

Why You Should Care About the Seaway!



Offloading Transformers from one of the 4 HHL ships at the Duluth Port Authority.

The 2013 Great Lakes Seaway navigation season has come to a close, and it's a good time to take a moment and assess the importance of this marine transportation route. Little more than a year ago a detailed report found that this System annually

supports 227,000 jobs; generates \$33.5 billion in economic contributions, including \$14.1 billion in salaries and \$4.6 billion in taxes. Add to that 164 million metric tons of essential raw materials and finished products shipped over water annually, with savings of \$3.6 billion in transportation costs to shippers. In a few words, this system is big and its importance is not easily overstated.

This marine system serves more than 100 million people, roughly one-fourth of the continent's population. It contributes to businesses that account for more than a third of North America's gross national product. Forty percent of U.S. manufacturing occurs in this heartland region, a number that rises to two-thirds for Canada's industrial output. Because it deals primarily with bulk cargoes—high volume, low value commodities such as iron ore, coal, grain, liquid bulk (petroleum), and chemicals—with a sprinkling of break bulk cargoes that are largely iron and steel products, the Great Lakes Seaway System tends to fly beneath the radar for the public. But construction, heavy industry, agriculture, petrochemical, and steel industries are simply some of the

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ADMINISTRATOR'S COLUMN

New Cleveland Liner Service—A Spark in the System



Betty Sutton
Administrator

There's a spark in the System—a spark that holds the potential for more big things to come for the Seaway System and its users. The spark was lit on October 23 with the

announcement of the first-of-its-kind regularly scheduled express freight

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GUEST COLUMNIST

William D. Friedman, President and CEO, Port of Cleveland



William D.
Friedman

In April, The Port of Cleveland will launch its regularly scheduled express liner service to and from Cleveland and Europe—a first on the Great Lakes in many years that will help our region

compete globally. We view this as critical opportunity to help position our

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shipping service between Cleveland and major European ports, through the St. Lawrence Seaway. Set to commence next April, the Cleveland Europe Express Ocean Freight Service (CEE) will be the only scheduled international container service on the Great Lakes. As such, it will be the fastest and greenest route between the heartland of North America and Europe. This is big!

The CEE represents a potential breakthrough for shipping on the Great Lakes. It will further link the Port of Cleveland into the vast network of global trade. Ninety percent of all global trade by volume is transported over water. Cleveland is already an important international port, but with the introduction of the CEE, it will play even more a role as part of the global trade system. With the CEE, it will be easier for manufacturers and shippers to connect with the rest of the world, which will raise the profile of the entire system. The CEE's impact will benefit system-wide. More ships moving in the Great Lakes St. Lawrence Seaway System ultimately means increased cargo and more opportunity for businesses at all of our ports to grow. It also gives us the opportunity to promote greater use of maritime transportation and its associated environmental benefits and to raise the profile of the Seaway System.

By carrying a combination of break-bulk, project cargo, and containers, the CEE will provide a competitive service designed to meet today's dynamic needs. Everything from consumer goods, industrial products, steel, and automotive parts as well as other kinds of freight can now ship directly from Cleveland to the rest of the world. This allows goods to come and go directly

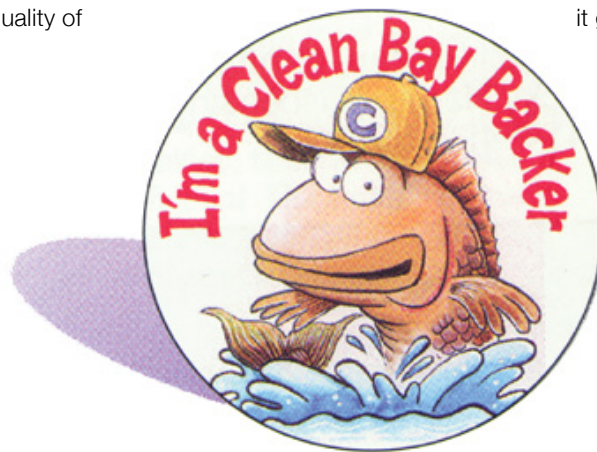
into the manufacturing and agricultural core of North America.

Businesses are always looking for ways to be more competitive and to gain an edge in the global market place. The CEE will help companies to do this by moving their goods and supplies faster, cheaper, and greener. And it will mean more jobs and positive economic impacts. This new service will generate new U.S. economic development not only in Ohio, but throughout the Great Lakes St. Lawrence System region.

The Great Lakes and Seaway basin possess economic and natural assets that are the envy of the world. We are uniquely endowed with resources that allow us to reach for new opportunities. The CEE service is an example of how we can create new opportunities in powerful and sustainable ways. Because maritime transportation is the most environmentally friendly way to move goods, companies will be able to export their goods in a way that helps reduce their carbon footprint. This is a project that can balance the needs of commercial development and the environmental protection. That's what we are all striving for in the Seaway System—balancing the needs of commercial navigation with the preservation of the ecological quality of the region.

The new Cleveland liner service represents an important positive economic development initiative in the Great Lakes St. Lawrence Seaway System in many years. But, this is not the only spark in the System igniting a great interest in the 2014 season! The Ironville Terminal in Toledo will be up and ready for business; the Port of Oswego Authority was awarded a \$1.5 million TIGER grant from the Department of Transportation (DOT) that will help build new roads and rail tracks to connect the main East Terminal to an open storage for cargo; the Duluth Seaway Port Authority also received a \$10 million TIGER grant from the DOT for an intermodal project that will rebuild and expand a cargo dock; the Port of Milwaukee is upgrading roads and rail track and purchasing a new heavy lift crane; and last but certainly not least, the "Clean Bay Backers", a polluted runoff awareness campaign to inform citizens throughout the Fox-Wolf Basin area in Green Bay, Wisconsin continues to help the public make informed decisions about water resources and freshwater coastal management.

The 2014 Navigation Season is shaping up to be one of the most exciting one in years. The innovative sparks are flying, let's keep it going! ■■■





HWY H₂O Conference

The 9th annual Hwy H₂O Conference took place at the Toronto Airport Marriott, November 13–14, 2013. Attendance at this year's conference was the best to date with 149 delegates representing a wide range of professionals from all transportation modes.

This year's conference took a global view on adapting to changing markets to stay competitive. Speakers shared insights on economic activities and cargo trends, infrastructure developments that capture business opportunities, and innovation throughout the global maritime industry.

The speakers affirmed that change is not a new concept to our System stakeholders, but as economic recovery continues, adapting to those changing markets is more critical than ever. The audience learned that leaders in the maritime transportation industry have enhanced their business environments through infrastructure improvements and innovation and continue to develop sustainable practices for the Great Lakes Seaway system. ■■■

WHY YOU SHOULD CARE ABOUT THE SEAWAY! CONTINUED FROM PAGE 1

critical industries that depend daily on our waterway to ensure essential materials are supplied.

Few examples illustrate more concretely the critical importance of marine movement of goods throughout the Great Lakes than the regular deliveries of thermal coal on 1,000-foot U.S. domestic lakers, to the power plants located on lakefronts throughout the System. That coal generates heat in the winter and air

conditioning in the summer for millions. The fact is that the Seaway is synonymous with reliability and that is great news for shippers. In more than half a century of operation the Seaway has delivered 2.6 billion metric tons of cargo worth upwards of \$375 billion. The 2013 navigation season was noteworthy for moving large quantities of grain to market after a bumper harvest in Canada and America. The Great Lakes Seaway System's ability to ramp up to meet seasonal demand is one of the under-appreciated aspects of this fascinating

waterway, which connects North America's heartland markets with ports around the world.

This season also saw four Hansa Heavy Lift ships move 16 huge electrical transformers (each more than 300 tons) from Antwerp to Duluth where they were offloaded onto special rail cars and railed to Alberta for use in constructing a major power transmission line. It saw the port of Milwaukee handle expensive electrical grid equipment manufactured in Sweden by ABB for use in an upgrade for the St. Ignace area of Michigan's Upper Peninsula. Last year it was the world's largest crawler crane that was shipped in to Burns Harbor and helped make needed repairs to a BP refinery that impacted millions of motorists.

In the autumn the Port of Cleveland announced an impending break-bulk-container liner service to Europe with Spliethoff that is expected to get underway at the beginning of the 2014 navigation season. The transportation community is excited as this liner service marks the first one in two decades on the U.S. side of the Great Lakes. Moving container and project cargo exports direct from Lake Erie to Antwerp can cut costs if the right commodities and companies are paired. It offers yet another chance for the Seaway to boast the proven benefits that waterborne commerce offers: unbeatable ton-mile fuel performance compared to road and rail; lower harmful greenhouse gas emissions; and a proven congestion relief valve for drivers who are unlikely to welcome more surface traffic on crowded highways.

The Seaway season, like so many good things in life, is never missed as much as when it is over. Fortunately, the major infrastructure renewal funds that have been pumped into the Seaway promise a very long and productive future for this waterway *extraordinaire*. ■■■

GUEST COLUMNIST WILLIAM D. FRIEDMAN
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Port, the local economy, and shipping along the Great Lakes. It's also part of our overall strategic focus on evolving to serve the 21st Century needs of the community.

Today, and even more so in the future, a region's economic vitality will depend on its ability to attract and leverage talent and financial capital. A truly dynamic, 21st Century port must see itself as part of this paradigm, and the Port of Cleveland is evolving to meet this challenge. For us, this means an aggressive push to innovate within our core maritime operations; a dedication to environmental stewardship; partnering to create vibrant waterfronts; and facilitating economic vitality through creative financing.

The Europe-Cleveland liner service shows our Port redefining how we compete in maritime, freeing businesses from relying on East Coast ports and cutting time, expenses, and logistical headaches. Our research indicates an additional 250,000 to 400,000 tons of cargo will be shipped through our Port, representing roughly 10–15% of Ohio's European trade. The

liner service also meets our goal of promoting green, sustainable practices—shipping is the most fuel-efficient method to move goods, shaving days off travel time by leveraging strategic access to the St. Lawrence Seaway.

Our environmental focus is also apparent through our custom designed and built workboats (*Flotsam and Jetsam*) that patrol Cleveland's harbor, helping our city shine by pulling 240 tons of debris from the water since launching in 2012. We're also exploring how to offer sediment dredged from the river for use in local construction projects, rather than placing all of it in containment facilities. Being green and sustainable makes our Port and our city an innovative leader in the new economy.

We're also helping create a vibrant waterfront to make Cleveland a more desirable destination. By consolidating terminal operations through new efficiencies, we've opened land for mixed-use development that will transform and energize the downtown lakefront. Just a year ago, we opened the 88-acre Cleveland Lakefront Nature Preserve, formerly used to place sediment dredged from

the Cuyahoga River, but now a destination for birdwatchers and nature lovers. This year, we doubled the trails on site and added a scenic overlook plaza. These are the type of amenities that will help Cleveland compete for mobile talent in a global economy.

Our Port has also rededicated itself to facilitating local development through innovative development financing program, securing \$2 billion in private dollars since 1995 for a diverse array of projects from office towers and business parks to sports venues and medical centers. This vital link to private capital helps close gaps on projects and leverage private dollars.

The Port of Cleveland is excited to continue advancing our vision of a 21st Century port through maritime, finance, environmental stewardship, and partnering to create a vibrant waterfront. It's an exciting evolution, and we look forward to further collaboration with Seaway stakeholders to help our region thrive. ■■■



SLSDC Receives a 50th Clean Financial Audit

In November, the SLSDC received an unqualified “clean” financial audit for Fiscal Year 2013 from its independent auditing firm and affirmed by the Department's Office of Inspector General. This year's audit results marked the 50th consecutive clean audit for the SLSDC, dating back to its first audit in 1954—a remarkable achievement for any organization, public or private. This achievement is a testament to the hard work and dedication of the SLSDC's workforce and the effective internal controls and business practices established over the SLSDC's history. ■■■

SLSDC Deputy Administrator Middlebrook Recognized by U.S. Environmental Protection Agency

Deputy Administrator Craig Middlebrook was recently honored by the U.S. Environmental Protection Agency (EPA) for “outstanding leadership supporting environmental protection in the Great Lakes.” He received the “Partner of the Office of Water” Award for 2012 at a ceremony at EPA headquarters in Washington, DC on December 17, 2013.

This prestigious award was bestowed to Mr. Middlebrook for his work assisting EPA’s efforts with regard to ballast water management in order to protect the environment in the Great Lakes states region. Ballast water discharged from transoceanic vessels has been a source for the introduction of nonindigenous organisms, such as zebra mussels, in the binational waterway and the lakes. The EPA regulates ballast water discharges to protect water and infrastructure by reducing the likelihood of new invasions.

Mr. Middlebrook has worked to bring together state environmental regulators and U.S. and Canadian federal regulators to promote consistency in ensuring that vessels entering the Great Lakes comply with all ballast water management requirements. The SLSDC, along with its Canadian partners and the U.S. Coast Guard, has played a pivotal role in helping inspect the ballast tanks of all international vessels entering the Seaway, and as a result, there has been a substantial decrease in the numbers of invasive species established in the region, with no new invaders documented in the last seven years.



Craig Middlebrook receives the Partner of the Office of Water Award from the Environmental Protection Agency. (left–right: Andrew Sawyers, Office of Wastewater Management; Nancy Stoner, Acting Assistant Administrator, EPA; Craig Middlebrook; Betty Sutton; and Michael Shapiro, Deputy Assistant Administrator, EPA.)

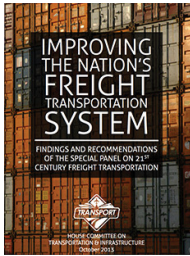
SLSDC Administrator Betty Sutton said, “Mr. Middlebrook’s outstanding contribution to environmental stewardship is being duly recognized by the U.S. Environmental Protection Agency. His work on the ballast water issue has helped advance the collaborative efforts between U.S. federal and state regulators and the maritime industry toward the common goals of ensuring clean and safe water and meeting economic needs.”

Along with other key partners from the U.S. and Canada, Mr. Middlebrook helped launch the Great Lakes Ballast Water Collaborative in order to facilitate communication and collaboration among industry, state, and federal regulators.

The group has been meeting since 2009, sharing information and looking for ways to find workable and effective solutions to complex policy issues regarding aquatic invasive species in the Great Lakes. It includes U.S. and Canadian federal and state/provincial regulators, scientists, maritime industry representatives, and non-governmental organizations. ■■■

House T&I Freight Panel Releases Final Report

The House Transportation and Infrastructure Committee's Special Panel on 21st Century Freight Transportation wrapped up six months of work with the release of a report in October (<http://transportation.house.gov/uploadedfiles/freightreports.pdf>) that examines the nation's current freight



transportation status while making recommendations for freight transportation moving forward.

The Panel on 21st Century Freight Transportation

conducted hearings, held roundtable discussions, and traveled to key freight corridors across the United States to gain insight into the current state of freight transportation and how improving freight transportation can strengthen the economy. The Panel identified many challenges and impediments to the efficient and safe movement of goods into, out of, and through the United States.

The panel was authorized by T&I Chair Bill Shuster (R-PA) and Ranking Member Nick Rahall (D-WV) in April for a period of six months. Representative John Duncan, Jr., (R-TN) chaired the panel and Representative Jerrold Nadler (D-NY) served as Ranking Member.

The panel held six public hearings, three roundtable discussions, and numerous facility tours and briefings to look at four major freight transportation issues: freight transportation's role in the U.S. economy; ways to increase safety, efficiency, condition, and performance of the nation's freight transportation projects that would improve freight mobility.

The Freight Panel recommends that Congress:

- Direct the Secretary of Transportation, in coordination with the Secretary of the Army and the Commandant of the U.S. Coast Guard, to establish a comprehensive national freight transportation policy and designate a national, multimodal freight network.
- Ensure robust public investment in all modes of transportation on which freight movement relies and incentivize additional private investment in freight transportation facilities.
- Promote and expedite the development and delivery of projects and activities that improve and facilitate the efficient movement of goods.
- Authorize dedicated, sustainable funding for multimodal freight projects through a grant process and establish clear benchmarks for project selection.
- Direct the Secretary of Transportation, in coordination with the Secretary of the Treasury and the Secretary of the Army, to identify and recommend sustainable sources of revenue for investment in a freight network.
- Review freight funding and revenue recommendations and develop specific funding and revenue options for freight transportation projects prior to consideration of the surface transportation reauthorization bill in 2014. ■■■

Great Lakes Stakeholder Reception

As many of our readers are aware, the annual celebration known as Grunt Club takes place during the first week of December in Montreal. This annual event dates back to 1930's and was designed to foster the spirit of good fellowship throughout the maritime industry. This tradition continued as thousands of industry leaders gathered last month in Montreal to attend meetings, and events culminating with the 75th Grunt Club Dinner. The Saint Lawrence Seaway Development Corporation (SLSDC) and The St. Lawrence Seaway Management Corporation (SLSMC) were honored to be a part of the many activities during Grunt Club. More than 165 guests attended the binational reception hosted by SLSDC Administrator Betty Sutton and SLSMC President and CEO, Terence Bowles. The Appreciation Reception is a great opportunity for the SLSDC and SLSMC to thank our dedicated stakeholders for their continued support in keeping cargo moving throughout the Seaway System and our Great Lakes ports. ■■■



Guy Veronneau, former President & CEO, SLSMC and former SODES board member; Betty Sutton, SLSDC Administrator; Craig Middlebrook Deputy Administrator, SLSDC.

EPA Program Seeks to Improve Air Quality in Port Communities

\$4 Million Grant Program to Clean Older Diesel Engines at Ports

The U.S. Environmental Protection Agency (EPA) is announcing the availability of \$4 million in grant funding to establish clean diesel projects aimed at reducing emissions from marine and inland water ports, many of which are in areas that face environmental justice challenges.

“Ports are essential to the nation’s economy and transportation infrastructure, but they also are home to some of the nation’s toughest environmental challenges,” said Janet McCabe, acting assistant administrator for EPA’s Office of Air and Radiation. “These grants will help port authorities to provide immediate emissions reductions that will benefit those who work and live in port-side communities.”

Most of the country’s busiest ports are located near large metropolitan areas and, as a result, people in nearby communities can be exposed to high levels of diesel emissions. Older diesel engines can emit large amounts of air pollutants, such as nitrogen oxides (NOX) and particulate matter (PM). These pollutants are linked to a range of serious health problems including asthma, lung and heart disease, other respiratory ailments, and even premature death. Clean diesel projects at ports, employing readily available technology, will make immediate emissions reductions and provide health benefits.

This grant competition is available under the Diesel Emission Reduction Act (DERA) Program and is the first competition to focus on solely reducing emissions at ports. DERA funds are used to clean up the legacy fleet of diesel engines that were produced before more recent environmental standards. This grant competition is intended to help solve some of the complex air quality issues in port communities.

Under this competition, EPA anticipates awarding between two and five assistance agreements to port authorities through the DERA program. Port authorities, governmental or public agencies that operate ports, are able to work directly with a variety of fleet owners to lower emissions from different types of equipment used in a port setting. Projects may include drayage trucks, marine engines, locomotives, and cargo handling equipment at marine or inland ports. Priority will be given to ports located in areas of poor air quality.

The objectives of the assistance offered under this program are to achieve significant reductions in diesel emissions in terms of tons of pollution reduced and reductions in diesel emissions exposure from fleets operating at ports. The program also seeks to build partnerships among port stakeholders to promote ongoing efforts to reduce emissions from port operations. Community groups, local governments, terminal operators, shipping carriers, and other business entities are encouraged to participate through partnerships with eligible port authorities. The closing date for receipt of proposals is February 13, 2014.

This funding opportunity is being offered in addition to EPA’s annual National Clean Diesel Campaign (NCDC) Funding Assistance Program. EPA intends to make future awards under the NCDC Funding Assistance Program, subject to the availability of funding.

For more information and to access the Request for Proposals and other documents, please visit <http://www.epa.gov/otaq/ports/ports-dera-rfp.htm> ■■■

Personnel News

The Port of Oswego Authority

has announced the appointment of *Zelko N. Kirincich* to the position of Executive Director. He began his new position on January 6, 2014.



Mr. Kirincich comes from the Port Authority of Tampa, Florida, where he worked from 1996–2013. He most recently served there as

Deputy Port Director and Chief Operating Officer. ■■■

Upcoming Events

February

February 4–5

Great Lakes Waterway Conference

Cleveland, OH

Contact: <http://events.r20.constant-contact.com/register/event?oeid-k=a07e85qpy3zd6d89c82&lr=cb9bx7kab>

February 8, 2014

Save the River 25th Annual Winter Environmental Conference

Contact: <http://www.savetheriver.org/index.cfm?page=app.events>

March

March 10–13

Cruise Shipping Miami

Miami, FL

Contact: <http://www.cruiseshippingevents.com/en/miami>