



ADMINISTRATOR'S  
COLUMN



Betty  
Sutton

As the newly installed Administrator of the U.S. Saint Lawrence Seaway Development Corporation (SLSDC), I'd like to take this opportunity to introduce myself to you and share some initial thoughts on and impressions of the Seaway System. As a native of the Great Lakes region, I grew up with an appreciation for the water and the significance of the Great Lakes to commerce and to

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**Shale Oil and Gas: Energizing the Great Lakes Seaway System**

An energy revolution is occurring in America and its impact on the Great Lakes Seaway System will be profound. The development of oil and gas reserves, many of which are located in and around the Great Lakes States, is growing so rapidly that the International Energy Agency forecasts the United States to be the world's leading oil producer by 2017. Energy self-sufficiency for the United States now looks like an obtainable goal, which holds the promise of increasing employment, "reshoring" manufacturing jobs, and reducing the importation of foreign energy. The Great Lakes region possesses the manufacturing resources, skilled workforce, and world-class transportation infrastructure to be a significant player in this energy transformation.

For the commercial marine industry and the customers it serves, the development of Midwest gas reserves will perhaps have the most dramatic, far-reaching impacts. Significantly, energy from natural gas is projected to be far less expensive than energy from oil, at least through 2040. Moreover, replacing ship bunker fuels with fuels like liquefied natural gas (LNG) will greatly reduce the carbon footprint of the industry. International Marine Organization regulations call for reducing sulfur emissions from 0.1 to 1 percent by January 1, 2015. The Great Lakes Seaway System is part of an "Emissions Control Area" and ship owners and marine operators are keenly interested in LNG engines that could help them meet or exceed the new emission standards.

Shell Oil announced earlier this year its plan to install a liquefaction unit capable of producing 250,000 mt/year of LNG at its manufacturing Centre in Sarnia, Ontario and another unit in Geismar, La. The project would help supply LNG fuel to vessels trading throughout the Lakes and Seaway. As noted in another article in this issue of the *Compass*, Interlake Steamship Company announced its intention to convert its entire fleet to LNG. Other companies are surely examining the opportunities and challenges. Helping stakeholders make informed decisions is the Great Lakes Maritime Research Institute, which has brought together engineers, mariners, scientists and academicians to focus on how to increase the use of LNG by the North American maritime industry.

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Map of United States' Shale Gas Plays

SOURCE: ENERGY INFORMATION ADMINISTRATION



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*Administrator's Column, continued from page 1*

people's daily lives. I know first-hand the importance of the Great Lakes St. Lawrence Seaway System to our national transportation system and to the economic vitality of the United States and Canada. The Seaway makes a vital economic impact, and I want to help that effort. I was honored when President Obama chose me to take the helm of the SLSDC and I am grateful for this opportunity to serve in his Administration. Transportation Secretary Anthony Foxx administered the oath of office to me in August, and I am proud to join the team at the Department of Transportation (DOT).

Livability and sustainability initiatives are a priority at the Department. To that end, while in Congress, I was proud to have sponsored the "Cash for Clunkers" program that removed nearly 700,000 gas-guzzling older cars from the roads and replaced them with newer, cleaner, and more efficient models — an effort that helped both the environment and the auto industry. That effort, by the way, also had a positive impact on the Seaway — by increasing the demand for steel needed to make new cars. I view the success of that program as an example of how differing viewpoints can be accommodated to reach a positive result in more than one direction at a time. While we have a mission to keep the Seaway operating safely and efficiently, we also have an obligation to do that in an environmentally sound way. It is important that we continue to promote marine commerce as an efficient, environmentally friendly mode of transportation.

I'm honored to serve as the new Seaway Administrator for many reasons. The Seaway is a model of international partnership and proves that two countries can work harmoniously to operate and maintain a complex international waterway in a safe, efficient, and seamless manner. Big things are happening in the Great Lakes Seaway System. The Seaway and its users are engaged in an unprecedented period of infrastructure reinvestment, which includes the rehabilitation of the U.S. and Canadian lock and channel infrastructure, the construction of dozens of new Seaway-sized vessels and the repowering of existing vessels. The size and scope of these public and private infrastructure investments are enormous and will have significant positive impacts for decades to come.

I believe in public service, and the SLSDC Administrator position offers a unique opportunity to make a real and long-lasting difference in the lives of the many individuals who depend on the Great Lakes St. Lawrence Seaway System. To that end, it will be a priority for me to increase the utilization of the Seaway to spur economic development and broaden the general understanding of the economic importance of the System.



*U.S. Secretary of Transportation Anthony Foxx swearing-in Betty Sutton as Administrator of the Saint Lawrence Seaway Development Corporation. Her husband Doug Corwon holds their family Bible.*

As I continue my visits to the locks, to the ports, and through the region, I hope to have the opportunity to meet many of you. I ask for your continued support of our shared efforts as we move forward to embrace the opportunities before us.

Since U.S. Department of Secretary Anthony Foxx swore me in on August 13, I have been busy meeting with stakeholders throughout the Great Lakes region. Below is just a quick glance of some the activities that I have had the pleasure to participate in:



*Congressman Bill Owens*

My first trip was to Massena, New York, to meet with all the SLSDC employees who keep the locks going day after day. I also met with Mayor James Hidy, Town Supervisor Joe Gray, and Congressman Bill Owens.

Additionally, I was able to meet with Lee Willbanks, Save the River's Executive Director and Upper St. Lawrence River Keeper. In Montreal I met with our Canadian counterparts, The St. Lawrence Seaway Management Corporation (SLSMC). I was looking forward to meeting with Terence Bowles, President and CEO, since our organizations work so closely together. Terry and I had a great meeting, and I am encouraged that the cooperative spirit between the Seaway Corporations will continue.

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*Administrator's Column, continued from page 2*



*Terence Bowles, SLSMC President and CEO.*

In Milwaukee, Wisconsin, I was the luncheon keynote speaker at the Great Lakes Commission (GLC) Annual Meeting. I also attended the Annual Healing Our Waters Great Lakes Coalition Conference. I had the pleasure to present the prestigious Robert J. Lewis Pacesetter Award to the Port of Milwaukee for their increase in international tonnage.

From Milwaukee I traveled to Sandusky, Ohio to attend the Ohio Conference on Freight 2013.

Following Milwaukee, I traveled to the Twin Ports of Duluth and Superior. While there, I had the opportunity to meet the outgoing Duluth Port Director and President of the Association of Great Lakes Ports, Adolph Ojard. I was

fortunate to tour the impressive facility of the Twin Ports, which together represent the largest U.S. port on the Great Lakes St. Lawrence Seaway System. In Superior, I had the chance to visit the impressive Great Ships Initiative Testing Facility, which the SLSDC has supported since its inception.

I also attended the North American Breakbulk Conference in New Orleans where I was fortunate to meet current and prospective Seaway users. It is clear to me there are opportunities for growth in the Great Lakes Seaway System. In fact, I view the Great Lakes Region as the "Opportunity Belt" and the Seaway is a key driver to realize the region's potential.



*Ken Johnson, Wisconsin Department of Natural Resources and GLC Chairperson (left), and Tim Eder, GLC Executive Director.*

*Shale Oil and Gas, continued from page 1*

A 2011 Department of Energy report noted that the Marcellus Formation (centered over Ohio, Pennsylvania, and West Virginia) contains 410 trillion cubic feet of technically recoverable gas or more than half of America's known gas reserves (estimated usage: 93 years). Pipeline manufacturers, compressor stations, processing and fractionation plants are being built and creating new jobs to service this growing industry. The Ohio Shale Coalition states that \$6.5 billion in investments can be traced to these "midstream" activities in its state since 2011. One partnership, UEO Midstream, is developing a \$900 million multi-phased infrastructure network that includes a cryogenics facility in Kensington, Ohio. Pennant Midstream LLC's Hickory Bend \$300 million project is a natural gas gathering and processing network running between western Pennsylvania and eastern Ohio counties projected to be ready by year's end. In addition, Royal Dutch Shell will soon decide whether to construct a multibillion dollar ethane cracker in Monaca, Pa.

What does this shale energy revolution mean for the marine industry on the Great Lakes Seaway System? It means new

jobs, lots of them, both on water and on land. It means, better environmental performance, as more vessels begin to utilize gas and thereby reduce their emission of greenhouse gases. It means cheaper and more secure energy to revitalize manufacturing in the region. Ultimately, it means energy is lighting up the Seaway, and the neon signs of a bright future are becoming easier to read with each passing month.



## HIGHLIGHTED GUEST

## Mark Barker, President, Interlake-Steamship Company



At Interlake Steamship, we are committed to the safe and environmentally responsible operation of our vessels. Converting our ships to use liquefied natural gas (LNG) fuel takes our environmental stewardship to the next level. The marine mode, of course, is already the most environmentally-friendly way to move bulk cargo throughout the

Great Lakes region. The transition to LNG will further reduce our vessels' impact on the environment in which we live and work.

Interlake is celebrating its 100th anniversary this year. We've been transporting bulk cargo on the Lakes for over a century, and we'll be here well into the future. So we're looking ahead, we're investing in our fleet to maintain reliability as we continue to serve our customers.

After examining all the options, we feel that LNG works for the long-term. I'd like to point out that we have, over the past seven years, re-powered four of our nine self-unloading vessels. Three steamers received highly-efficient Tier 2 diesel power plants, and one of our 1000-footers received replacement diesel engines.

Now we're prepared to invest even more capital into our fleet as we make the move to LNG. That means that even these recently re-powered ships will be converted again in order to burn dual fuel. With the first conversion — probably the *Mesabi Miner* — planned for completion by the spring of 2016, we also expect to have the first LNG-powered ships on the Great Lakes.

LNG will greatly reduce the levels of carbon dioxide, sulfur oxide, nitrogen oxide, and particulate matter emitted from our ships' stacks.

We continue to work on engineering and design — we're planning for enough capacity to minimize the impact of increased fueling. And, of course, we're working on securing regulatory approval. This is new propulsion technology for the Great Lakes, so in essence, we're "charting the LNG waters" here.

The switch to LNG also allows Interlake to use fuel that is sourced, produced, and distributed entirely in North America, thus reducing our reliance on imported fossil fuels. Shell will be our LNG supplier. They will be installing a small-scale liquefaction unit at their Sarnia Manufacturing Center, and ships will fuel at their facility on the St. Clair River in Sarnia, Ontario.

The maritime industry currently supports thousands of jobs and billions of dollars in wages throughout the Great Lakes-St. Lawrence Seaway. As Interlake transitions to LNG fuel, we are also supporting the growing natural gas industry which is creating valuable jobs here in the U.S. And we are supporting the long-term growth and economic prosperity of the region that we've served for 100 years.

## Port-Related Projects Awarded Millions in TIGER V Infrastructure Grants



After evaluating 585 applications for FY 2013 Transportation Investment Generating Economic Recovery (TIGER) grants, U.S. Department of

Transportation Secretary Anthony Foxx announced that 52 transportation projects have been selected to receive approximately \$474 million in the fifth round of this multimodal, discretionary grant program. Of those, 12 awards totaling \$103,709,745, or about 21.9 percent of total funding, are going to projects that aid the movement of goods through America's seaports.

Two Great Lakes ports received TIGER grant funds:

### Duluth Seaway Port Authority

Port of Duluth Intermodal for \$10,000,000 — To rebuild and expand a 28-acre general cargo dock at the Port of Duluth-Superior and connect the site to existing road and rail infrastructure.

### Port of Oswego

East Terminal Intermodal Rail Link Connector for \$1,527,000.

U.S. Transportation Secretary Anthony Foxx said, "These transformational TIGER projects are the best argument for investment in our transportation infrastructure." He also said that the combined grants support President Obama's call to "ensure a stronger transportation system for future generations by repairing existing infrastructure, connecting people to new jobs and opportunities, and contributing to our nation's economic growth."

For more additional information regarding TIGER grants go to <http://www.dot.gov/tiger>.

## U.S. Coast Guard Visits the Seaway Locks

Rear Admiral Fred Midgette visited the Saint Lawrence Seaway Locks and Vessel Traffic Control Center on August 29 while touring Sector Buffalo's Marine Safety Detachment in Massena, New York.

Rear Admiral Midgette assumed duty as the Ninth District Coast Guard Commander in June 2013. He is the senior Coast Guard commander for the five Great Lakes and St. Lawrence Seaway. His previous assignment was Military Advisor to the Secretary of Homeland Security where he supported the Secretary in issues relating to the coordination and execution of policy and operations between the Department of Homeland Security and the Department of Defense.



Sal Pisani (right), Associate Administrator, SLSDC, and Rear Admiral Midgette.

## The Port of Milwaukee Receives Pacesetter Award



Administrator Betty Sutton presented the Robert J. Pacesetter Award to: (left to right) Paul Vornholt, Interim Port Director, Mayor Tom Barrett, and Tim Hoelster, President of the Board of Harbor Commissioners.

The Pacesetter Award recognizes Great Lakes ports that increased international cargo tonnage. Milwaukee was honored to receive the award from the Saint Lawrence Seaway Development Corporation's Administrator Betty Sutton. Mr. Tim Hoelster, the President of the Board of Harbor Commissioners joined Milwaukee Mayor Tom Barrett in accepting the award.

The Port of Milwaukee provides cost-effective transportation options to Milwaukee companies receiving raw materials and shipping finished products. This year the Port has handled a wide range of cargoes including a mining shovel headed to western Mexico, enormous beer brewing tanks headed to south-central Wisconsin, oversized electrical transformers arriving through the Seaway, and hundreds-of-thousands of tons of bulk cargo such as salt, grain, and coal.

## Ogdensburg Bridge and Port Authority Receives Pacesetter Award

The Port of Ogdensburg had its second best wind component handling season ever, welcoming ten ships, 210 rail cars, and a thousand trucks to haul the cargo valued at over \$100 million to the two construction sites. Seventy wind turbines passed through the port in just over five months and generated \$950,000 in local wages.



Sal Pisani, Associate Administrator, SLSDC, presents the Robert J. Lewis Pacesetter Award to Wade Davis, Executive Director, Ogdensburg Bridge and Port Authority (center), and Samuel LaMacchia, Chairman of the Ogdensburg Bridge and Port Authority (right).



## Dwight D. Eisenhower Visitors' Center Closed for the Season



Even though the Visitors' Center wasn't open during the full summer season because of some winter damage to the building, nearly 22,000 visitors entered the Center to view ships from dozens of nations traversing the binational U.S.-Canadian inland waterway.

The observation deck is located atop the Center to provide breathtaking views of the vessels as they transit

the Eisenhower Lock. Twenty-two million gallons of water are used during each transit to raise and lower ships more than 40 feet in about 10 minutes.

Here are a few comments from visitors who traveled to view one of New York State's busiest tourist attractions:

"So cool OMG—I never saw anything like it," families from Fairport and Rochester, NY.

"Amazing feat of engineering," visitor from Aurora, NY.

"Sharing of two great nations," visitor from Lancaster, PA.

"All I need to explain "locks" to my Grade 5 class at school!," visitor from Geneva, Switzerland.

"Exceptional job done by employees. Exceptionally clean everywhere," visitor from Penfield, NY.

"Excellent! Our America tax dollar at work," visitor from Monifee, CA.

## Breakbulk Americas — New Orleans

The Breakbulk Americas Exhibition, held in New Orleans on September 24–26, 2013, provided a great opportunity for raising the awareness of getting oversized cargo to the heartland of North America by using the Great Lakes St. Lawrence Seaway System. More than 4,000 attendees from around the world participated in the event. Industry leaders representing every aspect of handling breakbulk cargo sought out logistical solutions for getting cargo from one location to another.

Exhibitors were there to put their products on display and that is exactly what we did—the Great Lakes Seaway System could be seen in five separate locations in the New Orleans convention center. The Hwy H<sub>2</sub>O information booth was home base to Seaway System stakeholders from The St. Lawrence Seaway Management Corporation (SLSMC) and the Saint Lawrence Seaway Development Corporation (SLSDC), Port of Toledo, Midwest Terminals of Toledo, Port of Thunder Bay, Port of Duluth, Port of Milwaukee, Port of Hamilton, Port of Valleyfield and

McKeil Marine. Ports of Indiana, Port of Ogdensburg, Quebec Stevedoring and Fednav also represented the Great Lakes at their own information booths.



Staff members enjoyed talking with potential stakeholders. (left to right— Tim Heney, Port of Thunder Bay; Bruce Hodgson, SLSMC; Ron Johnson, Port of Duluth; and Vince D'Amico, SLSMC.

## New Polsteam Ship Arrives at Port of Cleveland

On September 17, Rebecca Spruill, Director of Trade Development participated in a ceremony hosted by Polsteam USA, Inc and Tata Steel International recognizing the importance of steel shipments into the Great Lakes Seaway System. The MV/ISA, owned and operated by Polsteam docked at the Port of Cleveland where the ILA at the FMT Terminal immediately started offloading the steel coils from Tata's steel mill in Imujden, The Netherlands.



## Reconstruction of Seaway Tie-Up Walls to Inject Almost \$100 Million into Regional Economy

The St. Lawrence Seaway Management Corporation (SLSMC) has awarded a contract to Oakville based Dufferin Construction to replace a series of ship tie-up walls on the Welland Canal. This entails the removal of the present timber tie-up walls and the construction of new tie-up walls using steel and concrete, the work is valued at \$86 million. Additional funding is dedicated to engineering the purchase of various supplies, and inspection activity.

“We anticipate that a substantial amount of this investment will directly benefit the regional economy,” said Luc

Boisclair, General Manager Operations, Welland Canal. “Dufferin has completed work of a similar nature in the past for the Seaway, and was selected after a thorough tendering process.”

The work will take place over the next four years, and is slated to begin in early October of this year and conclude in the spring of 2017. Under the current outlook, the project will not impact the flow of traffic crossing any of the bridges that span the Welland Canal.

The Welland Canal is a vital transportation artery within the St. Lawrence Seaway, which serves to connect the Great Lakes to the Atlantic Ocean. The rebuilding of the tie-up walls is one component of a \$395 million asset renewal program that the SLSMC is undertaking over the next five years to ensure the continued reliability of the Seaway.

## Personnel News

On October 1, the Duluth Seaway Port Authority welcomed Vanta E. Coda II as their new Executive Director. He succeeds Adolph Ojard who retired after more than a decade at the helm of the agency.



Mr. Coda brings over 20 years of experience in multi-modal transportation and logistics. He began his career in the rail industry and left a management position in the Gulf to move to Duluth.

During his career, Mr. Coda developed expertise in transportation marketing and sales, pricing, and financial analysis working with a wide array of customers and across many commodity lines including coal, aggregate, chemicals, petroleum, steel, wind generation and heavy-lift products.

## Upcoming Events

### November

November 13

9th Annual HWY H<sub>2</sub>O Conference

Toronto, Canada

Contact: <http://www.hwyh20-conferences.com>

### December

December 5

Great Lakes Stakeholder Appreciation Reception

Montreal, Quebec

Contact: [kyle.savage@dot.gov](mailto:kyle.savage@dot.gov); (202) 366-0095

### January

January 23–24, 2014

Shifting International Trade Routes

Tampa, Florida

Contact: <http://www.aapa-ports.org/Programs/seminarschedule.cfm?itemnumber=19237>