



Saint Lawrence Seaway Development Corporation

Advisory Board Meeting Minutes

Monday, July 23, 2018 (2:00 p.m.)

Meeting Held Via Teleconference

PRESENT Craig Middlebrook (Deputy Administrator), David McMillan (Advisory Board Chairperson), William Mielke (Advisory Board Member), Dr. 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), Kevin O'Malley (Director of Budget and Economic Development), Adam Schlicht (Great Lakes Regional Representative), and Wayne Williams (Chief of Staff) were present. Chelsea Champlin (Program Support Specialist) and Danielle Hardre (member of the public) were 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 2:05 p.m.

II. APPROVAL OF THE MINUTES

On a motion by Mr. Mielke and seconded by Dr. Sulzer, the Board approved the minutes for the June 6, 2018 Advisory Board meeting. Without objection, the motion passed unanimously, and the June 2018 meeting minutes were approved.

III. ADMINISTRATOR'S REPORT

Deputy Administrator Craig Middlebrook provided an update to the Advisory Board membership including a general overview of SLSDC activities following the previous Advisory Board meeting in June 2018:

- Mr. Middlebrook reported that Senator Schumer's July 3 visit to Massena and Eisenhower Lock was an excellent show of support for the ARP. He also highlighted the release of the Economic Impact Study and its updated information.
- He also provided brief highlights across all business areas:
 - The FY 2018 budget implementation is on track, with administrative expenses at 19% of the total budget.
 - Commercial traffic year to date shows a slight decrease for tonnage, but an increase in total transits. Some vessels are coming in in ballast and leaving with grain.
 - The Government Accountability Office (GAO) plans to release their report, "Great Lakes-St. Lawrence Seaway — Assessing Risks and Measuring Performance Could Improve Maritime Transportation" in September. GAO notified SLSDC that they are undertaking a new study of the U.S. Coast Guard Great Lakes Pilotage Program.



- He also reported the departure of Adam Schlicht to assume his new role as Director of the Port of Milwaukee.
- Dr. Sulzer asked about the administrative expense ratio metric. Mr. O'Malley explained that it goes back to the time of tolls, and that it is a metric used by Congress. The goal moved from 25% to 23% in 2015.
- Mr. Mielke asked a general question about study on commercialization of the U.S. Seaway. Mr. O'Malley responded to say that there was an FY 2018 prohibition at play, with no appropriation money this year being delegated to the study. As for the language in FY 2019, the study was not included as part of either report.
- Dr. Sulzer asked a question about the Economic Impact Study and if anyone had challenged its information. Mr. Middlebrook responded to say that we had not received any pushback, as the previous iteration of the study was peer reviewed in the U.S. and Canada, and this study followed the same methodology. Mr. O'Malley added that the numbers are as conservative and justifiable as possible, and did not include any possible fringe benefits. Dr. Sulzer went on to ask about study sponsors and the decision to not look at projections. Mr. O'Malley added that the sponsors remained the same as the prior study, and that the study was set to be a snapshot in time with relevant, justifiable, and timely data.

IV. QUARTERLY UPDATES

Chris Guimond provided an update on Lock Operations and Marine Services. As for accomplishments in the previous quarter, Mr. Guimond explained the SLSDC's response to the M/T Chem Norma grounding, damage to a ship arrestor, and supervisory training on Hands Free Mooring (HFM) with the SLSMC. Discussing current challenges, Mr. Guimond detailed the I&I process for HFM, training lock personnel, and the upcoming Waterways Analysis Management Study (WAMS) on July 25. The WAMS will include a discussion on approval for Cape Vincent anchorage areas. Lastly, in terms of upcoming focus areas, Mr. Guimond hopes to fill vacant positions, complete the ISO recertification to 9001-2015 standard (August 6), and complete repairs to the Lt 199 base.

Kevin O'Malley provided an update on budget and financial management. Since the previous Board meeting, the FY 2020 budget has been submitted to the Secretary and the FY 2017 ARP Annual Report was completed and submitted. He also provided financial highlights for the fiscal year to date. In terms of upcoming focus areas, he noted the upcoming deadline for the report to Congress on economic development, preparations for the FY 2019 markup, the financial statements audit with the OIG, and assisting with CBA negotiations. Finally, he added a compliment from a recent program review from Deloitte that SLSDC was rated one of the best in the Department.

- Chairman McMillan offered his compliments to the financial team.

Chief Engineer Jeff Scharf updated the Board on the Asset Renewal Program (ARP). For the HFM project, work continues for its design and implementation. A contract for Eisenhower has been awarded and work as begun. Construction on the utility building at Snell is 50% complete, and the data logging system at both locks is 70% complete. A meeting was organized to discuss ongoing issues with ice flushing at Snell Lock. A keel laying ceremony was conducted for the



construction of the *Robinson Bay* tug replacement. Looking ahead, Mr. Scharf detailed further information about HFM installation and implementation.

- Dr. Sulzer asked about the tug inspection. Mike Howard explained that it was third party inspection completed by a firm in New Orleans.
- Dr. Sulzer asked about future of the ten-year ARP. Mr. O'Malley explained that the goals for the program every year include a five-year plan, and that the ARP would continue ad infinitum, that the name may change, but the purpose in having a focused, concentrated capital renewal program would not.

Ms. Alcalde gave an update on Congressional and Public Relations. She reported that six Pacesetters were awarded this year, with Monroe and Toledo's presentation events being held that Wednesday at the American Great Lakes Ports Association meeting. The SLSDC employee service recognition and memorial event took place which led to great activity on the SLSDC Facebook page. She also commented on the visit from Senator Schumer as being a positive event which raised awareness of the Seaway. Looking ahead, Ms. Alcalde announced an upcoming documentary about the Seaway, a joint production from PBS and Watertown Daily Times. She noted upcoming preparations for the Economic Impact Study's media rollout, press releases and Pacesetter award presentations, and finally, tracking Congressional appropriations.

- Mr. Mielke asked if all Senators and congresspeople received a copy of the study. Ms. Alcalde responded to say that they had, adding that the study is a very useful document for them and the SLSDC will see it used in many places. Mr. Middlebrook added that the difference between the last study and the recent one is the generation of social media. He expects a considerable effort to be made to use that medium to get the information out, and that the SLSDC would report out on this effort.
- Danielle Hardre asked for clarification about the report mentioned in reference to the Great Lakes Seaway Partnership. She thanked the Board for their time and provided her contact information.

V. OLD AND NEW BUSINESS

Dr. Sulzer stressed the desire to meet in person, to plan the quarterly Advisory Board meetings further in advance, to meet with the SLSMC, and to visit Massena, NY. Deputy Administrator Middlebrook responded to say that in September or October of 2019, there would be an event in Massena for the unveiling of the new tug, the Seaway's 60th anniversary, and the implementation of HFM. He added that Ms. Alcalde was working with the Secretary's office and other dignitaries on the date.

Dr. Sulzer asked the group to consider times and dates for the next meeting and Mr. Williams promised to follow up. The Board thanked Ms. Hardre for her attendance.

V. CLOSING DISCUSSION AND ADJOURNMENT

The meeting was adjourned at 3:22 p.m., with a motion to adjourn from Mr. Mielke and seconded by Dr. Sulzer.

#####

