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Our mandate and history

• Established in 1998 as a not-for-profit corporation by Seaway users and other interested parties
• Operates Canadian portion of the St. Lawrence Seaway under agreement with federal government, in force until March 31, 2018
• Manages Saint-Louis-de-Gonzague Bridge, Valleyfield Bridge, Townline Tunnel, and all Seaway-related leases and licences on behalf of Transport Canada
• Began operations October 1, 1998; this is our second year of Seaway management

Our foundation

Mission • We pass ships through a safe and reliable waterway system in a cost-effective, efficient and environmentally-friendly manner to meet our customers’ transportation needs.

Vision • The SLSMC and its partners... the transportation system of choice.

Values • We are strongly results-driven and customer-focused.
• We stand for integrity and open communication.
• We seek continuous improvement.
• We insist on wise spending.
• We achieve success with our committed employees.
Our Waterway

The Great Lakes/St. Lawrence Seaway System
- A unique 3,700 kilometre inland waterway into the industrial heart of North America.
- Serves 15 major international ports and some 50 regional ports on both sides of the Canada/U.S. border.
- Over four decades, the Seaway has carried more than two billion tonnes of cargo, worth over $400 billion.
- Every 10,000 tonnes of general cargo handled by a Great Lakes port contributes more than half a million dollars in economic benefits to the local community.
- In Canada, the Seaway supports more than 17,000 jobs, in direct and indirect services to the transportation industry, shipping, and the Seaway itself.
- Since 1959, more than 260,000 vessels from 50 countries around the world have passed safely through our locks.

The Seaway Locks
- The Seaway proper is a series of 15 locks and connecting channels in two sections – the Montreal/Lake Ontario (MLO) section, and the Welland Canal.
- Between Montreal and Lake Erie, the locks lift vessels up to the height of a 60-storey building above sea level.
• The MLO section has seven locks – five Canadian and two American.
• The Welland Canal links Lake Ontario and Lake Erie with a series of eight locks.
• Locks and channels accommodate vessels
  • 225.5 metres long (740 ft.)
  • 23.8 metres in beam (78 ft.)
  • 8 metres in draft (26 ft. 3 in.)

Main commodities transported:
• grain
• iron ore
• steel
• petroleum products
• cement
• forest product
• coal

1999 Season Highlights

Combined Highlights
• Opened to navigation March 31, 1999
• Ice-free on opening day
• 24-hour navigation began April 1
• Navigation season 270 days; last ships exited St. Lambert Lock and Welland Canal on December 25
• Traffic decreased slightly from 1998, back to 1997 levels
• Reduced demand from steel industry slightly offset by increased U.S. grain exports
• Combined Seaway traffic totalled 47.86 million tonnes, a decrease of 5.2% from 1998 total of 50.51 million tonnes

Montreal/Lake Ontario Section
• Draft of 8.0 m in effect for entire season, maintained with co-operation of pilots and the trade despite low water levels on Lake St. Louis
• 3,141 vessel transits, compared to 3,158 in 1998

• Average 11.6 vessels per day
• Total traffic 36.41 million tonnes, a decrease of 7.2% or 2.83 million tonnes from 1998

Welland Canal
• Draft of 8.0 m in effect for entire season
• 3,626 vessel transits, 199 more than in 1998
• Average 13.4 vessels per day
• Total traffic 37.44 million tonnes, a decrease of 7.9% or 3.22 million tonnes from 1998
Commodity Highlights

Grain
Canadian grain traffic once more below average
Increase in U.S. grain shipments
Total grain traffic
• on MLO Section 13.6 million tonnes (4.5% increase over 1998)
• on Welland Canal 13.5 million tonnes (2.6% increase over 1998)

Iron Ore
Decreases in shipments
• from Labrador mines to American upper Lakes ports (14% – 628,000 tonnes) and Hamilton (1.6% – 92,000 tonnes)
• from Great Lakes mines to Hamilton (37% – 378,000 tonnes)
Increases in shipments
• from Labrador mines to Nanticoke (242%)
• U.S. imports through Quebec City (13% – 109,000 tonnes)

Total iron ore traffic
• on MLO Section 10.69 million tonnes (3.8% decrease from 1998)
• on Welland Canal 5.82 million tonnes (10.6% decrease from 1998)
Coal
Fewer shipments on Welland Canal (low demand from Ontario Hydro and Hamilton steel mills)
• total traffic 4.52 million tonnes (2.4% decrease from 1998)
Increased traffic on MLO Section (additional movements to industries along St. Lawrence)
• total traffic 266,000 tonnes (35.2% increase over 1998)

Other Bulk
Overall decrease in shipments of major commodities (coke, petroleum, stone, cement, chemicals)
Total other bulk traffic
• on MLO Section 7.23 million tonnes (8.8% decrease from 1998)
• on Welland Canal 10.06 million tonnes (7.4% decrease from 1998)

General Cargo
Record steel imports of 1998 left larger stocks and inventories; accordingly, this year’s traffic decreased by about 36% on both sections of Seaway
Total general cargo traffic
• on MLO Section 4.58 million tonnes
• on Welland Canal 3.46 million tonnes

Financial Highlights
• The Corporation has met business plan targets for the second year in a row.
• 23.38 million in asset renewal and amortization, slightly under the target of $23.6 million
• Corporation’s reserve increased to $5.27 million, from $2 million
The St. Lawrence Seaway Management Corporation (SLSMC) has successfully concluded the second year of its five-year business plan, which forms part of its agreement with the Government of Canada. Sincere thanks go to all members of The St. Lawrence Seaway Management Corporation, from our devoted Board Members to the hard-working managers, and committed employees, for making this success possible.

Eighteen months have now elapsed since the Corporation took over the reins of the Seaway on October 1, 1998. This time has afforded the Corporation solid opportunities for a realistic, hands-on assessment, both of our environment and our ability to react constructively to the pressures of that environment.

Our operations are guided and measured by a five-year business planning cycle, developed as part of the commercialization agreement with Transport Canada. This agreement brought The St. Lawrence Seaway Management Corporation into existence. The business plan sets specific targets for operating and asset renewal costs, as well as anticipated revenues.

It is worth noting that a 2% annual toll increase was set for each of the first five years as an integral part of this agreement. The Corporation may not deviate from these minimum increases for the first three years. Furthermore, the agreement obliges the Seaway to increase tolls beyond the 2%, following any year in which it cannot achieve the targets set out in the business plan. If, after three years, the SLSMC has successfully met its business plan targets, funded a notional reserve and demonstrated that it can sustain a lower rate of increase, a 1.5% maximum reduction, bringing the toll increase to 0.5 of 1%, is allowed for the fourth and fifth years of the plan.

The SLSMC, therefore, is increasing tolls by 2% annually in accordance with the agreement, and working to bring together the elements that will allow us to moderate the increases for years four and five. It should be remembered that the one overwhelming motive guiding the negotiators representing the user group was a reasonable belief, widely shared in the trade, that the government was preparing for significantly higher increases in tolls. The user group thought stable and predictable toll increases, limited to 2%, would facilitate planning for both the users and the new Corporation.

With these considerations in mind, I am pleased to report that, for the second consecutive season, the Corporation has not only met but exceeded the targets set in the business plan, despite a $4.5 million year-over-year reduction, from $82.574 million to $78.119 million, called for in the plan. Most important, the level of improvement over the plan is such that the Corporation’s reserve now stands at $5.273 million, an increase of $3.253 million over the first year. This, in fact, is an annual level quite sufficient to sustain the maximum yearly reduction in tolls permitted by the agreement.

As expected, the 1999 season reverted to an average level of traffic showing a decrease from the results of 1998. The waterway carried 47.8 million tonnes of cargo in 1999, 3.2 million tonnes less than in 1998.

The substantial steel shipments of 1998 subsided to an average flow in 1999; iron ore traffic was also lower, while U.S. grain exports rose substantially. Measured against the last ten years, overall traffic was average.

As can be seen in the financial results, both total revenues and manageable costs showed better results than expected in the business plan. The energetic measures taken in 1999 (-9.7%) and again
this year (-8.4%) to reduce our manpower, which makes up 83.9% of our manageable costs, are the root cause of these positive results. An extraordinary expenditure of $512,000 covers the costs to be incurred again this coming year for the early retirement of eight additional employees. However, there remain very few employees older than 55, and this approach to staff reduction is reaching its effective limit.

Discussions with Transport Canada concerning various adjustments to the business plan have progressed to the point where there is only one issue remaining to be agreed upon. We hope to settle this last issue in the second quarter of this year.

**Strategic thinking a necessity**

Like the rest of the commercial world, the Corporation operates in a complex web of influences, demands and obligations. Our viability and that of the whole Seaway system is affected by national and international economic developments, industrial fluctuations, technology change, and also by the practices and policies of industry and many regulatory and service agencies. Free trade, a truly global marketplace, and technological progress have transformed the transportation business. This transformation continues at the Seaway as well.

**Technology creates opportunities**

Technology is playing a growing part in keeping us competitive. Last year saw the introduction of an integrated management information system (SAP) and a new state-of-the-art traffic management system, among other innovations. This year, we have added a human resources and a payroll module to SAP, and we are testing a new Automatic Identification System (AIS) for vessels passing through the Seaway. AIS will be functioning by the middle of the 2001 navigation season, with the aim of becoming mandatory in time for the 2002 season. We have also centralized the Corporation’s information technology function under a new Vice-President of Information Technology and Telecommunications (IT). An effective IT organization will enable the
planning cycle. Progress has been excellent, and 80% of the essential projects and 65% of the high priority projects have already been completed. The effect has been to begin reinventing the Corporation as a process-centered organization with the structure, tools and partnerships to function at optimal effectiveness and efficiency.

One of the first requirements that emerged from our strategic planning exercise was an operational review. Four teams carried out an assessment of the principal operational problems as the basis for improvements in work processes: project management and major maintenance; preventative and corrective maintenance; lock crew operations and maintenance execution; and the procurement and stores functions. Building on their report, the potential for a new organizational structure was investigated with the help of a consulting firm. This resulted in a concrete reorganization plan, which was put in place in March 2000.

The new structure recognizes that our core business process is to pass ships through the Seaway and maintain the infrastructure. Given that these activities take place in the two regions and that accommodating regional variations will better serve the core process, the new approach centers on a Regional Process Organization. Corporate Process Leaders for Infrastructure Maintenance and Ship Transit, each one a Regional Vice-President, ensure that variations remain within acceptable corporate parameters. Since maintenance of the infrastructure is now part of the core process, engineering services have been integrated into the regional organizations. The support functions of human resources, finance and information technology are centralized at Head Office. Also working from Head Office is a new Vice-President, Strategic and Business Development.

We expect the new structure to produce better planning, co-ordination and communication among engineering, maintenance and operations services, and to create a better alignment of mission-linked business processes across regions, improving service to clients while reducing costs. By strengthening the information technology and business development functions, we have positioned ourselves to better support innovation and development which are key to our future success.

Additionally, a new program for managing performance development in the Corporation was introduced, beginning with the senior management team and cascading down to manager level. The program strengthens employee-management dialogue and reinforces adoption of corporate goals, values and practices throughout the organization. It fosters skill building and provides tools to ensure team focus, which will in turn support achievement of the strategic plan.

We have carried out a policy review, reducing the number of our policy documents by some 60%.
Other teams are preparing a business plan for improvements in lock operations; testing the potential for draft increase; determining the adjustments required to transit time standards; and developing numerous other improvements. Finally, the Corporation has launched a comprehensive review of its tariff structure. From this review, we hope to be able to develop a system of tolls that will satisfy the needs of our customers for cost-efficiency and fairness, while ensuring our own financial viability.

**Strategic planning – a broader perspective**

The Corporation is doing, and will continue to do, all it can to make the Seaway more competitive. But we realize that the St. Lawrence Seaway is only one player in the Great Lakes/St. Lawrence Seaway transportation system. Seaway costs, in fact, represent 1.7% of the total transportation cost of grain. Even if we achieved a 10% efficiency gain, this would make a difference of only 2/10 of 1%, which is quite insufficient to affect the competitive position of the Great Lakes/St. Lawrence Waterway. Any significant improvement in competitiveness must come from all stakeholders working together. A major feature of our strategic plan, therefore, was to seek the co-operation and partnership of our counterparts in the United States and build an important base of stakeholders to determine strategic objectives for the whole system.

Our Chairman, R.J. Swenor, and I began in 1999 to discuss with the major system stakeholders the concept of co-ordinated system-wide planning. Both industry and the Seaway recognize this as a necessary first step in dealing with the challenges of cost and competitiveness, critical issues for all those involved with the economy of the Great Lakes basin. This unified view and joint planning process is something the board and management of The St. Lawrence Seaway Management Corporation are firmly committed to. In the past year, we have been successful in obtaining the agreement of major stakeholders to participate in strategic planning for the system as a whole. The problem has been recognized, and we are on our way to solutions.

**The Waterway Strategic Issues Forum**

What has emerged is a group called the Waterway Strategic Issues Forum. Chaired by myself, the Forum includes representatives from Cargill, Stelco and Québec Cartier Mining, Algoma and Fednav, the Ports of Duluth, Thunder Bay and Montréal, the American Great Lakes Ports, and the American Saint Lawrence Seaway Development Corporation.

Together, we are beginning to look at some of the major issues affecting Great Lakes shipping. Four goals have been set. The first is to improve waterway management and reduce costs – this has been a priority for everyone connected with the Seaway for a number of years, and is likely to become even more pressing as time goes on and competition increases.

Our second and third goals are related – they are to increase tonnage on the system and improve its long-term competitiveness. And finally, we are looking at ways to secure the government support the Seaway deserves.

At the moment, four committees are working on aspects of each of these goals. One is looking at strategies to increase the volume of shipments of U.S. and western Canadian grain via the Great Lakes and Seaway.

Another committee is working on the waterway management issue. They will identify where to concentrate our efforts to produce the most signif-
icant improvements in management, and the greatest reductions in operating costs.

The third committee is taking a comprehensive approach to the issue of marketing to ensure the Seaway’s long-term viability. They will look at medium-and long-term market requirements, and the potential for developing new markets and cargoes. They will then assess the impact of new business on our infrastructures, and identify desirable modifications in cargo handling and freight marketing.

For years, there has been talk of a bi-national agency to manage the Seaway. While this would be the most efficient and least costly way to go, sovereignty issues and a great many other details must be ironed out, and this will take time. The fourth of the Forum’s committees has taken on this many-headed problem, and is especially looking at areas in the governance and management of the Great Lakes/St. Lawrence Seaway system where possible short-and long-term benefits could be realized through increased bi-national co-operation.

The work of the four committees is proceeding with the participation of a large number of organizations. A comprehensive draft plan is expected to be presented to the Forum members in the fall of 2000 for review and further action. At that point, we will brief government officials and secure their support for the new collective initiatives.

Future prospects

The outlook for traffic volumes during the 2000 season is similar to 1999, with an increase of 2.5% expected. Average Canadian grain crops last year and the continuance of recent transportation patterns will combine to maintain a low level of Canadian grain shipments. If we maintain competitiveness with other transportation modes and routes (especially the Mississippi and rail routes to the U.S. Gulf coast), U.S. grain shipments could continue their growth. Iron ore traffic is expected to increase slightly over 1999, as are coal shipments. We also expect improved performance from general cargo.

Shipowners continue to demonstrate their commitment to the Seaway by building new vessels. Fednav International launched three of eight new ships last year and, during the past few years, Polish Steamship Lines has constructed eight vessels that now transit the Seaway system. In addition, Canada Steamship Lines christened the CSL Niagara last year, the largest vessel to navigate the locks. Two other CSL vessels are undergoing hull replacement, and most Canadian owners, including Algoma Central and Upper Lakes, are proceeding to modernize and upgrade their fleets of self-unloaders, bulkers and tankers.

Taken all together, there is ground for optimism. Under new management, the St. Lawrence Seaway is proving itself resilient and inventive. Our plans are, for the first time, co-ordinated with those of a larger group of stakeholders who collectively have both the interest and the power to put the waterway front and center on the North American transportation agenda. There are reasons to believe that this new century will bring renewed life and increased prosperity to the Great Lakes and the St. Lawrence Seaway… as long as we remain proactive.

Our vision continues to be: “The St. Lawrence Seaway Management Corporation and its partners – the transportation system of choice.” This year, we have created the tools, the partnerships and the organization to bring that vision much closer to reality.

Guy Véronneau
Operational Improvements

Automatic Identification System (AIS)

The joint project involving the Trade, the Corporation and the Saint Lawrence Seaway Development Corporation to implement an AIS system for vessels on the Seaway, linked to the Traffic Management System (TMS), is proceeding on schedule. A number of units of AIS equipment were purchased in March 2000 to be tested this season. The VHF frequency for the pilot tests has been approved; the required AIS frequencies for the Great Lakes area have been allocated in Canada, and the U.S. Coast Guard has requested permanent allocation on their side of the border as well. The interface with the TMS has been designed and tested, and the Trade has helped establish the requirements for messaging to and from the ships. The project committee is working with Canadian and U.S. Coast Guard organizations to ensure that all vessels on the Great Lakes will use the same AIS equipment. AIS will be implemented during the 2001 navigation season with the aim of becoming mandatory in 2002.

Vessel draft increase

During the 1999 navigation season, tests were carried out in the Welland Canal to assess the effects of passage by vessels with a draft deeper than the current 26’3”. The results for a draft of 26’6” were promising. The project committee issued a report in January 2000 with ten recommendations for further tests, which will be conducted during the 2000 season. The focus will be on two main areas: on-the-fly squat measurements to confirm ship squat in the Seaway; and further testing at 26’6” in the Welland Canal to evaluate the effect of the increased draft on ship meets, lockage times and overall transit times. Work will also continue on phase II of the study, to evaluate the effects of increasing draft beyond 26’6”.

Self-inspection for lakeports

During the past year, a checklist was developed and a program put in place to allow inland companies that are ISO/ISM certified to carry out self-inspection of their vessels for Seaway requirements. Reporting procedures have been established and representatives of Algoma Central, Canada Steamship Lines, Transport Desgagnés, and Upper Lakes have been trained in the procedures. Self-inspection began at the opening of the 2000 season, and an SLSMC ship inspector carries out random audits of self-inspected vessels throughout the season to ensure the integrity of the process.

Transit time standards

With the participation of the Trade, a project team reviewed the assignment of responsibility for delays in ship transits, made some realignments to reflect the facts and began to develop solutions. The review noted that the goal of achieving 95% of ship transits at less than the standard time plus four hours has been achieved regularly. In the Montreal/Lake Ontario section, however, transit times for lakeports are continuously greater than the present standard. The project team carrying out a review of transit time standards will continue its work until September 2000 to determine whether adjustments to the standard are required.

Practices and procedures

With the passage of the Canada Marine Act and repeal of the St. Lawrence Seaway Authority Act, the Corporation, under section 99 of the Canada Marine Act, established practices and procedures to be followed by ships in the Seaway. The new set of Seaway Practices and Procedures differs little from the Seaway Regulations previously used, and has been in force since the beginning of the 2000 navigation season.

The Corporation is also working with Transport Canada to replace the Shore Traffic Regulations made under the former St. Lawrence Seaway Authority Act. These will be replaced by the Seaway Property Regulations, and are expected to come into effect late in 2000.
Lock operations
As part of the operational effectiveness study, a team was established to review lock operations, formulate recommendations and develop a business plan to improve the planning and process of passing vessels through the locks. Recommendations were presented to the Management Committee in March 2000, addressing issues of training, the process of maintaining and documenting operating procedures, and potential operational improvements. An implementation team has been mandated to present an action plan and schedules based on these recommendations.

Maintenance Activities
A key component of the Corporation’s commercialization agreement with Transport Canada is the Asset Renewal Plan. This plan allows for the expenditure of $126 million on infrastructure maintenance and Capital expenditures over the five years of the business plan. The expenditure target for the 1999/2000 fiscal year was $23,600,000, and the actual cost was $23,357,000 or 1% below the target. During the first two years of the business plan, the Corporation has spent $49 million on the infrastructure, or 39% of the overall allocation.

Capital Committee
The Asset Renewal Plan is managed by the Corporation and supervised by the Capital Committee (made up of two members from Transport Canada and two members of the Corporation’s board). The Committee approved changes to the plan as required, as well as the plan for the next fiscal year.

In addition, the Committee oversees performance measures for the Asset Renewal Plan, including a Reliability Index and a method of tracking percentage of work completed according to plan. The Reliability Index, which indicates overall infrastructure reliability, has increased each year, demonstrating that the work being carried out is having the desired effect. The percentage of work completed according to plan has increased from 84% in 1998/1999 to over 90% for 1999/2000, indicating both improved planning and better scheduling.

Winter maintenance
Since most of the infrastructure rehabilitation work is intrusive, it is completed during the winter shutdown period. Last winter some 50 contracts were awarded for various projects, and both regions completed additional maintenance work with their own employees.

Major Projects,
Montreal/Lake Ontario Section
• Installation of new sub-stations at Beauharnois
• Rehabilitation of sector gate tracks at Iroquois
• Replacement of lighting above Côte Ste. Catharine locks
• Bank protection in the South Shore Canal
• Painting of approach span for Bridge 3 at St. Lambert

Major Projects, Welland Canal
• Updating of automatic control systems at locks 1 and 2, and bridges 19 and 19A
• Structural repair and painting of bridge 11
• Mechanical rehabilitation of machinery on lock gates and valves
• Concrete repairs to lock 5
• Rehabilitation of rope operating machinery and installation of remote control equipment at bridge 5
• Rehabilitation of mechanical drive system for bridge 6
• Rehabilitation of gate rope drive machinery at lock 6
• Gate painting and repairs

The Saint-Louis-de-Gonzague Bridge: Partnership in Action

The Beauharnois Light, Heat & Power Company constructed the Saint-Louis-de-Gonzague Bridge in the early 1930s to carry rail and road traffic over the new Beauharnois Power Canal. In the late 1950s, The St. Lawrence Seaway Authority added a lift span to permit commercial navigation on the canal. Under the terms of our 1998 commercialization agreement, The St. Lawrence Seaway Management Corporation shares the cost of maintaining the roadway portion of the bridge with Hydro-Québec, which is now responsible for maintaining the fixed portion of the bridge.

Following the 1993 rehabilitation of the Valleyfield Bridge, a road and railway bridge that crosses the power canal five miles upstream, the municipality of Saint-Louis-de-Gonzague sued the St. Lawrence Seaway, Hydro-Québec and the Attorney General of Canada, demanding similar major rehabilitation work on the Saint-Louis Bridge.

After mediation, Hydro-Québec, Transport Canada and The St. Lawrence Seaway Management Corporation agreed to rebuild the highway portion of the bridge at an estimated cost of $13.3 million. The Corporation was mandated to manage the project, including design, preparation of specifications and drawings, contracting work, field supervision, quality assurance and general administration.

In late December 1998, the SLSMC retained the services of a consultant to prepare specifications and drawings for the fixed spans and bridge piers, while Seaway engineers designed the modifications to the lift spans. Construction, field supervision and quality assurance were contracted out. The bridge was closed to traffic on June 7, 1999, and re-opened on March 27, 2000, almost 2 1/2 months ahead of schedule, at an estimated final cost of $10.8 million – $2.5 million less than the original estimate.

Human Resources Issues

Management Performance Program

To be successful, the Corporation must continue to be innovative and flexible in responding to the demands of its business environment, while ensuring that its activities remain within the framework of the business plan and support the goals outlined in the strategic plan. This requires both discipline and commitment from all employees, from the senior management team to the service teams at the locks. Moreover, it requires full understanding of and commitment to the Corporation’s strategic goals, and a willingness to learn to apply new procedures and work in new structures as they emerge from the projects initiated through the strategic planning process.

Recognizing the demands it places on all its employees, the Corporation established a program to facilitate goal development and acceptance throughout the organization. The Management Performance Program provides a framework and techniques for setting goals, agreeing on values and practices that support these goals, and carrying out meaningful dialogue that both improves the goal-setting process and promotes buy-in at all levels of the Corporation. The goal-setting process cascades down through the levels of the organization, beginning with corporate goals and strategies, and continuing with staff at each level setting their own performance goals to support the goals of their supervisors, and be mutually supportive across their functions. Workshops and training sessions will ensure that managers know how to set “smart” goals, and how to establish regular, open and constructive dialogue with both their supervisors and staff, making the process effective and ongoing.
### Job evaluation and compensation

A nine-member committee representing all groups of Seaway employees is working with a consultant to develop a job evaluation system applicable to all positions. The group reviewed and updated all job descriptions in a new summary format and developed a multi-factored evaluation plan. They also formulated a questionnaire, which was completed by employees and their supervisors to provide information about all jobs in the Corporation. The questionnaire included 25 factors ranging from training, experience, and specialized knowledge or skills required by the job to the level of internal and external communication involved in the work, physical effort, dexterity, amount of autonomy, leadership requirements, work planning requirements, and the physical environment and stress level involved.

The committee is currently reviewing the collected information and revising their evaluation plan. Once the initial job assessment phase is completed, values will be developed for the factors in the plan. A report and recommendations are expected in the summer of 2000.

Concurrently, a new phase in the development of a global compensation plan has also started. Benchmark jobs have been selected by Seaway employees with the help of a consultant, and Seaway rates of pay are being compared to selected other companies, and to the results of outside wage and salary surveys. The goal of this project is to establish wage and salary scales that will provide internal and external equity.

### Succession planning

The Human Resources Department has begun to establish a succession planning program for the Corporation. Because our staff complement has been significantly reduced, from 803 in 1996 to 650 in 2000, it has become vital to ensure that we continue to have the required staff expertise to sustain and replenish key positions over time. The program policy and principles have been developed and approved, and the planning and identification process for the first two levels of key positions in management and their potential successors began in March 2000. The program will be deployed to other levels of the Corporation this year, and development plans will be created for the individuals concerned.

### Administrative Matters

#### Policy review

A project team has completed a policy review, ensuring that corporate policies and guidelines are consistent and clearly linked to key business processes and their “owners”. Through a process of consolidation, revision, and deletion, the team was able to reduce the organization’s body of policy documents by some 60%, eliminate unnecessary paperwork, and produce a core of clear, coherent policies applicable to both regions and head office.

#### Human Resources and Payroll module for SAP

Also in the past year, SAP (our comprehensive management information system) has been augmented with a new payroll module and upgraded for security and improved updating purposes. Staff training in the use of SAP continues, with employees reporting a satisfaction rate in the 86%-88% range. SAP is continually being refined, and the technical team is rising to the challenge of installing and testing new modules.
and versions of the software while the program is in continual use.

**Information Technology**

Recently centralized under its own Vice-President as part of the corporate reorganization, the information technology and telecommunications function underwent outside assessment last fall, giving the new department guidelines for its structure and management. The new organization is developing improved management processes, aligning it more fully with the business strategy of the Corporation. As well, staff training will be enhanced, performance measurement standards are being set, and corporate IT policies and standards will be developed and published.

### Safety Record 1999

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*This table does not include recurrences during 1999*
The St. Lawrence Seaway Management Corporation is governed by a nine-member Board, which meets as frequently as necessary to set and oversee the direction of the Corporation and review financial results. Their ultimate responsibility is to secure the long-term viability of the SLSMC, and of the Seaway as an integral part of Canada’s transportation infrastructure. To this end, the Board ensures that our operations will establish credibility with customers and the Saint Lawrence Seaway Development Corporation by providing high-quality, efficient service to all users without preference, fostering the competitive advantages of the Seaway, and ensuring a safe environment for our employees and customers.

As part of its stewardship of the Corporation, the Board has responsibility for strategic planning, risk management, succession planning, communications policy, and the integrity of the Corporation’s internal control and management information systems. It also defines the limits of management’s authority and accountability, and rules on any activities or expenditures which vary from or are not foreseen in the business plan or in the Corporation’s formal agreements with Government or other parties.

Through the Governance Committee, which also administers the Code of Conduct, the Board ensures that the Corporation’s annual objectives reflect its commitments under the business plan, the Letters Patent, and the Canada Marine Act, and ensures that no conflicts of interest arise. This Committee also oversees and reports to the Board on the systems that manage the principal risks of the business, including environment, scheduled maintenance, occupational health and safety, and year 2000 computer issues.

The Human Resources Committee ensures the development of succession plans for all senior management positions, evaluates the performance of senior executives, reviews and fixes senior management salary and compensation policies, and oversees the performance of the Corporation’s pension plan.

The Audit Committee, responsible for reviewing financial statements and for audit of the Corporation, also evaluates accounting and financial reporting policies, systems and internal controls.

Members of the Corporation

Board of Directors
Robert J. Swenor
Chairman
Steel and Iron Ore Representative
Allan J. Donaldson
Domestic Carrier Representative
Marc Dulude
Québec Provincial Government Representative
Executive Vice-President and
Chief Operating Officer
IMTT - Québec
Alan R. Holt
Other Members Representative
John E.F. Misener
Ontario Provincial Government Representative
Georges H. Robichon
International Carrier Representative
Senior Vice-President and General Counsel
Fednav Limited
Adrian D.C. Tew
Grain Representative
Vice-President
Louis Dreyfus Corporation
Guy C. Véronneau
President & Chief Executive Officer
The St. Lawrence Seaway
Management Corporation
Denise Verreault
Federal Government Representative
President
Verreault Navigation Inc.
Officers
Guy C. Véronneau,
President and Chief Executive Officer
Joseph V. Contala,
Vice-President, Information Technology and Telecommunications
Richard Corfe,
Vice-President, Maisonneuve Region
Michel Drolet,
Vice-President, Niagara Region
André Latour,
Vice-President, Human Resources
Carol Lemelin,
Vice-President, Finance
Camille G. Trépanier,
Vice-President, Strategic and Business Development
Yvette Hoffman,
Counsel and Secretary

Alfred C. Toepfer (Canada) Ltd.,
Winnipeg, Manitoba
Bunge Canada Ltd.,
Québec, Québec
Cargill Limited,
Winnipeg, Manitoba
James Richardson International,
Winnipeg, Manitoba
Louis Dreyfus Canada Ltd.,
Calgary, Alberta
Parrish & Heimbecker Limited,
Toronto, Ontario
Range Grain Company Ltd.,
Winnipeg, Manitoba
Saskatchewan Wheat Pool,
Regina, Saskatchewan
The Canadian Wheat Board,
Winnipeg, Manitoba
United Grain Growers,
Winnipeg, Manitoba

Steel and Iron Ore
Dofasco Inc.,
Hamilton, Ontario
Iron Ore Company of Canada,
Montréal, Québec

Members
Grain
ADM Agri Industries Limited,
Windsor, Ontario
Agricore
Winnipeg, Manitoba

Board of Directors,
left to right:
Front row:
A. Donaldson,
R. J. Swenor,
D. Verrault,
A. R. Holt
Back row:
G. Robichon,
A. Tew,
G. Véronneau,
J. Misener,
M. Dulude
Québec Cartier Mines, Montréal, Québec
Stelco Inc., Hamilton, Ontario

Other Members
AGP Grain, Ltd., Minneapolis, Minnesota
CGC Inc., Toronto, Ontario
Essroc Canada Inc., Mississauga, Ontario
General Chemical Canada Ltd., Parsippany, New Jersey
IMC Kalium Canada Ltd., Bannockburn, Illinois
Keystone Industry Co., Montréal, Québec
Klockner Steel Trade Corp., Garden City, New York
Lafarge Canada Inc., Hamilton, Ontario
McAsphalt Industries Limited, Scarborough, Ontario
McKeil Marine Limited, Hamilton, Ontario
Omnisource Corporation, Burlington, Ontario
Ontario Power Generation Inc., Toronto, Ontario
Petro-Canada, Oakville, Ontario
Redpath Sugars, Toronto, Ontario
Sifto Canada Inc., Goderich, Ontario
Skaarup Shipping International Corporation, Greenwich, Connecticut
The Canadian Salt Company Limited, Pointe-Claire, Québec

Domestic Carriers
Algoma Central Corporation, St. Catharines, Ontario
Canada Steamship Lines Inc., Montréal, Québec
Groupe Desgagnés Inc., Québec, Québec
N.M. Paterson & Sons Ltd., Thunder Bay, Ontario
P & H Shipping Division, Mississauga, Ontario
Upper Lakes Group Inc., Toronto, Ontario

International Carriers
Christensen Shipping Corporation, Montréal, Québec
Colley Motorships Limited, Westmount, Québec
Compass Marine Services, Montréal, Québec
Fednav Limited, Montréal, Québec
Gibson Canadian & Global Inc., Montréal, Québec
Gresco Ltée, Montréal, Québec
Inchcape Shipping Services, Montréal, Québec
Laden Maritime Inc., Montréal, Québec
Navitrans Shipping Agencies Inc., Montréal, Québec
Poros Shipping Agencies Inc., Montréal, Québec
Robert Reford, Montréal, Québec
Robin Maritime Inc., Montréal, Québec
Scandia Shipping Agencies Inc., Montréal, Québec