

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FISCAL YEAR 2007/2008 STRATEGIC PLAN

Introduction

The Saint Lawrence Seaway Development Corporation (SLSDC or Corporation) is a wholly owned government corporation of the U.S. Department of Transportation (DOT) created by statute May 13, 1954, to construct, operate and maintain that part of the St. Lawrence Seaway between Montreal and Lake Erie, within the territorial limits of the United States. Trade development functions aim to enhance Great Lakes St. Lawrence Seaway System utilization without respect to territorial or geographic limits. The SLSDC headquarters staff offices are located in Washington, D.C. Operations and operations personnel are located at the two U.S. locks (Eisenhower and Snell) in Massena, N.Y.

The SLSDC coordinates its activities with its Canadian counterpart, The St. Lawrence Seaway Management Corporation, particularly with respect to rules and regulations, the Tariff of Tolls, overall day-to-day operations, ship inspections, traffic management, navigation aids, safety and environmental programs, operating dates, and trade development programs. The unique binational nature of the System requires 24-hour, year-round coordination between the two Seaway entities.

The mission of the Corporation is to serve the U.S. intermodal and international transportation system by improving the operation and maintenance of a safe, reliable, efficient, and environmentally responsible deep-draft waterway, in cooperation with its Canadian counterpart. The SLSDC also encourages the development of trade through the Great Lakes Seaway System, which contributes to the comprehensive economic development of the entire Great Lakes region. Maritime commerce on the Great Lakes Seaway System annually sustains more than 150,000 U.S. jobs, \$4.3 billion in personal income, \$3.4 billion in transportation-related business revenue, and \$1.3 billion in federal, state, and local taxes.

In February 2007, Lloyds Register of Quality Assurance recertified the SLSDC for the total quality performance of its key customer services under the internationally recognized International Standards Organization (ISO) 9001 Certification Program. The Corporation has established, implemented, and maintains a certified Quality Management System in compliance with ISO requirements, good business practices, and customer requirements. The SLSDC remains committed to continually improving its performance and increasing customer satisfaction in the areas of safety, reliability, efficiency, and quality of interface with Seaway users.



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 Seaway System and related operations are on a calendar year (CY) basis from late March to late December. In accordance with calendar year operations, both CY and fiscal year (October 1 - September 30) (FY) data are reported as appropriate.

Support of DOT and Administration Strategies

SLSDC strategic goals, programs, and initiatives support the DOT Vision (“New Ideas for a Nation on the Move”), Mission (“Serve the United States by ensuring a safe transportation system that furthers our vital national interests and enhances the quality of life of the American people.”), and Strategic Goals (see matrix below).

In addition, SLSDC plans and activities seek to accomplish the President’s Management Agenda government-wide management initiatives of budget and performance integration, strategic management of human capital, improving financial performance, and expanding electronic government.

SLSDC Strategic Performance Areas Compared to DOT Goals and Strategies				
SLSDC Strategic Performance Areas	<u>Perf. Area No. 1</u> Safety, Security, and the Environment	<u>Perf. Area No. 2</u> Reliability and Availability	<u>Perf. Area No. 3</u> Trade Development	<u>Perf. Area No. 4</u> Management Accountability
DOT Strategic Goals:				
Safety				
Reduced Congestion				
Global Connectivity				
Environmental Stewardship				
Security, Preparedness and Response				
Organizational Excellence				

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 development activities focused on economic development for the Great Lakes St. Lawrence Seaway System. 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
Relevance
Service
Quality

SLSDC STRATEGIC GOALS

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 preventing environmental incidents.

Outcome Goals:

- ◆ Increase the application of technologies and programs to ensure navigation safety and protection of the river environment.
- ◆ 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:

- Implement critical infrastructure protection measures to enhance maritime security and Northern Border protection.
- Insist on excellence in occupational safety by providing the education, training, equipment, and commitment needed to make the SLSDC an accident-free employer.
- Utilize Automatic Identification System (AIS) / Global Positioning System (GPS) technologies and related systems to enhance system safety.
- Maintain the enhanced vessel inspection program at Montreal to inspect every ocean vessel on the first transit inbound each navigation season, in coordination with the SLSDC's Canadian counterpart and the Canadian and U.S. Coast Guards. The program includes Seaway regulations and fittings, legislated port-state inspection, and the International Safety Management Code (ISM). Other transit-related inspections conducted by SLSDC personnel include ballast water screenings and risk assessment inspections.
- Promote System safety through traffic control procedures, rules and regulations for Seaway transit, vessel speed surveillance, deployment of fixed and floating navigation aids, operation of weather and visibility stations, and water level and flow-rate monitoring.
- Organize periodic meetings among U.S. and Canadian law enforcement and transportation entities to discuss procedures and policies for improving security along the St. Lawrence Seaway.
- 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 regional government and emergency response agencies to respond to an incident through training, simulations and actual incident critiques.

Performance Measures: CY data sourced from the SLSDC offices of Lock Operations and Marine Services, Engineering, and Maintenance. 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. [Note: 100 percent ocean vessel inspection measure includes SLSDC and USCG inspections.]

CY 2002	100 percent	244 vessels (239 performed by SLSDC inspectors)
2003	100 percent	208 vessels (208 performed by SLSDC inspectors)
2004	100 percent	224 vessels (224 performed by SLSDC inspectors)
2005	100 percent	212 vessels (212 performed by SLSDC inspectors)
2006	100 percent	252 vessels (252 performed by SLSDC inspectors)

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 our locks through a comprehensive program of maintenance, inspection and modernization.
- Utilize AIS/GPS technologies to more efficiently manage vessel traffic control and vessel lockages at the two U.S. Seaway locks.
- Strictly maintain weekly/monthly inspections for electrical systems and lock machinery during the navigation season and conduct major maintenance and rehabilitation programs during the winter shutdown period.
- Continuously evaluate and improve our operating procedures, regulations and policies to better serve our customers. Actively seek customer feedback.
- Supplement SLSDC preventive maintenance measures in coordination with periodic, comprehensive surveys and evaluations by independent engineering consultants such as the U.S. Army Corps of Engineers.
- Maintain five-year “rolling” capital improvement plan for machinery, lock and hydraulic steel structure replacement/rehabilitation programs.
- Periodic channel maintenance and improvements, including sweeping and maintenance dredging.
- System operating date negotiations with Canadian counterparts, and related Safety goal activities critical to availability: traffic control procedures, rules and regulations for Seaway transit, vessel speed surveillance, deployment of fixed and floating navigation aids, Emergency Response Plan updates and periodic simulations, operation of weather and visibility stations, and water level and flow rate monitoring.

Performance Measures: CY data sourced from the SLSDC offices of Lock Operations and Marine Services, and Maintenance. 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 percentage ratio of Seaway System availability, versus downtime in the U.S. sectors of the Seaway, for any incident, cause, problem, or occurrence, including weather (99.1 percent in CY 2006). Five-year rolling average of System availability:

CY 1998 — 2002	98.8%
1999 — 2003	98.8
2000 — 2004	98.8
2001 — 2005	99.0
2002 — 2006	99.1

- ✓ Reduce delays to navigation due to lock equipment maintenance failure (2.5 hours in CY 2006). Previous five years of hours of lock-related delays per 1,000 commercial transits:

CY 2002	1.23 hours
2003	0.00
2004	2.33
2005	1.00
2006	0.85

TRADE 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 of vessel transits through the Seaway System.
- ◆ Increase ocean vessel fleet System utilization in terms of laden vessel transits and tonnage per transit.
- ◆ Increase domestic and international trade development programs to improve the Seaway's competitive position in serving the nation.
- ◆ Increase cruise vessel fleet System utilization in terms of cruise vessel port calls.

How We Will Achieve This Strategic Goal:

- 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 overseas trade development programs to high 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.
- Provide a binational Internet web site 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 development and promotional activities, regulatory cost information, and cargo matching services.
- Advocate policies to reduce System operating costs to the industry, such as rebates, new business incentives, and targeted cargo discounts.
- 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 development programs.
- Develop operating initiatives to improve current capacity and future utilization of the system, through increased vessel draft, beam and length modifications.
- Expand our capability to analyze and disseminate traffic information and publications and develop trade leads.

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

- ✓ Increase vessel transits through the Seaway System (long-term goal of 5 percent growth every five years based on baseline level of 3,980 transits in 2000; long-term target for 2005 is 4,179):

CY 2002	3,891 vessel transits
2003	3,886
2004	4,090
2005	4,361
2006	4,613

- ✓ Increase the number of Great Lakes Seaway System cruise vessel port calls over the previous navigation season:

CY 2002	70 port calls
2003	49
2004	64
2005	57
2006	57

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 outlay programs, operations and maintenance needs, and replenishment of emergency 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, programs and operating decisions.
- Continue binational partnerships with Canadian counterpart to drive service improvements and share resources.
- Maintain ISO 9001 certification of the SLSDC's Quality Management System, which encompasses all customer related services.
- 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.
- Ensure agency compliance with all privacy and accessibility federal laws and guidelines.
- 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.
- Conduct and participate in maritime industry oriented public meetings with a broad array of U.S., Canadian and overseas interests representing all segments of the Great Lakes St. Lawrence Seaway System.
- Ensure that commitments are maintained to monitor costs, to build emergency reserves, and to conduct periodic risk assessments. Corporation assets will be safeguarded and transactions performed in accordance with federally mandated government corporation accounting principles.

Performance Measures: 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 25 percent or lower (25 percent in FY 2006). Five-year rolling average, administrative expenses as a percent of operating expenses:

FY 1998 — 2002	25%
1999 — 2003	26
2000 — 2004	26
2001 — 2005	26
2002 — 2006	25

- ✓ Ensure that a “clean” annual financial audit rating is maintained. Baseline: under the auspices of the Government Corporation Control Act, the SLSDC has had 43 consecutive “clean” audits since the first audit in June 1955 through FY 2006.
- ✓ Continue to successfully maintain ISO certification of the quality management system by meeting requirements of certification and obtaining zero nonconformity notes from biannual external audits.
- ✓ 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 biannual employee work environment surveys.
- ✓ Ensure that the SLSDC’s reserve account year-end balance is maintained at a level sufficient to achieve the SLSDC financial plan goal (\$11.1 million balance at end of FY 2006). Long-term goal is to maintain minimum annual balance of \$10.0 million. Five-year rolling average reserve account balances:

FY 1998 — 2002	\$10.4 million
1999 — 2003	10.7
2000 — 2004	11.0
2001 — 2005	11.2
2002 — 2006	11.3