The Great Lakes St. Lawrence Seaway System

Greater Accessibility, Building a Competitive Gateway

Bruce Hodgson, Director, Market Development
The St. Lawrence Seaway Management Corporation

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Presentation Agenda

- The Seaway Story
- An Overview: The St. Lawrence Seaway and the Great Lakes St. Lawrence Seaway System
- Gateways and Hwy H₂O
- The Needs of Shippers
- Choosing the Hwy H₂O Option: Benefits
- Short Sea Shipping Developments
- Expanding System Access
- One stop shopping
- Summary
The Seaway Story

- Initiated in 1954 and completed in 1959, building the Seaway required:
  - Some 22,000 workers
  - Moving 210 million cubic yards of earth and rock
  - Pouring over 6 million cubic yards of concrete

- The Seaway is considered to be one of the engineering marvels of the 20\textsuperscript{th} century
The Seaway Story

- The Seaway was built to transport bulk cargoes – grain out for export and iron ore in.
- Since 1959, the Seaway has moved over 2.5 billion tonnes of cargo valued at over $375 billion.
An Overview: The St. Lawrence Seaway

Welland Canal

Montreal / Lake Ontario
Historical Seaway Cargo Tonnage
1959 – 2009
Seaway Cargoes

- Iron ore for the steel industry
- Coal for power generation and steel production
- Limestone for the construction and steel industries
- Cement, salt and stone aggregates for agriculture and industry
- Grain for overseas markets
- General cargo, such as iron and steel products
- Project cargo, such as wind turbines and heavy machinery
Vessels

- **Ocean Carriers**
  - Fednav, Canfornav, BBC, Beluga, Polsteam, Wagenborg, Flinter, Clipper, Intersee

- **Domestic Carriers**
  - Self-unloaders, Gearless Bulk Carriers
    - Canada Steamship Lines, Upper Lakes, Algoma
  - Tug and Barge
    - McKeil Marine
An Overview:

The Great Lakes / Seaway System

- Your gateway to the heartland of North America
- 3,700 km marine highway
- 41 ports connected to the System
- Serves a region that is:
  - Home to 100 million people
  - 26% of US industry
  - 60% of Canadian industry

We like to call it... Hwy H₂O
Gateways and Hwy H₂O

Ontario-Quebec Continental Gateway and Trade Corridor

- 71% of Canada’s international trade by the 4 modes of transportation
- Enhancing reliability and efficiency of the System
- Modal integration to grow the system and attract new business
What Do Shippers Want?

Value-Added Service

**Consistent Service**
- Accurate Billing
- Options
- Just In Time Delivery
- Less Environmental Impact
- Timely Information on Shipment Status
- Modal Connectivity
- Suitable Infrastructure

**Competitive Price**
- On Time Delivery
- Adequate Equipment
- Competitive Transit Time
- Information Technology
- Innovative Solutions
- Flexibility

**Seamless Access to Markets**
Choosing the Hwy H₂O Option

Benefits

- Available Capacity
- Strategic location
- Multiple Port Options
- Port Facilities: Laydown and Staging Availability
- Connectivity: Road and Rail
- Cost Competitive: Business Incentive Program
- Reduced environmental footprint
Environmental Footprint

Marine Mode Benefits

- Lower Total GHG Emissions (tonnes/km)
- Improved Energy Efficiency
- Improved Road Safety
- Lower Highway Maintenance Costs
- Less Risk of Accidents and Spills
- Improved Commuting Times
- Relief to Urban Congestion (infrastructures)
Available Capacity

- Over the last 5 years, an average of 41 million tonnes of cargo per year transited the Seaway.

- The Seaway has the capacity to significantly increase traffic volumes without additions to existing infrastructure.

- Our available capacity translates into reliable, consistent service.
Over 150 million people in North America live within an 8 hour drive of a major port on the Great Lakes / Seaway System.
Connectivity

- More than 40 provincial and interstate highways and nearly 30 rail lines link the ports of the System with consumers, products and industries all over North America.
Port Facilities

- Availability of ample laydown areas
- Flexibility of cargo storage and staging
- Many ports offer value-added services
Business Incentive Program

Growing our Business....
Maintaining our *Existing Cargo* and Attracting *New Cargo*

Since March 2008, our Toll Structure has been modified to offer Business Incentives

- Toll Freeze From 2008 to 2010
- A 20% Reduction on tolls for cargo qualified as New Business
- A 10% Volume Incentive for Existing Cargo Customers
New Business during the 2009 Season
Total: 1.63 million tonnes

**Bulk Cargo**
- Coke
- Coal
- Iron Ore
- Cement
- Aluminum

**General Cargo**
- Manufactured Steel
- Steel Billets
- Steel Coils
- Scrap Steel

**Project Cargo**
- Windmills and Parts
- Machinery
Diversify Cargo Base

- Project cargo continues to have potential. Wind turbines are an important component of this sector.
- Oil sands activity, new utility generating capacity, all contribute to a positive outlook.
- Specialty container market is showing promise. Overweight containers are difficult to move via other modes; Seaway has a strong competitive advantage.
- Weekly container feeder service between the Port of Hamilton and the Port of Montreal in 2009.
Short Sea Shipping Developments

The short sea shipping initiative continues to progress on the Great Lakes / Seaway

- Great Lakes Feeder Lines
- Sea 3/McKeil Marine
- Marinelink

- Partnerships with truck and rail carriers are one key to success
- Shippers will respond to innovative and competitive price/service/environmental offerings
World’s commercial fleet (Sea Web) consists of 83,667 ships.

Seaway sized vessels represent a total of 21,839.

Most of the Seaway sized vessels are not “Seaway fitted”.

Need to be able to accommodate Seaway sized vessels, whether or not they are Seaway fitted.
Service Customization

- **Draft Optimization**
  - 2006 – Increase in draft to 26’6”
  - 2010 – Testing for 26’9” continues
- **3D Navigation**
- **Updated Water Level Depths via AIS**
- **Self Spotting + TMS Vessel Profile**
  - Enables Customized Lock Transit
- **Speeds Transits / Increases Productivity**
Service customization

- Modified Practices and Procedures (Seaway Fittings)
- Hands Free Mooring Program
  - Attract more vessels in order to diversify our cargo base
  - Reduce barriers to system by lowering crewing requirements for lock transits / minimize overtime
  - Enhance crew safety and productivity
Expanding Access: Plan Reviews

- Seaway provides free drawing review service

- Seaway will review plans, provide recommendations and/or provide approval

- Seaway will attend at shipyards or ship location at customers request

Any questions, please contact us.
One stop shopping

A catalyst in connecting customers with markets

Questions....?

- Vessels
- Ports and Terminals
- Tolls
- Business Incentive Program

Contact: bhodgson@seaway.ca
tel: 905-641-1932, ext 5436

Website: www.greatlakes-seaway.com
www.hwyh2o.com
Summary

A 3,700 km marine highway straight into the heartland of North America

- Available Capacity
- Strategic location
- Multiple Port Options
- Port Facilities: Laydown and Staging Availability
- Connectivity: Road and Rail
- Cost Competitive: Business Incentive Program
- Reduced environmental footprint