



**U.S. Department
of Transportation**

BUDGET ESTIMATES

FISCAL YEAR 2020

**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 2020 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 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 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 headquarters is in Washington, D.C., while the operational offices are in Massena, N.Y. The SLSDC is also responsible for the promotion of trade through the Great Lakes St. Lawrence Seaway System, which contributes to the comprehensive economic development of the entire Great Lakes region.

For Fiscal Year (FY) 2020, the SLSDC requests an appropriation from the user fee-based Harbor Maintenance Trust Fund (HMTF) of \$28 million to fund the operations and maintenance of the U.S. portion of the St. Lawrence Seaway as well as projects included in the Seaway's Asset Renewal Program (ARP) to rehabilitate and modernize the U.S. Seaway assets. This request represents a decrease of \$8 million as compared to the FY 2019 enacted level.

The SLSDC's budget request includes two programs – Agency Operations and ARP:

Agency Operations – The SLSDC's FY 2020 Agency Operations program requests \$20 million from the user fee-based Harbor Maintenance Trust Fund (HMTF) and 144 full-time equivalents (FTEs) for the SLSDC's Agency Operations program. The FY 2020 request for this program is equal to the FY 2019 enacted level (\$389,000 in baseline increases and \$389,000 in program decreases) with no requested changes to the FTE count.

Overall, the SLSDC's Agency Operations FY 2020 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.

ARP – The FY 2020 ARP budget request of \$8 million from the HMTF for seven projects represents a decrease of \$8 million as compared to the FY 2019 enacted level.

The FY 2020 ARP request includes \$4.3 million for concrete rehabilitation (3 projects), \$2.1 million for ice management at the SLSDC locks (2 projects), \$1.5 million for the ice flushing system at Snell Lock (1 project), and \$100,000 for lock rehabilitation (1 project).

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, along with its ARP infrastructure renewal efforts, have resulted in a near-perfect reliability rate of 99 percent for commercial users.

Commercial trade through the Great Lakes St. Lawrence Seaway System produces significant economic benefits to the Great Lakes region. In fact, during the 2018 navigation season, nearly 41 million metric tons of cargo moved through the binational waterway valued more than \$8 billion.

SLSDC operations and ARP initiatives supporting Seaway trade directly impact 33,000 U.S. jobs with associated benefits of \$4.7 billion in annual business revenue from transportation firms, \$2.4 billion in annual personal income, \$1.3 billion in local purchases, and \$1.1 billion in federal, state, and local tax revenues.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.

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

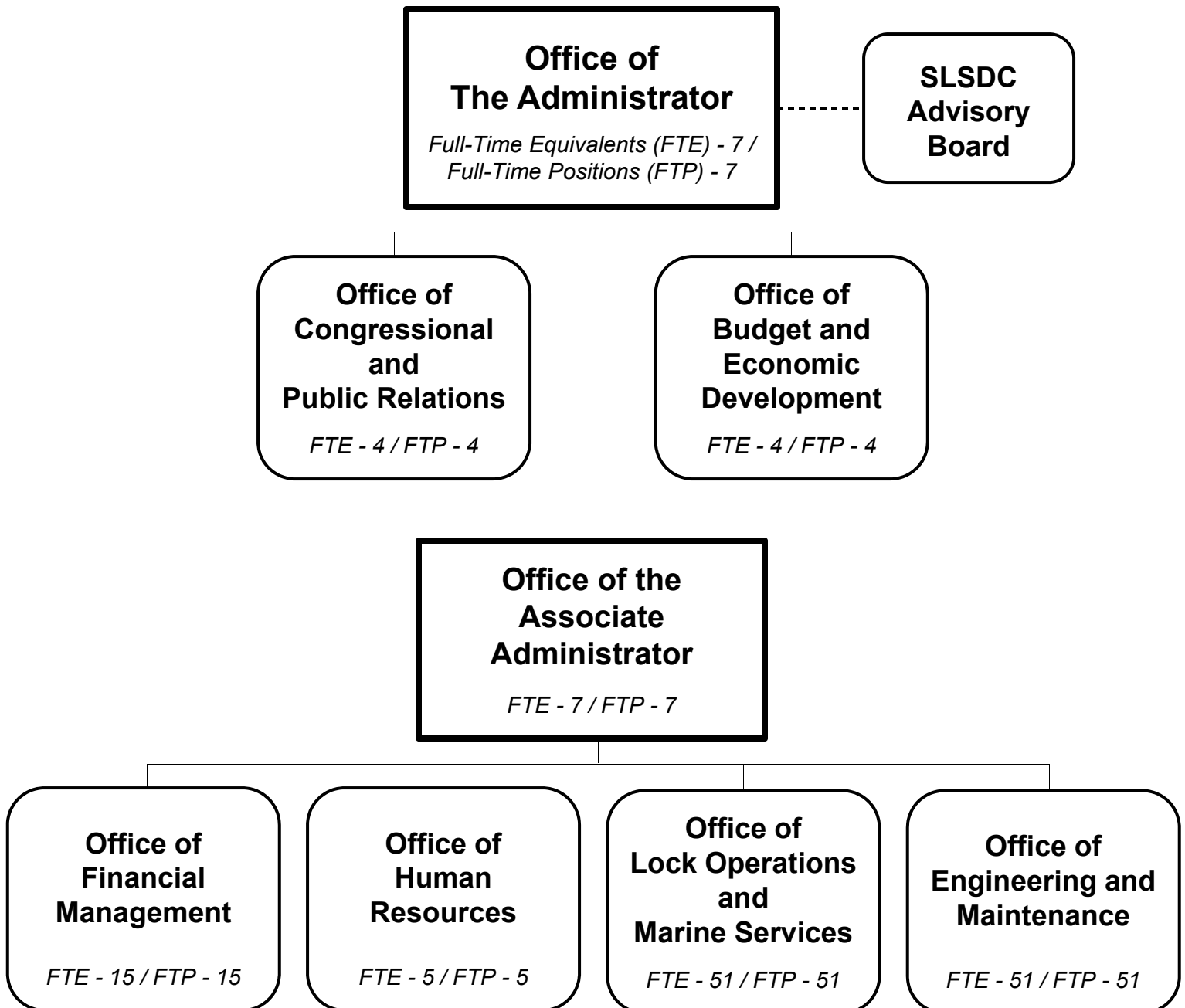
¹ *Seaway Traffic Reports.*

² *Economic Impacts of Maritime Shipping in the Great Lakes-St. Lawrence Region, Martin Associates, July 2018.*

Saint Lawrence Seaway Development Corporation

Organization Chart

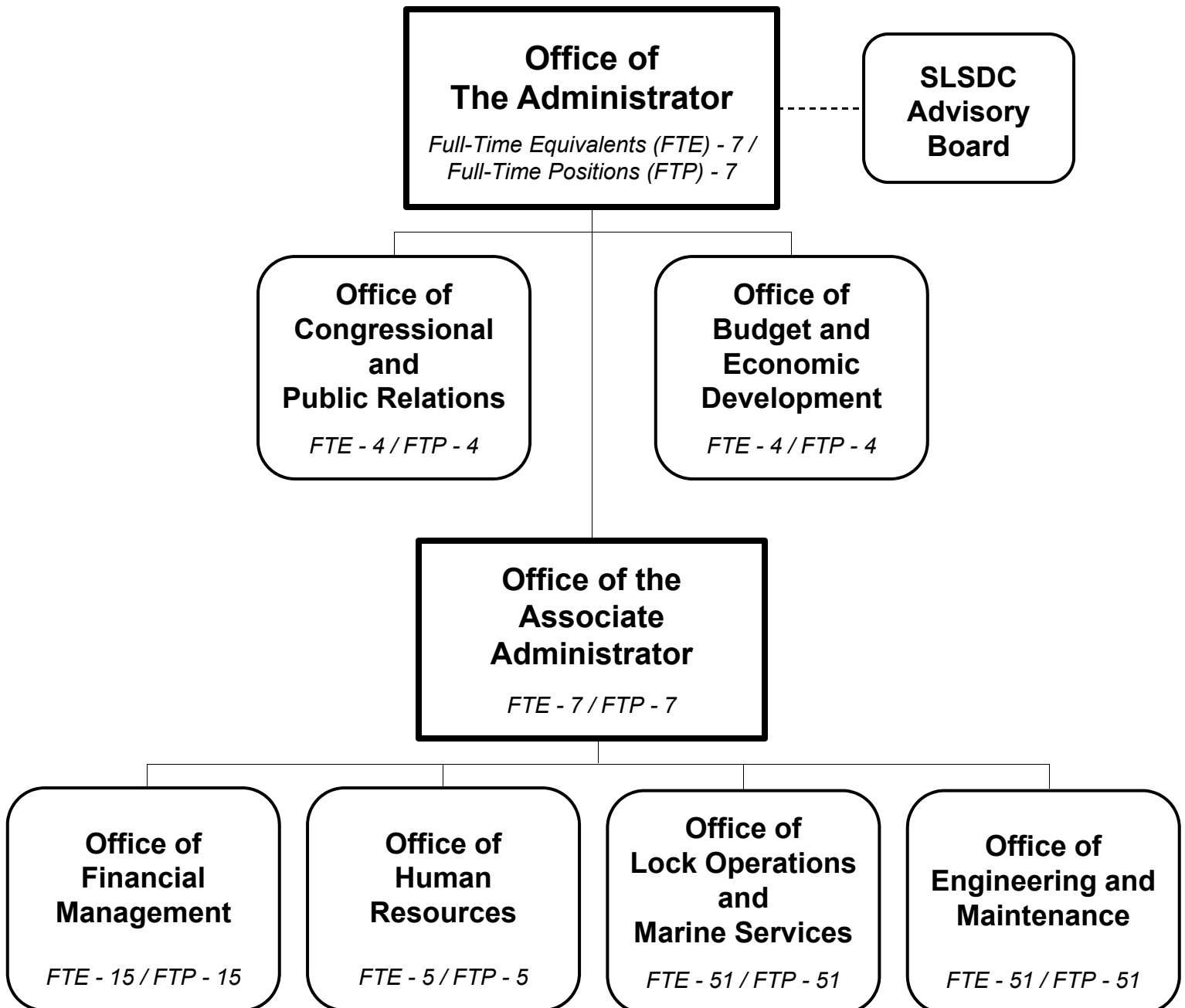
FY 2019 FTE/FTP Estimates



Saint Lawrence Seaway Development Corporation

Organization Chart

FY 2020 FTE/FTP Estimates



**Budget
Summary Tables**

EXHIBIT II-1
FY 2020 COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY
Saint Lawrence Seaway Development Corporation
Appropriations
(\$000)

ACCOUNT NAME	FY 2018 ACTUAL	FY 2019 ANNUALIZED CONT. RES.	FY 2019 ENACTED	FY 2020 REQUEST
Operations and Maintenance - HMTF (69-8003)	\$40,000	\$40,000	\$36,000	\$28,000
TOTAL	\$40,000	\$40,000	\$36,000	\$28,000

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

ACCOUNT NAME	FY 2018 ACTUAL	FY 2019 ANNUALIZED CONT. RES.	FY 2019 ENACTED	FY 2020 REQUEST
Operations and Maintenance - HMTF (69-8003)				
Agency Operations	\$20,350	\$20,350	\$20,000	\$20,000
Asset Renewal Program	\$19,650	\$19,650	\$16,000	\$8,000
TOTAL	\$40,000	\$40,000	\$36,000	\$28,000

EXHIBIT II-3
FY 2020 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS
Saint Lawrence Seaway Development Corporation
Appropriations
(\$000)

	Safety	Infrastructure	Innovation	Accountability	TOTAL
Operations and Maintenance - HMTF (69-8003)					
Agency Operations	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
Asset Renewal Program (ARP)	\$ -	\$ 8,000	\$ -	\$ -	\$ 8,000
TOTAL	\$ -	\$ 28,000	\$ -	\$ -	\$ 28,000

EXHIBIT II-4
FY 2020 BUDGET AUTHORITY
Saint Lawrence Seaway Development Corporation
Appropriations
(\$000)

ACCOUNT NAME	FY 2018 ACTUAL	FY 2019 ANNUALIZED CONT. RES.	FY 2019 ENACTED	FY 2020 REQUEST
Operations and Maintenance - HMTF (69-8003)				
Agency Operations	\$20,350	\$20,350	\$20,000	\$20,000
Asset Renewal Program	\$19,650	\$19,650	\$16,000	\$8,000
TOTAL	\$40,000	\$40,000	\$36,000	\$28,000

EXHIBIT II-5
FY 2020 OUTLAYS
Saint Lawrence Seaway Development Corporation
(\$000)

ACCOUNT NAME	FY 2018 ACTUAL	FY 2019 ANNUALIZED CONT. RES.	FY 2019 ENACTED	FY 2020 REQUEST
SLSDC Fund (69x4089)	\$30,472	\$55,000	\$51,000	\$40,000
TOTAL	\$30,472	\$55,000	\$51,000	\$40,000
[Discretionary] (Operations and Maintenance-HMTF -- 69-8003)	\$40,000	\$40,000	\$36,000	\$28,000
[Mandatory] (SLSDC Fund -- 69x4089)	(\$9,528)	\$15,000	\$15,000	\$12,000

EXHIBIT II-6
SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
Saint Lawrence Seaway Development Corporation
Appropriations
(\$000)

	FY 2018 Actual	FY 2019 Annualized Cont. Res.	FY 2019 Enacted	BASELINE CHANGES				FY 2020 Baseline Estimate	Program Increases/ Decreases	FY 2020 Request
				FSSP DOI Financial System	One Additional Compensable Day (262 days)	Washington Office Rent	Working Capital Fund	Non-Pay Inflation		
PERSONNEL RESOURCES	127	144	144							
Direct FTEs	127	144	144	-	-	-	-	-	-	144
FINANCIAL RESOURCES										
ADMINISTRATIVE EXPENSES										
Salaries and Benefits	\$3,680	\$3,714	\$3,810	\$0	\$10	\$0	\$0	\$0	\$0	\$3,820
Travel	\$54	\$54	\$54	\$0	\$0	\$0	\$0	\$0	\$0	\$54
Transportation of Things	\$2	\$2	\$2	\$0	\$0	\$0	\$0	\$0	\$0	\$2
Washington Office Rent	\$437	\$486	\$486	\$0	\$0	\$22	\$0	\$0	\$0	\$508
DOI Financial System (FPPS)	\$625	\$664	\$664	\$140	\$0	\$0	\$0	\$0	\$0	\$804
Communications, Rent, and Utilities	\$41	\$41	\$41	\$0	\$0	\$0	\$0	\$0	\$0	\$41
Printing	\$10	\$10	\$10	\$0	\$0	\$0	\$0	\$0	\$0	\$10
Working Capital Fund (WCF)	\$853	\$830	\$830	\$0	\$0	\$0	\$99	\$0	\$0	\$929
Non-IT (non-add)	\$330	\$336	\$336	\$0	\$0	\$0	\$18	\$0	\$0	\$354
IT (non-add)	\$523	\$494	\$494	\$0	\$0	\$0	\$81	\$0	\$0	\$575
Supplies	\$25	\$25	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$25
Equipment	\$6	\$6	\$6	\$0	\$0	\$0	\$0	\$0	\$0	\$6
Administrative Subtotal	\$5,733	\$5,832	\$5,928	\$140	\$10	\$22	\$99	\$0	\$0	\$6,199
PROGRAMS										
Agency Operations (non-Admin.)	\$14,617	\$14,518	\$14,072	\$0	\$34	\$22	\$0	\$62	(\$389)	\$13,801
Programmatic IT (non-add)	\$1,095	\$1,148	\$1,148	\$0	\$0	\$0	\$0	\$0	\$154	\$1,302
Asset Renewal Program (ARP)	\$19,650	\$19,650	\$16,000	\$0	\$0	\$0	\$0	\$0	(\$8,000)	\$8,000
Programs Subtotal	\$34,267	\$34,168	\$30,072	\$0	\$34	\$22	\$0	\$62	(\$8,389)	\$21,801
TOTAL	\$40,000	\$40,000	\$36,000	\$140	\$44	\$44	\$99	\$62	(\$8,389)	\$28,000

Note: The DOT Office of the Chief Information Officer (OCIO) will continue to provide SLSDC IT shared services and begin to consolidate SLSDC programmatic IT investments centrally starting in FY 2020.

EXHIBIT II-7
WORKING CAPITAL FUND
Saint Lawrence Seaway Development Corporation
(\$000)

<u>ACCOUNT NAME</u>	<u>FY 2018 ACTUAL</u>	<u>FY 2019 ANNUALIZED CONT. RES.</u>	<u>FY 2019 ENACTED</u>	<u>FY 2020 REQUEST</u>
DIRECT:				
Operations and Maintenance - HMTF (69-8003)				
WCF - Non-IT	\$330	\$336	\$336	\$354
WCF - IT	\$523	\$494	\$494	\$575
TOTAL	\$853	\$830	\$830	\$929

Note: The DOT Office of the Chief Information Officer (OCIO) will continue to provide SLSDC IT shared services and begin to consolidate SLSDC programmatic IT investments centrally starting in FY 2020.

EXHIBIT II-8
PERSONNEL RESOURCE -- SUMMARY
TOTAL FULL-TIME EQUIVALENTS
Saint Lawrence Seaway Development Corporation

	FY 2018 ACTUAL	FY 2019 ANNUALIZED CONT. RES.	FY 2019 ENACTED	FY 2020 REQUEST
<u>DIRECT FUNDED BY APPROPRIATION</u>				
Operations and Maintenance - HMTF (69-8003)	127	144	144	144
TOTAL FTEs	127	144	144	144

EXHIBIT II-9
RESOURCE SUMMARY -- STAFFING
FULL-TIME PERMANENT POSITIONS
Saint Lawrence Seaway Development Corporation

	FY 2018 ACTUAL	FY 2019 ANNUALIZED CONT. RES.	FY 2019 ENACTED	FY 2020 REQUEST
<u>DIRECT FUNDED BY APPROPRIATION</u>				
Operations and Maintenance - HMTF (69-8003)	125	144	144	144
TOTAL POSITIONS	125	144	144	144

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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 asset renewal activities of those portions of the St. Lawrence Seaway owned, operated, and maintained by the Saint Lawrence Seaway Development Corporation, \$28,000,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662.

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EXHIBIT III-1

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

	FY 2018	FY 2019	FY 2019	FY 2020
	<u>ACTUAL</u>	<u>ANNUALIZED</u>	<u>ENACTED</u>	<u>REQUEST</u>
		<u>CONT. RES.</u>		
<u>Program Activity</u>				
Agency Operations	\$20,350	\$20,350	\$20,000	\$20,000
Asset Renewal Program	19,650	19,650	16,000	8,000
	-----	-----	-----	-----
Total	\$40,000	\$40,000	\$36,000	\$28,000
FTEs	127	144	144	144

Program and Performance Statement

The FY 2020 budget request for the SLSDC includes \$28 million from the Harbor Maintenance Trust Fund (HMTF) to fund general agency operations (\$20 million) and Asset Renewal Program (ARP) capital infrastructure projects (\$8 million).

The SLSDC is directly responsible for ensuring the safe and efficient 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.

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Detailed Justification for Agency Operations

**FY 2020 Agency Operations Budget Request
Operations and Maintenance – HMTF (69-8003)
(\$000)**

Program Activity	FY 2018 Actual	FY 2019 Annualized Cont. Res.	FY 2019 Enacted	FY 2020 Request
Agency Operations	\$20,350	\$20,350	\$20,000	\$20,000
Total	\$20,350	\$20,350	\$20,000	\$20,000
FTE	127	144	144	144

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

The SLSDC's Agency Operations program supports the Secretary's strategic goals on safety and infrastructure and consists of all Corporation activities, except for the on-going Asset Renewal Program (ARP) dedicated to for capital infrastructure replacements and improvements.

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 the Midwest region 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 the navigation season.

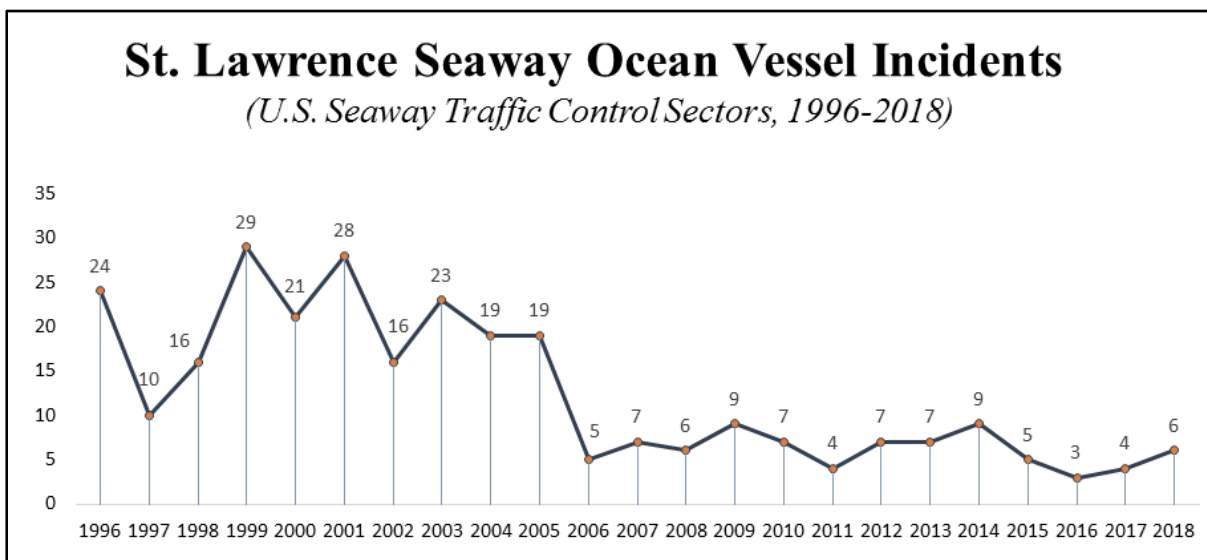
The SLSDC is responsible for operating and maintaining the U.S. portion of the St. Lawrence Seaway, including the two U.S. Seaway locks and connecting channels in rural Upstate New York. The SLSDC also promotes trade through the Great Lakes St. Lawrence Seaway System, which contributes to the comprehensive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

Since the Seaway's opening in 1959, the Corporation 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 more than 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 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 corporation in 1954 to oversee a public asset and provide a direct service to customers – moving ships safely and efficiently through a binational waterway. 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 is home to 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 waterways and that safety record continues to improve. Over the last 20 years, the average number of vessel incidents in the Seaway has decreased significantly. From 1996-2006, the average number of incidents was 19 per year. Over the following 12 years, from 2007 through 2018, the average number of incidents declined to only 6 per year. This positive development can be attributed to several factors including the implementation of a consolidated U.S.-Canadian Enhanced Ship Inspection Program in Montreal in 1997, the development of the Seaway's Automatic Identification System (AIS) vessel traffic management technology, the well-trained and skilled SLSDC lock operations and maintenance staff, and a major fleet renewal program implemented by many of the Seaway's customers.



The SLSDC also advocates strict ballast water management efforts to prevent any new introductions of aquatic invasive species via commercial vessels entering Seaway waters. In 2008, the SLSDC and Canadian SLSMC implemented regulations jointly 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 SLSDC, along with the U.S. Coast Guard, Transport Canada, and the SLSMC, formed the Great Lakes Ballast Water Working Group in 2008 to enforce ballast water inspections of all vessels to ensure these regulations are carried out. 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.

³ U.S. Census Bureau.

⁴ *Driving North American Growth and Trade*, Bank of Montreal, Spring 2017.

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 2018, the SLSDC administrative cost percentage was 20 percent. The Corporation has implemented several 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.

Anticipated FY 2019 Accomplishments

In FY 2019, the SLSDC workforce will continue to perform Agency Operations 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.
- 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.
- 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.

FY 2020 Budget Request

For FY 2020, the President's Budget requests \$20 million from the user fee-based Harbor Maintenance Trust Fund (HMTF) and 144 full-time equivalents (FTEs) for the SLSDC's Agency Operations program. The FY 2020 request for this program is equal to the FY 2019 enacted level with no changes to the FTE count.

Requested baseline increases of \$389,000, as compared to the FY 2019 enacted level, include:

- Estimated increase in financial management system expenses with the Federal Shared Service Provider at the U.S. Department of the Interior (\$140,000);
- Estimated increase in DOT Working Capital Fund (WCF) expenses (\$99,000);
- Estimated 1.0 percent inflation increase for non-pay object class expenditures (\$62,000);

- One additional compensable day (262 days) (\$44,000); and
- Estimated increase for the SLSDC's Washington, D.C. office rent (\$44,000).

The SLSDC's request also includes program reductions of \$389,000 in the Agency Operations program. These reductions relate to one-time program increases in FY 2019 for equipment and supplies related to ice management and other administrative-related expenses.

Overall, the SLSDC's Agency Operations FY 2020 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 SLSDC's ARP.
- Trade and Economic Development – The SLSDC 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.
- Administration – Executive management and administration of the Corporation includes legal, civil rights, financial management, procurement, information technology, human resources, budget, performance, and public relations.

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, along with its ARP infrastructure renewal efforts, have resulted in a near-perfect reliability rate of 99 percent for commercial users.

The SLSDC's long-standing and proven effective operations 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's operations directly impact 33,000 American jobs with associated benefits of \$4.7 billion in annual business revenue from transportation firms, \$2.4 billion in annual personal income, \$1.3 billion in local purchases, and \$1.1 billion in federal, state, and local tax revenues.⁶
- Fuel Efficiency and Congestion Mitigation – In terms of fuel efficiency and congestion mitigation and modal productivity, 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
- Transportation Safety – Marine shipping is least disruptive to the general public, has fewer accidents, and has fewer workplace injuries. The SLSDC's outstanding safety record is the consequence of a pervasive safety culture, well-trained and licensed workforce, robust regulatory oversight, and the use of advanced navigation technology.

This funding request for FY 2020 will sustain existing Agency Operations activities and afford the Corporation the opportunity to find new ways to enhance its efforts in the areas of safety and operations, maintaining the waterway's historic near-perfect reliability rate.

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.

⁵ *Seaway Traffic Reports.*

⁶ *Economic Impacts of Maritime Shipping in the Great Lakes-St. Lawrence Region.*

⁷ *The Environmental and Social Impacts of Marine Transport in the Great Lakes-St. Lawrence Seaway Region.*

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Detailed Justification for Asset Renewal Program (ARP)

FY 2020 Asset Renewal Program (ARP) Budget Request Operations and Maintenance – HMTF (69-8003) (\$000)

Program Activity	FY 2018 Actual	FY 2019 Annualized Cont. Res.	FY 2019 Enacted	FY 2020 Request
Asset Renewal Program	\$19,650	\$19,650	\$16,000	\$ 8,000
Total	\$19,650	\$19,650	\$16,000	\$ 8,000
FTE	0	0	0	0

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

The SLSDC's Asset Renewal Program (ARP), started in FY 2009, is an infrastructure-focused program to rehabilitate the U.S. Seaway infrastructure to ensure the safe, efficient, and reliable movement of commercial cargo through the binational St. Lawrence Seaway. The program focuses on improving aging Seaway infrastructure, conducting maintenance dredging, investing in new technologies, purchasing new equipment, and refurbishing old facilities. Through the first 10 years of ARP funding (FYs 2009-2018), the SLSDC has spent \$152 million on 50 separate projects.



The ARP supports the Secretary's strategic goal on infrastructure and was designed to ensure the structural integrity of the Seaway infrastructure that, in most cases, has reached the end of the original "design" life.

Although the majority of ARP work is completed by contractors, the SLSDC federal workforce is directly responsible for completing several maintenance-related projects as well as much of the pre-contract work, including preparation of designs, specifications, drawings, and cost estimates, and project management. When the ARP was launched in 2009, the SLSDC has effectively managed this program without any sizable increases to staff levels.

Anticipated FY 2019 Accomplishments

As requested in the President's Budget for FY 2019, the SLSDC proposed 24 ARP projects, including \$8 million for the continuation of the tugboat replacement project, and \$4.8 million for the continuation of maintenance dredging in the U.S. sections of the St. Lawrence River.

During FY 2019, the SLSDC anticipates completing several major ARP projects – the completion and delivery of the new ice class tugboat to replace the *Robinson Bay* (delivery expected in mid-2019) and the installation and operation of hands-free mooring (HFM) technology at the U.S. Snell Lock. With the completion of this project at Snell Lock, the HFM will be operational at all applicable U.S. and Canadian Seaway locks and will immediately produce several benefits involving workplace safety, carrier operating costs, transit efficiencies, and system competitiveness.

FY 2020 Budget Request

ARP Project Number	Project Name	FY 2020 Request
20	Both Locks – Upgrade Lock Status/Controls (Ongoing)	100,000
21	Both Locks – Compressed Air Systems – Upgrade/Replace (Ongoing)	100,000
28	Snell Lock – Walls, Sills, and Culverts – Rehabilitate Concrete (New)	500,000
29	Eisenhower Lock – Walls, Sills, and Culverts – Rehabilitate Concrete (Ongoing)	1,800,000
36	Eisenhower Lock – Diffusers – Replace (New)	2,000,000
41	Snell Lock – Install Ice Flushing System Technologies (Ongoing)	1,500,000
62	Both Locks – Install/Upgrade Air Curtains (New)	2,000,000
	ARP Totals (7 projects)	\$8,000,000

The FY 2020 ARP budget request of \$8 million from the HMTF for seven projects (four ongoing projects / three new projects) represents a decrease of \$8 million as compared to the FY 2019 enacted level. Dollar amounts for ARP projects are “project feasibility” estimates that can vary by an industry-recognized 20-30 percent. Many of the completed ARP projects will require additional investments in the future.

The FY 2020 ARP request includes \$4.3 million for concrete rehabilitation (3 projects), \$2.1 million for ice management at the SLSDC locks (2 projects), \$1.5 million for the ice flushing system at Snell Lock (1 project), and \$100,000 for lock rehabilitation (1 project).

FY 2020 ARP Project Descriptions

Project No. 20: Both Locks – Upgrade Lock Status/Controls (\$100,000) – This multi-year project is for upgrading the lock/equipment status systems and the lock operating controls at both Eisenhower and Snell Locks. At present, all the major components are monitored and controlled by a computerized system. Adding control of some of the less critical components and more in-depth monitoring of the status of all components will improve the effectiveness of preventive maintenance activities and result in increased reliability. Over the next several years, the SLSDC anticipates upgrading the systems to ethernet, replacing the coax cable with fiber and upgrading outdated programmable logic control (PLC) technology and operating systems. *(SLSDC obligated \$1.2 million over nine years in FYs 2009-2017)*

Project No. 21: Both Locks – Compressed Air Systems – Upgrade/Replace (\$100,000) – This multi-year project is for upgrading the compressed air systems and for replacing corroded piping at Eisenhower and Snell Locks which provide compressed air for various systems at the locks, for maintenance work and for air curtains and bubblers utilized to control ice in and around the locks during the opening and closing of the navigation seasons. The ability of the existing compressed air systems to provide the required volumes and/or pressures reliably is becoming a problem. Over the next several years, the SLSDC anticipates replacing compressed air dryers at both locks, replacing a compressor and dryer at the Maintenance Facility Paint Shop and installing a new central air system at the Maintenance Facility. *(SLSDC obligated \$882,000 over six years in FYs 2009-2013 and 2015)*

Project No. 28: Snell Lock – Walls, Sills, and Culverts – Rehabilitate Concrete (\$500,000) – This new project is to replace deteriorated/damaged concrete at Snell Lock in all areas except the diffusers. This includes 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. The SLSDC anticipates using shotcrete to replace concrete in the culverts during the first two years followed by projects to replace deteriorated/damaged concrete on the lock walls. *(This is the first year of proposed funding for this ARP project)*

Project No. 29: Eisenhower Lock – Walls, Sills, and Culverts – Rehabilitate Concrete (\$1.8 million) – This multi-year 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. *(SLSDC obligated \$1.6 million over four years in FYs 2010, 2013, and 2017-2018)*

Project No. 36: Eisenhower Lock – Diffusers – Rehabilitate/Replace (\$2 million) – This new 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 over the next several years. *(This is the first year of proposed funding for this ARP project)*

Project No. 41: Snell Lock – Install Ice Flushing System Technologies (\$1.5 million) – This on-going 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/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 and resolve these system issues. The SLSDC estimates it will cost \$3 million over several years to resolve the problems and make the system operational. *(SLSDC obligated \$13.8 million over nine years in FYs 2010-2018)*

Project No. 62: Both Locks – Install/Upgrade Air Curtains (\$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 new 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 over the next five years. *(This is the first year of proposed funding for this ARP project)*

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 ARP is to ensure the long-term structural integrity and reliability of the Seaway infrastructure, which is a critical component to the economic vitality of the eight-state region.

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.

Maritime commerce on the St. Lawrence Seaway is responsible for significant economic benefits to the Nation. During the 2018 navigation season, nearly 41 million metric tons of cargo moved through the binational waterway valued at more than \$8 billion. SLSDC operations and ARP initiatives supporting Seaway trade directly impact 33,000 American jobs with associated annual benefits of \$4.7 billion in business revenue from transportation firms, \$2.4 billion in personal income, \$1.3 billion in local purchases, and \$1.1 billion in federal, state, and local tax revenues.⁸

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, and increased road/rail congestion, greenhouse gas emissions, and consumer costs for goods and products.

⁸ *Economic Impacts of Maritime Shipping in the Great Lakes-St. Lawrence Region.*

**DEPARTMENT OF TRANSPORTATION
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
10-Year History of Appropriations
Operations and Maintenance (69-8003)
(Harbor Maintenance Trust Fund)**

<u>YEAR</u>	<u>REQUEST</u>	<u>ENACTED</u>	
2011	\$32,324,000	\$32,259,000	/1
2012	\$33,996,000	\$32,259,000	
2013	\$33,000,000	\$30,572,000	/2
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		

1/ Reflects rescission of \$65,000 (0.2%) pursuant to P.L. 112-10 (Division B, Title I, Section 1119).

2/ Reflects 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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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 2020 budget request is not applicable to the SLSDC*

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FY 2020 Budget Request

Saint Lawrence Seaway Development Corporation Information Technology Budget Narrative (\$000)

Budget Account	FY 2018 Enacted	FY 2019 Annualized Cont. Res.	FY 2020 Request
Operations and Maintenance	\$1,618	\$1,642	\$2,284
<i>Commodity IT SS WCF</i>	<i>\$523</i>	<i>\$494</i>	<i>\$575</i>
<i>Programmatic IT SS WCF</i>	<i>\$0</i>	<i>\$0</i>	<i>\$407</i>
<i>SLSDC Programmatic IT</i>	<i>\$1,095</i>	<i>\$1,148</i>	<i>\$1,302</i>
Total	\$1,618	\$1,642	\$2,284

The Saint Lawrence Seaway Development Corporation (SLSDC) is requesting **\$2.28 million** in FY 2020 that support its Agency Operations 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 WCF

OCIO will continue to provide SLSDC commodity IT shared services in FY 2020. SLSDC's share was based on actual commodity IT consumption in prior years as well as planned future consumption. OCIO, in collaboration with SLSDC, assumed a one-to-one cost estimate to transition all commodity IT to OCIO. SLSDC will only be charged for services rendered.

- **Commodity IT Shared Services** – the SLSDC requests **\$575,000** from the Operations and Maintenance account for its share of Department investments in Cybersecurity and commodity information technology including voice, cable, and networks, desktop services, server operations, directory and messaging services, enterprise licensing and enterprise dashboards. The SLSDC has long been a supporter of the Department's IT shared services initiative and nearly all SLSDC operational IT expenditures (hardware, software, networking, server operations, mobile devices, etc.) have been historically funded through the Working Capital Fund.

Programmatic IT Shared Services through the WCF

In addition to OCIO's responsibility to manage IT modernization planning, operations, compliance, governance, and cyber, OCIO will begin to transfer SLSDC programmatic IT investments in FY 2020. OCIO, in conversation with SLSDC, identified specific programmatic IT systems for transfer that focus on general support systems, IT management and registration. SLSDC will only be charged for services rendered.

- **Programmatic IT Shared Services** – the SLSDC requests **\$407,000** from the Operations and Maintenance account to contribute to OCIO’s consolidation, cyber compliance, and modernization of mission support IT systems and applications. This increase in FY 2020 is for programmatic IT shared services to be provided by the WCF relates to voice, cable, and wireless activities.

Full Time Equivalents

- **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.

SLSDC IT Investments

The following programmatic IT investments totaling **\$1.3 million** will be maintained by the SLSDC in FY 2020:

- **Financial/Accounting System** – the SLSDC requests **\$804,000** 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 **\$320,000** 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 **\$65,000** for the PC&B costs of its 0.5 FTE responsible for cybersecurity for mission systems.
- **CASTLE Time and Attendance System** – the SLSDC requests **\$13,000** for its annual expenses for FAA’s CASTLE time and attendance application.

