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# The St. Lawrence Seaway System

♠ **A vital traffic artery** • from Thunder Bay to the Atlantic Ocean • 3,700 kilometres • 8.5 sailing days, start-to-finish • 245,750 square kilometres of navigable waters ♠ **Serving the North American heartland** • 15 large international ports, 50 regional ports • a third of North America's



population • 8 states and 2 provinces border the Seaway • convenient road, rail and air connections • 60 % of Canada's gross domestic product • 26 % of U.S. manufacturing is based here ♠ **An engineering marvel** • 15 locks (13 Canadian, 2 American) • world's most spectacular lift system • between Montreal and Lake Erie, ships are raised 180 metres above sea level – the height of a 60-storey building • each lock fills with about 90 million litres of water in about 10 minutes • the 8 locks of the Welland Canal pass ships up and over the massive Niagara Escarpment • it takes about 45 minutes to get through a lock • channels and locks accommodate vessels twice as long and half as wide as a football field • that's 225.5 metres long, 23.8 metres in beam, and 8 metres in draft

• the Seaway was named one of the 10 most important public works projects of the 20<sup>th</sup> century ♠ **Makes a huge economic contribution** • the Seaway supports 75,000 direct and indirect jobs in Canada and



150,000 in the U.S. • marine commerce on the Great Lakes/Seaway system each year generates more than \$4.3 billion in personal income, \$3.4 billion in transportation-related business revenue and \$1.3 billion in federal, state and local taxes • 10,000 tonnes of general cargo handled by a Great Lakes port contributes more than half a million dollars in local economic benefits ♠ **Tonnes of traffic, with room to spare** • since it opened in 1959, the Seaway has moved more than 260,000 vessels and more than 2.2 billion tonnes of cargo, valued at \$265 billion Canadian to and from Canada, the U.S. and more than 50 other nations • about 12 vessels a day pass through the Seaway in an average navigation season ♠ **Safe, efficient and environmentally friendly** • Automatic Identification System (AIS) and centralized traffic management reduce delays and increase safety margins • a consistent record of over 99% reliability and system uptime • a Seaway-max ship carries a cargo equivalent to 870 trucks or 225 rail cars • marine safety and spill records are far superior to rail and truck transportation: one marine accident for every 13.7 rail and 74.7 truck accidents and one marine spill for every 10 rail and 37.5 truck spills • Seaway ships move a tonne of freight up to 800 km on 4



litres of fuel • ships emit one tenth the environmental pollution of trucks and half that of trains • marine transport produces less noise, less waste, less traffic congestion.

## THE ST. LAWRENCE SEAWAY MANAGEMENT CORPORATION (SLSMC)

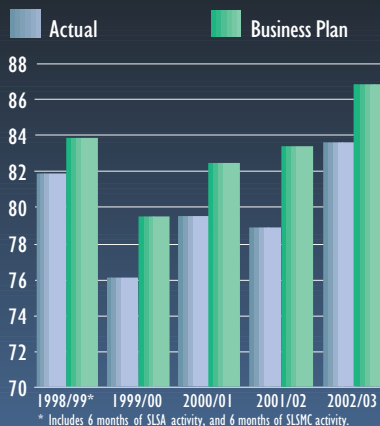
- **All business, but not-for-profit** • established 1998 to bring commercial management concepts to Seaway operations
- non-profit corporation run by Seaway users and other stakeholders
- operates Seaway's Canadian assets under contract to Canadian government, which retains ownership
- responsible also for managing Saint-Louis de Gonzague Bridge, Valleyfield Bridge, Townline Tunnel and all Seaway-related leases and licences

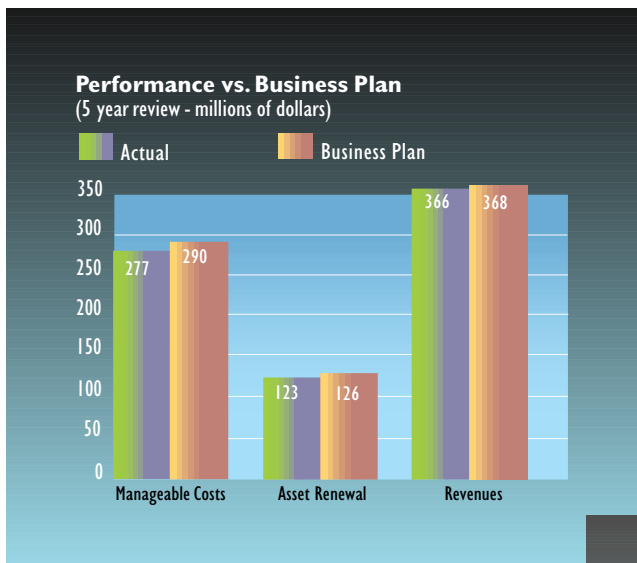


- **A CLEAR DIRECTION** • *OUR MISSION:* We pass ships through a safe and reliable waterway system in a cost-effective, efficient and environmentally friendly manner to meet our customers' transportation needs
- *OUR VISION:* The SLSMC and its partners... the transportation system of choice
- **Guided by 5-year business plans** • the Corporation completed its first five-year business plan in 2002–2003, meeting or exceeding all targets
- 5-year revenues within

- 0.5% of the original forecast at \$366 million
- manageable costs 4.5% below plan at \$277 million
- asset renewal costs 2.5% below plan at \$123 million.
- revenues fluctuate with economic trends, but SLSMC stays on target through proactive control of manageable expenses
- **2002–2003 financial highlights** • total revenue for the year was \$65.6 million, about 0.4% above budget
- manageable costs: 96.3% of business plan target
- asset renewal expenditures: \$700,000 below plan, at \$24.2 million
- \$3 million added to Corporation's reserve, which stands at \$8.4 million, after awarding 1% toll rebate at start of 2003–2004 season
- 606 full-time equivalent employees, compared to budget of 619
- **2002 season highlights** • navigation season opened on

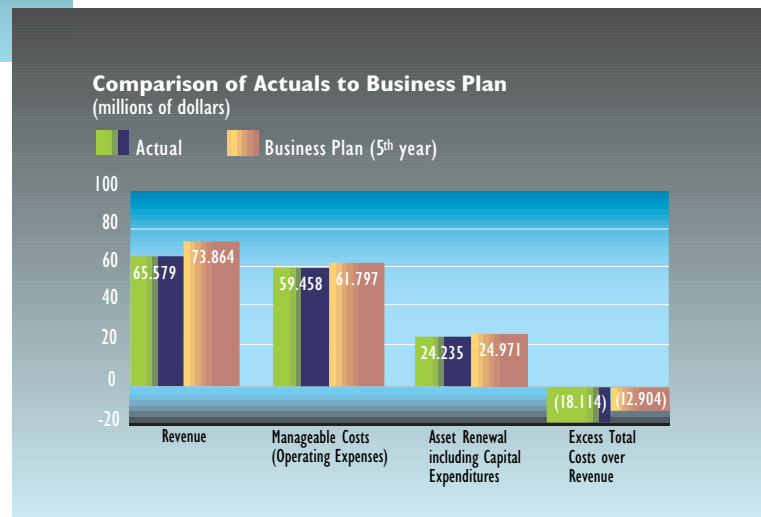
**Five-Year Review**  
**Overall Total Costs**  
(millions of dollars)





March 26, closed on December 26 • lasted 276 days, the third longest season on record • **Traffic highlights** • continuing drought in wheatlands and economic downturn in U.S. forced traffic levels down • reduced demand from mid-west steel industry and new U.S. steel tariff

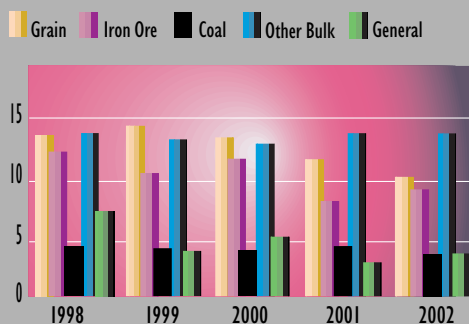
caused slow traffic in related commodities (iron ore, coal and steel imports) • grain traffic figures well below 5-year average • total 2002 traffic: 41.4 million tonnes, down from 41.7 million tonnes in 2001 • grain down 1.3 million tonnes • coal down 0.66 million tonnes • other bulk cargo down 0.5 million tonnes



• iron ore up 1 million tonnes

- general cargo (steel) up 1.1 million tonnes
- cargo movements on Montreal-Lake Ontario section amounted to 30 million tonnes, a 0.9% decrease from 2001
- traffic on Welland Canal totalled 32.11 million tonnes, a decrease of 1.2%
- overall vessel transits down by 194 from 2001
- slight increase in Montreal-Lake Ontario section
- reduction of some 10% in Welland Canal

### Five Year Review of Combined Traffic by Commodity (millions of tonnes)



# PRESIDENT'S MESSAGE



## *Looking Back*

**A**s we begin a new five-year cycle, it seems appropriate to look back at what we have achieved since

1998. During the period covered by our initial business plan, April 1, 1998, to March 31, 2003, the Seaway consistently succeeded in not only meeting, but also exceeding its targets. Revenue was within 0.5% of the original plan at \$366 million, manageable costs were 4.5% below target at \$277 million, and asset renewal costs were 2.5% below plan at \$123 million. Strong cost control enabled us to provide toll rebates to our customers during the last two years of the cycle. Although weak economic activity and aggressive competition in recent years cut into cargo traffic, a final 1% reduction was integrated into the tariff structure for 2003. This is certainly the primary measure of our success, but there are others.

In five years, excellent progress has been made with the marine industry and other stakeholders in the Great Lakes/Seaway system to forge strong partnerships that enhance our appeal and promote joint planning. This ongoing initiative began with the work of the Waterway Strategic Issues Forum led by my predecessor, Guy Véronneau, and involved industry leaders on both sides of the border. Many of the ideas from this strategic exercise were amalgamated with the marine industry's Vision 2020 thinking, and their implementation, which goes

beyond the mandate of the SLSMC, is being spearheaded by the Chamber of Maritime Commerce, with our co-operation.

SLSMC, under Guy Véronneau's leadership, also brought to fruition a number of significant long-term projects to improve service. AIS is now a reality, with full-scale implementation starting in 2003. We have thoroughly upgraded our information technology systems, which contribute greatly to efficiency. Traffic control has been integrated throughout the system, and our Web site serves thousands every day with comprehensive, easy-to-use information and e-business applications. We have upgraded operational procedures and structures to improve safety and efficiency for vessels and employees. Other projects are ongoing. We continue to work on optimizing draft throughout the system and on optimizing the length of the navigation season. The preliminary work for hydraulic conversion of lock equipment has started, installation of remote operation for bridges is underway, and we are tackling a number of important planning and management issues through large-scale research.

## *The Year's Financial Results*

The financial results for the past year confirm that we again bettered the business plan. Actual expenditures at the end of the year were slightly higher than forecast, due mainly to difficult weather conditions that increased the costs of preparing the system for the 2003 opening. In light of the flat revenues of the past two years, we took aggressive action on manageable costs. At the end of the year, man-



ageable costs remained at 96.2% of plan, despite steep increases in insurance premiums. This, together with asset renewal expenditures \$700,000 below plan, added another \$3 million to the Corporation's reserve. Continued strong management to control absenteeism, replacement and overtime have kept the full-time equivalent number for the year at 606, well below the budget figure of 619. The Corporation's reserve, after awarding the 1% toll rebate at the start of the 2003 season, stands at \$8.4 million.

### ***New Business Plan***

Since I assumed the position of Executive Vice-President last fall, and then the Presidency this spring, it has been a busy time, with a number of important matters demanding simultaneous attention. Perhaps the most urgent was negotiating the Corporation's new business plan with Transport Canada over the fall and winter months. The new plan, which takes effect April 1, 2003, and covers the period 2003–2007, provides a stable platform for us to optimize our operations in the short term, while planning for the longer-term needs of the system. It incorporates some changes that reflect current operational challenges.

After the 1% reduction in the mandatory toll increase for 2003, annual toll increases will be capped at 2% for the remaining 4 years of the plan, and there will be no rebates. This action should provide users with a toll level lower than what could have been achieved by rebates in years 7 through 10.

Total revenue is targeted to increase by 14% or \$50 million over the 5-year period. This increase will come mainly from the mandatory toll increases, although some growth in traffic is forecast – about two million tonnes annually.

Close attention paid to maintenance and asset renewal has ensured us an extremely reliable system, with the Seaway's uptime increasing from 99.75% in 2001/02 to 99.79% in 2002–03. However, in view of our aging infrastructure, the new plan provides for increased asset renewal costs, though less than we proposed. We will increase our maintenance expenditures by some 36% over the next five years, to \$170 million. This amount will be reviewed by 2005, when the initial baseline information from the Great Lakes-St. Lawrence Seaway System Review will be available.

The gap between what SLSMC proposed and what the new plan provides will challenge us to ensure that our preventive maintenance programs are in top shape, to develop an aptitude for "just in time" major repairs and to ensure cost estimation and inspection processes are well-based. The impact on reliability will be closely monitored. Key projects in the next five years include the conversion of mechanical lock drives across the system to hydraulic equipment, in place of continued repairs, and the engineering study for the major rehabilitation of the Montreal and Beauharnois locks.

Our target for manageable costs is \$318 million, also a 14 % increase. Personnel costs are expected to remain at 84% of manageable costs; employee future benefits, pension and insurance costs will continue to place a heavy burden on the Corporation, and taken together are projected to increase by 100%. The plan protects SLSMC against any further increase in those costs due to market fluctuations. The full-time equivalent staff target in the business plan is 599 by the end of year 6, decreasing to 574 in year 10.

### *Corporate Focus*

The need to control costs, coupled with the retirement of my predecessor, brought about some changes to the organization in 2002–03, chief among which was the elimination of three vice-presidential positions, and a variety of promotions and reassignments. We benefited from previous succession planning work, which had identified candidates ready to take on greater responsibility and others who needed a different challenge to move their careers ahead. At the same time, a split was made between corporate process responsibility and regional management responsibility, allowing the line Vice-Presidents time to concentrate on people management issues. We believe we have measurably strengthened the organization by these moves. In addition, the collective agreement with Seaway workers has been extended to March 31, 2005. My thanks to our labour partners for agreeing to help us ensure that the Seaway retains its reputation as a reliable transportation system, with a competitive productivity and cost base.

### **Vision 2012**

As we prepared for the renewal of our business plan, it became clear that the Seaway is at a crossroads. Given increasing maintenance costs, declining traffic, shifting markets, increased competition, the increasing size of ocean vessels, many of which cannot be accommodated by our locks and channels, and the emergence of new technology everywhere, the challenges confronting the Corporation are significant enough to warrant a collective effort towards a new definition of future goals and strategies.



A visioning initiative was launched in December 2002 through a series of discussions between myself and employees. We gathered the views of over 85% of employees about what the Corporation should look like in ten years. Work teams then consolidated the input into a coherent and realistic picture of 2012 for discussion at the Corporation's annual President's meeting in June 2003. The emerging 10-year Vision will be translated into action plans and integrated into the corporate strategic planning cycle.

### ***Looking Outward, and Forward***

Planning to ensure the continued viability of our waterway requires collaboration among many stakeholders on both sides of the border. This collaborative approach remains an integral component of our strategy. A great step forward was taken with the recently announced agreement between Canada and the U.S. to complete the Great Lakes/St. Lawrence Seaway System Study. SLSMC has been promoting participation in this study, because it has the potential to provide the best information possible for decisions about the long-term future of marine transportation in the system.



The review will encompass a thorough engineering study of the waterway's infrastructure, with other critical analyses, including a cost-benefit analysis and an environmental review. While Transport Canada (TC) and the U.S. Army Corps of Engineers (USACE) will be co-managing the study, I will represent SLSMC on the Steering Committee, along with senior management representatives from TC, the U.S. Department of Transportation, USACE and the Saint Lawrence Seaway Development Corporation (SLSDC). An SLSMC co-leader of the Engineering Team will contribute significantly to the assessment of our infrastructure. This is a long-term study, and I believe it is a necessary first step towards deciding if and how to modernize the Seaway infrastructure. We are also encouraging a second significant binational study, now being considered by TC, to modernize and streamline navigation services on the waterway. Ships transiting the Seaway must cross the U.S.-Canadian border some 16 times, and deal with more than 20 different agencies in doing so. What we hope will emerge from the study is a co-ordinated approach that cuts out duplication and unnecessary costs, and provides efficient joint services on both sides of the border.

#### **Strategic External Communications Plan**

In January 2003, following direction from the Board, consultation with the Shipping Federation of Canada, the Canadian Shipowners Association, the Chamber of Maritime Commerce, and the St. Lawrence Economic Development Council (SODES), led to a proposed communications plan for the

Great Lakes / St. Lawrence Seaway System. The initial focus of raising the profile of the waterway and generating support for the Great Lakes / St. Lawrence Seaway System Review was broadened to incorporate two additional objectives: to increase the credibility and influence of the maritime industry with decision-makers and opinion leaders; and to empower business leaders, workers and communities to build acceptance for investing in new infrastructure for the system. The SLSDC has expressed an interest in participating in this endeavour, and sharing the ensuing costs.

I believe it is essential for the marine industry to make widely known the environmental benefits of marine transportation. A Seaway used to full capacity can reduce greenhouse gas emissions and congestion on our highways, conserve energy and reduce both accidents and spills related to cargo transport, the costs of which are borne by society at large across North America. Marine transportation is the way to a greener future, and the Seaway is key to that future.

Finally, a word of thanks to our Board, management and employees, whose support and co-operation have eased my new duties considerably. And thank you to Guy Véronneau, whose legacy is a strong, flexible and effective organization, well fitted for the challenges of the future.

Richard Corfe

# Report

## ON OPERATIONS

### 5-year Project Milestones

SLSMC completed its first five-year business plan in 2002–2003, and with it, a number of key projects. The milestones reached on projects related to the Corporation's strategic objectives, stemming from its long-term (2001–2004) strategic plan, are summarized below.

#### *Corporate Projects*

- Completion of special examination (required by law)
- Negotiate new 5-year business plan with Transport Canada
- Participate in U.S. Army Corps of Engineers study (reconnaissance phase)
- Commence study on modernization / future governance of marine navigation services
- Work with Great Lakes Management Forum / Waterway Strategic Issues Forum / other marine stakeholders to forge a more cohesive approach to promoting and managing the System
- Transition to a corporate process-centred organization
- Complete corporate threat and risk assessment study
- Complete marine security plan for the Seaway System with joint stakeholders (Canadian and U.S. Coast Guards / Transport Canada / Transport Quebec / SLSDC / pilotage / police agencies / others)
- Implement new Seaway Practices and Procedures and Seaway Property Regulations
- Review of SLSMC policies



### ***Human Resources Projects***

- Develop and implement succession plan
- Provide orientation for change management / leadership development
- Implement management performance plan
- Implement SMART performance program
- Develop and implement joint job evaluation plan for pay equity
- Design / implement related compensation program
- Negotiate new collective agreement (3 years + 1 year extension)
- Manage / reduce absenteeism

### ***Operations Projects***

- Operations centre functional study
- Research and develop new tools for vessel tie-up at locks
- Develop strategy for ice management
- Complete ship "squat" study and revise vessel speed guidelines
- Carry out study to optimize ship draft
- Implement vessel self-inspection program
- Revise ballast water management procedures to mitigate the impact of aquatic nuisance species
- Develop transit time standards with trade partners



- ISO certification of Marines Services and Traffic Control Services groups
- Build worker safety and reduce lost-time incidents

### ***Finance Projects***

- Complete initial 5-year business plan, meeting or exceeding performance targets for manageable costs and asset renewal costs
- Streamline operations / meet or exceed all corporate targets for staffing levels
- Develop new model for tariff structure

### ***Technology Projects***

- AIS implementation and integration with Traffic Management System (TMS)
- Implementation of a new geographic information system within TMS
- Implement Seaway Web site as the premier mode of disseminating information to the marine industry
- Transition to electronic delivery of Seaway information
- Web delivery of Seaway promotional video (*A Vital Waterway*)
- Implementation of ATM (Asynchronous Transfer Mode) communication backbone to link offices more efficiently
- Leverage SAP across the corporation and implement HR / payroll functions
- Put in place integrated Help Desk system to improve service levels and minimize support costs
- Link offices through video conferencing
- Ensure all systems met Y2K compliance objectives

## The 2002–2003 Navigation Season

### Opening

- Seaway opened to navigation March 26, 2002
- In the Montreal / Lake Ontario section, draft limited to 7.9 m (26'0") until South Shore Canal became ice-free April 15, and then increased to 8.0 m (26'3")
- Draft of 8.0 m (26'3") in Welland Canal for full season

### Closing

- Navigation ended December 26, with passage of *CSL Laurentian* through St. Lambert Lock
- Season lasted 276 days, third longest on record
- Some ice formation during early December, but mild temperatures left Seaway ice-free at closing
- Surcharges waived for December 21–22, but retained for December 23–24
- Two vessels paid surcharges totalling \$140,000

- Special agreements required for one vessel in Montreal-Lake Ontario section and two in Welland Canal resulted in additional charges of \$180,000

### Cargo Traffic Highlights

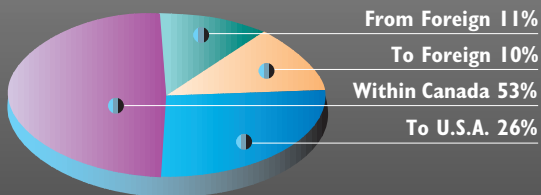
Mild economic recessions continued in both Canada and the United States, leading to further reductions in Seaway traffic.

Cargo movements on the Montreal-Lake Ontario (MLO) section in 2002 amounted to 30 million tonnes, a 0.9% or 276,000 tonnes decrease from 2001 cargo movements. Traffic on the Welland Canal totalled 32.11 million tonnes, a decrease of 1.2% or 377,000 tonnes. Combined Seaway traffic reached 41.39 million tonnes, a decrease of 0.8% from the 2001 result of 41.7 million tonnes.

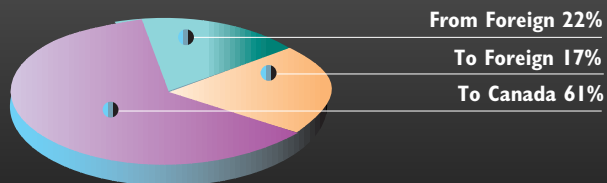
### Grain

Again in 2002, poor harvests and strong competition among exporting countries combined to push Canadian grain traffic well below the

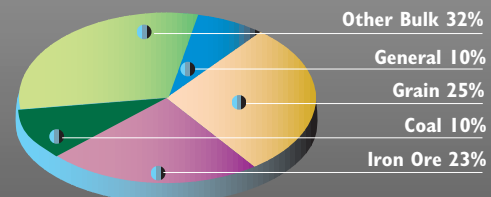
Traffic to/from Canada 2002/2003



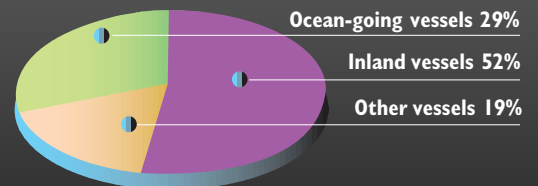
Traffic to/from U.S.A. 2002/2003



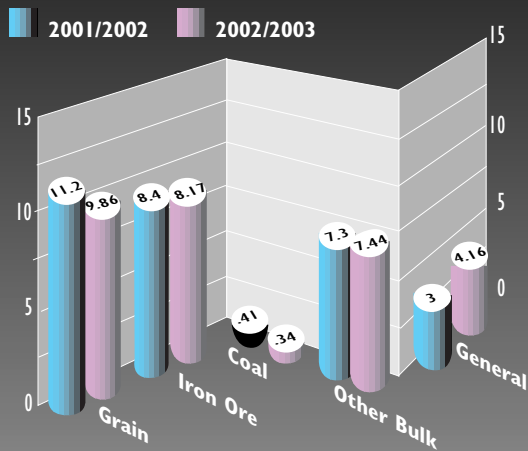
Combined Traffic by Commodity 2002/2003



Combined Vessel Transits 2002/2003



### Montreal/Lake Ontario Section (millions of tonnes)



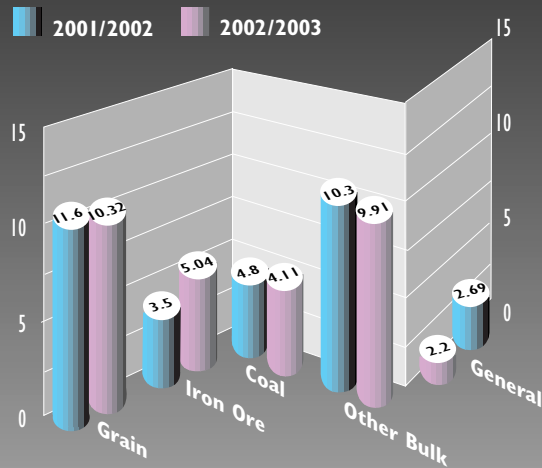
5-year average. Traffic decreased by 9% or 0.55 million tonnes in the MLO section, for a total of 5.56 million tonnes. On the Welland Canal, traffic decreased by 8.8% or 0.55 million tonnes, for a total of 5.67 million tonnes. American grain traffic also suffered from bad weather conditions and strong competition. Movements decreased by 15.8% or 0.79 million tonnes in the MLO Section and by 15.4% or 0.84 million tonnes on the Welland Canal. American grain traffic totalled 4.23 million tonnes in the MLO Section and 4.58 million tonnes on the Welland Canal.

As a result, total grain traffic decreased by 11.6% to 9.86 million tonnes in the MLO section and by 11.4% to 10.32 million tonnes on the Welland Canal.

#### Iron Ore

Movements from Labrador mines to American facilities in the upper Great Lakes were again affected by reduced activity in the American steel industry, causing another decrease in traffic. Movements to Canadian Mills from Labrador mines also decreased. However, downbound movements through the Welland Canal from the Mesabi Range increased by 413.7% or 1.12 million tonnes. Total shipments increased by 10.6% or 571,500 tonnes in 2002. Imports through Quebec City increased by 64.1% or 204,300 tonnes.

### Welland Canal (millions of tonnes)



Total iron ore traffic amounted to 8.17 million tonnes in the MLO section (a decrease of 2.6% or 219,000 tonnes from 2001). On the Welland Canal, traffic amounted to 5.04 million tonnes, an increase of 44.6% or 1.56 million tonnes.

#### Coal

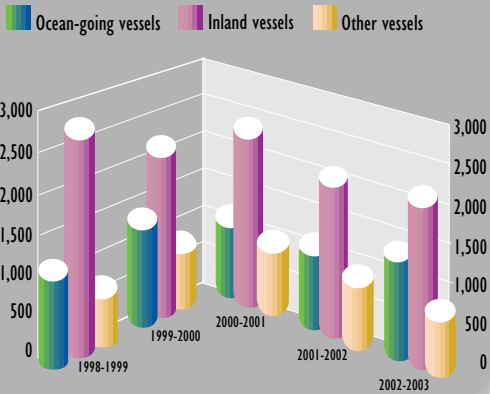
Coal movements in both sections decreased in 2002, mainly because of lower demand for coke production. Traffic decreased by 17.3% or 71,000 tonnes to 0.34 million tonnes in the MLO section and by 14.4% or 690,000 tonnes to 4.11 million tonnes on the Welland Canal.

#### Other Bulk Cargo

Economic conditions unfavourable to movements of bulk materials prevailed in the USA in 2002. While traffic in the Welland Canal slightly decreased, there was a small increase through the MLO Section, where other bulk movements increased by 1.8% or 135,000 tonnes to 7.44 million tonnes. Traffic increases were registered in coke, chemicals, gypsum and stone, with all other bulk commodities decreasing. On the Welland



### Five Year Review of Combined Vessel Transits



Canal, other bulk movements registered a decrease of 426,000 tonnes or 4.1% to 9.91 million tonnes. All commodities decreased, with the exception of coke, which experienced a 32.5% increase, mainly because of Chinese coke imports.

#### General cargo

The introduction in March 2002 of a tariff on steel imports by the United States reduced general cargo movements at the beginning of the navigation season. However, stronger imports during the rest of the season brought an overall traffic increase of 38.3% or 1.15 million tonnes in the MLO section and 21.8% or 0.48 million tonnes on the Welland Canal, for a total of 4.16 and 2.69 million tonnes respectively.

#### Outlook

Future movements in the Seaway will remain closely linked to both Canadian and American economic performances. For the next few years, the potential effects on Seaway traffic of world events and increasing globalization will be difficult to forecast. Nevertheless, given a more vigorous Canadian economy and somewhat better economic conditions on the horizon for the United States, total Seaway traffic is expected to improve.

## Asset Renewal

### Winter Works Program

Each winter, major components of the Seaway infrastructure are overhauled during the eleven-week shutdown period. In Niagara, 96 projects were completed by contract over the course of the winter, at an under-budget cost of \$9.5 million. Projects carried out in the Maisonneuve Region cost \$3.5 million. Seaway employees carried out a number of winter works projects (amounting to some \$4.9 million) as well, in addition to regular preventive maintenance and inspections.

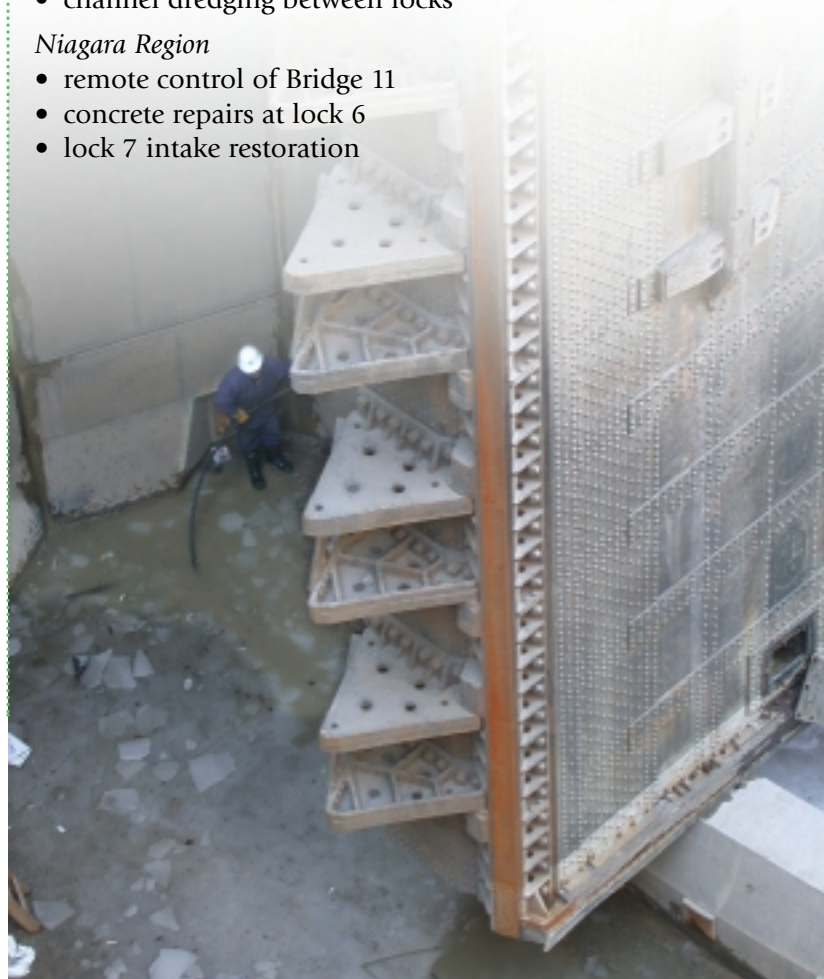
### Major Winter Projects

#### Maisonneuve Region

- gate rehabilitation and re-tensioning at St. Lambert lock
- Bridge 10 cleaning & painting, phase I
- crack injection at lower Beauharnois lock
- concrete repairs at upper Beauharnois and St. Lambert locks
- channel dredging between locks

#### Niagara Region

- remote control of Bridge 11
- concrete repairs at lock 6
- lock 7 intake restoration



- gate rehabilitation at locks 2 and 6
- Long Reach bank stabilization
- McGee's wall, wharf 18 and wharf 12 repairs
- mechanical repairs and rehabilitation of lock valves
- wall paving at lock 6
- timber pile repairs at locks 2 and 3
- various electrical and electronic upgrades
- painting and building renovations

### Asset Renewal Plan

In 2002–03, the last year of the first five-year plan, \$24.2 million was spent on asset renewal, bringing the total expenditure for the five years to \$122.6 million or 2.8% below the maximum authorized amount of \$126.2 million.

The next five-year plan allows a total expenditure of \$170 million to safeguard day-to-day operations and the long-term integrity of the Seaway's infrastructure and equipment.

### Essential Works Projects

In negotiating the new business plan with Transport Canada, SLSMC emphasized the need

to make adequate provision for the Seaway's aging infrastructure. Maintenance costs increase yearly, and decisions about a major investment in infrastructure renewal will become necessary before the end of this decade. The new business plan does respond to these concerns, though to a lesser extent than SLSMC had hoped. Financial coverage for two essential projects, however, has been acquired. The detailed plan for next year (year 6 of the Agreement) totals \$30 million and

includes funds to carry on with the alkali-aggregate reaction (AAR) rehabilitation study for the Maisonneuve locks and start a hydraulics conversion project in Niagara.

### Alkali-aggregate Reaction (AAR)

AAR is an irreversible chemical reaction that takes place within concrete structures. When alkali in cement reacts with certain types of silica in aggregates, a silica gel is produced that swells when exposed to humidity. As a result, the concrete in some Seaway locks is increasing in volume.

AAR affects four locks in the Maisonneuve Region: St-Lambert (lock 1), Côte Ste-Catherine (lock 2) and both Beauharnois locks (locks 3 and 4).

5-YEAR ASSET RENEWAL PLAN (Excluding St. Catharines Hydro Electric Commission)						
	'98-'99	'99-'00	'00-'01	'01-'02	'02-'03	
Regular Maintenance	2,792	2,740	3,331	3,251	3,464	
Major Maintenance	16,807	18,318	20,068	19,500	19,433	
Capital	6,007	2,479	1,525	1,764	1,339	
						5-year Total
Total	25,606	23,357	24,924	24,515	24,236	122,638
Auth. Plan	26,814	23,567	24,926	25,457	<b>24,971</b>	125,735
Original Plan	27,518	25,054	23,184	25,744	24,703	126,203

(in millions of dollars)

The swelling of concrete creates serious operational problems. Valves no longer shut tightly, gates stick, various lock components lose alignment, expansion joints on bridges close up, and cracks develop in the structure. In addition, the locks shrink by 4mm annually in width. Annual overhauls are required to prevent damage to mechanical components of the locks caused by the swelling concrete, and to move back bridge abutments. Hydro-Québec, the modelling consultant for this project, has



Crack Injection in the cable galleries,  
St-Lambert Lock

developed a finite element analysis model to assess damage and predict future deterioration. Results to date show that cracks in the structures will reach unacceptable levels within 10 years.

In response, SLSMC has developed a long-term strategy to guarantee structural integrity, and to restore the locks' original width. We are monitoring AAR through inspection and testing, instrumentation and modelling programs. All affected locks are now equipped with crack measurement apparatus and inverted plumb-lines on the lock walls. Preliminary feasibility and cost analyses for various overhaul alternatives are underway. Ultimately, the rehabilitation work will increase the useful life span of the Maisonneuve Region locks up to 100 years.

#### **Hydraulic Conversion Project**

Hydraulic applications are becoming more and more current in modern canal and dam systems around the world, including the Panama Canal locks. Growing maintenance and repair costs for the Seaway's original mechanical drive systems, and the potential financial savings, safety improvements and technological control advantages of modern hydraulic equipment prompted the Corporation to investigate the possibility of conversion.

A successful business case was prepared and Acres International was awarded a contract for a feasibility study, which included recommen-

dations to proceed with converting the mechanical drives of specific components of the Welland Canal, at a cost of approximately \$32 million. Converting the mechanical drives of other components will be reviewed at a later date.

Three projects (valves, gates, and ship arrestors) were identified and approved for the next fiscal year. The majority of the funding has been secured for subsequent years and is included in the new five-year business plan. The conversion project is a 6-year program, which will begin with selected equipment at Lock 6 in the first year, followed by the conversion of all equipment and the control system in Lock 7 in the second year, setting the stage for conversion across the system in the following four years.

#### **Remote Operation**

To improve operational efficiency, the Seaway launched a program to bring free-standing bridges under remote control from a central control station.

Bridges 5 on the Welland Canal is now fully operational; control was moved to the Traffic Control Centre, and the bridge is operated by Traffic Control personnel. Work on Bridge 11 is progressing and should reach completion by the winter of 2004. Bridges 4 and 21 will be fully automated and operated from a central control station by 2006. This will bring the operation of all isolated bridges to one centre.



## Navigation and Customer Service

### *Reliability and System Uptime*

As an indicator of its commitment to provide a highly reliable system, SLSMC has established five different measures to monitor the waterway's reliability, efficiency and safety.

Two measures of system reliability track the overall structure availability. The structure availability indicator, or system uptime measurement, considers all maintenance related delays including delays due to Seaway equipment malfunctions or breakdowns at locks and bridges. Over the nine months of navigation in 2002, structures were not available 0.2% of the time for maintenance-related reasons, a 0.2% improvement over the last two years.

The second reliability indicator, Continued Availability, measures the overall system availability during the navigation season. It factors in all delays that are under our control, with the exception of traffic-related delays. The continued availability indicator increased from 97.55% in 2001/02 to 99.79% in 2002/03. The SLSMC also tracks two indicators to assess its performance in terms of efficiency.

Over the past 3 years, there has been a reduction of approximately 45 % in the number of hours ships are delayed in transit by causes within SLSMC control. Controllable delays include those caused by the operation, maintenance or breakdowns of equipment; water levels; traffic management; and installation of navigation aids at the opening and closing of the navigation season.

Transit time measures the Corporation's commitment to efficiency. During the 2002 navigation season, 91% of vessels transited the Seaway system within the agreed-to norm. This indicates that our customers can rely on a high level of dependability in regard to transit time.

The safety index tracks incidents such as vessel collisions and groundings, and vessel contacts with Seaway structures, no matter how minor. In 2002-03, there were 4 commercial vessel incidents where some damage occurred per 1000 transits; in the previous season, there were 5 per 1000 transits.



### *Automatic Identification System (AIS)*

Both Seaway organizations, with the assistance of the Volpe Center (U.S. Department of Transportation) have worked for a decade to develop and implement AIS, and as a result, the St. Lawrence Seaway is the first inland waterway in the world to take advantage of this new standard in navigation technology.

The AIS system uses both shipboard and on-shore equipment. Aboard ship, a transponder broadcasts and receives information about vessel position (acquired by GPS satellite), vessel speed, course, heading, dimensions and (at the user's discretion) destination and ETA. Information from all surrounding ships is displayed on each vessel's electronic charts or navigation system. Shipmasters and pilots can use this precise information to improve vessel safety dramatically, especially during adverse weather conditions.

Nine VHF antennas located along the Seaway – the shore-side portion of the AIS network – were activated in August 2002. They capture the AIS signals broadcast by transiting vessels and return the vessels' coordinates, heading and speed back to our Traffic Management System (TMS), helping traffic controllers to

better predict vessel movements and trends, and improve scheduling accuracy.

The responses from vessels equipped with AIS have been very positive:

*"We were caught in heavy squalls, during which time we pretty well lost our targets on radar due to the rain clutter. Fortunately, we had the M/V Peter R. Cresswell visible all the time on our ECDIS screen thanks to its AIS transponder. We never lost its icon even in the worst of the rain. As more ships are fitted with AIS, I believe everyone will quickly realize that it is going to be very useful in all aspects of our job.*

*We are just beginning to explore the potential of this tool...it sure looks promising."*

*—Captain Georges Coté of the Canadian Prospector (August 2002)*

Vessels will also benefit from the shore-based network; TMS broadcasts back critical navigation information, such as wind conditions, water levels, weir and dam outflows, as well as safety-related messages.

Between August and December 2002, the Seaway leased 11 transponders from various manufacturers to test the network, giving vessel pilots and masters a preview of the benefits of the new system. Nine inland vessels were fitted with these units. Two portable units were used by the Pilotage Associations to test on various ocean vessels.

Traffic control centres, vessel pilots and masters filled out a survey for each transit, providing information on the functionality and reliability of the new system. Tests continued until the end of the navigation season and modifications were made to the system based on the experiences recorded, to ensure optimum conditions for official start-up in April 2003.

With the opening of 2003 navigation season, all commercial vessels transiting the Seaway with a gross registered tonnage of 300 tons or





more, and all passenger vessels carrying more than 50 people, require an IMO (International Marine Organization) certified AIS transponder.

### ***Draft Optimization***

The Corporation is continuing to pursue the goal of increasing Seaway draft to accommodate heavier vessels; however, implementation of deeper draft continues to be delayed by low water levels in parts of the Great Lakes.

During the last year, much of the preparatory work was completed:

- high spots in South Shore Canal levelled
- high spots at Hamilton Island and International tangent removed
- high spots removed above lock 7 and below lock 1 in Welland Canal
- vessel squat curves developed for five main types of vessels transiting the Seaway and incorporated into Seaway water level spreadsheets to determine optimal speeds for different loading conditions

With AIS now in place to provide precise information for monitoring vessel speed and location, it should be possible to increase draft by up to 3" when water levels return to normal throughout the system.

### ***Season Extension***

A binational committee made up of the two Seaway Corporations and trade representatives continues to assess the feasibility of extending Seaway navigation to 10 months, consistent with the opening and closing dates of the Soo Locks.

A market survey of the main shippers has been carried out to evaluate benefits, and the incremental revenues / costs for an extended season have been assessed. The necessary capital expenditure is estimated at over \$50 million. A preliminary cost-benefit analysis has been prepared, and the committee members will finalize their report during 2003.



### ***ISO Certification Extended to Traffic Control Centres***

In July 1998, the Corporation obtained ISO 9002 certification from Lloyd's Register for Marine and Ship Inspection Services, reinforcing the Seaway's commitment to provide a safe and reliable system with a high standard of service. SLSMC plans to extend ISO certification to all services linked to the operational needs of our customers.

In 2002, Traffic Control Services in both Niagara and Maisonneuve Regions obtained ISO 9002 (1994) certification. The process required the documentation of existing practices and, in some cases, the implementation of new quality procedures to ensure consistent and timely service. Periodic audits and the implementation of corrective and preventive measures now provide a mechanism for continuous improvement, which benefits both the Corporation and our customers.

Work continues on the quality certification front, as ISO has now published new standards to which the Corporation will need to conform. In addition, the Management Committee has identified Lock Operations as the next area to be certified.

### ***Inland Vessel Self-inspection Project***

In 2000, SLSMC offered ISO/ISM-certified companies the option of carrying out their own inland vessel inspections for Seaway requirements. SLSMC ship inspectors carry out random spot-checks of self-inspected vessels throughout the season.

“The Digital Wave” symbolizes the Seaway’s new suite of e-business applications, available for use on the web site.

In 2001, Upper Lakes, Algoma and CSL indicated that, despite the convenience, the costs involved in self-inspection place them at an economic disadvantage in comparison with non-participating companies. SLSMC reviewed the program in 2002 and introduced the use of a short form for the biannual inspections, the long form being completed only for the initial inspection. Participating companies agree that this modification provides a level playing field. Rigel Shipping Canada Inc. became a CSA member in 2002 and has included their three Canadian-registered ISO-certified tankers in the self-inspection program.

#### **Web Site and E-Business Applications**

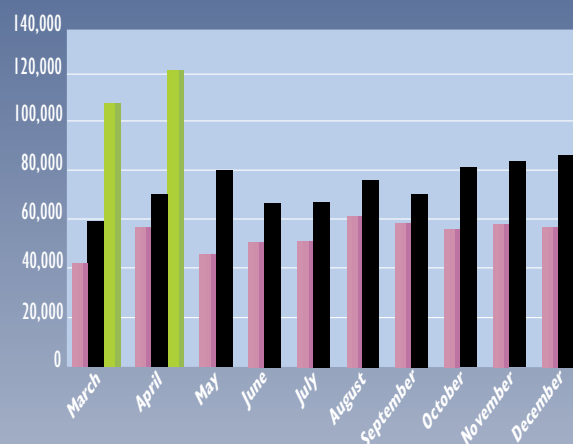
The binational [www.greatlakes-seaway.com](http://www.greatlakes-seaway.com) Web site has become the leading source of information on the Seaway for stakeholders. The latest Web traffic figures point to 107,000 page requests in the month of March, 2003, continuing a >60% annual growth trend.

In addition to providing useful services to customers, the Web site has a favourable impact on the Corporation’s efficiency. Many Web users are obtaining information that once had to be issued by phone, fax, or Canada Post. We have noted a marked decline in the demand for printed copies of our publications, including our annual report, thanks to efficient dissemination via our Web site. In 2002, SLSMC implemented a comprehensive e-mail broadcasting system. Seaway Notices, Seaway Handbook updates, and a variety of other correspondence are now available by e-mail, with more than 850 stakeholders registered by the end of the fiscal year.

Our e-business services have steadily advanced over the last 18 months. The Web site facili-

#### **Monthly Web Traffic**

Page Requests for March–December 2001 2002 2003



tates many aspects of shipping goods and commodities through the Seaway. Users may now survey the Seaway’s competitive advantages, calculate their shipping costs, review the capacity of every major port along the waterway, contact agents and other service providers listed in our “yellow pages” links section, obtain information on transit requirements and regulations, file pre-clearance requests and transit declarations forms (which are automatically routed to Seaway personnel), track the progress of their vessels on our real-time map display, submit pre-arrival forms, and receive electronic copies of toll invoices for payment.

The Web site also increases our marketing reach. In the span of a single month (April 2003) 2,189 showings of our new video, *The Great Lakes St. Lawrence Seaway System – A Vital Waterway*, were recorded, incorporating viewers from virtually every continent. Available in both standard and high-speed (broadband) versions, our bilingual Web video accommo-

dates a variety of users, effectively bringing our message to the desktops of businesses, governments, and schools across the globe.

## **Seaway Security and Safety**

### ***System Security and Risk Assessment***

Some years ago, SLSMC began to examine its security position by undertaking a comprehensive threat and risk analysis (TRA). In the intervening time, the September 11<sup>th</sup> attacks, the continuing risk of terrorism and sharply rising insurance costs have combined to make security one of the Corporation's top priorities.

Internally, a corporate Security Committee was established to action the many recommendations of the TRA and provide the assurances sought by our insurance underwriters. The Corporation amended its emergency preparedness policies, and incorporated external agencies and consolidated responses where appropriate. Our new Risk Management and Security Program establishes common standards for all regions and ensures ongoing, diligent risk management.

In the past year, almost all the TRA recommendations have been implemented, including:

- tightened control of access to all Seaway structures
- more comprehensive security checks
- improved fencing and signage against trespassing on Seaway property
- a site mapping project that identified critical areas where video surveillance cameras should be installed to protect assets and control unauthorized access to high-risk areas

With the goal of creating a consistent approach to reducing its business risks, the Corporation recently conducted an enterprise risk management assessment. In this exercise, employees in all three regions identified the

risks they saw for each functional area, and the gravity and the likelihood of each risk. The results were then benchmarked to industry standards, showing how SLSMC compares to similar businesses. In a second exercise, the critical risks were ranked, along with existing mitigating strategies.

Based on this information, the Corporation established tolerance levels and developed a plan to minimize the risks in areas where they were deemed above the acceptable tolerance level. SLSMC has compared its preventive measures to those of other marine operations and is confident the measures are effective; however, security will be examined further in the next fiscal year by a consultant hired by Transport Canada.

### **Binational Security Meetings**

Every ship that transits the Seaway passes critical infrastructure and large populated areas. Since the security of our binational waterway is an important joint concern, Canada and the United States have initiated a cross-border program to share intelligence and increase security boardings on foreign commercial ships entering the St. Lawrence Seaway and the Great Lakes. All the key system stakeholders – both Seaway corporations, Transport Canada and Transport Quebec, both Coast Guards, the pilotage agencies, the police organizations, and many others – have met a number of times in the past year to develop a concerted security plan.

Both nations are working closely together to provide maximum security, while minimizing disruption to commercial shipping. Risk assessment inspections of vessels transiting the Seaway have increased, and SLSMC, with the U.S. Coast Guard, Transport Canada and SLSDC have conducted exercises to test and improve the boarding regime.

All ships entering the St. Lawrence Seaway must provide 96-hour advance notification.



Ships failing to give notice, or those whose notice is incomplete, are prohibited from entering the Seaway. The U.S. Coast Guard and the Canada Customs and Revenue Agency special analysis units screen the ship's information and submit the crew and passenger list to a centralized information centre. If a potential threat is identified, the ship undergoes a security boarding by a team from Canadian agencies before it enters the Seaway and the Great Lakes. These boardings are in addition to random boardings and other security measures already in place.

#### **Vessel Safety**

In the past two years, SLSMC has implemented a number of changes in operating and supervisory practices to improve vessel safety. The changes complied with, and in some cases anticipated, directives issued by the Transportation Safety Board (TSB) following the *Windoc* incident in 2001, in which a vessel came into contact with a lift bridge on the Welland Canal. Action was taken in areas related to the medical fitness and supervision of employees, emergency preparedness and defences against inadvertent lowering of

bridges. Additional technical safeguards for the operation of bridges and other SLSMC structures are currently under study or in the process of being implemented. These technical measures include the use of cameras and sensors, and remote operations from a central control station.

An emergency planning review, which was already underway, is now completed. An annual multi-agency planning exercise will ensure enhanced coordination of personnel and resources within the affected area in the event of an incident.

To further enhance the safety of both vessels and employees, SLSMC has put in place an alcohol and drug abuse policy. Monitoring the medical fitness of employees, as well as drug and alcohol testing, are complex and sensitive issues that affect human rights and continue to be debated in the courts. However, SLSMC was able to establish procedures, in agreement with the Canadian Auto Workers (CAW), that take into account both human rights and the guidelines set by the courts, and meet with the approval of union, management and the TSB.

With these additional measures in place, the St. Lawrence Seaway continues to build upon its 43-year record of safe and reliable customer service through a progressive management approach.

#### **Workplace Health and Safety**

The lost time injury statistics to the end of March 2003 continue to show a downward trend. The frequency and severity rates for the past year are at the lowest levels ever recorded at the Seaway.

The Corporate Health and Safety Program requires the Regional Vice-Presidents to complete annual safety audits of each other's regions. These audits indicate that the level of proactive involvement with safety in the workplace is high and the programs in place are, for the most part, working. Safety inspections,





toolbox meetings and safety committees appear to be showing positive results, with safety procedures being applied in both the maintenance areas and the locks. Minor findings were submitted to the regional Health and Safety Advisors for necessary action.

## Environmental Management

The environmental impacts of Seaway operations are highly regulated by the provinces of Quebec and Ontario and by the federal government. When it took over responsibility for Seaway operations, SLSMC also acquired responsibility for lands, structures and storage facilities and has been working to identify and clean up environmentally threatened areas of its holdings, and to ensure that current facilities conform to all regulations.

An Environmental Management System has been developed, and preliminary performance indicators have been defined and quantified, with reference to new legislation.

Environmental impact matrices for major maintenance projects are completed each year. An updated database of potentially contaminated sites is being prepared for auditing and field inspection purposes. Confirmed contaminated sites are reported to Transport Canada's Environmental Affairs Division, which oversees remedial measures. The first target for management next year has already been identified: the Melocheville Maintenance area, including a recently fenced waste disposal area.

Underground storage tanks for petroleum products have been removed throughout the system, and any contamination has been cleaned up. The only remaining SLSMC-operated underground heating oil tank in Quebec is located at the St-Lambert office. It complies

with CCME and provincial guidelines, and its leak detection system is verified every other year under the provincial regulations. In Ontario, the last two unused tanks have been removed in the Port Colborne-Niagara Region, and soil clean-up has been completed. One sand-filled tank remains under the headquarters building in Cornwall.

Obsolete above-ground petroleum storage tanks used to fuel generators, lock equipment and the SLSMC fleet of vessels are also being replaced or upgraded according to plan.

The Corporation still operates PCB storage sites at Melocheville and St. Catharines; these sites will be decommissioned as soon as we can verify that no further PCBs remain on Seaway property. Decommissioned ballasts containing PCBs were found last year in Melocheville and were disposed of during the spring cleanup organized in March each year by Public Works and Government Services Canada for federal installations.

SLSMC is also responsible for ensuring potable water at its facilities, and for septic systems. Water is tested and analyzed periodically to ensure quality. The Niagara Region's Glendale Maintenance Centre was connected to the municipal sewer system last year, eliminating the sewage lagoon management and associated monitoring and reporting requirements in that location.

In 2002, channel maintenance projects were completed at the International Tangent and at Hamilton Island. Disposal of dredged materials in open water was allowed and the Department of Fisheries and Oceans required no compensation measures.

Preparatory work was carried out for channel maintenance in the South Shore Canal next year. The environmental section of Public



Works and Government Services Canada identified potential disposal sites, prepared a sediment sampling and testing program, and estimated project costs. Preliminary results of tests carried out by another consultant indicate widespread contamination by PCBs and heavy metals above the lowest effect level, but below the severe effect level. Eco-toxicity tests have been required by Environment Canada to determine whether disposal of the dredged materials in open water is acceptable. The potential impact on project costs is significant.

## Market Development

### Panama Canal

Officials from the Canadian and American Seaway visited the Panama Canal for three days in April to learn about its technological improvements, modernization programs and ongoing expansion studies. The team also reviewed the Canal's enhanced traffic management system, the communication, tracking and navigation-based control system, and the automated identification system. These systems are uniquely customized for the Panama Canal and reflect the waterway's trend-setting adoption of the most appropriate technologies to increase efficiency and safety, a strategy the Seaway is emulating.

### Market Research Studies and Strategic Business Development Plan

The Research and Traffic Group has completed two market research studies for the two Corporations. The competitiveness study compared the Great Lakes/Seaway route to other routes and modes for the shipment of various commodities. The market growth potential study analyzed opportunities for the Corporation to develop niche markets, attract new commodities and otherwise increase traffic. The results have been incorporated in the Seaway's business/trade development plan for the next three years, a plan

developed and carried out jointly by the two Seaway Corporations.

### Trade Mission to France and Spain

A joint Canadian and U.S. trade delegation travelled to France and Spain in September 2002. Our senior marine industry and government representatives attended meetings with European port and marine industry officials in Paris, Le Havre, Rouen, and Barcelona.

The group met industry representatives from a variety of organizations, some of whom use the Great Lakes/Seaway system, or have done so in the past. One infrequent Seaway user indicated that a 27-foot draft could make the Seaway competitive with the Mississippi River. The trade mission confirmed that year-round service is also a key factor in competitiveness.



## Human Resources

### Extension of Labour Agreement

SLSMC successfully negotiated a 15-month extension of the collective agreement with its unionized workforce. The agreement, which was to expire December 31, 2003, retains all current terms and conditions, provides for a wage increase of 3% over the course of the extension, and will expire on March 31, 2005. The SLSMC's employees are the operational and maintenance workers who operate the locks between Montreal and Port Colbourne, together with members of the supervisory group. All are members of the National Automobile Aerospace Transportation and General Workers Union of Canada (CAW).

### Employment Systems Review

SLSMC surveyed its workforce to determine how many employees are members of the four designated groups under the *Employment Equity Act*. Management, union and employee representatives were consulted on the survey design and implementation, and the participation rate was an exceptional 93%. A consultant reviewed the Corporation's employment policies and practices for any systemic or attitudinal barriers to employees and applicants, with special emphasis on members of the target groups. The Joint Employment Equity Committee has prepared an action plan based on the consultant's recommendations, which will be implemented over the next two years.

### SMART Performance Management

The tools of SMART performance management continue to improve, and participation in the process now extends to the Operations and Maintenance unionized workforce.

The latest of the SMART tools is recognition and appreciation of positive performance and efforts, based on the principle that "what gets recognized gets repeated". A Recognition Toolkit of tips, techniques and strategies



assists managers/supervisors in making recognition an integral practice at the work-group level, where it can be most relevant and timely, and have the greatest influence.

### Leadership Development Training Program

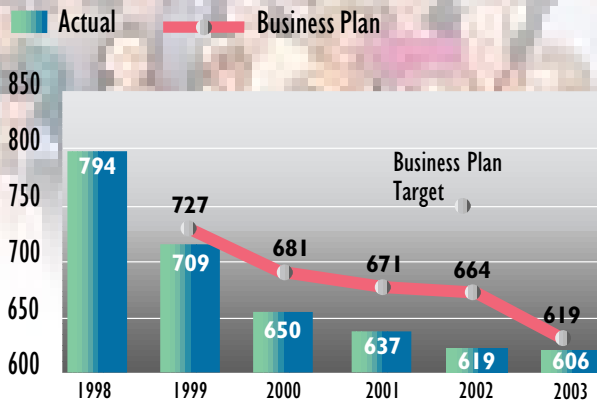
In 2002, we implemented a leadership training program to help middle and upper management motivate and enable employees to achieve organizational objectives. More than 30 managers, including vice-presidents, participated in consultant-led two-day training sessions. Each participant also completed an intensive one-day assessment with an industrial psychologist to diagnose leadership strengths and weaknesses. Then individual development plans, prepared with the help of advisors, were integrated with the SMART objectives for each person. Progress on achieving development objectives is monitored through SMART reviews and during management meetings.

A similar leadership training program for front-line supervisors will begin in May 2003.

### Supervisory Skills Training

Effective supervisors must balance legislated requirements, contractual agreements and

## St. Lawrence Seaway Employees (Full Time Equivalents)



corporate policies in managing front-line workforce performance to achieve SLSMC goals. To upgrade those skills, a Supervisory Skills Training Program was implemented in early 2002. The practical "how to" training modules in areas such as attendance management, problem-solving techniques, investiga-

tive skills and change management have been well received. An ongoing program of additional workshops will complement Leadership Development training for supervisors in 2003.

### Succession Planning

With over 30% of our workforce eligible to retire over the next 5 years (2003-2007), ongoing succession planning is a priority. Our succession plan for all levels of management and key risk positions is updated annually. Improved tools for the process continue to develop, and strong links have been established with leadership training and the SMART performance management process. The expected turnover will present opportunities also to achieve some employment equity goals.

# GOVERNANCE

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, 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 conflict 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 and occupational health and safety.

The Human Resources Committee ensures the development of succession plans for all senior manage-

ment 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 <sup>1 2</sup>

Chairman

Steel and Iron Ore Representative

Marc Dulude <sup>2</sup>

Québec Provincial Government Representative

Executive Vice-President and

Chief Operating Officer

IMTT- Québec

W. Nick Fox <sup>2</sup>

Grain Representative

Vice-President,

Terminals & Eastern Operations

James Richardson International

Alan R. Holt <sup>2\* 4\*</sup>

Other Members Representative

Ian MacGregor <sup>3</sup>

Ontario Provincial Government Representative

Fasken Martineau DuMoulin LLP



SLSMC Board of Directors  
from April 1, 2002 to  
March 31, 2003



Georges H. Robichon <sup>1\*</sup>  
 International Carrier  
 Representative  
 Senior Vice-President  
 and General Counsel  
 Fednav Limited  
 Doug Smith <sup>3 4</sup>  
 Domestic Carrier  
 Representative  
 Guy C. Véronneau  
 President & Chief  
 Executive Officer  
 The St. Lawrence Seaway  
 Management  
 Corporation  
 Denise Verreault <sup>1 3\*</sup>  
 Federal Government  
 Representative  
 President  
 Groupe Maritime  
 Verreault Inc.

**Members of:**

1. *Governance Committee*
  2. *Human Resources Committee*
  3. *Audit Committee*
  4. *Capital Committee*
- \* *Committee Chairman*

**Officers**

Guy C. Véronneau,  
 President and Chief  
 Executive Officer  
 Richard Corfe  
 Vice-President,  
 Maisonneuve Region  
 until August 31, 2002  
 Executive Vice-President  
 until March 28, 2003  
 Joseph V. Contala,  
 Vice-President,  
 Information  
 Technology and  
 Telecommunications  
 until March 28, 2003  
 Adina Juster  
 Vice-President,  
 Maisonneuve Region  
 since September 1, 2002

Michel Drolet,  
 Vice-President,  
 Niagara Region  
 André Latour,  
 Vice-President,  
 Human Resources  
 until March 28, 2003  
 Carol Lemelin,  
 Vice-President, Finance  
 and Administration  
 Camille G. Trépanier,  
 Vice-President,  
 Strategic and Business  
 Development  
 Yvette Hoffman,  
 Counsel and Secretary

**Industry Members  
 2002/2003**

**Grain**

ADM Agri-Industries  
 Ltd,  
 Windsor, Ontario  
 Agricore United,  
 Winnipeg, Manitoba  
 Alfred C. Toepfer  
 (Canada) Ltd,  
 Winnipeg, Manitoba  
 Bunge Canada Ltd,  
 Québec, Québec  
 Cargill Limited,  
 Winnipeg, Manitoba  
 James Richardson  
 International Ltd,  
 Winnipeg, Manitoba  
 Louis Dreyfus Canada  
 Ltd,  
 Calgary, Alberta  
 Saskatchewan Wheat  
 Pool,  
 Regina, Saskatchewan  
 The Canadian Wheat  
 Board,  
 Winnipeg, Manitoba

**Steel and Iron Ore**

Dofasco Inc.,  
 Hamilton, Ontario

Iron Ore Company of  
 Canada,  
 Montréal, Québec  
 Québec Cartier Mines,  
 Montréal, Québec  
 Stelco Inc.,  
 Hamilton, Ontario

**Other Members**

AGP Grain, Ltd,  
 Minneapolis, Minnesota  
 Essroc Canada Inc.,  
 Mississauga, Ontario  
 IMC Canada Ltd,  
 Regina, Saskatchewan  
 Keystone Industry Co.,  
 Montréal, Québec  
 Lafarge Canada Inc.,  
 Concord, Ontario  
 Omnisource  
 Corporation,  
 Burlington, Ontario  
 Ontario Power  
 Generation Inc.,  
 Toronto, Ontario  
 Petro-Canada,  
 Oakville, Ontario  
 Redpath Sugars,  
 Toronto, Ontario  
 Sifto Canada Inc.,  
 Goderich, Ontario  
 The Canadian Salt  
 Company Ltd,  
 Pointe-Claire, Québec

**Domestic Carriers**

Algoma Central  
 Corporation,  
 St. Catharines, Ontario  
 Canada Steamship Lines  
 Inc.,  
 Montréal, Québec  
 Groupe Desgagnés Inc.,  
 Québec, Québec  
 Lower Lakes Towing Ltd,  
 Port Dover, Ontario  
 McKeil Marine Limited,  
 Hamilton, Ontario

N.M. Paterson  
 & Sons Ltd,  
 Thunder Bay, Ontario  
 St. Mary's Cement,  
 Toronto, Ontario  
 Upper Lakes Group Inc.,  
 Toronto, Ontario

**International  
 Carriers**

Christensen Shipping  
 Corporation  
 Montréal, Québec  
 Cleveland Tankers Inc.,  
 Cleveland, Ohio  
 Colley Motorships  
 Limited,  
 Westmount, Québec  
 Compass Marine  
 Services,  
 Montréal, Québec  
 Fednav International  
 Limited,  
 Montréal, Québec  
 Gibson Canadian &  
 Global Agency Inc.,  
 Montréal, Québec  
 Gresco Ltée,  
 Montréal, Québec  
 Inchcape Shipping  
 Services,  
 Montréal, Québec  
 Laden Maritime Inc.,  
 Montréal, Québec  
 Montship Inc.,  
 Montréal, Québec  
 Robert Reford  
 (a division of  
 MRRM (Canada) Inc.),  
 Montréal, Québec  
 Robin Maritime Inc.,  
 Montréal, Québec  
 Scandia Shipping  
 Agencies Inc.,  
 Montréal, Québec