



## **SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FY 2019-2020 STRATEGIC PLAN / PERFORMANCE REPORT**

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### **Introduction**

The Saint Lawrence Seaway Development Corporation (SLSDC or Corporation), a wholly owned Government Corporation within the U.S. Department of Transportation, was created by the Congress in 1954 as the U.S. federal agency responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. The SLSDC headquarters are located in Washington, D.C. Operations are located in Massena, N.Y.

The St. Lawrence Seaway is a binational waterway and lock system, which connects the Great Lakes to the Atlantic Ocean for commercial waterway trade and is jointly operated by the United States (SLSDC) and Canada (St. Lawrence Seaway Management Corporation – SLSMC). By law and treaty, the SLSDC is required to operate and maintain its portion of the St. Lawrence Seaway with an identical legislative mandate in Canada for the SLSMC.

The SLSDC is primarily responsible for maintaining and operating the two U.S. Seaway locks located in Massena, N.Y., and controlling commercial vessel traffic in areas of the St. Lawrence River and Lake Ontario. Primary activities include U.S. lock operations and maintenance, vessel traffic control, vessel safety and environmental inspections, trade promotion and economic development, and capital infrastructure renewal.

The SLSDC is directly responsible for ensuring the safe, efficient, and secure passage of commercial vessels through the St. Lawrence Seaway, and it has historically maintained a 99 percent reliability rate. Since the 15-lock binational waterway's opening in 1959, nearly 3 billion metric tons of cargo has moved on the St. Lawrence Seaway valued at over \$450 billion.

### **U.S. Economic Benefits of SLSDC Operations**

*(based on 2017 navigation season of 38 million metric tons moved through the Seaway locks valued at \$7.7 billion)*



- ✓ 33,000 jobs
- ✓ \$4.7 billion in transportation-related business revenues
- ✓ \$2.4 billion in personal income
- ✓ \$1.3 billion in local purchases
- ✓ \$1.1 billion in federal, state, and local tax revenues

*Source: Economic Impacts of Maritime Shipping in the Great Lakes-St. Lawrence Region, Martin Associates, July 2018*

## ***External Factors/Basis for Data Reported***

External factors affecting SLSDC performance and all strategic goals include: vessel incidents due to mechanical failure and human error; weather conditions; global economic factors affecting demand, production, and pricing of commodities and vessel services; and federal policy decisions by the United States and Canada.

The Great Lakes Seaway System and related operations are on a calendar year (CY) basis; the Seaway navigation season is typically from late March to late December. In accordance with calendar year operations, both CY and fiscal year (FY) (October 1 – September 30) data are reported as appropriate.

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### **SLSDC Mission Statement**

*The Saint Lawrence Seaway Development Corporation operates and maintains the U.S. infrastructure and waters of the St. Lawrence Seaway, while performing trade and economic development activities for the Great Lakes St. Lawrence Seaway System region. Our mission is to serve the marine transportation industries by providing a safe, secure, reliable, efficient, and competitive deep draft international waterway, in cooperation with the Canadian St. Lawrence Seaway Management Corporation.*

### **SLSDC Vision Statement**

*The Saint Lawrence Seaway Development Corporation will be a model federal agency, leading the Great Lakes Seaway System as the safest and most efficient, competitive, technologically advanced, and environmentally responsible marine transportation system in the world.*

### **SLSDC Organizational Core Values**

*Accountability  
Competitiveness  
Customer focus  
Dedication  
Diversity  
Excellence  
Integrity  
Operational Efficiency  
Quality  
Relevance  
Service  
Value Added*

## ***SLSDC STRATEGIC GOALS***

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**SAFETY, SECURITY, AND THE ENVIRONMENT:** Promote navigation and workplace safety, security, and environmental protection by reducing vessel incidents and employee injuries, increasing protection of facilities, and safeguarding environmental conditions on the Seaway.

### **Outcome Goals:**

- Increase the application of innovative technologies and programs to improve transit times, ensure navigation safety, and protect of the river environment.
- Eliminate the introduction of aquatic invasive species into the Great Lakes through the St. Lawrence Seaway.
- Protect critical infrastructure and other navigation and workplace-related assets.
- Improve compliance with navigation and workplace safety and environmental standards.

### **How We Will Achieve This Strategic Goal:**

- Insist on excellence in occupational safety by providing the education, training, equipment, and commitment needed to make the SLSDC an accident-free employer.
- Continue to advocate strict ballast water management efforts to prevent any new introductions of aquatic invasive species via commercial vessels entering Seaway waters.
- Utilize Automatic Identification System (AIS) / Global Positioning System (GPS) / Draft Information System (DIS) technologies and related systems to enhance vessel transit safety and efficiency.
- Utilize hands-free mooring (HFM) technology at both U.S. Seaway locks for safer, faster, and more efficient commercial vessel transits.
- Seek advancements in new navigation-related technologies (including Wi-Fi access for ships transiting the locks and virtual navigation aids) through industry and government partnerships to enhance safety, reliability, and efficiency, and ensure interoperability with the Canadian SLSMC.
- Construct a new Eisenhower Lock Visitors Center and Conference Complex, providing enhanced security for visitors and ships transiting the lock.
- Perform inspections of all ocean vessels on their initial transit into the St. Lawrence Seaway, in coordination with the Canadian SLSMC and the U.S. and Canadian Coast Guards. The inspection focuses on safety and ballast water compliance and occurs in Montreal, Quebec, before the vessel enters U.S. waters.

- Promote Seaway System safety through traffic control procedures, rules and regulations for transit, vessel speed surveillance, deployment of fixed and floating navigation aids, operation of weather and visibility stations, and water level and flow-rate monitoring.
- Implement critical infrastructure protection measures to enhance maritime security and Northern Border protection.
- Organize periodic meetings/exercises among U.S. and Canadian law enforcement and transportation entities to discuss and test procedures and policies for improving security along the St. Lawrence Seaway.
- Participate in federal security and emergency response training exercises as part of the national transportation system.
- Perform regular security training for SLSDC employees to include active shooter training and shelter-in-place simulations.
- Maintain and improve the SLSDC's capability to react to a hazardous materials spill by conducting annual simulated emergency response exercises and updating the Corporation's Emergency Response Plan and equipment accordingly. In addition, continuously improve teamwork of local/state government, emergency response agencies, and First Nation officials to respond to an incident through training, simulations, and actual incident critiques.

Performance Measures and Results: CY data sourced from the SLSDC offices of Lock Operations and Marine Services. Annual historical data for baseline measurement is included in annual performance agreements, performance plans, and budget justifications. Selected historical data are shown below.

- ✓ Maintain 100 percent of ocean vessel first-transit-inbound inspections at Montreal, Quebec, outside of U.S. waters, each navigation season.

CY 2014	100 percent	227 vessels
2015	100 percent	240 vessels
2016	100 percent	245 vessels
2017	100 percent	229 vessels
2018	100 percent	238 vessels

**RELIABILITY AND AVAILABILITY: Maintain user confidence in the continued viability of the Seaway System by ensuring that plans and decisions sustain the long-term reliability and availability of the U.S. sectors of the St. Lawrence Seaway.**

**Outcome Goals:**

- Ensure availability and reliability of the U.S. sectors of the St. Lawrence Seaway, including the two U.S. locks in Massena, N.Y., each shipping season.
- Reduce the risk of vessel delays due to lock equipment failure.
- Improve maintenance and inspection programs to ensure an accessible, safe, and efficient System for users.

**How We Will Achieve This Strategic Goal:**

- Ensure the structural integrity and mechanical reliability of the SLSDC's locks and facilities through a comprehensive program of inspections, preventative maintenance, and modernization through the SLSDC's Asset Renewal Program (ARP).
- Utilize AIS/GPS/DIS technologies to more efficiently manage vessel traffic control and vessel lockages at the two U.S. Seaway locks.
- Seek advancements in new navigation-related technologies (including Wi-Fi access for ships transiting the locks and virtual navigation aids) through industry and government partnerships to enhance safety, reliability, and efficiency, and ensure interoperability with the Canadian SLSMC.
- Strictly maintain weekly/monthly inspections for electrical systems and lock machinery during the navigation season.
- Ensure water levels are sufficient for maximum allowable draft commercial navigation throughout each navigation season.
- Utilize HFM technology at both U.S. Seaway locks for safer, faster, and more efficient commercial vessel transits.
- Continuously evaluate and improve our operating procedures, regulations and policies to better serve our customers. Actively seek customer feedback.
- Perform periodic channel maintenance and improvements, including sweeping and maintenance dredging.
- Coordinate with Canadian SLSMC on system operating dates and related safety goal activities critical to reliability: traffic control procedures, rules and regulations for Seaway transit, vessel speed surveillance, vessel safety inspections and ballast water tank exams, , Emergency Response Plan updates and periodic simulations, operation of weather and visibility stations, and water level and flow rate monitoring.

Performance Measures and Results: CY data sourced from the SLSDC offices of Lock Operations and Marine Services. Annual historical data for baseline measurement is included in annual performance agreements, performance plans, and budget justifications. Selected historical data are shown below.

- ✓ Ensure that the all engineering designs, specifications, and drawings for ARP winter projects are completed by mid-July each year to allow for sufficient pre-construction planning and Q4 funding obligations.
- ✓ Increase the percentage ratio of Seaway System reliability, versus downtime in the U.S. sectors of the Seaway, for any incident, cause, problem, or occurrence, including weather (98.9 percent in CY 2018). Five-year rolling average of Seaway System reliability:

CY 2010-2014	99.0%
2011-2015	98.5%
2012-2016	98.5%
2013-2017	97.9%
2014-2018	98.0%

- ✓ Reduce delays to navigation due to lock equipment maintenance failure (99.9 percent in CY 2018). Previous five years of hours of lock-related delays:

CY 2014	19.4 hours
2015	16.8 hours
2016	8.4 hours
2017	2.8 hours
2018	7.9 hours

**TRADE AND ECONOMIC DEVELOPMENT: Encourage increased System utilization that benefits both the Great Lakes regional economy and the national economy, while promoting cost effective competition for all System users.**

**Outcome Goals:**

- Increase the volume and/or value of commercial trade through the Great Lakes Seaway System.
- Increase ocean vessel fleet System utilization in terms of laden vessel transits and tonnage per transit.
- Increase Great Lakes regional economic development opportunities for job creation and economic growth.
- Increase domestic and international trade development programs to improve the Seaway's competitive position in serving the Nation.
- Increase the movement of new business/commodities, including containerized goods, heavy lift/project cargoes, and regular liner services.
- Increase cruise vessel fleet Great Lakes Seaway System utilization in terms of cruise vessel port calls.

**How We Will Achieve This Strategic Goal:**

- Develop a Great Lakes regional presence to support Great Lakes Seaway System stakeholders and work directly with regional organizations, businesses, and communities to foster increased trade, economic development, and job growth.
- Serve as a catalyst to unite the Great Lakes Seaway System community to improve communications and cooperation on system-wide initiatives directed toward improving customer service.
- Target domestic and overseas trade development programs to highlight potential markets and regions. Focus trade activities on specific commodity groups and vessel service, including refitting existing ships and construction of new vessels for Seaway operation.
- Maintain a binational Internet web site and social media presence to provide current and prospective users with a single resource for Seaway-related information on rules and regulations, real-time vessel locations, water level and weather conditions, trade and economic development activities, and promotional information.
- Continue to educate and inform public policymakers, trade and transportation officials, the general public, and other stakeholders on the economic, environmental, and safety advantages of Great Lakes Seaway System maritime transportation through active participation in the Great Lakes Seaway Partnership initiative.

- Develop operating initiatives to improve current capacity and future utilization of the system.
- Expand SLSDC capabilities to analyze and disseminate traffic information and publications and develop trade and economic development leads.
- Work with carriers, ports, pilots, agents, cargo handlers, and other interests in the Great Lakes Seaway System community to contain costs and participate in trade and economic development programs.
- Participate on various federal and departmental working groups related to trade and/or maritime transportation, including the federal interagency Committee on the Maritime Transportation System (CMTS) and DOT's America's Marine Highways Program.

Performance Measures and Results: CY data sourced from the Canadian SLSMC's monthly and annual navigation statistics. Annual historical data for baseline measurement is included in annual performance agreements, performance plans, and budget justifications. Selected historical data are shown below.

- ✓ Increase commercial tonnage through the Seaway System (long-term goal of 2 percent growth annually based on baseline level of 36.2 million metric tons in 2015; target for 2018 was 38.4 million metric tons). Annual commercial tonnage through the St. Lawrence Seaway:

CY 2014	39.9 million metric tons
2015	36.2 million metric tons
2016	35.0 million metric tons
2017	38.3 million metric tons
2018	41.0 million metric tons



**MANAGEMENT ACCOUNTABILITY: Improve Seaway customer service, increase employee proficiency, and be accountable for sound financial management.**

**Outcome Goals:**

- Increase customer/stakeholder satisfaction with SLSDC services.
- Improve employee morale through workforce initiatives.
- Increase management planning focus on meeting long-term critical capital infrastructure investments, operations and maintenance needs, and replenishment of financial reserves.

**How We Will Achieve This Strategic Goal:**

- Conduct outreach with all customers, employees, industry, federal and state agencies to involve the customer in the development of policies and programs.
- Continue binational partnerships with Canadian counterpart to drive service improvements and share resources.
- Maintain ISO certification of the SLSDC's Quality Management System, which encompasses all customer related services.
- Facilitate quarterly meetings of the SLSDC Advisory Board.
- Participate on the Board of Directors for the Seaway International Bridge Corporation as co-owner of the South Channel Span of the international bridge crossing.
- Ensure adequate staffing levels to meet Corporation mission and goals.
- Address operational and maintenance workforce needs given the real and anticipated technological advancements impacting Seaway operations.
- Recruit from a diverse, qualified group of potential applicants to secure a high-performing workforce drawn from all segments of American society.
- Cultivate an environment that encourages collaboration, flexibility, and fairness to enable individuals to contribute to their full potential.
- Develop structures and strategies to equip leaders with the ability to manage diversity, be accountable, measure results, refine approaches on the basis of such data, and institutionalize a culture of inclusion.
- Support minority-serving institutions (MSIs) in the Great Lakes region to educate students on federal and maritime job opportunities.

- Supplement outreach activities with customer surveys to obtain direct feedback concerning operations and regulations in practice and recommendations for program modifications.
- Maintain a basic standard of quality (including objectivity, utility, and integrity) on all publicly disseminated information.
- Foster an employee “customer” environment to strengthen and develop the organization internally, reach out to the employee local community and participate in local/national education initiatives.
- Continue support for administration initiatives and worklife policies, empower employees in the decision process, utilize partnerships, and encourage teambuilding and worklife policies.
- Safeguard Corporation assets and transactions performed in accordance with federally mandated government corporation accounting principles.

Performance Measures and Results: CY and FY data sourced from the SLSDC annual financial audits and management reports, as well as customer and employee satisfaction surveys. Annual historical data for baseline measurement is included in annual performance agreements, performance plans, and budget justifications. Selected historical data are shown below.

- ✓ Increase the customer survey ratings of SLSDC performance and service quality, measured over time against baseline survey results.
- ✓ Reduce the administrative overhead expense ratio of total operating expenses, excluding depreciation and imputed expenses, to 23 percent or lower (goal reduced from 25 percent to 23 percent at the start of FY 2015). Annual administrative expense ratio at the end of each fiscal year:

FY 2014	22%
FY 2015	21%
FY 2016	23%
FY 2017	20%
FY 2018	20%

- ✓ Ensure that a “clean” annual financial audit rating is maintained. Under the auspices of the Chief Financial Officers Act and the Government Corporation Control Act, the SLSDC has received 55 consecutive unqualified financial audits since the first audit in June 1955 through FY 2018 (early audits were not conducted on an annual basis).
- ✓ Continue to successfully maintain the appropriate ISO certification of the quality management system by meeting requirements of certification and obtaining zero non-conformity notes from biannual external audits.
- ✓ Ensure that Corporation hiring and training timelines are met to ensure operations and maintenance workforce needs are met and quality service levels remains continuous.

- ✓ Coordinate outreach and recruitment strategies to maximize opportunity to recruit from a diverse, broad spectrum of potential applicants, including a variety of geographic regions, academic sources, and professional disciplines.
- ✓ Use flexible workplace policies that encourage employee engagement and empowerment, including, but not limited to, telework, wellness programs, and other work-life flexibilities and benefits.
- ✓ Increase the overall agency-wide work environment satisfaction rating of SLSDC employees, measured over time against baseline survey results. The data will be collected through federal, departmental, and internal employee satisfaction surveys.
- ✓ Maintain the SLSDC's no-year revolving fund unobligated minimum annual balance ("reserve fund") at \$10 million. Annual reserve account balance at the end of each fiscal year:

FY 2014	\$13.7 million
FY 2015	\$11.3 million
FY 2016	\$11.9 million
FY 2017	\$10.9 million
FY 2018	\$11.6 million

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