



Greater Cleveland Partnership

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Administrator

Saint Lawrence Seaway Development Corporation

The St. Lawrence Seaway – The Marine Highway
as a Global Economic Catalyst



Great Lakes St. Lawrence Seaway System





Seaway 101

■ What is it?

- Marine superhighway
- Vital transportation infrastructure
- Gateway to North American heartland

■ Where is it?

- Extends 2300 miles - longest inland marine highway in the world
- Supports maritime activity at 100 US and Canadian ports in the Great Lakes



Seaway History

- 1954 – Seaway Act signed into law
- 1955 – Construction begins
- 1959 – Seaway opens
- Cost - \$470 million; U.S. share - \$133.8 million
Today's \$ = \$10 billion



President Eisenhower signs Seaway Act





Eisenhower Tunnel



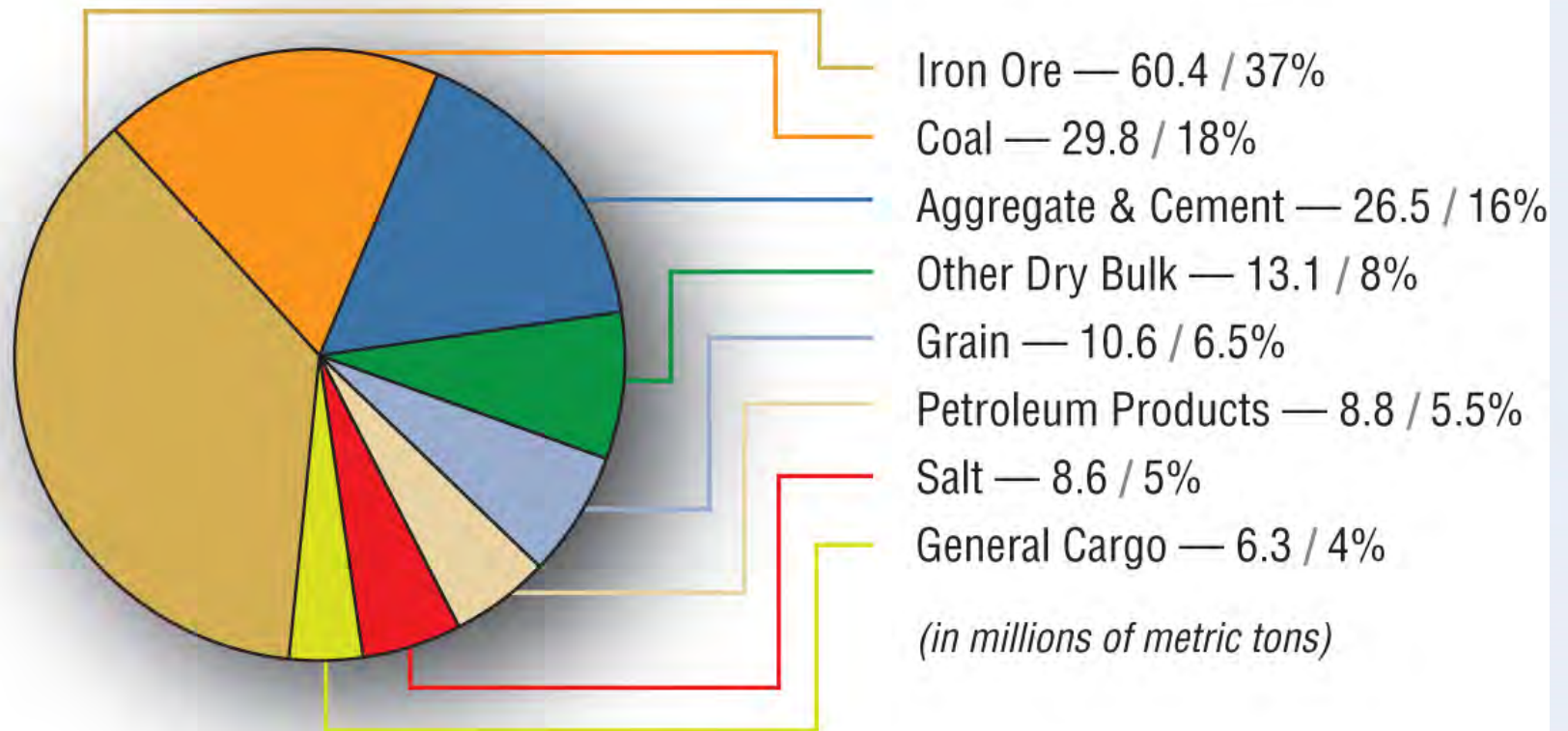


Seaway Governance

- Established as bi-national partnership
- U.S. – Saint Lawrence Seaway Development Corporation – 2 locks
- Canada – St. Lawrence Seaway Management Corporation – 13 locks
- 24/7 coordination



Seaway Cargoes



Over 164 Million Metric Tons Transported Each Year



Why is the Great Lakes-Seaway System Important?

■ Critical Trade Route

- Over 2.5 billion tons of cargo valued in excess of \$375 billion
- More than 320 million tons of cargo handled each year by US and Canadian ports
- Over 50 national flag carriers



Economic Impact Study Quick Facts

- **227,000 jobs**
- **\$33.5 billion in annual business revenue**
- **\$14.1 billion in annual wages**
- **\$4.6 billion in annual taxes**





The Great Lakes-Seaway System and Ohio

- Eight major Ohio ports served by Seaway
 - Toledo
 - Sandusky
 - Huron
 - Lorain
 - Cleveland
 - Fairport
 - Ashtabula
 - Conneaut



The Great Lakes-Seaway System and Ohio

■ Economic Impacts

➤ Jobs – 28,000 Direct

88,500 Related User

116,500 Total

➤ Annual Impacts

○ Personal Income \$2.1 Billion - Direct

\$4.3 Billion - Related User

\$6.4 Billion - Total

○ Business Revenue \$3.0 Billion - Direct

20.7 Billion - Related User

\$23.7 Billion - Total



The Great Lakes-Seaway System and Ohio

Ports of Cleveland and Toledo

- Jobs – 25,000 – Direct

- Annual Impact

Personal Income - \$1.6 Billion

Business Revenue - \$2.2 Billion

State & Local Taxes - \$260 Million

\$3.06 Billion - Total



The Great Lakes-Seaway System and Ohio

Looming Dredging Threat

- Harbor Maintenance Trust Fund
 - Washington's Favorite Piggy Bank
- 2013 Shortfall
 - All 8 Great Lakes States - \$61.4 Million
 - Ohio - \$17.3 Million
- Why it is a threat
 - Shipping = High fixed costs/low margins
 - 1" draft = 100-300 M tons cargo
 - Light loading eats profits
 - No profits – no jobs



What are the Challenges?

- Winter Closure
- Asset Renewal
- Costs & Tolls
- Midwest Economy



Opportunities

- Short Sea Shipping
- Containers
- Coal, Biomass, Wind
- New Ships



Short Sea Shipping - Containers

- Cross-lake trade (esp. Lakes Erie & Ontario) offers route time and cost savings
- Replicate the European short sea shipping success moving high-value, non-bulk freight, by Seaway-sized ships
- Why there is no European-style short-sea shipping in the U.S.





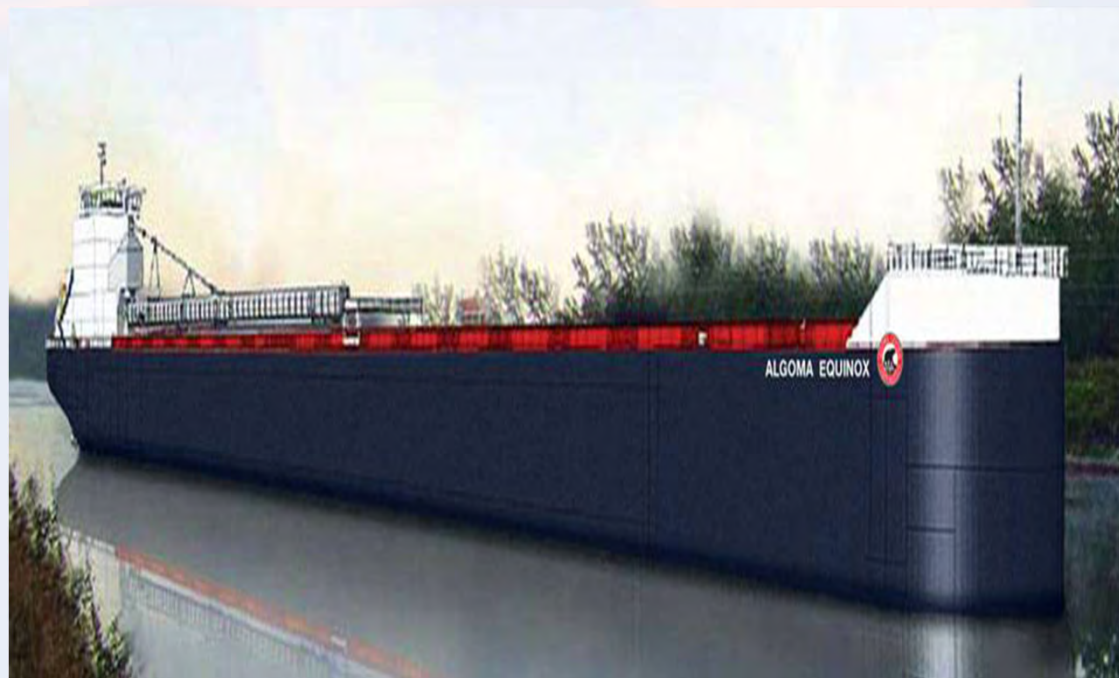
Cargo Diversification

- Iron ore, coal, grain, steel and stone aggregate still rule the tonnage roost but...
- Increasingly high value project cargoes are entering the System in energy, mining industries
 - Wind components (turbines, towers, blades, nacelles)
 - Hydrocrackers, pressure vessels, generators
 - Pipe (oil and gas)
 - Mining and construction machinery
 - Train locomotives



Investment in New Ships

- Canadian ship owners spending more than \$1 billion for new Seaway-sized ships over the next three years
- 25 new, efficient, environmentally friendly ships
- Latest engine technology and hull design
- Why?





Seaway's Future is Bright

- Infrastructure Modernization
- Investments in New Ships
- Innovative Technology
- Cargo Diversification
- Environmental Stewardship





Environmental Stewardship

- Ballast Water Inspection Program
 - 100 % of tanks
 - No new waterborn invasives since 2006

- USCG Final Ballast Water Rule
 - IMO International Standard
 - Achievable time frames

- Defeat of NYDEC Ballast Water Regulations