



**U.S. Department
of Transportation**

BUDGET ESTIMATES

FISCAL YEAR 2021

**SAINT LAWRENCE
SEAWAY DEVELOPMENT
CORPORATION**

**SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS**

**U.S. DEPARTMENT OF TRANSPORTATION
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
FY 2021 BUDGET REQUEST**

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Saint Lawrence Seaway Development Corporation Budget Overview

The Saint Lawrence Seaway Development Corporation (SLSDC or Corporation), a wholly owned government corporation within the U.S. Department of Transportation, was created by Congress in 1954 as the U.S. federal civilian agency responsible for the operations, maintenance, and infrastructure of the U.S. portion of the St. Lawrence Seaway.

The SLSDC coordinates its activities with its Canadian counterpart, the St. Lawrence Seaway Management Corporation (SLSMC), particularly with respect to rules and regulations, overall day-to-day operations, traffic management, navigation aids, safety, environmental programs, operating dates, and trade and economic development programs. The binational operations of the Seaway are governed to a large extent by treaties, Exchange of Notes, and international agreements between the two governments.

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 system reliability rate. The SLSDC also promotes trade through the Great Lakes St. Lawrence Seaway System, which contributes to the comprehensive economic development of the entire Great Lakes region. The SLSDC headquarters is located in Washington, D.C., while operations facilities are located in Massena, N.Y.

For Fiscal Year (FY) 2021, the SLSDC requests an appropriation from the user fee-based Harbor Maintenance Trust Fund (HMTF) of \$30.7 million to fund the operations and maintenance of the U.S. portion of the St. Lawrence Seaway, as well as capital infrastructure projects to rehabilitate and modernize the SLSDC's perpetual assets and associated equipment.

The SLSDC's budget request includes two programs – (1) Seaway Operations and Maintenance and (2) Seaway Infrastructure. Both programs directly address the Secretary's key priority area of Infrastructure while also supporting the priorities of Safety, Innovation, and Focusing on Rural America.

Seaway Operations and Maintenance – The FY 2021 Seaway Operations and Maintenance program (*previously titled Agency Operations*) requests \$20.2 million and 143 full-time equivalents (FTEs). The FY 2021 request for this program includes \$512,000 in baseline increases, \$258,000 in program increases, and \$2.57 million in program decreases that do not impact Seaway operations, maintenance, or safety.

Overall, the FY 2021 Seaway Operations and Maintenance budget request will provide the Corporation with the financial and personnel resources necessary to perform the operational, maintenance, and administrative functions of the agency, including lock operations, marine services, vessel traffic control, asset maintenance, ballast water management, safety and environmental inspections, and trade promotion and economic development.

Seaway Infrastructure – Beginning in FY 2021, the SLSDC will request an annual appropriation for infrastructure projects as part of a recurring five-year capital plan developed by Corporation engineering, maintenance, lock operations, and policy officials each year following winter preventative maintenance work and inspections. This capital planning process will replace the SLSDC’s Asset Renewal Program (expected to be completed in FY 2020) to ensure that aging machinery, equipment, and parts are rehabilitated/replaced; that buildings for employees and the public, grounds, and utilities are sufficiently maintained/refurbished; and that commercial trade can continue to move on the Seaway safely and without interruption or delays.

As part of this new process, Seaway Infrastructure program planning and requests will focus on eight SLSDC infrastructure categories: Locks and Associated Structures; Lock Equipment; Utilities; O&M Equipment and Work Vehicles; Buildings and Grounds; Dredging, Navigation Aids, and Floating Plant; Seaway International Bridge; and IT and Communications.

The FY 2021 request for the Seaway Infrastructure program is \$10.5 million for eight projects, which is \$5.5 million below the FY 2020 enacted level. The eight projects focus on Locks and Associated Structures, Lock Equipment, and O&M Equipment and Work Vehicles (*see pages 31-34*).

Since the binational waterway’s opening in 1959, the SLSDC has performed operational and maintenance activities, safety programs, infrastructure renewal, and trade/economic development functions to ensure a safe, efficient, reliable, and cost-competitive commercial transportation route while also promoting trade and economic growth in the eight-state Great Lakes region.

Over its 60-year history, nearly 3 billion metric tons of cargo valued at more than \$450 billion has moved through the St. Lawrence Seaway.¹ SLSDC operations and maintenance activities have resulted in a near-perfect reliability rate of 99 percent for commercial users. During the 2019 navigation season, 38.3 million metric tons of cargo moved through the binational waterway.

SLSDC operational and capital infrastructure initiatives supporting Great Lakes Seaway System commercial trade supports 147,500 U.S. jobs and generates associated annual economic benefits of \$26 billion in economic activity, \$11 billion in personal income and local consumption expenditures, and \$5 billion in Federal, State, and local tax revenue.²

The SLSDC remains dedicated to safely and efficiently operating the U.S. portion of the St. Lawrence Seaway, while also promoting the economic benefits of the marine mode, attracting new cargoes to the Seaway, and leveraging technology and innovation to enhance the system’s performance and safety.

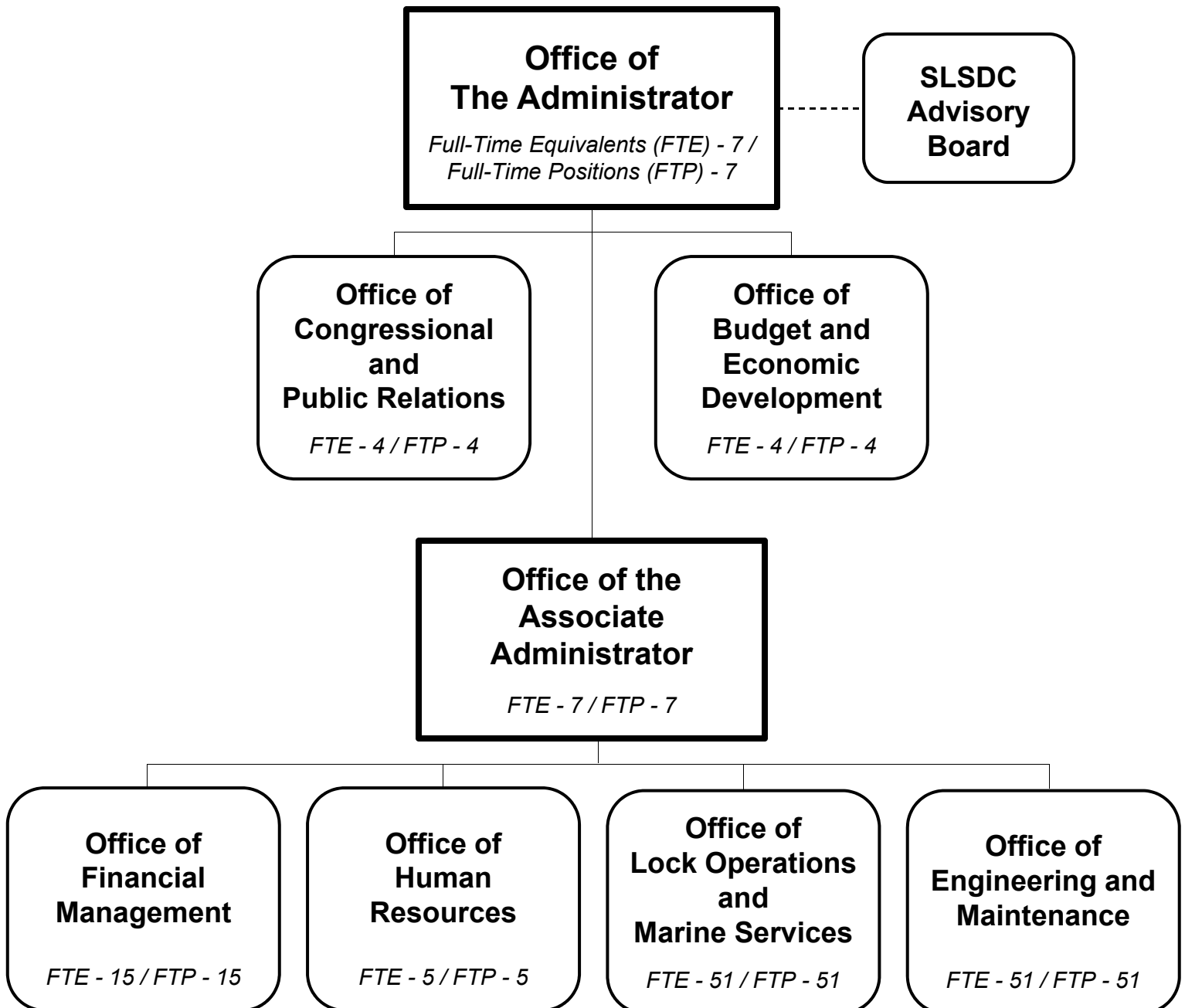
¹ [Seaway Traffic Reports](#).

² [Economic Impacts of Maritime Shipping in the Great Lakes-St. Lawrence Region](#), Martin Associates, July 2018.

Saint Lawrence Seaway Development Corporation

Organization Chart

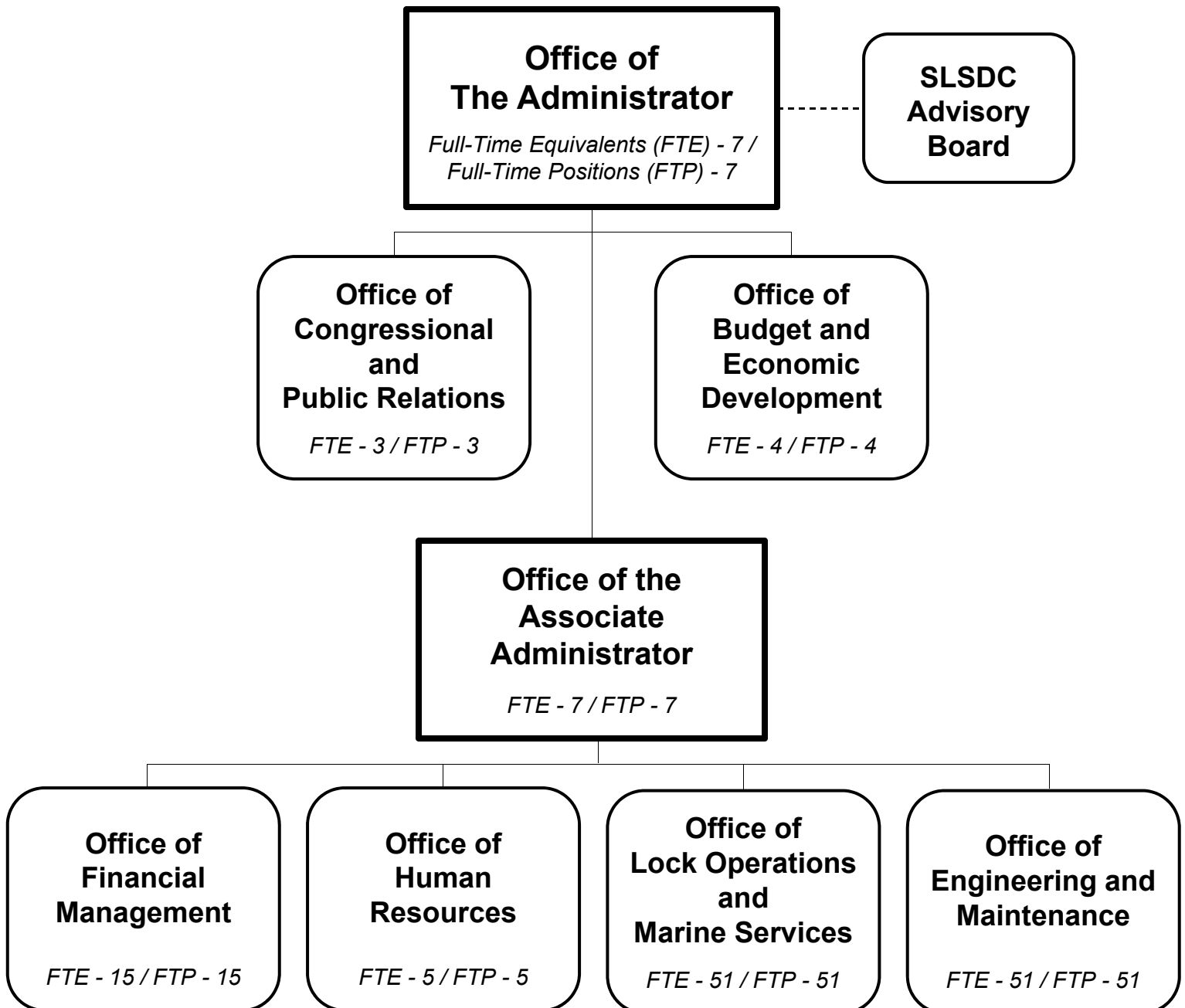
FY 2020 FTE/FTP Estimates



Saint Lawrence Seaway Development Corporation

Organization Chart

FY 2021 FTE/FTP Estimates



Budget Summary Tables

EXHIBIT II-1
FY 2021 BUDGET AUTHORITY
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
(\$000)

ACCOUNT NAME	FY 2019 ACTUAL	FY 2020 ENACTED	FY 2021 REQUEST
Operations and Maintenance - HMTF (69-8003)	\$36,000	\$38,000	\$30,700
TOTAL	\$36,000	\$38,000	\$30,700

EXHIBIT II-2
FY 2020 TOTAL BUDGETARY RESOURCES BY APPROPRIATIONS ACCOUNT
Saint Lawrence Seaway Development Corporation
Appropriations
(\$000)

ACCOUNT NAME	FY 2019 ACTUAL	FY 2020 ENACTED	FY 2021 REQUEST
Operations and Maintenance - HMTF (69-8003)			
Seaway Operations and Maintenance	\$20,000	\$22,000	\$20,200
Seaway Infrastructure	\$16,000	\$16,000	\$10,500
TOTAL	\$36,000	\$38,000	\$30,700

EXHIBIT II-3
FY 2021 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	Safety	Infrastructure	Innovation	Accountability	TOTAL
Operations and Maintenance - HMTF (69-8003)					
Seaway Operations and Maintenance	\$ -	\$ 20,200	\$ -	\$ -	\$ 20,200
Seaway Infrastructure	\$ -	\$ 10,500	\$ -	\$ -	\$ 10,500
TOTAL	\$ -	\$ 30,700	\$ -	\$ -	\$ 30,700

EXHIBIT II-4
FY 2021 OUTLAYS
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
(\$000)

ACCOUNT NAME	FY 2019 ACTUAL	FY 2020 ENACTED	FY 2021 REQUEST
Operations and Maintenance - Harbor Maintenance Trust Fund (HMTF) (69-8003) <i>(Discretionary Appropriations Account)</i>	\$39,534	\$50,000	\$28,700
TOTAL	\$39,534	\$50,000	\$28,700
[Discretionary] (Operations and Maintenance-HMTF -- 69-8003)	\$36,000	\$38,000	\$30,700
[Mandatory] (SLSDC Fund -- 69x4089)	\$3,534	\$12,000	(\$2,000)

EXHIBIT II-5
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

	FY 2019 Actual	FY 2020 Enacted	BASELINE CHANGES							FY 2021 Baseline Estimate	Program Increases/ Decreases**	FY 2021 Request
			Annualization of FY 2020 GS Pay Raise	FY 2021 GS Pay Raises* (1 percent)	One Less Compensable Day (261 days)	Washington Office Rent	Working Capital Fund	FSSP DOI Financial System	Non-Pay Inflation			
Operations and Maintenance - HMTF (69-8003)												
PERSONNEL RESOURCES	127	144										
Direct FTEs	127	144								144	(1)	143
FINANCIAL RESOURCES												
ADMINISTRATIVE EXPENSES												
Salaries and Benefits	\$3,810	\$3,820	\$20	\$17	(\$13)	\$0	\$0	\$0	\$0	\$3,844	\$108	\$3,952
Travel	\$54	\$54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54	\$0	\$54
Transportation of Things	\$2	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2	\$0	\$2
Washington Office Rent	\$486	\$508	\$0	\$0	\$0	\$34	\$0	\$0	\$0	\$542	\$0	\$542
DOI Financial System (FSSP)	\$664	\$804	\$0	\$0	\$0	\$0	\$0	\$31	\$0	\$835	\$0	\$835
Communications, Rent, and Utilities	\$41	\$41	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41	\$0	\$41
Printing	\$10	\$10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10	\$0	\$10
Working Capital Fund (WCF)	\$830	\$929	\$0	\$0	\$0	\$0	\$312	\$0	\$0	\$1,241	\$0	\$1,241
Supplies	\$25	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25	\$0	\$25
Equipment	\$6	\$6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6	\$0	\$6
Administrative Subtotal	\$5,928	\$6,199	\$20	\$17	(\$13)	\$34	\$312	\$31	\$0	\$6,600	\$108	\$6,708
PROGRAMS												
Seaway O&M (non-Admin.)	\$14,072	\$15,801	\$31	\$25	(\$33)	\$34	\$0	\$0	\$54	\$15,912	(\$2,320)	\$13,592
Seaway Infrastructure	\$16,000	\$16,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,000	(\$5,500)	\$10,500
Programs Subtotal	\$30,072	\$31,801	\$31	\$25	(\$33)	\$34	\$0	\$0	\$54	\$31,912	(\$7,820)	\$24,092
TOTAL	\$36,000	\$38,000	\$51	\$42	(\$46)	\$68	\$312	\$31	\$54	\$38,512	(\$7,712)	\$30,800

* SLSDC wage grade pay rates for FY 2021 are undetermined at the time of this submission. The SLSDC and its employee union (AFGE Local 1968) remain in negotiations over a new Collective Bargaining Agreement that includes wage rates for approximately 70 wage grade employees.

** Consistent with OMB Memorandum M-19-24 dated July 2019, the amount shown above for "Program Increases/Decreases" includes an estimated increase of \$139,000 for awards spending, from \$215,000 in FY 2020 to \$354,000 in FY 2021. This increase is calculated by increasing the FY 2020 base award pay, relative to non-SES salaries, and increasing that percentage by one full percent. These percentages are 2.3% and 3.3% for FY 2020 and 2021, respectively. Additional increases shown in this column include FERS contribution percentage increases for FY 2020 and 2021 as prescribed by OPM and OMB guidance. (See page 20 for "Program Increases/Decreases" details.)

EXHIBIT II-6
WORKING CAPITAL FUND
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
(\$000)

ACCOUNT NAME	FY 2019 ACTUAL	FY 2020 ENACTED	FY 2021 REQUEST	CHANGE
DIRECT:				
Operations and Maintenance - Harbor Maintenance Trust Fund (HMTF) (69-8003) <i>(Discretionary Appropriations Account)</i>	\$830	\$929	\$1,241	\$312
TOTAL	\$830	\$929	\$1,241	\$312

EXHIBIT II-7
PERSONNEL RESOURCE -- SUMMARY
TOTAL FULL-TIME EQUIVALENTS
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

	FY 2019 ACTUAL	FY 2020 ENACTED	FY 2021 REQUEST
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Operations and Maintenance - Harbor Maintenance Trust Fund (HMTF) (69-8003) <i>(Discretionary Appropriations Account)</i>	127	144	143
TOTAL FTEs	127	144	143

EXHIBIT II-8
RESOURCE SUMMARY -- STAFFING
FULL-TIME PERMANENT POSITIONS
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

	<u>FY 2019 ACTUAL</u>	<u>FY 2020 ENACTED</u>	<u>FY 2021 REQUEST</u>
<u>DIRECT FUNDED BY APPROPRIATION</u>			
Operations and Maintenance - Harbor Maintenance Trust Fund (HMTF) (69-8003) <i>(Discretionary Appropriations Account)</i>	134	144	143
TOTAL POSITIONS	<u>134</u>	<u>144</u>	<u>143</u>

EXHIBIT II-9
10-YEAR HISTORY OF APPROPRIATIONS
OPERATIONS AND MAINTENANCE (69-8003)
(HARBOR MAINTENANCE TRUST FUND)

YEAR	REQUEST	ENACTED
2012	\$33,996,000	\$32,259,000
2013	\$33,000,000	\$30,572,000
2014	\$32,855,000	\$31,000,000
2015	\$31,500,000	\$32,042,000
2016	\$36,400,000	\$28,400,000
2017	\$36,028,000	\$36,028,000
2018	\$28,346,000	\$40,000,000
2019	\$28,837,000	\$36,000,000
2020	\$28,000,000	\$38,000,000
2021	\$30,700,000	

NOTE:

The FY 2013 enacted amount includes a 0.2% across-the-board rescission of \$64,518, pursuant to P.L. 113-6, Division G, Title VIII, Section 3004(c)(1) and a sequestration reduction in the amount of \$1,622,821.

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**Budget Request
by Appropriation**

Operations and Maintenance (69-8003)

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APPROPRIATIONS LANGUAGE

**DEPARTMENT OF TRANSPORTATION
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION**

TRUST FUNDS

OPERATIONS AND MAINTENANCE

(Harbor Maintenance Trust Fund)

For necessary expenses to conduct the operations, maintenance, and capital infrastructure activities of those portions of the St. Lawrence Seaway owned, operated, and maintained by the Saint Lawrence Seaway Development Corporation, \$30,700,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law.

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EXHIBIT III-1

OPERATIONS AND MAINTENANCE – HMTF (69-8003)
SUMMARY BY PROGRAM ACTIVITY
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

<u>Program Activity</u>	<u>FY 2019 ACTUAL</u>	<u>FY 2020 ENACTED</u>	<u>FY 2021 REQUEST</u>	<u>CHANGE FY 2020-21</u>
Seaway Operations and Maintenance	\$20,000	\$22,000	\$20,200	(\$1,800)
Seaway Infrastructure	16,000	16,000	10,500	(5,500)
	-----	-----	-----	-----
Total	\$36,000	\$38,000	\$30,700	(\$7,300)
FTEs	127	144	143	(1)

Program and Performance Statement

The FY 2021 budget request for the SLSDC includes \$30.7 million from the user fee-based Harbor Maintenance Trust Fund (HMTF) to fund two programs – Seaway Operations and Maintenance (\$20.2 million) and Seaway Infrastructure (\$10.5 million).

The SLSDC is directly responsible for ensuring the safe, efficient, and secure passage of commercial vessels through the binational St. Lawrence Seaway and it has historically maintained a 99 percent reliability rate. The SLSDC remains dedicated to promoting the economic benefits of the marine mode, attracting new cargoes to the Seaway, and leveraging technology and innovation to enhance the system's performance and safety.

EXHIBIT III-1a

OPERATIONS AND MAINTENANCE – HMTF (69-8003)
SUMMARY ANALYSIS OF CHANGE FROM FY 2020 TO FY 2021
Appropriations, Obligation Limitations, and Exempt Obligations
(\$000)

<u>ITEM</u>	Change from FY 2020 to FY 2021 (\$000)	Change from FY 2020 to FY 2021 (FTE)
FY 2020 ENACTED	\$38,000	144
BASELINE ADJUSTMENTS:		
DOT Working Capital Fund	\$ 312	
Washington Office Rent at 55 M Street	68	
Non-Pay Inflation (1.0%)	54	
Annualization of FY 2020 GS Pay Raise (3.1% avg.)	51	
GS Proposed Pay Raise (1.0%)	42	
U.S. Department of the Interior Financial Mgmt. System	31	
One Less Compensable Day in FY 2021 (261 Days)	<u>(46)</u>	
SUBTOTAL, BASELINE ADJUSTMENTS	\$ 512	0
PROGRAM INCREASES:		
Employee Awards Increase (2.3% to 3.3% of salaries)	\$ 139	
Federal Employees' Retirement System (FERS) Increase	<u>119</u>	
SUBTOTAL, PROGRAM INCREASES	\$ 258	
PROGRAM DECREASES:		
Seaway Operations and Maintenance	(\$ 2,570)	(1)
Seaway Infrastructure	<u>(5,500)</u>	
SUBTOTAL, PROGRAM REDUCTIONS	(\$ 8,070)	
FY 2021 REQUEST	\$30,700	143

Detailed Program Justification for Seaway Operations and Maintenance

FY 2021 PROGRAM BUDGET REQUEST
Seaway Operations and Maintenance
Operations and Maintenance – HMTF (69-8003)
(\$000)

Program Activity	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Seaway Operations and Maintenance	\$20,000	\$22,000	\$20,200
Total	\$20,000	\$22,000	\$20,200
FTE	127	144	143

What Is the Program and What Does This Funding Level Support?

The SLSDC's Seaway Operations and Maintenance program (formerly titled Agency Operations) consists of all Corporation activities, except for the capital infrastructure activities highlighted in the Seaway Infrastructure program, and addresses the Secretary's key priority area of Infrastructure. Program activities also support the Secretary's priorities of Safety, Innovation, and Focus on Rural America.

The Corporation's mission, which is directly linked to this program, is to serve the U.S. intermodal and international transportation system through the operation and maintenance of a safe, reliable, efficient, and competitive deep-draft waterway, in cooperation with its Canadian counterpart, the St. Lawrence Seaway Management Corporation (SLSMC). The Great Lakes Seaway System offers safe and reliable access and competitive costs to and from the Midwest portion of the United States and North America, so it is critical that the U.S. Seaway waters, locks, and infrastructure maintained by the SLSDC be continuously open and navigable during each navigation season (typically late March to late December).

The SLSDC is responsible for operating and maintaining the U.S. portion of the St. Lawrence Seaway, including the two U.S. Seaway locks and connecting channels in rural Upstate New York. The SLSDC also promotes commercial trade through the Great Lakes Seaway System, which contributes to the comprehensive economic development of the entire Great Lakes region.

Since the Seaway's opening in 1959, the SLSDC has consistently maintained a 99 percent reliability rate for its locks and the U.S. sector of the waterway. This high mark of success is due primarily to the SLSDC's efficient management, operations, and maintenance of the locks and control of vessel traffic. Global customers from nearly 50 countries return each year to use the Seaway because of the waterway's strong safety record, efficient operations, and near-perfect reliability rate.

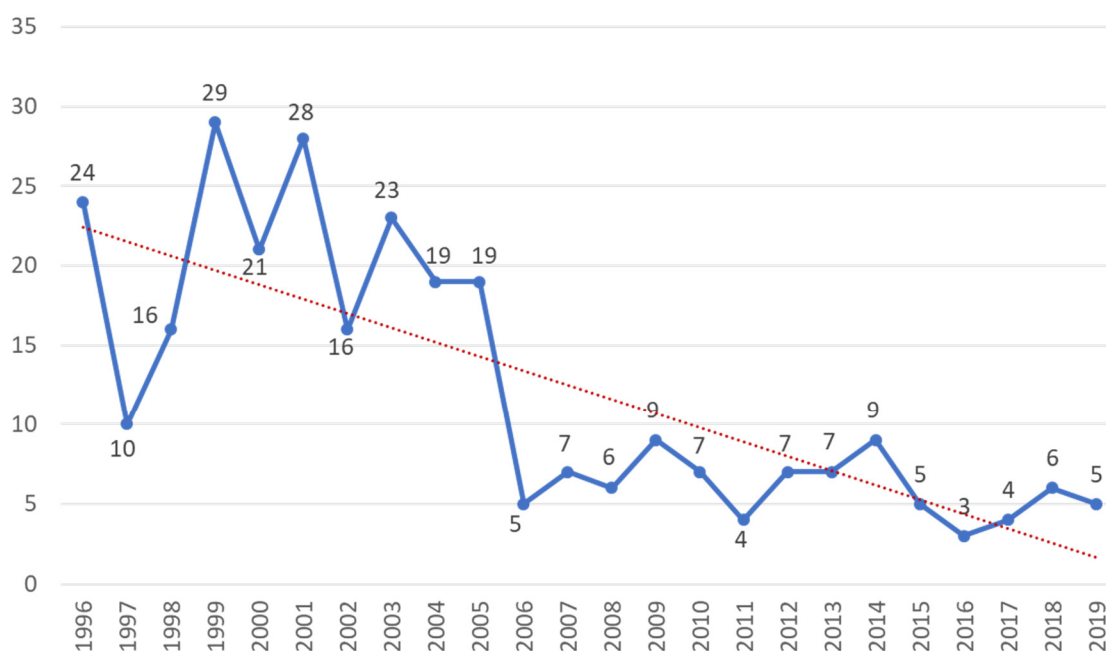
The SLSDC is a wholly owned government corporation, one of only 17 in the U.S. Government and the only one at DOT. To carry out its operational mission, the SLSDC possesses legal authorities that distinguish it from the other operating modes at DOT and from most other Executive Branch agencies. The SLSDC was created as a Federal corporation in 1954 to oversee a public asset and provide a direct service to commercial customers – moving ships safely and efficiently through a

binational waterway and infrastructure system. Together with its mission of providing 24/7 transportation services, these legal authorities help promote a culture of accountability and customer service within the SLSDC.

The St. Lawrence Seaway directly serves an eight-state, two-province region that accounts for one-quarter of the U.S. gross domestic product (GDP), one-half of North America's manufacturing and services industries, and nearly one-quarter of the continent's population.³ The Great Lakes region represents nearly \$6 trillion in annual economic activity, which would equate to the third largest economy in the world if it were a country, behind only the United States and China.⁴

The St. Lawrence Seaway is already one of the world's safest waterway systems and that safety record continues to improve. The SLSDC's FY 2021 budget request supports this improvement in Seaway safety through funded operational initiatives and capital infrastructure renewal. Over the last 20 years, the average number of vessel incidents in the Seaway requiring SLSDC inspectors has decreased significantly. From 1996-2006, the average number of incidents was 19 per year. But over the past 10 seasons, from 2010 through 2019, the average number of incidents declined to only 5.7 per year. This positive development can be attributed to several factors, including the U.S.-Canadian Enhanced Ship Inspection Program, the use of the Seaway's Automatic Identification System (AIS) vessel traffic management technology beginning in 2002, the well-trained and skilled SLSDC lock operations and maintenance staff, and a major fleet renewal program implemented by many of the Seaway's commercial customers.

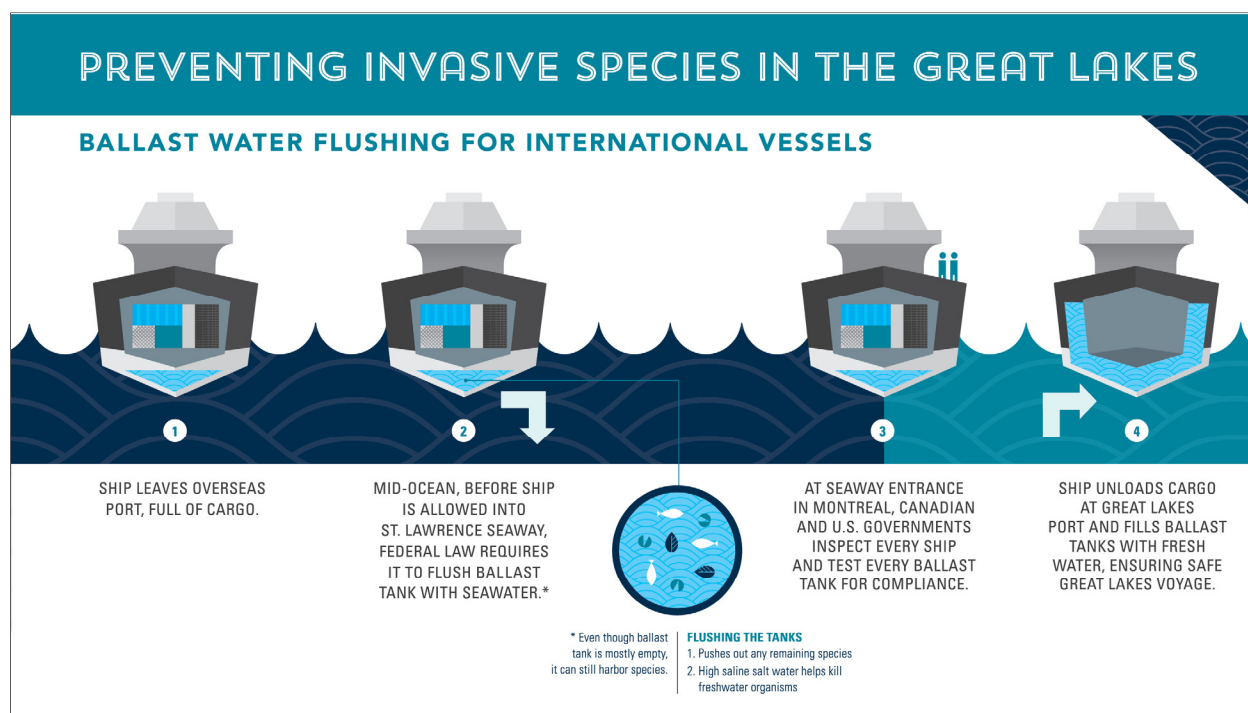
St. Lawrence Seaway Ocean Vessel Incidents (U.S. Seaway Traffic Control Sectors, 1996-present)



³ U.S. Census Bureau.

⁴ [Partners in Growth and Trade](#), BMO Capital Markets, Spring 2018.

The SLSDC also advocates strict ballast water management efforts to prevent the introduction of any new aquatic invasive species via commercial vessels entering Seaway waters. In 2008, the SLSDC and Canadian SLSMC jointly implemented regulations requiring all ships with no ballast in their tanks to conduct saltwater flushing of their empty ballast water tanks before arriving in the Seaway. The effectiveness of the Seaway's ballast water inspection program has been publicly credited as a key factor in preventing the establishment of any new species introduced through ballast water in the Great Lakes since 2006 – the longest such period of non-detection on record.



Anticipated FY 2020 Accomplishments

In FY 2020, the SLSDC workforce will continue to perform program activities intended to:

- Provide a safe, secure, and efficient commercial trade route with a reliability rate of 99 percent or greater through vessel traffic control operations and infrastructure maintenance.
- Continue close coordination and involvement with the Canadian SLSMC in all aspects of Seaway operations and trade and economic development to ensure consistent practices and greater economies of scale.
- Perform safety inspections and ballast water exams of all foreign-flag vessels entering the St. Lawrence Seaway in Montreal, Quebec, prior to entering U.S. waters.
- Promote regional trade and economic development through traditional marketing efforts, new initiatives, and activities aimed at increasing economic growth and job creation in the Great Lakes region.

- Use and enhance technologies to more efficiently manage vessel traffic control and lock transits.

FY 2021 Budget Request

For FY 2021, the SLSDC requests an appropriation of \$20.2 million for the Seaway Operations and Maintenance program from the user fee-based Harbor Maintenance Trust Fund (HMTF) and 143 full-time equivalents (FTEs). The FY 2021 request for this program is \$1.8 million less than the FY 2020 enacted level.

FY 2021 baseline increases, which total \$512,000, include:

- Estimated increase in DOT Working Capital Fund (WCF) expenses (\$312,000);
- Estimated increase for SLSDC's Washington, D.C., office rent (\$68,000);
- Estimated 1.0 percent inflation increase for non-pay object class expenditures (\$54,000);
- Estimated annualization of FY 2020 GS pay raise (3.1 percent avg.) (\$51,000);
- Proposed FY 2021 GS pay raise (1.0 percent) (\$42,000);
- Estimated increase in financial management system expenses with the Federal Shared Service Provider at the U.S. Department of the Interior (\$31,000); and
- Estimated decrease for one less compensable day in FY 2021 (261 days) (-\$46,000).

Program increases in the request total \$258,000 for two personnel-related items – employee awards increase, per OMB Memorandum M-19-24 (\$139,000), and agency increases related to the Federal Employees Retirement System (FERS) (\$119,000). The SLSDC's request also includes programmatic reductions of \$2.57 million in the Seaway Operations and Maintenance program that include equipment, supplies, and administrative expenses. These reductions will not directly impact Seaway operations, maintenance, or safety.

Overall, the SLSDC's Seaway Operations and Maintenance program FY 2021 budget request will provide the Corporation with the financial and personnel resources necessary to perform the operational, maintenance, and administrative functions of the agency, including lock operations, marine services, vessel traffic control, asset maintenance, ballast water management, safety and environmental inspections, and trade promotion and economic development. Primary operational and programmatic activities as part of this program include:

- Lock Operations, Vessel Traffic Control, and Marine Services – Lock Operations and vessel traffic control on the St. Lawrence Seaway are conducted on a 24-hour day, 7-day week basis throughout the shipping season (typically late March to late December each year). Marine operations consist of commissioning and decommissioning aids to navigation, channel dredging and maintenance, tugboat and other floating equipment services, as well as vessel safety inspections and ballast water examinations.

- Engineering and Maintenance – The Corporation’s infrastructure must be maintained in efficient operating condition. Facilities include: locks and guidewalls; roads; an international bridge; a highway tunnel; channels; public use facilities, such as the Eisenhower Lock Visitors’ Center; navigation aids; buildings, grounds, and utilities; and permanent operating equipment, including trucks, cranes, and tugboats. Major maintenance/asset rehabilitation on existing facilities will continue to be performed during the non-navigation winter months as part of the Seaway Infrastructure program.
- Administration – Executive management and administration of the Corporation includes legal, civil rights, financial management, procurement, information technology, human resources, labor relations, budget, performance, and external relations.
- Trade and Economic Development – The Corporation engages in activities designed to increase public and commercial awareness of the Great Lakes Seaway System and encourage trade and economic development throughout the Great Lakes region.

To maximize funding for operational programs and initiatives, the SLSDC constantly seeks to manage agency administrative expenses as a percentage of all operating costs at 23 percent or less. In FY 2019, the SLSDC administrative cost percentage was 22 percent. The SLSDC has implemented a number of activities to achieve the administrative cost ratio goal, including reducing costs associated with supplies, materials, and administrative contractual services, and investigating new technologies to reduce administrative overhead costs.

What Benefits Will Be Provided to the American Public Through This Request and Why Is This Program Necessary?

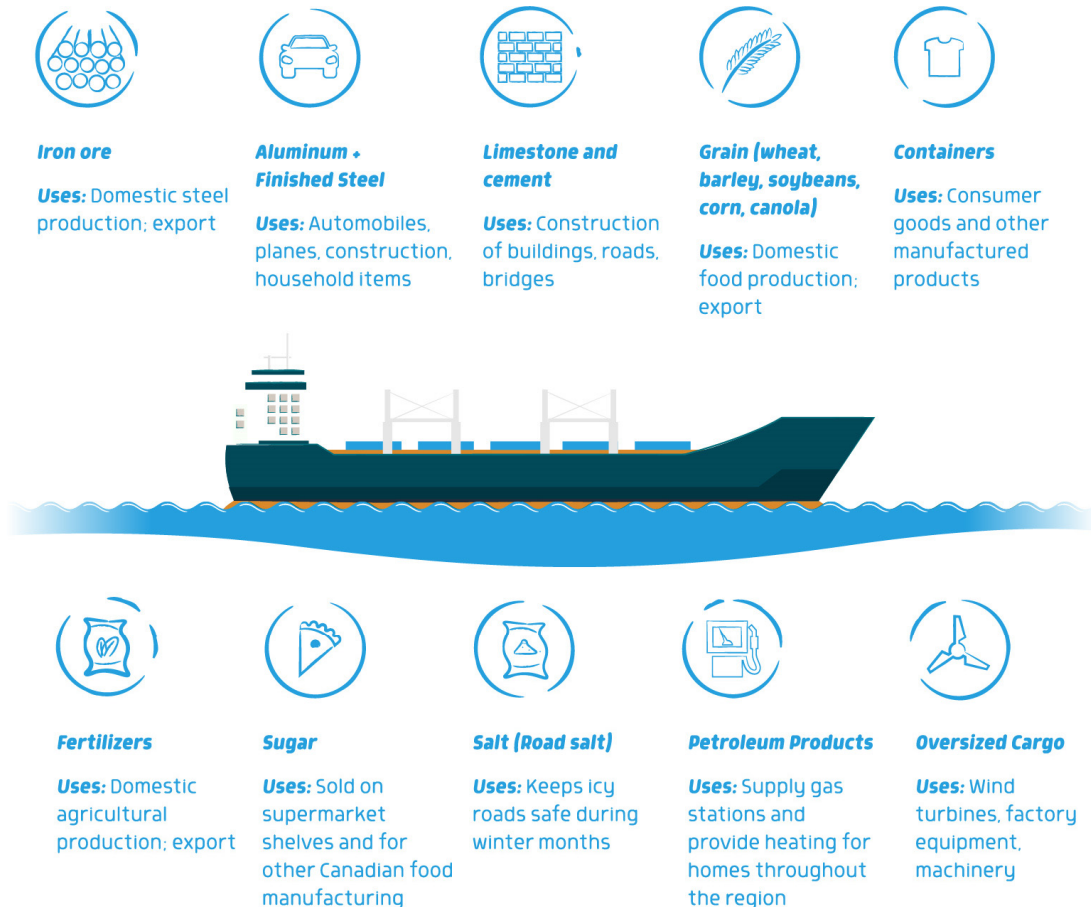
Since the binational waterway’s opening in 1959, the SLSDC has performed operational and maintenance activities, safety programs, and trade/economic development functions to ensure a safe, efficient, reliable, and cost-competitive commercial transportation route while also facilitating trade and economic growth in the eight-state Great Lakes region.

Over its 60-year history, nearly 3 billion metric tons of cargo valued at more than \$450 billion has moved through the St. Lawrence Seaway.⁵ SLSDC operations and maintenance activities have resulted in a near-perfect reliability rate of 99 percent for commercial users. During the 2019 navigation season, 38.3 million metric tons of cargo moved through the binational waterway. The U.S. Seaway sector system reliability rate was 99.2 percent, while the U.S. lock availability rate was 99.8 percent.

Cargoes include bulk cargo such as iron ore for the steel industry, petroleum for power generation, stone and cement for construction, and agricultural products for domestic and overseas consumption. Additionally, general cargoes such as machinery, steel, containerized goods, oversized and project cargoes, and bagged food products are moved on the Seaway each.

⁵ [Seaway Traffic Reports](#).

Great Lakes St. Lawrence Seaway System Cargoes



The SLSDC's long-standing and proven-effective operation of the St. Lawrence Seaway has produced significant benefits for the Nation in terms of economic conditions, fuel efficiency and congestion mitigation, and commercial transportation safety.

- **Economic Impacts** – SLSDC operational and capital infrastructure initiatives supporting Great Lakes Seaway System commercial trade supports 147,500 U.S. jobs and generates associated annual economic benefits of \$26 billion in economic activity, \$11 billion in personal income and local consumption expenditures, and \$5 billion in federal, state, and local tax revenue.⁶
- **Fuel Efficiency and Congestion Mitigation** – In terms of fuel efficiency and congestion mitigation, the Great Lakes Seaway System commercial fleet is nearly 7 times more fuel-efficient than trucks and 1.14 times more fuel-efficient than rail. Moreover, it would take 3 million railcars or 7.1 million trucks to carry the total cargo transported by the Great Lakes/Seaway fleet.⁷

⁶ [Economic Impacts of Maritime Shipping in the Great Lakes-St. Lawrence Region.](#)

⁷ [Environmental and Social Impacts of Marine Transport in the Great Lakes-St. Lawrence Seaway Region](#), Research and Traffic Group, January 2013.

- Transportation Safety – Great Lakes Seaway System shipping also has an outstanding safety record compared with its competing modes. Marine shipping is least disruptive to the public, has fewer accidents, and has fewer workplace injuries. The Seaway’s outstanding safety record is the consequence of a pervasive safety culture, a well-trained and licensed workforce, robust regulatory oversight, and the use of advanced navigation technology.

In addition, Great Lakes Seaway System ships remain a fuel-efficient and cost-effective mode for moving commercial goods to and from foreign markets and the Great Lakes region. The SLSDC remains dedicated to promoting the economic benefits of the marine mode, attracting new cargoes to the Seaway, and leveraging technology to enhance the system’s performance and safety.

This funding request for FY 2021 will sustain existing Seaway Operations and Maintenance program activities and afford the SLSDC the opportunity to find new ways to enhance its efforts in the areas of safety, operations, and trade/economic development, while maintaining the waterway’s historic near-perfect reliability rate.

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Detailed Program Justification for Seaway Infrastructure

FY 2021 PROGRAM BUDGET REQUEST
Seaway Infrastructure
Operations and Maintenance – HMTF (69-8003)
(\$000)

Program Activity	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Seaway Infrastructure	\$16,000	\$16,000	\$10,500
Total	\$16,000	\$16,000	\$10,500
FTE	0	0	0

What Is the Program and What Does This Funding Level Support?

The Seaway Infrastructure program serves as the SLSDC capital plan and addresses the needs of the organization's infrastructure assets in Massena, N.Y., which include vessel locks, buildings and grounds, vehicular bridge and tunnel, roadways, utilities, vehicles, and equipment. None of the projects in this program result in increases to the authorized depth or width of the navigation channel or to the size of the two locks, and expenditures in this program may be either capitalized or expensed projects. This program directly supports the Secretary's key priority area of Infrastructure.

In FY 2009, the SLSDC began the rehabilitation and replacement of its significant asset inventory through its Asset Renewal Program (ARP).⁸ Initially developed as a 10-year, 50-project capital plan, the SLSDC's ARP represented the first time in the SLSDC's history that a comprehensive effort had been undertaken to modernize the U.S. Seaway infrastructure.

From FY 2009-2019, the SLSDC spent \$161 million on 55 ARP projects. Major ARP projects completed include maintenance dredging in the U.S. portion of the Seaway navigation channel, lock miter gate and culvert valve machinery upgrades, culvert valve replacements, hands-free mooring installation at the locks, gatelifter upgrades, miter gate rehabilitation, and tugboat replacements, as well as various other structural and equipment repairs and/or replacements. By the end of FY 2020, the SLSDC will have funded and/or completed all scheduled ARP projects.

Although the ARP is ending in FY 2020, the SLSDC's role as a waterway and lock operator will require continual, proactive capital investments in the Seaway's perpetual assets to ensure the waterway's safe, reliable, and efficient commercial operations. Over its 60-year history, nearly 3 billion metric tons of cargo valued at more than \$450 billion has moved through the Seaway. This commercial trade is dependent on the Seaway's safe, efficient, and operational infrastructure.

⁸ As a Federal government corporation, the SLSDC owns and is responsible for all its infrastructure maintenance and renewal, including locks, channels, buildings, vessels, vehicles, heavy equipment, roadways, and a public vehicular tunnel and bridge. In the SLSDC's FY 2019 Statements of Financial Position, plant, property, and equipment (less accumulated depreciation) was valued at \$163 million.

This commercial trade produces significant economic benefits to the Great Lakes region and the Nation. In fact, an economic impact study completed in 2018 concluded that maritime commerce on the Great Lakes Seaway System supports 147,500 U.S. jobs and generates associated annual economic benefits of \$26 billion in economic activity, \$11 billion in personal income and local consumption expenditures, and \$5 billion in Federal, State, and local tax revenue.⁹

In addition to the infrastructure needs and economic benefits of this program, the international agreements entered into by the United States and Canada in the 1950s necessitate that the two countries jointly operate and maintain the St. Lawrence Seaway, including the physical assets. The SLSDC's infrastructure investments function as the Nation's commitment to the long-standing agreement to jointly operate and maintain the binational waterway for commerce.

Beginning in FY 2021, the SLSDC will request an annual appropriation for infrastructure projects as part of a recurring five-year capital plan developed by Corporation engineering, maintenance, lock operations, and policy officials following annual winter preventative maintenance work and inspections (*to be provided to appropriations committees once completed each spring/summer*). This capital planning process will ensure that aging machinery, equipment, and parts are rehabilitated/replaced; that buildings for employees and the public, grounds, and utilities are sufficiently maintained/refurbished; and that commercial trade can continue to move on the Seaway safely and without interruption or delays.

In preparing its budget requests, the SLSDC will categorize its infrastructure investments under eight infrastructure categories:

Seaway Infrastructure Categories / Descriptions	
Locks and Associated Structures	<i>Includes the structures at Eisenhower and Snell Locks and those structures that are required for the operation and/or maintenance of the locks</i>
Lock Equipment	<i>Includes the equipment at Eisenhower and Snell Locks that is used to transit vessels through the locks and the controls for that equipment</i>
Utilities	<i>Includes utilities infrastructure for electricity, fuel, potable water, raw water, and compressed air</i>
O&M Equipment and Work Vehicles	<i>Includes mobile heavy and light equipment, shop equipment, and Massena-based work vehicles</i>

⁹ [*Economic Impacts of Maritime Shipping in the Great Lakes-St. Lawrence Region.*](#)

Buildings and Grounds	<i>Includes construction of and improvements to SLSDC-owned buildings, roadways, work areas, parking areas, and grounds</i>
Dredging, Navigation Aids, and Floating Plant	<i>Includes projects that improve the safety and efficiency of navigation and improvements to and replacement of the SLSDC's floating plant</i>
Seaway International Bridge	<i>Includes any improvements to the South Channel Span of the Seaway International Bridge (SLSDC owns 68 percent of the South Channel Span)</i>
IT and Communications	<i>Includes improvements to the non-COE IT network and systems as well as CCTV, cameras, and communication improvements</i>

Anticipated FY 2020 Accomplishments

In FY 2020, the SLSDC expects to fund and/or complete several ARP projects, including \$3 million to start replacing the diffusers at Eisenhower Lock; \$2.5 million for the ice flushing system at Snell Lock; \$2.5 million for concrete rehabilitation at Eisenhower Lock; and \$2 million for air curtain upgrades at both locks.

Additionally, the SLSDC's Office of Engineering and Maintenance will complete engineering specifications and plans, permitting and environmental studies (*as applicable*), and contractual obligations for FY 2020 ARP projects. In addition, the SLSDC will manage and perform oversight of on-site ARP construction/installation work, acquisitions, and reporting.

FY 2021 Budget Request

Seaway Infrastructure Category	Seaway Infrastructure Project	FY 2021 Request
Locks and Associated Structures	Rehabilitation of Concrete at Eisenhower Lock	\$2,500,000
Locks and Associated Structures	Rehabilitation of Diffusers at Eisenhower Lock	2,000,000
Locks and Associated Structures	Rehabilitation of Eisenhower Lock Emergency Vertical Lift Gate	2,000,000
Lock Equipment	Installation of Air Curtains at Snell Lock	2,000,000
Lock Equipment	Installation of Ice Flushing System at Snell Lock	1,000,000

Seaway Infrastructure Category	Seaway Infrastructure Project	FY 2021 Request
Lock Equipment	Upgrade to Ship Arrestor Machinery	500,000
Lock Equipment	Installation of Self Spotting Equipment	250,000
O&M Equipment and Work Vehicles	Replacement of Heavy and Light Equipment, Maintenance Vehicles, and Shop Equipment	250,000
Totals (8 projects)		\$10,500,000

The FY 2021 Seaway Infrastructure program request of \$10.5 million is \$5.5 million below the FY 2020 enacted level. Dollar amounts for Seaway Infrastructure program projects are “project feasibility” estimates that can vary by an industry-recognized 20-30 percent. While many Seaway infrastructure projects have received funding over several years, the SLSDC uses a multi-phased approach to developing each project to ensure annual funding produces usable, distinct, and tangible segments and avoids incremental funding, in accordance with Office of Management and Budget (OMB) Circular A-11.

- **Lock and Associated Structures – Rehabilitation of Concrete at Eisenhower Lock (\$2.5 million)** – This ongoing project is to replace deteriorated/damaged concrete at Eisenhower Lock. This includes concrete that was of poor quality when placed during original construction and concrete that has been damaged by freeze-thaw cycles and by vessel impacts. This deteriorated/damaged concrete includes the mass concrete that forms the locks walls, the walls, floors and ceilings of the filling and emptying culverts and the gate sills. This project includes replacing concrete to depths ranging between approximately 8 inches and 24 inches. The SLSDC has used shotcrete to replace concrete in the culverts and plans to replace deteriorated/damaged concrete on the lock walls in future years.
- **Locks and Associated Structures – Rehabilitation of Diffusers at Eisenhower Lock (\$2 million)** – This project is to replace deteriorated/damaged concrete in the diffusers at Eisenhower Lock. This includes poor quality concrete used during original construction of the locks as well as concrete that was damaged by freeze-thaw cycles. The diffusers are the outlet structures used to dampen the flow of water when the lock is emptied. The SLSDC anticipates completing this project with FY 2021 funding (initial funding of \$3 million from the FY 2020 enacted level will be used on this project).
- **Locks and Associated Structures – Rehabilitation of Eisenhower Lock Vertical Lift Gate (\$2 million)** – This \$2 million request in FY 2021 is to award a contract to blast clean and paint the vertical lift gate at Eisenhower Lock to prevent further corrosion. The vertical lift gate is an emergency closure designed to be raised in the event of a miter gate failure to prevent loss of the power pool. This gate has not been cleaned and painted in over 30 years and once this work is completed, no additional funding is expected for several decades.

- **Lock Equipment – Installation of Air Curtains at Snell Lock (\$2 million)** – Both Eisenhower and Snell Locks have air curtains across the upstream entrance to the lock. These are pipes mounted on the channel bottom that distribute air to stop floating ice from entering the lock during the Seaway opening and closing periods. This project is to improve the effectiveness of those two air curtains and to install air curtains at the downstream entrances to both locks. The SLSDC anticipates adding capacity, flow meters, regulators, and controllers to these air curtains in future years. The SLSDC requested the initial \$2 million for this project in the FY 2020 President’s Budget request to install the downstream air curtain at Eisenhower Lock. No future funding is expected within the next five years for this project once the second lock air curtain is installed.
- **Lock Equipment – Installation of Ice Flushing System at Snell Lock (\$1 million)** – This project is for completing the installation of an ice flushing system at Snell Lock, similar to the one at Eisenhower Lock. The system will remove floating ice from the lock chamber to make room for transiting vessels and to prevent or minimize damage to the vessels and/or lock structures. Without this system, it is necessary to flush ice utilizing the filling valves which is less efficient and effective, significantly increases the stresses on these valves, and causes damage to them. The initial equipment was installed in FY 2013. During the testing and commissioning of the new system, several complications were observed, including system vibrations and issues with the valves when being closed during the flushing procedure. The SLSDC concluded that it was not prudent to operate the new system until the issues were resolved. Since that time, the SLSDC has been working with the contractors and the design engineers to identify solutions. The \$1 million request in FY 2021 is expected to finish the installation, resolve the problems, and make the system operational. (Initial funding of \$2.5 million from the FY 2020 enacted level will be used on this project.)
- **Lock Equipment – Upgrade to Ship Arrestor Machinery (\$500,000)** – This project is for replacing/upgrading the operating machinery for the ship arrestors at both Eisenhower and Snell Locks. The ship arrestors protect the miter gates from damage that would be caused should a vessel malfunction, making it unable to stop. This operating machinery is 60 years old and needs to be upgraded to ensure continued reliability. This investment would be the first in what is expected to be a three-year, \$1.5 million project (\$500,000 each year) to complete the project at both locks.
- **Lock Equipment – Installation Vessel Self Spotting Equipment (\$250,000)** – This project is for installing equipment at the U.S. Seaway locks such that transiting vessels can spot/locate themselves in the lock. This new technology, once fully implemented, will eliminate the need for Lock Operations’ personnel to spot vessels in a lock. The SLSDC will leverage the research, development, and testing for this project led by the Canadian SLSMC over the past several years and move directly to implementation at the U.S. locks. The FY 2021 request will allow the SLSDC to install the equipment at one of its two locks. Future funding for this project will address the second lock.

- **O&M Equipment and Work Vehicles – Replacement of Heavy and Light Equipment, Maintenance Vehicles, and Shop Equipment (\$250,000)** – This annual project is to replace heavy and light equipment, vehicles, and shop equipment as they become worn out and unserviceable. Heavy and light equipment include such items as cranes, dump trucks, snowplows, backhoes, graders, front-end loaders, and assorted shop equipment. Equipment and vehicles are inspected regularly and their replacement is prioritized based on the results of those inspections. In FY 2021, the SLSDC anticipates replacing four fleet vehicles, a snow plow truck, and lowboy trailer.

What Benefits Will Be Provided to the American Public Through This Request and Why Is This Program Necessary?

The Great Lakes St. Lawrence Seaway System is a binational waterway connecting world markets to the Great Lakes region. The goal of the SLSDC's Seaway Infrastructure program is to ensure the long-term structural integrity and reliability of the Seaway infrastructure, which is a critical component of the economic vitality of the eight-state region and the Nation. Without safe, modern, reliable, and efficient locks and waters, the St. Lawrence Seaway will lose its competitive advantage for the movement of raw, bulk, and project cargoes to and from the Heartland of North America.

Without the SLSDC's continued efforts to modernize the U.S. Seaway infrastructure, commercial users would consider alternative, more dependable modes and routes to move goods to and from the region, which would result in fewer economic benefits to the Nation, as well as increased road/rail congestion and consumer costs for goods and products.

SLSDC Fund

(69x4089)

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APPROPRIATIONS LANGUAGE
DEPARTMENT OF TRANSPORTATION
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
FEDERAL FUNDS

Public enterprise funds:

Saint Lawrence Seaway Development Corporation

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year.

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*The Research, Development, and Technology section of the
FY 2021 budget request is not applicable to the SLSDC*

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**INFORMATION TECHNOLOGY
U.S. DEPARTMENT OF TRANSPORTATION
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
Budget Authority
(\$000)**

Budget Account	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Operations and Maintenance (69-8003)	\$1,642	\$1,876	\$2,229
<i>Commodity IT SS WCF</i>	<i>\$506</i>	<i>\$576</i>	<i>\$883</i>
<i>Programmatic IT</i>	<i>\$1,136</i>	<i>\$1,300</i>	<i>\$1,346</i>
Total	\$1,642	\$1,876	\$2,229

The Saint Lawrence Seaway Development Corporation (SLSDC) is requesting **\$2.2 million** in FY 2021 that support its Seaway Operations and Maintenance program as well as the Department's initiative to transform and consolidate the management of certain IT solutions centrally by the Office of the Chief Information Officer (OCIO).

Commodity IT Shared Services through the Working Capital Fund

OCIO will continue to provide all modes Commodity IT Shared Services in FY 2021 to achieve economies of scale and increase consistency of cybersecurity protections across the Department. Commodity IT Shared Services include IT functions and activities dedicated to basic support services, including network operations, end-user computing, telecommunications services, and server operations.

- The SLSDC requests **\$883,000** from the Operations and Maintenance account (69-8003) for Commodity IT Shared Services. The SLSDC share was based on actual commodity IT consumption in prior years as well as planned future consumption. OCIO, in collaboration with the SLSDC, assumed a one-to-one cost estimate to transition all commodity IT to OCIO. The SLSDC will only be charged for services rendered.

Full Time Equivalents

Since most day-to-day IT support is already provided by the Department's OCIO, the SLSDC is not transferring any of its existing three IT-related FTEs. Those FTEs will continue to focus on the non-COE / mission-specific systems primarily related to Seaway lock operations and vessel traffic control.

Modal IT

The following major mission-critical IT systems will be maintained by the SLSDC in FY 2021. This list represents those IT systems that support the SLSDC and are reported in OMB's Corporate Investment Management System (CIMS).

- **Financial/Accounting System** – The SLSDC requests **\$835,000** for the O&M of its access to and usage of the financial management system at the U.S. Department of the Interior, which is a Federal Shared Service Provider for financial and accounting services.
- **PC&B for IT Operations Staff** – The SLSDC requests **\$328,000** for the personnel compensation and benefit (PC&B) costs for its 2.5 FTEs responsible for IT operations for mission systems.
- **Support for Seaway Vessel Tracking System** – The SLSDC requests **\$100,000** for the O&M of the binational Seaway traffic management system.
- **PC&B for Cybersecurity Staff** – The SLSDC requests **\$68,000** for the PC&B costs of its 0.5 FTE responsible for cybersecurity for mission systems.
- **CASTLE Time and Attendance System** – The SLSDC requests **\$15,000** for its annual expenses for FAA’s CASTLE time and attendance application.