Seaway Tonnage: Midseason Update

After a slow start to the 2018 navigation season, steady gains in cargo movements and transits in July and August have put overall Seaway cargo tonnage on the rise. Commercial cargo shipments through August totaled 21.4 million metric tons (mmt), a 4 percent increase when compared to the same time period in 2017. This overall increase was led by U.S. and Canadian grain exports (5.4 mmt, 16 percent increase) and liquid bulk shipments (2.8 mmt, 33 percent increase). Dry bulk shipments remained below last year's levels with 5.4 mmt, a 4 percent decrease. The outlook for the remainder of the navigation season looks promising. Recent discussions with industry leaders suggest a strong performance this fall from the international fleet.

The opening of the St. Lawrence Seaway occurred about a week later than normal (March 29), resulting in lower tonnage levels over the first few months. However, by the midseason point, vessel transits and cargo tonnage picked up

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economic impact study completed in 2011. It also represents the most comprehensive and in-depth analysis ever completed of the U.S. and Canadian impacts and benefits of commercial navigation in the Great Lakes/St. Lawrence Seaway/St. Lawrence River region.

The detailed nature of this study, completed by Martin Associates, sets it apart from any previous analysis. This study measures the impacts of cargo movements during the 2017 navigation season at 40 Canadian and U.S. ports. More than 770 individual firms, with 1,105 operations throughout the region, were interviewed. From the unprecedentedly large database created, economic impact models were developed to expand the 40-port impacts to the state and provincial levels. This is the most complete and accurate database ever assembled on the economic activities related to commercial navigation on the Great Lakes St. Lawrence Seaway System.

The study makes clear that commercial maritime navigation in the Great Lakes St. Lawrence Seaway System directly and significantly supports the vibrant and immense economies of the region’s eight Great Lakes States and two Provinces. If these States and Provinces were considered as a single economy, their combined economic output, in terms of Gross Domestic Product, would constitute the third largest economy in the world, after the United States and China. With economic output estimated at US$6 trillion in 2017, the region accounts for 30 percent of combined Canadian and U.S. economic activity and employment.

Within this massive regional economy, commercial maritime navigation in the Great Lakes Seaway System moves 143.5 million metric tons of cargo valued at US$15.2 billion dollars. This commercial activity supports 237,868 jobs in the U.S. and Canada and US$35 billion dollars of economic activity. If you expand the geographic analysis of the impacts to include commercial traffic along the St. Lawrence River below Montreal (within Quebec), the study shows that cargo moved within the Great Lakes/Seaway/St. Lawrence River region equals 230.9 million metric tons valued at US$77.4 billion dollars and sustains 328,543 jobs and US$45.6 billion in economic activity.

I clearly remember the context within which this study’s predecessor was completed and released back in 2011. At that time, the public debate surrounding the benefits of commercial navigation was intense and decidedly skeptical — if not hostile — to the idea that commercial navigation contributed significantly to the economy and overall quality of life of the region. At that time, there was little data available on the topic, and what data were available were woefully inadequate, incomplete, and in many cases, inaccurate. It was at that moment that a broad-based, binational group of stakeholders decided to come together to do the hard work of researching how and to what extent commercial navigation provided economic benefits to the region.

Such an analysis and the commitment to publish the results no matter what they showed had never been done before. It was a bold, but necessary commitment; bold because no one knew what the overall impacts were as no prior study of this type existed, and necessary because the public was demanding a full and fair accounting of what, exactly, commercial navigation’s contributions to the region were. The publication of that 2011 study was a watershed moment for the Great Lakes Seaway System. That study, so carefully designed to be accurate, comprehensive, and credible, fundamentally changed the nature of the public debate about commercial navigation’s contributions to the quality of life in the Great Lakes region.

This year’s study won’t radically change the nature of the public discourse. But it doesn’t have to — and that is what makes it so significant. The public still demands this information, just as it did seven years ago, but the data are now needed so that the public can better understand what it knows to be true: that commercial navigation provides tremendous economic benefits to the citizens of the region. The ability to again provide the public with complete and accurate information regarding one of the most complicated international waterways in the world is a landmark achievement.

The overall quality of public discourse on why commercial navigation matters has improved tremendously since 2011. That’s good news for everybody. This year’s economic impact study provides up-to-date, accurate, and even more data on how commercial navigation provides economic benefits to the citizens of the Great Lakes St. Lawrence Seaway Region. That’s an historic achievement worth celebrating.

You can find the full report at www.great-lakes-seaway.com.
Economic Impact Study Reaches Far-Ranging Audiences

From Boston to Baton Rouge; from Honolulu to Houston; from Minneapolis to Montgomery; and many, many points in between, news of the new study, Economic Impacts of Maritime Shipping in the Great Lakes-St. Lawrence Region was covered by multiple media markets across the country and saw widespread reach through social media channels. From its release on July 18, through August 24, there were 227 online articles or posts about the study from various news outlets resulting in over 84.6 million estimated impressions (an impression is one view by one user). Article impressions are based on the visits for the source in one day. In addition, through the social media outreach efforts orchestrated by the Great Lakes Seaway Partnership (GLSP), nearly 265,000 impressions resulted from a combination of Facebook, Twitter, LinkedIn, LinkedIn Native and GLSP website views. The volume of public outreach was truly extensive and the important data compiled in the study was widely read by people in the Great Lakes region as well as parts far and wide.

New Seaway Anchorages Approved at Cape Vincent and Tibbitts Point

The U.S. Coast Guard has approved new anchorages at Cape Vincent and Tibbitts Point, effective as of July 30, 2018. This will allow Seaway pilots that anchor to await a relief at Cape Vincent and Tibbitts Point to leave the vessel and be relieved of that duty. The request for designated anchorages in the Cape Vincent area was brought to light during the Saint Lawrence Seaway Development Corporation’s bi-annual Customer Survey of Owners and Agents in 2016. The goal of these surveys is to gain input from Seaway customers about issues that have arisen for them, discuss solutions, and provide resolution where possible. The SLSDC took the lead on this issue as the area in question was in the U.S. waters of the system.

Seaway pilots must anchor at designated anchorages in order to be relieved of duty. Once the vessel anchors in a designated anchorage, the pilot may be relieved of duty and transported from the vessel while it awaits a new relief pilot. Because Cape Vincent is a pilot exchange point for Lake pilots and River pilots, it requires two different anchorages, one on the Lake for downbound vessels, and one in the river for upbound vessels. Vessels were anchoring in these areas already, however, they were never officially designated as Seaway anchorages. Thus, pilots were not allowed to leave the vessel and customers were being charged an overtime rate for those hours the vessel was at anchor.

SLSDC solicited input from both U.S. and Canadian local pilot associations, who concurred that the new anchorages would be a helpful solution. This change will be a significant benefit to Seaway customers. Furthermore, it will benefit pilots as well by allowing them to leave the vessel and more quickly return into the rotation for another assignment.
Senator Chuck Schumer Visits Eisenhower Lock

On July 3, U.S. Senator Chuck Schumer (D-NY) traveled to the Eisenhower Lock for a brief visit and press conference. Senator Schumer was interested in seeing the SLSDC facilities and communicating his support for the Seaway, and in particular, the Asset Renewal Program. He was joined by several local elected officials including Massena Town Supervisor, Sean O’Shaughnessy; Massena Mayor, Tim Currier; New York State Assemblymember, Addie Jennie; and Director of the St. Lawrence Chamber of Commerce, Brooke Rouse.

At the press conference, Senator Schumer highlighted the importance of continuing the infrastructure renewal program and noted the vital contribution the Seaway makes to the upstate New York regional economy, including the tourism component that brings people from all over the world to the Dwight D. Eisenhower Visitors’ Center. This year, nearly 55,500 visitors entered the Center or stopped by the overlook to view ships. His visit concluded with a special bonus — a Fednav vessel happened to be making a lockage, and the Senator clearly enjoyed being able to view from the observation deck.
and exceeded 2017 levels. Historically, July and August are slower months and based on feedback from industry leaders, expectations for this season were no different than what was experienced in previous years. However, more foreign-flag vessels transited the Seaway than previous years during the summer months, which pushed cargo tonnage above last year’s levels. Top performing commodities moved on foreign-flag ships consisted of windmills, generators, heavy machinery, pig iron, gypsum, steel slabs, kaolin, and petroleum products. Backhaul cargoes for export consisted of U.S. and Canadian grain, general cargo, and petroleum products.

One of the most notable commodities reflecting a decrease in export activity is taconite iron ore from the Mesabi Iron Range in Minnesota. During the 2017 navigation season, iron ore was moving at record levels from the Lake Superior ports of Superior, Duluth, Two Harbors, and Silver Bay to the Port of Quebec and then transshipped to foreign markets.

In 2018, there has been a noticeable decrease in iron ore shipments moving out of the Great Lakes. It is estimated that a good portion of iron ore from the Mesabi Range has been moved by rail to domestic steel mills in the Great Lakes region that have recently come back on line. Domestic demand for iron ore is expected to continue as U.S. steel mills invest in expanding their operations and upgrading efficiencies.

SEAWAY TONNAGE: MIDSEASON UPDATE CONTINUED FROM PAGE 1

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GUEST COLUMNIST ADAM SCHLICHT CONTINUED FROM PAGE 1

Seaway was difficult; my time working at the SLSDC has been wonderful.

Over the years, I have been fortunate to be mentored by visionary Great Lakes leaders, including former SLSDC Administrator Betty Sutton and current Deputy Administrator Craig Middlebrook. As is clear each quarter in his Seaway Compass column, there is perhaps no one with more expertise nor dedication to the Great Lakes maritime industry than Craig. I, for one, will continue to lean on Craig for his insight, his patient wisdom, and his steady guidance as Port Milwaukee begins this new chapter in its 150+ year history.

Port Milwaukee is uniquely positioned to serve southeastern Wisconsin and a growing hinterland across North America. The Port has over 470 acres of lakefront property, 20+ tenants, 14 miles of rail, five miles of Seaway-max draft dockwall, and is serviced by two class one railroads. As the recently announced Economic Impact Study revealed, Port Milwaukee generated over $100 million in economic activity last year. Most importantly, the staff at Port Milwaukee are energized, driven, and dedicated to customer service. It is humbling to lead such an exceptional team of professionals.

The contemporary challenges we face at Port Milwaukee are similar to those experienced across the Great Lakes Saint Lawrence Seaway System (GLSLS). Port Milwaukee needs to continually grow its marketing profile within the North American and international maritime industry. New and existing tenants of Port Milwaukee, and their customers, must be situated for exponential business growth. Proactive and deliberate collaboration with federal regulators, including the U.S. Army Corps of Engineers, U.S. Customs and Border Protection, and the U.S. Coast Guard, is critical to ensure that the Port’s operations are safe, secure, and thriving. Protecting the environmental health of the Great Lakes while, simultaneously, sustaining competitive transportation and supply chain solutions through commercial shipping on the Great Lakes is an imperative.

My immediate efforts at the Port will focus on the first challenge: increasing Port Milwaukee’s marketing profile. Utilizing sophisticated approaches to traditional, web-based, and social media marketing is a focus at Port Milwaukee and should be recognized as a shared goal across the Great Lakes. Organizations like the Great Lakes Seaway Partnership, in collaboration with its marketing contractor sharkminnow, as well as the Great Lakes and St. Lawrence Governors and Premiers are helping Great Lakes ports meet this challenge. Fully optimizing and, perhaps, modernizing many of the trade institutions and organizations we sponsor and partner with is equally important. For one, I am committed to the continued potential of the Hwy H2O program within the United States, both as a former Hwy H2O organizer and now as a Port Partner.

I welcome you to join us in Milwaukee soon! I and the Port’s staff stand at the ready with an open invitation of a Port tour and a discussion about the numerous business opportunities available in southeastern Wisconsin through Port Milwaukee. As we all know, my friend and mentor Betty Sutton is fond of referring to the Great Lakes region as the “Opportunity Belt,” the SLSDC’s marketing campaign which I was pleased to represent as the SLSDC’s Great Lakes Regional Representative in Cleveland. I’m optimistic and incredibly motivated by the exciting future ahead at Port Milwaukee or, as I call it, – ahem – the “Opportunity Buckle” of the Great Lakes. BUCKLE UP!
Six U.S. ports in the Great Lakes St. Lawrence Seaway System earned the SLSDC’s Robert J. Lewis Pacesetter Award for registering increases in international cargo tonnage shipped through their ports during the 2017 navigation season. The SLSDC annually recognizes U.S. Great Lakes ports that increase international tonnage shipped through the St. Lawrence Seaway compared to the previous year. Since the award was first issued 26 years ago, the SLSDC has distributed more than 140 Pacesetter Awards to 14 different U.S. ports in the Great Lakes Seaway system. The six recipients of the Pacesetter Award for 2017 are the Port of Chicago (Ill.), the Cleveland-Cuyahoga County Port Authority (Ohio), the Ports of Indiana-Burns Harbor (Ind.), the Port of Lorain (Ohio), the Port of Monroe (Mich.), and the Toledo-Lucas County Port Authority (Ohio). The Pacesetter Award serves as a way to raise awareness among the wider community about how important ports are as assets not just to local communities, but to the region and nation as well.

“Congratulations to the six Great Lakes ports being recognized as Pacesetter Award recipients for their achievements during the 2017 navigation season,” said SLSDC’s Deputy Administrator Craig H. Middlebrook. “The Seaway System realized a 9 percent tonnage increase from 2016 to 2017, with a 25 percent increase in U.S. export cargoes. This strong performance reflects the commitment, hard work, and vision of the teams of professionals at these ports.”
**U.S. Great Lakes Ports Meeting in Erie, PA**

This year, the Port of Erie (Pa.) was the host to the annual summer meeting of the American Great Lakes Ports Association (AGLPA), and once again the meeting provided participants with extensive information on various topics related to shipping on the Great Lakes St. Lawrence Seaway System. The two-day event (July 24-25) kicked off with a tour of the Donjon Shipyard in Erie, followed by numerous presentations relevant to the Great Lakes Seaway System. Attendees represented port authorities, shippers, various associations/organizations, and federal agencies. As with each AGLPA meeting, it provided an opportunity to reconnect with long-standing stakeholders and meet newcomers to the group.

The following presentations were on the meeting agenda:

- **Steve Fisher,** Executive Director, AGLPA, provided an update on the Association’s activities over the last six months and the status of key legislative issues before Congress.

- **Craig Middlebrook,** Deputy Director, Saint Lawrence Seaway Development Corporation, and Jean Aubry-Morin, Executive Vice President, St. Lawrence Seaway Management Corporation, discussed ongoing efforts to improve infrastructure, promote the Great Lakes Seaway System and develop new business.

- **Elizabeth Corona,** Smart Sectors Program, Environmental Protection Agency, presented on the Administration’s approach to cooperative stakeholder engagement.

- **Floyd Miras,** Director, Great Lakes Gateway Office, U.S. Maritime Administration (MARAD), provided an update on MARAD programs and policies.

- **John Martin,** President, Martin Associates, highlighted the results of the new comprehensive economic analysis of the Great Lakes St. Lawrence navigation system.

- **Tina Potuto Kimble,** Director of U.S. Governmental and Regulatory Affairs, Tata Steel Europe, discussed the Trump Administration’s policies toward foreign steel, and their impacts on Great Lakes steel trade.

- **Darren Nichols,** the new Executive Director of the Great Lakes Commission, presented on the organization’s role, current priorities, and future direction.

- **Dr. Arthur Sulzer,** Founder, Maritime Academy Charter High School of Philadelphia, highlighted efforts to prepare tomorrow’s leaders and promote maritime careers.
New Tug Keel-Laying

In late June, SLSDC Associate Administrator, Thomas Lavigne, and Executive Officer, Mike Howard, traveled to Houma, Louisiana for the keel-laying ceremony for the Corporation’s new tug which is currently under construction at Gulf Island Shipyard. The keel-laying marks the birth, and official start, of construction for a vessel. Once delivered, the vessel will replace the aging, but ever reliable, Robinson Bay.

When completed, the vessel will be 118 feet in overall length with a 45-foot beam. The vessel will be in the TUNDRA class as designated by Robert Allan, the naval architect firm that designed the vessel. The vessel will be ice-classed and will be capable of breaking up to 36 inches of ice while maintaining three knots.

The vessel will have a knuckle boom crane on the stern and be able to work three full-size buoys off the back deck without the use of the buoy barge. There will
be modern, state-of-the-art equipment in the wheelhouse and engine room, and the vessel will have berthing for up to 14 crew members. Once delivered, the vessel will be one of the most powerful tugs in the Great Lakes region.

Upcoming milestone dates for the vessel are as follows:

- November 2018 – Hull assembly will be completed and rolled out of shed. The hull will be flipped right side up and rolled back into shed for installation of major equipment to include, main engines, Z-drives, generators, and most engineering equipment.
- March 2019 – Vessel will be rolled out of shed for final time and the superstructure (deck house and wheelhouse) will be attached to vessel.
- June 2019 – Vessel christening, launch, and dock trials will be completed.
- July 2019 – Sea trials will be completed.
- August 2019 – Vessel to depart shipyard for delivery trip to Massena.
- September 2019 – Vessel to arrive in Massena.

For more information about the new vessel, please contact SLSDC’s Executive Officer Michael Howard at Michael.Howard@dot.gov.

U.S. Seaway Begins Transition to Hands-Free Mooring Technology

In September, the SLSDC moved one step closer toward installing Hands-Free Mooring (HFM) technology at its locks. SLSDC employees have been working diligently to install the HFM operating equipment and controls in preparation for the manufacturer’s final on-site testing and certification. As a result, HFM technology is scheduled to be commissioned at Eisenhower Lock this fall before the end of the 2018 navigation season.

The “slot” construction work at Snell Lock was also successfully completed during this past winter's shutdown period, and the contractor is scheduled to finish installing the HFM slots and railings during the upcoming 2019 winter shutdown period. The final installation and commissioning of the HFM operating equipment and controls at Snell Lock is anticipated during the 2019 navigation season.

Once HFM technology is commissioned at Snell Lock, the SLSDC, in collaboration with the SLSMC, will realize their mutual goal of providing HFM technology throughout the entire Seaway.

The SLSDC’s transition to HFM has involved a tremendous amount of planning and resources to develop the infrastructure and the engineering, maintenance and operational procedures needed for the successful implementation of this groundbreaking technology. Since the opening of the Seaway almost 60 years ago, no other project will have made such a significant impact on the way commercial ships transit the locks — enabling faster and more efficient transits while also enhancing workplace and operational safety for both employees and customers.
SLSDC Participates in Emergency Exercise

On August 16, 2018, an all-day Exercise was held in Massena, N.Y. to deploy 300 feet of oil boom using two SLSDC workboats and was conducted to test the feasibility of protecting the Massena Intake.

The scenario was centered around a tank ship running hard aground at Richards Point, near LT 51 and leaking a hazardous product into the river. As part of the Exercise, a Unified Command Structure was established between the SLSDC, USCG and St. Regis Mohawk safety council to manage and oversee the emergency. The goal of the Exercise was to protect the Massena Intake while diverting the hazardous product to a collection point near Eisenhower lock.

Agencies in attendance were U.S. Coast Guard, Saint Lawrence Seaway Development Corporation Marine Division, Akwesasne Mohawk Safety Council, NYPA, Customs and Border Patrol, Massena Coast Guard Attachment and members from Sector Buffalo and District 9 from Cleveland, OH.

Mark Your Calendars for the Annual Hwy H₂O Conference

The 14th Annual Hwy H₂O Conference will take place November 13–15, 2018 at the Hilton Toronto Airport Hotel. This well-established event, as organized by the U.S. Saint Lawrence Seaway Development Corporation (SLSDC), Canadian St. Lawrence Seaway Management Corporation (LSMC), and a binational conference committee of U.S. and Canadian delegations, is the only conference that delivers content related to business development for the Great Lakes St. Lawrence Seaway System. The Hwy H₂O conference caters to a niche market and offers ample networking opportunities with leaders in the maritime industry. This year’s conference will focus on technology and innovation as a key component in developing new opportunities, streamlining costs and remaining a competitive system. You’ll want to be there to help drive growth and development for your business!

Conference highlights include:

- Condensed day and a half format to maximize your valuable time
- Early registration and first evening welcome reception
- Interactive modules structuring on the second day
- Engaging and knowledgeable speakers
- Presentations focused on business growth for the Great Lakes St. Lawrence Seaway System

For more information about the conference, please visit [http://www.hwyh2o-conferences.com/](http://www.hwyh2o-conferences.com/) or follow Hwy H₂O on Twitter at [https://twitter.com/hwyh2o](https://twitter.com/hwyh2o).
Personnel News

Adam Schlicht’s swearing in as Milwaukee Port Director.

On June 20, 2018, the Milwaukee Common Council unanimously confirmed Mayor Tom Barrett’s appointment of Adam Schlicht to lead Port Milwaukee.

For the past ten years, Schlicht, who grew up in Oak Creek, Wisconsin, has worked for the U.S. Department of Transportation, most recently as the Economic Development Specialist at the Saint Lawrence Seaway Development Corporation.

Schlicht holds a Bachelor of Science degree from UW-Madison in political science and a Master of Public Administration from American University. He relocated to Milwaukee from Cleveland for the post and was sworn in on August 6, 2018. Congratulations, Adam!

In March, The Great Lakes Commission (GLC) announced the hiring of Darren Nichols, formerly of the Columbia River Gorge Commission, as its new executive director.

Nichols most recently served as associate director for the William D. Ruckelshaus Center in Seattle. In his new role, he will oversee the GLC’s work on regional programs and advocacy, as well as day-to-day operations.

Nichols, who officially began his duties in mid-April, is the GLC’s sixth executive director since it was established in 1955 by the Great Lakes states to coordinate management of the water resources of the Great Lakes basin and to represent the states’ interests on Great Lakes matters before the federal government. Congratulations, Darren!

Deb DeLuca was named the executive director of the Duluth Seaway Port Authority in August, becoming the first woman to hold the role.

DeLuca joined the port in 2014 after many years running her consulting firm, DeLuca Strategies; she was also a founding board member of Minnesota Brownfields. She and her husband have lived in Duluth since 2006 and have two college-aged children.

On the larger scale, DeLuca said she wants to overcome the challenges of seasonality and look for partners to better take advantage of the shipping routes of the unsalted seas and beyond. Congratulations, Deb!

Upcoming Events

October
October 2–4
Breakbulk Americas 2018
Houston, TX
Info: https://www.breakbulk.com/events/breakbulk-americas-2018/

November
November 13–15
14th Annual Hwy H₂O Conference
Toronto, ON
Info: https://www.regonline.com/registration/Checkin.aspx?EventId=2449643