

Saint Lawrence Seaway Development Corporation

Advisory Board Meeting Minutes Tuesday, February 9, 2016 (10:30 a.m. Eastern) Massena, N.Y.; Washington, D.C.; Cleveland, Ohio

The Advisory Board of the Saint Lawrence Seaway Development Corporation (SLSDC) convened on Tuesday, February 9, 2016 at 10:30 a.m. (Eastern) at the Cleveland Marriott Downtown Hotel at Key Center. Representatives from both the SLSDC's Washington, D.C. and Massena, N.Y. offices also participated via teleconference.

The following individuals were in attendance during the meeting on behalf of the SLSDC:

- Betty Sutton, SLSDC Administrator
- David McMillan, SLSDC Advisory Board Chairperson
- William Mielke, SLSDC Advisory Board Member
- Wenona Singel, SLSDC Advisory Board Member
- Arthur Sulzer, SLSDC Advisory Board Member
- Nancy Alcalde, SLSDC Director of Congressional and Public Relations
- Lori Curran, Director of Lock Operations and Marine Services
- Carrie Mann Lavigne, SLSDC Chief Counsel
- Tom Lavigne, SLSDC Associate Administrator
- Craig Middlebrook, SLSDC Deputy Administrator
- Kevin O'Malley, SLSDC Director of Budget and Economic Development
- Adam Schlicht, SLSDC Great Lakes Regional Representative
- Nancy Scott, SLSDC Director of Financial Management and Administration
- Charles Wipperfurth, SLSDC Deputy Chief of Staff

The following members of the public attended the meeting:

- Dale Bergeron, Maritime Extension Educator, Minnesota Sea Grant
- Capt. William Sabatini, U.S. Brig Niagara/Erie Maritime Museum
- Jim Sharrow, Director of Port Planning and Resiliency, Duluth Seaway Port Authority

I. <u>Call to Order</u>

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 10:33 a.m.

II. Approval of the Minutes

SLSDC Director of Congressional and Public Relations recommended the Advisory Board approve a slight wording adjustment to the minutes; the changes were accepted without objection. Approval of the minutes from the December 2015 meeting was motioned by SLSDC Advisory Board Member William Mielke and was seconded by Advisory Board Member Arthur Sulzer. Without objection, the motion passed unanimously, and the December 2015 meeting minutes of the SLSDC Advisory Board were approved as amended.

III. Quarterly Updates

SLSDC Administrator Betty Sutton provided a quarterly update to the Advisory Board membership, including a general overview of SLSDC activities following the previous Advisory Board meeting. In particular, the Administrator noted that tonnage transiting the Seaway locks was down about 9 percent compared against the 2014 shipping season, though breakbulk, project, and general cargoes remain important and growing commodities system-wide. The Seaway is tentatively expected to open the week of March 21, 2016, the Administrator also stated. The Administrator spoke at length about the SLSDC's Asset Renewal Program (ARP) projects expected in the proposed 2017 budget, specifically replacement of the SLSDC's tugboat fleet, including the *Robinson Bay*, as well as implementation of Hands Free Mooring (HFM) technology at Snell Lock. Chairperson McMillan inquired about the ability of the SLSDC to analyze the value of Great Lakes cargoes in new ways, and the Administrator concurred, noting that the value of Great Lakes ships should not be limited to an aggregation of transiting ships per year.

A quarterly report was next presented by Lori Curran, Director of Lock Operations and Marine Services. The 57th navigation season of the Seaway successfully ended on December 30, 2015, requiring no intervention from U.S. or Canadian icebreakers. Other highlights of the 2015 shipping season included increased utilization of the Draft Information System (DIS) as well as continued successful implementation of the Enhanced Seaway Inspection Program with the Canadian St. Lawrence Seaway Management Corporation (SLSMC).

Advisory Board Member Wenona Singel inquired about the SLSDC's ongoing planning and response to the St. Laurent incident at Eisenhower Lock in summer 2015. Ms. Curran noted that shipping through Eisenhower Lock resumed within 48 hours after the incident, limiting the impact to system availability metrics and performance reporting. Administrator Sutton reiterated the extraordinary emergency response achievements of both SLSDC responders as well North Country local responders. SLSDC Associate Administrator Tom Lavigne volunteered to provide members of the Advisory Board with a copy of the SLSDC's 2015 system and lock availability reports once available.

Deputy Administrator Craig Middlebrook responded to an inquiry from Advisory Board Member Sulzer, noting that the National Transportation Safety Board (NTSB) will not be issuing a report specific to the St. Laurent incident as the infrastructure damage was not considered economically significant. However, a U.S. Coast Guard (USCG) public review of the incident is tentatively expected to be issued in summer 2016. Advisory Board Member Mielke asked about how the SLSDC is recouping costs associated with the St. Laurent incident, and Associate Administrator Lavigne responded that the SLSDC has diligently tracked all repair-associated costs and will be issuing an invoice to the cruise line responsible for the damage.

An overview was presented by Kevin O'Malley, SLSDC Director of Budget and Economic Development, as part of his quarterly review next. In particular, Mr. O'Malley noted that the SLSDC's Fiscal Year 2017 budgetary proposal will total approximately \$36 million, including the Asset Renewal Program (ARP). Both Director O'Malley and Deputy Administrator Craig Middlebrook highlighted the recent weakness of the Canadian dollar against the United States dollar as an area of continuing interest, particularly as it pertains to management of the Seaway International Bridge between Massena, New York and Cornwall, Ontario.



Great Lakes Regional Representative Adam Schlicht presented an overview of the SLSDC's economic and trade development activities with Mr. O'Malley, noting that the Regional Initiative in Cleveland recently celebrated its one year anniversary. The SLSDC, in partnership with the SLSMC, has targeted two initiatives in 2016: developing and expanding outreach to both the U.S. grain trade community as well as the freight forwarder/logistician community, particularly in Houston Texas. Advisory Board Member Mielke asked about growing the container market on the Seaway, and Mr. Schlicht spoke about the EcoShips proposal at the Port of Muskegon (Mich.) as a case-in-point of Great Lakes-wide interest. Chairperson McMillan spoke about the demonstrated investment in infrastructure at the Duluth Seaway Port Authority, and Administrator Sutton agreed that investment on the Great Lakes is catalyzing new economic and trade potential. The recently launched Great Lakes Seaway Partnership was also cited by the Administrator as an important marketing tool for expanding utilization of the Great Lakes Seaway System.

An update on the SLSDC's engineering and maintenance project implementation, particularly through the ARP was presented by Associate Administrator Lavigne. Various projects remain on target for winter work before the 2016 shipping season, including initiatives supporting preparation for HFM and repairs to Eisenhower Lock due to the St. Laurent incident, as previously mentioned. Additionally, the SLSDC is installing updates to the gallery communication systems at both locks in critically identified areas. Finally, Mr. Lavigne noted that the SLSDC has begun testing all-weather buoy technology during the winter, as part of an ongoing binational initiative with the SLSMC.

The SLSDC will be involved in apprising the Aquatic Invasive Species Handbook for the first time since 2007, according to Deputy Administrator Middlebrook in his quarterly update. The Handbook will include updated information from the Ballast Water Working Group, the Ballast Water Collaborative, and the binational Seaway Regulations process. Though the U.S. is not yet a signatory of the International Maritime Organization (IMO) Convention on Ballast Water, several other countries are nearing ratification, including Ghana, Panama, and Morocco. Both Advisory Board Members Singel and Sulzer spoke about the significance of the SLSDC's outreach to Native American and First National communities as well as educational institutions to support and enhance Seaway initiatives, including environmental policy concerns.

At 12:03 p.m., Chairperson McMillan was excused from the remainder of the meeting due to other professional commitments, and Member Singel became Acting Chair for the duration of the meeting.

A number of updates were presented by Nancy Alcalde, SLSDC Director of Congressional and Public Relations, as part of her quarterly report. Ms. Alcalde presented the latest information about the proposed Surface Transportation Bill and the Vessel Incident Discharge Act as well as the U.S. Congress' in-process reauthorization of water resources-related legislation. The SLSDC's continued and expanding success in utilizing social media was also discussed. Administrator Sutton specifically discussed the SLSDC's contributions to provide feedback about the proposed Water Resources Development Act reauthorization.

The final quarterly report was offered by the SLSDC's Chief Counsel Carrie Mann Lavigne. Ms. Lavigne noted that the SLSDC's ethics program is expected to be audited in 2016. Moreover, the



SLSDC continues to engage with interagency stakeholders regarding the proposed International Joint Commission (IJC) Plan 2014. The Seaway's aim is to ensure that commercial navigation on the St. Lawrence River remains included under a revised IJC Order within the *Boundary Waters Treaty*. The United States and Canada continue to jointly post regulatory and rule making updates in the Federal Register and the Canadian Gazette, including recent updates specific to Canadian Lock tolls.

IV. Old and New Business

Capt. William Sabatini from the U.S. Brig Niagara/Erie Maritime Museum, attending the Advisory Board meeting as a member of the public, offered information about the Tall Ships America tour of the Great Lakes throughout summer 2016.

SLSDC Deputy Chief of Staff Charles Wipperfurth suggested that the next SLSDC Advisory Board meeting be held via teleconference the week of Monday, June 13, 2016.

Acting Chairperson Singel summarized the meeting, noting the SLSDC's continued successes in infrastructure improvement, lock operations, and economic development initiatives. Advisory Board Members Sulzer and Mielke concurred, and thanked all participants for an informative and knowledgeable meeting.

V. <u>Closing Discussion and Adjournment</u>

The meeting was adjourned at 12:19 p.m. (Eastern), with a motion to close from Advisory Board Member Mielke, and seconded by Advisory Board Member Sulzer.

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