



Saint Lawrence Seaway Development Corporation

Advisory Board Meeting Minutes

Monday, March 19, 2018 (2:00 p.m.)

Meeting Held via Teleconference

PRESENT Craig Middlebrook (Deputy Administrator), David McMillan (Advisory Board Chairperson), William Mielke (Advisory Board Member), Arthur Sulzer (Advisory Board Member), Nancy Alcalde (Director of Congressional and Public Relations), Chris Guimond (Director of Lock Operations and Marine Services), Carrie Lavigne (Chief Counsel), Tom Lavigne (Associate Administrator), Kevin O'Malley (Director of Budget and Economic Development), Jeff Scharf (Director of Engineering and Maintenance), Adam Schlicht (Great Lakes Regional Representative), Nancy Scott (Chief Financial Officer), and Wayne Williams (Chief of Staff) were present. Chelsea Champlin (Program Support Specialist) was also in attendance. Mr. McMillan chaired the meeting and Ms. Champlin recorded the minutes.

I. CALL TO ORDER

In his capacity as Board Chairperson, David McMillan welcomed all participants to the Advisory Board meeting and, noting the presence of quorum, called the meeting to order at 2:08 p.m.

II. APPROVAL OF THE MINUTES

Mr. Sulzer requested the previous minutes include the in-person location of the meeting. With the addition of "met in Milwaukee," to the minutes, Mr. Sulzer moved to approve the minutes for the October 30, 2017 Advisory Board meeting. The motion was seconded by Mr. Mielke and the minutes were approved.

III. ADMINISTRATOR'S REPORT

Deputy Administrator Craig Middlebrook provided a quarterly update to the Advisory Board membership, including a general overview of SLSDC activities following the previous Advisory Board meeting in October 2017:

- The FY 2019 budget called for a study to consider the commercialization or privatization of the U.S. portion of the Seaway. The study would examine both options. After the study was announced, Mr. Middlebrook briefed SLSDC staff and key stakeholders.
 - Chairman McMillan complimented the Deputy Administrator's proactive outreach, and said he had not seen a lot of discussion about the topic. He asked how the study would proceed and eventually be moved into law.
 - Deputy Administrator Middlebrook, Dr. Sulzer, and Mr. Mielke briefly discussed the process as it might compare to the Canadian model of commercialization.
- The FY 2018 budget is still operating under a continuing resolution from October 1, 2017, with a possibility of passing an omnibus bill for the remainder of the fiscal year by March 24, 2018. The FY 2019 budget request submitted to the Congress in February proposes funding of \$28.84 million for the SLSDC, and includes funding for 19 Asset Renewal Program (ARP) projects.

• [REDACTED]



- The 2017 navigation season cargo traffic remained strong, and saw a 9 percent overall increase in tonnage and a 9 percent increase in transits. Iron ore, dry bulk, and general cargoes all had banner years, while the grain movement was less impressive. Notably, there was a 25 percent increase in U.S. export cargo through the Seaway, to include iron ore, coke, and soybeans.
- Winter work continues under the ARP after a delayed start. The engineering and maintenance teams have made good progress on all projects, including installation of Hands Free Mooring (HFM) slots and rails at Snell Lock. An innovative method for positioning the equipment at Snell Lock, using floating barges, was a useful innovation which will be implemented further to improve the safety and efficiency of other ARP and maintenance projects at the locks.
- Enhancements are being considered to the vessel traffic management technology (SeaTA), which is expected to be a dynamic, real-time vessel tracking system. SLSDC and SLSMC will be in discussion with the Volpe Center and U.S. Army Corps of Engineers (USACE) in April 2018. Stakeholders are looking at new technological innovations as well, to include a self-mooring approach to transiting locks.
- A new Executive Officer position will be selected for Massena shortly, who is expected to support Mr. Lavigne and will focus on Massena operations. The Department continues to review all anticipated SLSDC hires, particularly those in the Washington office.
- The 2018 navigation season opening is scheduled for Thursday, March 29 in St. Catharines, Ontario. Mr. Lavigne will represent SLSDC for the event.

Lastly, high water levels on Lake Ontario may be like last year, which could impact commercial navigation during the summer months.

- Chairman McMillan requested to draft a letter on behalf of the SLSDC Advisory Board commending the SLSMC on their efforts during the closing events.

IV. QUARTERLY UPDATES

Chris Guimond provided an update on Seaway Operations, beginning with the season’s closing statistics. He noted that system availability rate for the 2017 season were negatively and significantly affected by the closing events. Ballast water inspection remained robust, with only 1.3 percent of tanks inspected receiving a letter of retention. All HFM units are scheduled to be operational by fall of 2019. An anchorage location has been proposed near Cape Vincent, N.Y., and the U.S. Coast Guard (USCG) requested a new Waterways Analysis Management Study (WAMS) despite completing one last year. The Lloyds conversion to the 2015 quality standard is on track following a recent site visit to Massena. Lloyds conducted a gap analysis and met with Ryan Chatland and other section heads on quality compliance.

- Chairman McMillan asked if the Seaway’s closing experience and the use of high-pressure steam is being shared for educational use with others, including the New York Power Authority. He also asked about moving forward from last year’s high water levels.

Kevin O’Malley provided an update on the budget, pointing out that there had been no federal budget passed to date, despite being halfway through the fiscal year. With the current continuing resolution expiring on March 23, 2018, Mr. O’Malley felt a full-budget approval is promising and would avoid a government shutdown. The House and Senate have conferenced out an omnibus bill, though it still has some additional “riders” and politically sensitive items in it. On the SLSDC portion of the budget, he explained the difference between the House and Senate numbers.

As for the FY 2019 budget, the Presidential budget requested \$28.84 million in funding for the SLSDC. In ARP projects, the SLSDC hopes to complete the tugboat replacement and maintenance dredging.



- [REDACTED]
- Chairman McMillan commended and recognized Nancy Scott and her team for another successful financial audit in the closeout of FY 2017.

Mr. O'Malley also provided the Board with an update on Trade and Economic Development, highlighting a 9 percent increase in cargo movements over the course of the season and a 25 percent increase in US exports. The economic impact study's re-release is forthcoming and is likely anticipated for release in June 2018. The 2017 navigation season numbers showed iron ore as having the most direct impact to Great Lakes St. Lawrence Seaway hiring. The study will be released through *shark&minnow*.

- Deputy Administrator Middlebrook added that the release of the study is expected to be a big item for public relations, and the SLSDC would fully brief the Advisory Board about the impact study prior to its release.

Adam Schlicht discussed the cargo numbers for the season, again highlighting the 9 percent increase and iron ore being the highlight of the season. Salt, coke, potash exports, along with imports of steel and steel slabs made positive impacts on the season. Grain was down for both Canada and the U.S., resulting in part from a global shift on grain. The SLSDC remains optimistic for what U.S. grain could look like in the 2018 season. Steel importing countries in 2017 included Belgium, Turkey, the Netherlands, Russia, and Sweden. Another 2017 highlight was Spliethoff branching out beyond the Cleveland Europe Express, with activity spiking at the end of the season and mid-summer. Mr. Schlicht mentioned the binational marketing campaign's various efforts, including Highway H₂O's U.S. Grain Initiative, the Houston Supply Chain and Freight Forwarder initiative, and the Geografix map. He complimented Rebecca Yackley's work with Customs and Border Protection and the U.S. ports towards CBP-approved passenger facilities.

Associate Administrator Tom Lavigne updated the Board on the ARP, including design and construction details about work over the winter period. Activities include cutting slots at Snell Lock for HFM, completion of the *Grasse River* gatelifter inspection and repair contract, and implementation of a data-logging system for historical tracking of equipment functions. Additionally, adjustments are being made to the ice flushing system at Snell by the valve manufacturers. The vessel self-spotting project has been delayed somewhat, as the SLSDC are currently reviewing alternate technology options. Mr. Lavigne also mentioned that the SLSDC would examine the performance of the new all-weather buoys during the 2017-2018 winter months.

- Dr. Sulzer commented about ice flushing and the closing events, and asked if there were any concerns in that regard. Mr. Lavigne said the event had little to do with the ice flushing system.

[REDACTED]

Ms. Alcalde gave an update on Congressional and Public Relations. On the legislative front, the Great Lakes Restoration Initiative (GLRI) saw a 90 percent cut in the FY 2019 President's Budget. She expects the U.S. Senate to propose full funding, allowing the GLRI to continue working on issues like algal blooms, Asian carp, improved water quality, etc. There has been no activity on Commercial Vessel Incidental Discharge Act (CVIDA), and it is awaiting Senate action. CVIDA may be considered as both a standalone bill and/or as part of the USCG reauthorization.

In terms of government relations, Ms. Alcalde reported that a Great Lakes Environmental Summit was held in Washington, D.C., which discussed legislative opportunities and challenges ahead. Led by Congresswoman Marcy Kaptur, the summit addressed the importance of the GLRI and the importance of the Great Lakes St. Lawrence Seaway to the region.



Lastly, Ms. Alcalde gave an overview of SLSDC public relations, pointing out that all recent press releases were included in the Board's materials. She said that the end of season press releases were effective, and that the monthly press releases would resume once the season reopens. While social media saw its typical decrease during winter work, *shark&minnow* expects to engage with the media in innovative ways in 2018. She pointed out their latest infographic created for the Seaway, as included in the briefing materials.

V. OLD AND NEW BUSINESS

Chairman McMillan noted for the record the departure of Port of Duluth-Superior Director Vanta Coda.

Dr. Sulzer discussed a new House bill to promote the maritime workforce development, "Maritime Centers for Excellence." He brought up the Quarter 3 Advisory Board meeting, which is expected to be held in Erie, PA in August 2018, and provided possible dates to hold the meeting. Deputy Administrator Middlebrook reminded the group that he would be out of the country during the weeks of August 6 and 13, and would not be able to attend an Advisory Board meeting at that time.

The Board members discussed the logistics for the Q2 meeting. It was decided the meeting would be held on Wednesday, June 6 at 2:00 p.m. EST via teleconference. Mr. Williams promised to send out a calendar invite.

VI. CLOSING DISCUSSION AND ADJOURNMENT

The meeting was adjourned at 4:03 p.m., with a motion to adjourn from Chairman McMillan and a second from Mr. Mielke.

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