING CUMULATIVE RESULTS OF OPERATIONS (deficit)	\$ (2,105,618)	\$ (2,967,558)

The accompanying notes are an integral part of these statements.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2000 AND 1999

	2000	1999	
Cash Flows from Operating Activities	Operating Revenues and Other Financing Sources Over (Under) Operating Expenses	\$ 861,940	\$ (403,811)
	Adjustment to Reconcile Operating Revenues and Other Financing Sources Over (Under) Operating Expenses to Net Cash Provided by (Used in) Operating Activities:		
	Depreciation	2,461,137	2,421,594
	Transfer from invested capital for depreciation	(2,461,137)	(2,421,594)
	Net loss on property disposals	808	819
	Change in assets and liabilities:		
	Decrease in accounts receivable	10,413	59,280
	Decrease in inventories	5,081	5,674
	Increase in other current assets	(121,568)	(74,800)
	(Increase) Decrease in other assets	(75,967)	106,223
	(Decrease) Increase in accounts payable	(35,306)	112,831
	Decrease in accrued liabilities	(242,689)	(609)
	Increase (Decrease) in deferred revenue	3,000	(32,000)
	Net Cash Provided by (Used in) Operating Activities	405,712	(226,393)
Cash Flows from Investing Activities	Proceeds from property disposals	581	1,528
	Acquisition of plant, property and equipment	(829,730)	(1,400,566)
	Net decrease in time deposits	71,000	223,000
	Net Cash Used in Investing Activities	(758,149)	(1,176,038)
Cash Flows from Financing Activities	Appropriations for plant, property and equipment	829,730	1,400,566
	NET INCREASE (DECREASE) IN CASH	477,293	(1,865)
	Cash at beginning of period	1,026,361	1,028,226
	CASH AT END OF PERIOD	\$ 1,503,654	\$ 1,026,361

The accompanying notes are an integral part of these statements.

**SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENT OF BUDGETARY RESOURCES AND ACTUAL EXPENSES (NOTE 12)
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

		BUDGET		
		<i>Resources</i>	<i>Obligations</i>	<i>Expenses</i>
Saint Lawrence Seaway Development Corporation Fund		\$26,563,689	\$13,142,821	\$14,439,996
Budget Reconciliation	Total expenses			14,439,996
	Adjustments			
	Add:			
	Capital acquisitions			829,730
	Deduct:			
	Depreciation			(2,461,137)
	Imputed expenses			(606,620)
	Decrease in net plant in service, property disposals			(1,390)
	Decrease in inventories			(5,081)
	Increase in other assets			75,967
	Less reimbursements:			
	Trust funds			(11,971,000)
	Revenues from non-federal sources			(1,092,909)
ACCRUED EXPENDITURES				\$ (792,444)

The accompanying notes are an integral part of these statements.

**SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
STATEMENTS OF CHANGES IN EQUITY OF THE U.S. GOVERNMENT
FOR THE YEARS ENDED SEPTEMBER 30, 2000 AND 1999**

	<i>Invested Capital</i>	<i>Unexpended Appropriations</i>	<i>Cumulative Results of Operations</i>
Balance, September 30, 1998	\$101,282,690	\$ —	\$ (2,563,747)
Appropriations expended		(10,059,434)	10,059,434
Fiscal Year 1999 appropriations		11,193,000	
Other financing sources			1,724,659
Operating expenses, excluding depreciation and imputed expenses			(11,567,486)
Depreciation expense			(2,421,594)
Imputed expenses			(620,418)
Transfer from invested capital for depreciation	(2,421,594)		2,421,594
Capital expenditures	1,400,566	(1,400,566)	—
Balance, September 30, 1999	100,261,662	—	(2,967,558)
Appropriations expended		(11,141,270)	11,141,270
Fiscal Year 2000 appropriations		11,971,000	
Other financing sources			1,699,529
Operating expenses, excluding depreciation and imputed expenses			(11,372,239)
Depreciation expense			(2,461,137)
Imputed expenses			(606,620)
Transfer from invested capital for depreciation	(2,461,137)		2,461,137
Capital expenditures	829,730	(829,730)	—
Balance, September 30, 2000	\$ 98,630,255	\$ —	\$ (2,105,618)

The accompanying notes are an integral part of these statements.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION NOTES TO FINANCIAL STATEMENTS

1. The Corporation

The Saint Lawrence Seaway Development Corporation (the "Corporation"), a wholly-owned government corporation within the Department of Transportation, was created by the Wiley-Dondero Act of May 13, 1954 (68 Stat. 92, 33 U.S.C. 981) as amended. The Corporation is responsible for the development, seasonal operation and maintenance of the portion of the St. Lawrence Seaway (the "Seaway") between Montreal and Lake Erie, and within the territorial limits of the United States.

2. Summary of Significant Accounting Policies

These financial statements have been prepared to report the financial position, results of operations, and cash flows of the Corporation as required by the Chief Financial Officers Act of 1990. They have been prepared from the books and records of the Corporation in accordance with generally accepted accounting principles as set forth for federal government corporations, and the Corporation's accounting policies and procedures, which are summarized below. The accounting policies and procedures are consistent with Title 2 of the U.S. General Accounting Office's Policy and Guidance of Federal Agencies.

Inventories consist primarily of supplies which are consumed in operations and are valued at the lower of cost or market with cost being determined using the weighted-average method. The recorded values are adjusted for the results of physical inventories taken biennially.

Plant, property and equipment are stated at cost of acquisition or construction. Indirect costs incurred prior to the opening of the Seaway on April 25, 1959 have been allocated to the permanent features of the Seaway. Assets costing \$5,000 or more are capitalized when they have an expected useful life of five years or more. Improvements and betterments are capitalized. Repairs and maintenance costs are expensed. The straight-line method of depreciation is used and is computed on balances in plant in service. The cost of plant retired and the accumulated depreciation are removed from the accounts on disposal. Gains or losses on disposals are credited or charged to operations.

Included in lock spare parts are certain items having an expected service life between 5 and 50 years. The cost of these items totals \$247,809 at September 30, 2000. These lock spare parts are an integral part of the lock machinery that allow for replacement of parts, periodically removed from service for maintenance, without causing a shutdown of the Seaway. Effective for the fiscal year ended September 30, 1993, lock spare parts having expected service lives are depreciated over their service life. The balance of lock spare parts totaling \$440,854 at September 30, 2000, consists of expendable inventory items valued at the lower of cost or market with cost being determined using the weighted-average method.

Accrued annual leave represents the value of the unused annual leave accrued to employees of the Corporation. The leave is funded and reported as an obligation.

The Corporation funds a program administered by the Department of Labor to compensate certain employees for death and disability resulting from performance of duty injuries or illnesses as set forth in the Federal Employees Compensation Act (FECA). As provided by FECA, employees and certain dependents are beneficiaries for various periods that can extend to life. The Corporation recognizes current costs of the program on an accrual basis and expenses those costs in the year the benefits are due. Effective with fiscal year 1994, the actuarial liability of these benefits are recognized and recorded in these statements. The liability and deferred charge recorded reflects the actuarial liability as determined by the Department of Labor.

Seaway Tolls -The Water Resource Development Act of 1986 (Public Law 99-662) required the Corporation to turn over U.S. Seaway tolls charged on commercial vessels to the Harbor Maintenance Trust Fund (the "Fund"). Annual appropriations from the Fund are used to meet operation and maintenance expenses. The Act further required the U.S. Treasury to rebate the tolls to the shippers from the Fund. Public Law 103-331, dated September 30, 1994, eliminated the requirement to collect and rebate these tolls effective October 1, 1994.

Budget Authority -The Corporation was apportioned authority by the Office of Management and Budget (OMB) to obligate a maximum amount of \$13,271,000 for fiscal year (FY) 2000, \$11,971,000 from the Fund (Public Laws 105-277 and 106-51), \$400,000 from the Corporation's unobligated balance, and \$900,000 from non-federal revenues. Actual obligations, in contrast to the accrued costs stated in the Statement of Operations, totaled \$13,142,821 for FY 2000. The Corporation's unobligated balance at September 30, 2000 totaled \$13.4 million including \$3.2 million unused borrowing authority. For FY 2001, Congress appropriated \$13,004,000 (Public Law 106-346) for operations and maintenance expenses from the Fund. In addition, authority to obligate \$900,000 of non-federal revenues has been apportioned by OMB for FY 2001.

Statement of Cash Flows - For purposes of financial reporting, the Corporation considers cash to be cash held in the U.S. Treasury, cash in banks and cash on hand.

3. Time Deposits in Minority Banks

The Corporation maintains insured deposits in a number of minority banks throughout the United States to help expand opportunities for minority business enterprises. These deposits consist mainly of the Corporation's unobligated balance, which is retained for emergency situations.

4. Accounts Receivable

The Corporation has not provided for an allowance on uncollectible receivables because prior losses have been insignificant. Receivables as of September 30, 2000 and 1999 are as follows:

	2000	1999
Due from concession contracts	\$ 49,958	\$ 39,240
Interest on deposits in minority banks	45,226	36,554
Reimbursable work	931	156
Other	44,932	75,510
Total	\$151,460	\$151,460

5. Plant in Service

Plant in service as of September 30, 2000 and 1999 is as follows:

<i>Plant in Service</i>	<i>Estimated Life (Years)</i>	<i>2000</i>		<i>1999</i>	
		<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Cost</i>	<i>Accumulated Depreciation</i>
Lands in fee	N/A	\$ 867,526	N/A	\$ 867,526	N/A
Land rights & relocations	95	5,639,064	2,175,857	5,639,064	2,116,647
Locks & guidewalls	40-100	75,249,118	34,673,961	75,249,118	33,695,185
Roads & bridges	50	9,152,820	7,205,753	9,147,306	7,022,697
Channels & canals	95	36,870,221	14,068,937	36,870,221	13,681,799
Public use facilities	50	892,157	536,842	892,157	518,999
Navigation Aids	10-40	2,939,691	2,096,712	2,939,691	2,024,433
Buildings, grounds & utilities	50	12,317,380	4,369,447	12,118,435	4,126,449
Permanent operating equipment	5-40	11,924,564	7,453,807	11,941,600	7,254,044
TOTAL PLANT IN SERVICE		\$155,852,541	\$ 72,581,316	\$155,665,118	\$ 70,440,253

Plant in service includes costs of certain features of the Seaway International Bridge Corporation, Ltd., which is discussed in Note 6. These features include land rights and relocation costs incurred in removing the old bridges, which were a hindrance to navigation, and in building the superstructure of the South Channel Bridge. The gross amounts of \$3,897,379 in land rights and relocations, and \$4,853,320 in roads and bridges have been depreciated accordingly.

6. Investment in the Seaway International Bridge Corporation, Ltd. (SIBC)

The Corporation owns, on behalf of the U.S. Government, 50% of SIBC, a subsidiary of The Federal Bridge Corporation Ltd., a federal Crown Corporation of Canada. Ownership consists of debenture bonds payable to the Corporation with face values totaling \$8,000. The net annual income from the SIBC, after all operating expenses, is divided equally between both parties. The Corporation's portion, if any, is retained in escrow by SIBC to fund structural repair costs to the South Channel Bridge as provided in the Corporation's Enabling Act. Any revenue received by the Corporation will be returned to the U.S. Treasury as miscellaneous receipts. No revenue from the SIBC has been received since 1961.

7. Other Revenues

Other revenues for the years ended September 30, 2000 and 1999 consist of the following:

	2000	1999
Concession operations	\$299,713	\$272,022
Shippers payments for damages to locks	16,058	49,989
Rental of Administration Building	59,069	57,398
Vessel towing services	17,569	36,355
Pleasure craft/non-commercial tolls	33,180	34,392
Miscellaneous (net)	25,093	21,769
Total	\$450,682	\$471,925

Shippers' payments for damages are reported net of direct materials and direct labor costs. Reimbursements for direct materials and direct labor are recorded as reductions of the related expense accounts.

8. Operating Expenses by Object Class

Operating expenses by object class for the years ended September 30, 2000 and 1999 are as follows:

	2000	1999
Personal services and benefits	\$ 9,297,730	\$ 9,018,350
Travel and transportation	182,057	185,734
Rental, communications and utilities	412,559	454,154
Printing and reproduction	18,805	16,898
Contractual services	719,797	1,124,686
Supplies and materials	616,245	680,356
Equipment not capitalized	123,657	86,225
Loss on property disposals	1,389	936
Uncollectible accounts	—	147
Subtotal	\$11,372,239	\$11,567,486
Depreciation expense	2,461,137	2,421,594
Imputed expenses	606,620	620,418
Total Operating Expenses	\$14,439,996	\$14,609,498

9. Retirement Plans

Retirement Plans consist of the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). FERS went into effect, pursuant to Public Law 99-335, on January 1, 1987. Employees hired after December 31, 1983 are automatically covered by FERS and Social Security while employees hired prior to January 1, 1984, elected to either join FERS and Social Security or remain in CSRS. A primary feature of FERS is that it offers a savings plan to which the Corporation automatically contributes 1 percent of pay and matches any employee contributions up to an additional 4 percent of pay. For employees hired since December 31, 1983, the Corporation also contributes the employer's matching share for Social Security. Effective with fiscal year 1997, the Corporation recognizes and records the cost of pensions and other post-retirement benefits during employees active years of service, based on cost factors provided by the Office of Personnel Management (OPM). These costs are recorded as both an expense paid by another entity and an imputed financing source to the receiving entity, therefore offset each other with no impact upon the Corporation's net position.

Contributions to the retirement plans and Social Security for the years ended September 30, 2000 and 1999 are as follows:

	2000	1999
Civil Service Retirement System	\$ 284,006	\$ 282,036
Federal Employees Retirement System:		
Automatic contributions	431,453	405,557
Matching contributions	127,603	118,907
Social Security	269,234	252,430
Total	\$1,112,296	\$1,058,930

10. Contingencies and Commitments

The claim from a former employee that was pending on September 30, 1997 was settled in fiscal year 1998 with the Corporation prevailing. The appeal that was pending on September 30, 1999 was dismissed on January 27, 2000 and the case is considered closed. In addition to the current liabilities at September 30, 2000 and 1999 there were undelivered orders and contracts amounting to \$1,697,676,925,321 and \$925,321, respectively.

11. Related Party Transactions

The Corporation receives rental payments for office space provided to U.S. Immigration and Naturalization Service, the U.S. Coast Guard and the Internal Revenue Service at its administration building in Massena, New York. For the years ended September 30, 2000 and 1999, revenue totaled \$56,284 and \$54,681, respectively.

The Corporation made rental payments to the General Services Administration for its Washington, D.C. office totaling \$184,976 and \$202,865 for fiscal years 2000 and 1999, respectively.

The Corporation has entered into reimbursable agreements with certain federal agencies to provide services and equipment to the Corporation. Amounts due under reimbursable agreements with federal agencies for FY 2000 and FY 1999 were as follows:

	2000	1999
Volpe National Transportation System Center	\$200,000	\$320,000
Department of Commerce	45,000	35,000
Surface Transportation Board	10,000	6,305
Office of the Secretary of Transportation	4,694	3,580
United States Coast Guard	1,101	1,000
Federal Aviation Administration	4,899	—
Federal Highway Administration	1,000	—
Total	\$266,694	\$365,885

Accounts payable at September 30, 2000 and 1999 include \$457,500 and \$563,950, respectively, of amounts payable to the U.S. Government.

In fiscal years 2000 and 1999, the Corporation accrued costs of \$54,293 and \$52,789, respectively, to the St. Lawrence Seaway Management Corporation for administrative services related to tolls and statistics.

12. Statement of Budgetary Resources and Actual Expenses

The Statement of Budgetary Resources and Actual Expenses presents budget information as reported on the Corporation's "Report on Budget Execution" SF-133 and reconciles accrued expenditures from that report to expenses as reported in the accompanying financial statements.

Budget resources of \$26,563,689 consist of the Corporation's unobligated balance of \$13,400,779 brought forward from October 1, 1999, and reimbursements earned of \$13,063,909 and recoveries of prior year's obligations of \$99,001 during FY 2000.

SLSDC STRATEGIC PLAN

Introduction

The Saint Lawrence Seaway Development Corporation (SLSDC or Corporation) 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 Montreal and Lake Erie, within the territorial limits of the United States. Trade development functions aim to enhance Great Lakes St. Lawrence Seaway System utilization without respect to territorial or geographic limits.

The SLSDC coordinates its activities with its Canadian counterpart, The St. Lawrence Seaway Management Corporation, particularly with respect to rules and regulations, the Tariff of Tolls, overall day-to-day operations, traffic management, navigation aids, safety, environmental programs, operating dates, and trade development programs. The unique binational nature of the System requires 24-hour, year-round coordination between the two Seaway entities.

The mission of the Corporation is to serve the U.S. intermodal and international transportation system by improving the operation and maintenance of a safe, reliable, efficient, and environmentally responsible deep-draft waterway, in cooperation with its Canadian counterpart. The SLSDC also encourages the development of trade through the Great Lakes Seaway System, which contributes to the comprehensive economic and environmental development of the entire Great Lakes region.




















The SLSDC headquarters staff offices are located in Washington, D.C. Operations and operations personnel are located at the two U.S. locks (Eisenhower and Snell) in Massena, N.Y.

External Factors/Basis for Data Reported

External factors affecting SLSDC performance and all strategic goals include: vessel incidents due to mechanical failure and human error; weather conditions; global economic factors affecting demand, production, and pricing of commodities and vessel services; and federal policy decisions by the United States and Canada.

The Seaway System and related operations are on a calendar year (CY) basis from late March to late December. In accordance with calendar year operations, both CY and fiscal year (October 1 - September 30) (FY) data are reported as appropriate.

SLSDC Performance Areas Compared to DOT Goals and Strategies

SLSDC Performance Areas	<u>Perf. Area No. 1</u> Safety Environment	<u>Perf. Area No. 2</u> Reliability Availability	<u>Perf. Area No. 3</u> Trade Development	<u>Perf. Area No. 4</u> Management Accountability
DOT Goals and Strategies:				
Safety				
Mobility				
Economic Growth				
Human and Natural Environment				
National Security				
Organizational Excellence				

Vision Statement

Ensure the structural viability of the U.S. Seaway navigation facilities and promote the Great Lakes St. Lawrence Seaway System.

Mission Statement

Serve the U.S. transportation system by improving the operations and maintenance of a safe, reliable, efficient, and competitive deep draft international waterway, in cooperation with the Canadian St. Lawrence Seaway Management Corporation.

STRATEGIC GOALS

SAFETY: Promote navigation and workplace safety and environmental protection by reducing vessel incidents and employee injuries, and preventing environmental incidents.

Outcome Goals:

- ◆ Increase the application of technologies and programs to ensure navigation safety and protection of the river environment.
- ◆ Reduce the risk of commercial vessel incidents.
- ◆ Improve compliance with navigation and workplace safety and environmental standards.

How We Will Achieve This Strategic Goal:

- Insist on excellence in occupational safety by providing the education, equipment and commitment needed to make the Seaway an accident-free employer.
- Effectively utilize emerging technologies, such as Automatic Identification System (AIS) / Global Positioning System (GPS) technologies and related systems, to enhance system safety.
- Maintain the enhanced vessel inspection program at Montreal to inspect every ocean vessel on the first transit inbound each navigation season, in coordination with the SLSDC's Canadian counterpart and the Canadian and U.S. Coast Guards. The program includes Seaway regulations and fittings, legislated port-state inspection, and the International Safety Management Code (ISM).
- Promote System safety through traffic control procedures; rules and regulations for Seaway transit; vessel speed surveillance; deployment of fixed and floating navigation aids; operation of weather and visibility meters; vessel inspections, routine and for cause; water level and rate of flow monitoring; and vessel customer exit survey recommendations.
- Maintain and improve our capability to react to a hazardous materials spill by conducting simulated Emergency Response Exercises, and updating our spill response plan and equipment accordingly. Continuously improve teamwork of regional government agencies to respond to an incident through training, simulations and actual incident critiques.
- Hire an Industrial Hygienist to review and analyze environmental and industrial hygiene issues at the SLSDC, and plan a program to ensure a clean and healthful environment for SLSDC employees and customers.

Candidate Performance Measures: CY data sourced from the SLSDC offices of Lock Operations, Engineering and Strategic Planning, and Maintenance and Marine Services. Annual historical data for baseline measurement is included in annual performance agreements, performance plans, and budget justifications. Selected historical data are shown below.

- ✓ Increase utilization of available technologies to advance system safety.
- ✓ Reduce the number of commercial vessel incidents in excess of \$50,000 in damages each navigation season. Five-year rolling average, vessel incidents:

CY 1989 — 1993	1.2
1990 — 1994	0.4
1991 — 1995	0.4
1992 — 1996	0.2
1993 — 1997	0.0
1994 — 1998	0.0
1995 — 1999	0.0
1996 — 2000	0.0

- ✓ Increase the percentage of ocean vessel first-transit-inbound inspections at Montreal, outside of U.S. waters, each navigation season:

CY 1996	38%
1997	100
1998	100
1999	100
2000	100

- ✓ Increase Emergency Response Plan training and simulated activations.

RELIABILITY: Maintain user confidence in the continued viability of the Seaway System by ensuring that plans and decisions sustain the long-term reliability and availability of U. S. navigation facilities.

Outcome Goals:

- ◆ Increase the availability and reliability of navigation facilities each shipping season.
- ◆ Reduce the risk of vessel delays due to lock equipment failure.
- ◆ Improve maintenance and inspection systems to ensure an accessible, safe, and efficient System for users.

How We Will Achieve This Strategic Goal:

- Ensure the structural integrity and mechanical reliability of our locks through a comprehensive program of maintenance, inspection and modernization.
- Implement AIS/GPS technologies to more efficiently manage vessel traffic control and vessel lockages at the two U.S. Seaway locks.
- Strictly maintain weekly/monthly inspections for electrical systems and lock machinery and conduct major maintenance and rehabilitation programs during the winter shutdown period.
- Continuously evaluate and improve our operating procedures, regulations and policies to better serve our customers. Actively seek customer feedback.
- Supplement SLSDC preventive maintenance measures in coordination with periodic, comprehensive surveys and evaluations by independent engineering consultants such as the U.S. Army Corps of Engineers.
- Maintain five-year “rolling” capital improvement plan for machinery, lock and hydraulic steel structure replacement/rehabilitation programs.
- Periodic channel maintenance and improvements, including sweeping and maintenance dredging.
- System operating date negotiations with Canadian counterparts; and related Safety goal activities critical to availability: maintenance and repair of fixed and floating navigation aids; weather and visibility meters; Emergency Response Plan and periodic simulations; water level and rate of flow monitoring.

Candidate Performance Measures: CY data sourced from the SLSDC offices of Lock Operations, Engineering and Strategic Planning, and Maintenance and Marine Services. Annual historical data for baseline measurement is included in annual performance agreements, performance plans, and budget justifications. Selected historical data are shown below.

- ✓ Increase the percentage ratio of Seaway System navigation days open, versus downtime in the U.S. Sectors of the Seaway, for any incident, cause, problem, or occurrence, including weather. Five-year rolling average of navigation day availability:

CY 1987 — 1991	97.4%
1988 — 1992	97.0
1989 — 1993	96.4
1990 — 1994	96.2
1991 — 1995	96.4
1992 — 1996	96.4
1993 — 1997	96.6
1994 — 1998	97.5
1995 — 1999	98.1
1996 — 2000	98.1

- ✓ Reduce delays to navigation, per total commercial vessel transit, due to lock equipment maintenance failure. Five-year rolling average of per-transit delay hours:

CY 1987 — 1991	0.001361 hours
1988 — 1992	0.001963
1989 — 1993	0.002860
1990 — 1994	0.005628
1991 — 1995	0.006801
1992 — 1996	0.007134
1993 — 1997	0.006256
1994 — 1998	0.005155
1995 — 1999	0.002105
1996 — 2000	0.001106

- ✓ Increase the effectiveness and extent of periodic evaluations and inspections, by SLSDC personnel. Obtain outside views and expertise, by arranging for periodic inspections by the U.S. Army Corps of Engineers or other consultants.

TRADE DEVELOPMENT: Encourage increased System utilization that benefits both the Great Lakes regional economy and the national economy, while promoting cost effective competition for all System users.

Outcome Goals:

- ◆ Increase the volume of United States international tonnage through the Seaway System, to and from U.S. ports.
- ◆ Increase ocean vessel fleet System utilization in terms of laden vessel transits and tonnage per transit.
- ◆ Increase domestic and international trade development programs to improve the Seaway's competitive position in serving the nation.
- ◆ Increase cruise vessel fleet System utilization in terms of cruise vessel transits and annual passenger levels.

How We Will Achieve This Strategic Goal:

- Serve as a catalyst to unite the Great Lakes/Seaway community to improve communications and cooperation on system-wide initiatives directed toward improving customer service.
- Target overseas trade development programs to high potential markets and regions. Focus trade activities on specific commodity groups and vessel service, including refitting existing ships and construction of new vessels for Seaway operation.
- Develop and implement a binational Internet web site to provide current and prospective users with a single resource for Seaway-related information on rules and regulations, real-time vessel locations, water level and weather conditions, trade development and promotional activities, regulatory cost information, and cargo matching services.
- Advocate policies to reduce System operating costs to the industry, such as rebates, new business incentives, and targeted cargo discounts. Support negotiations with our Canadian counterparts to freeze, reduce or eliminate all Seaway tolls.
- Work with carriers, ports, pilots, agents, cargo handlers, and other interests in the Great Lakes/Seaway community to contain costs and participate in trade development programs.
- Develop operating initiatives to improve current capacity and future utilization of the system, such as vessel draft, beam and length modifications.
- Expand our capability to analyze and disseminate traffic information and publications and develop trade leads. Continue successful information outreach programs like Seaway Nightcast.

Candidate Performance Measures: CY data sourced from the SLSDC monthly and annual navigation statistics, and Office of Lock Operations data on vessel pre clearance, and vessel owner/agent records. Annual historical data for baseline measurement is included in annual performance agreements, performance plans, and budget justifications. Selected historical data are shown below.

- ✓ Increase tonnage volume for total System tonnage, and United States international tonnage through the Seaway System, to and from U.S. ports. Five-year rolling average, international tonnage:

CY 1986 — 1990	10.2 million tons
1987 — 1991	9.5
1988 — 1992	9.1
1989 — 1993	8.8
1990 — 1994	8.8
1991 — 1995	9.5
1992 — 1996	10.4
1993 — 1997	10.6
1994 — 1998	11.2
1995 — 1999	11.2
1996 — 2000	10.9

MANAGEMENT ACCOUNTABILITY: Improve Seaway customer service, increase employee proficiency, and be accountable for sound financial management.

Outcome Goals:

- ◆ Increase customer/stakeholder satisfaction with SLSDC services.
- ◆ Increase workforce performance measurements to improve morale, and to achieve progress toward meeting all SLSDC performance goals.
- ◆ Increase management planning focus on meeting long-term critical capital outlay programs, operations and maintenance needs, and replenishment of emergency reserves.

How We Will Achieve This Strategic Goal:

- Conduct outreach with all customers, employees, industry, federal and state agencies to involve the customer in the development of policies, programs and operating decisions.
- The SLSDC will pursue ISO 9002 certification for all organizational functions.
- Supplement outreach activities with customer surveys to obtain direct feedback concerning operations and regulations in practice and recommendations for program modifications.
- Foster an employee “customer” environment to strengthen and develop the organization internally, reach out to the employee local community and participate in local/national education initiatives.
- Continue support for administration initiatives and worklife policies, empower employees in the decision process, utilize partnerships, and encourage teambuilding and worklife policies.
- Establish binational partnerships with Canadian counterparts to drive service improvements and share resources.
- Conduct and participate in maritime industry oriented public meetings with a broad array of U.S., Canadian and overseas interests representing all segments of the Great Lakes St. Lawrence Seaway System.
- Ensure that commitments are maintained to monitor costs, to build emergency reserves, and to conduct periodic risk assessments. Corporation assets will be safeguarded and transactions performed in accordance with accepted accounting principles.

Candidate Performance Measures: CY and FY data sourced from the SLSDC annual financial audits and management reports. Annual historical data for baseline measurement is included in annual performance agreements, performance plans, and budget justifications. Selected historical data are shown below.

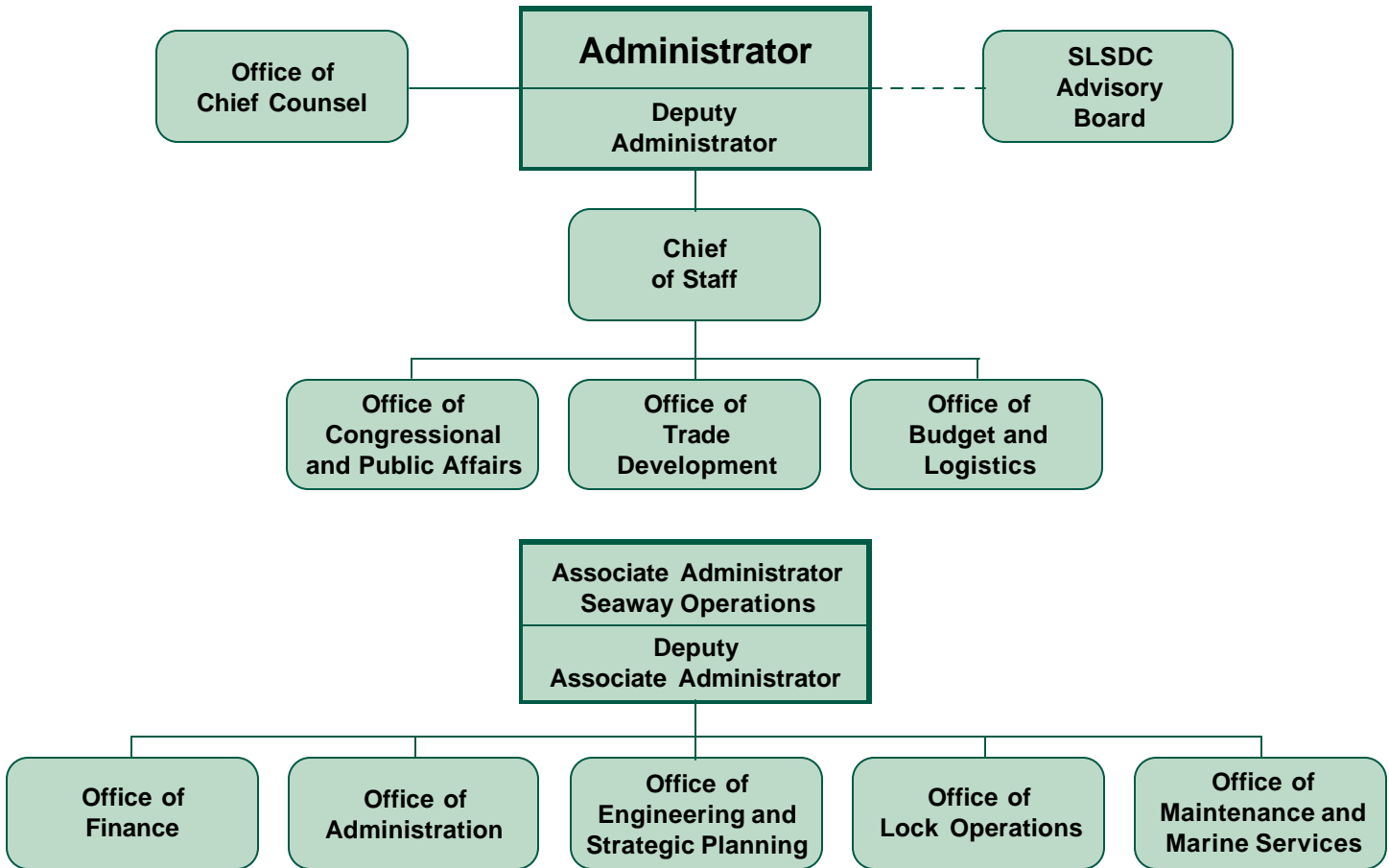
- ✓ Improve the customer survey ratings of SLSDC performance and service quality, measured over time against baseline survey results. Baseline: CY 1995 customer service rating of 4.5 on a scale of 1 to 5.
- ✓ Employee cultural audits measured over time against baseline audits.
- ✓ Reduce the ratio of administrative overhead expenses versus operating expenses, excluding depreciation. Five-year rolling average, administrative expenses as a percent of operating expenses:

FY 1991 — 1995	25.6%
1992 — 1996	26.2
1993 — 1997	26.3
1994 — 1998	26.3
1995 — 1999	26.1
1996 — 2000	26.0

- ✓ Ensure that a “clean” annual financial audit rating is maintained. Baseline: under the auspices of the Government Corporation Control Act, the SLSDC has had a “clean” audit since the first FY audit of June 30, 1955.
- ✓ Ensure that the SLSDC’s reserve account year-end balance is maintained at a level sufficient to achieve the SLSDC financial plan goal. Five-year rolling average reserve account balances:

FY 1988 — 1992	\$11.4
1989 — 1993	11.7
1990 — 1994	11.8
1991 — 1995	12.0
1992 — 1996	11.9
1993 — 1997	11.4
1994 — 1998	11.0
1995 — 1999	10.7
1996 — 2000	10.4

Saint Lawrence Seaway Development Corporation Organization Chart



SLSDC Points of Contact

Administrator	(202) 366-0091	Associate Administrator	(315) 764-3211
Deputy Administrator	(202) 366-0091	Finance	(315) 764-3275
Chief of Staff	(202) 366-0091	Administration	(315) 764-3230
Chief Counsel	(202) 366-6823	Engineering and Strategic Planning	(315) 764-3265
Congressional and Public Affairs	(202) 366-0091	Lock Operations	(315) 764-3294
Trade Development	(202) 366-5418	Lock Operations (after hours)	(315) 764-3292
Budget and Logistics	(202) 366-8982	Maintenance and Marine Services	(315) 764-3229
Washington Office (Toll-Free)	(800) 785-2779		

Facsimile Numbers

Washington, D.C. Office	(202) 366-7147
Administration Building (Massena, N.Y.)	(315) 764-3235
Maintenance Building (Massena, N.Y.)	(315) 764-3258
Eisenhower Lock (Massena, N.Y.)	(315) 764-3250
Operations and Maintenance (Massena, N.Y.)	(315) 764-3242

Great Lakes Seaway System Internet Home Page
<http://www.greatlakes-seaway.com>

Saint Lawrence Seaway Development Corporation

Policy Headquarters:

400 Seventh Street, S.W.
Suite 5424
Washington, D.C. 20590
Tel.: (202) 366-0091
Fax: (202) 366-7147

Operations Headquarters:

180 Andrews Street
Massena, New York 13662
Tel.: (315) 764-3200
Fax: (315) 764-3235

Internet Web Site: <http://www.greatlakes-seaway.com>

Toll-Free Telephone Number: (800) 785-2779