

Fall 2022 Update

Great Lakes St Lawrence Seaway System

WI Commercial Ports Annual Meeting

Marinette, WI September 16, 2022

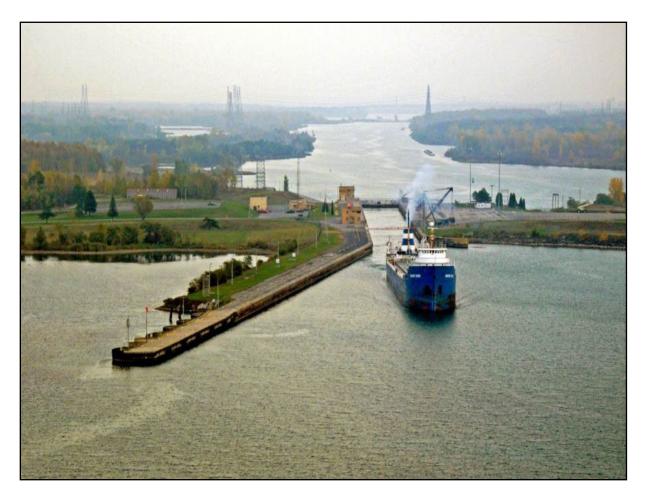
Peter Hirthe

Great Lakes Regional Representative GLS Office of Trade & Economic Development



Great Lakes St. Lawrence Seaway Development Corporation

- •A wholly owned Government Corporation and an operating Administration of the U.S. Department of Transportation
- •Responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie
 - Maintain and Operate Two U.S.
 Seaway Locks (99.6 Reliable YTD)
 - Vessel Traffic Control (DIS)
 - Trade Development
 - Bi-National Operations in Coordination with
 The Canadian St. Lawrence Seaway Management Corporation (SLSMC)





The Great Lakes St. Lawrence Seaway

Sept lies

Port Cartier

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Port Cartier

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Port Cartier

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Port Cartier

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Port Cartier

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Port Cartier

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Port Cartier

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Port Cartier

The Great Lakes St. Lawrence Seaway

Sept lies

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Sept lies

Sept lies

Sept lies

Rence River

The Great Lakes St. Lawrence Seaway

Sept lies

Sept li



Gulf of St. Lawrence



"Maritime Supply Chains Are Under Stress" (Containers, Energy, & Agriculture)

These conditions present Opportunities:

- 1. To Introduce the Great Lakes St Lawrence Seaway System To Shippers and
- 2. To Integrate the system into maritime supply chains in need of relief and/or diversification.

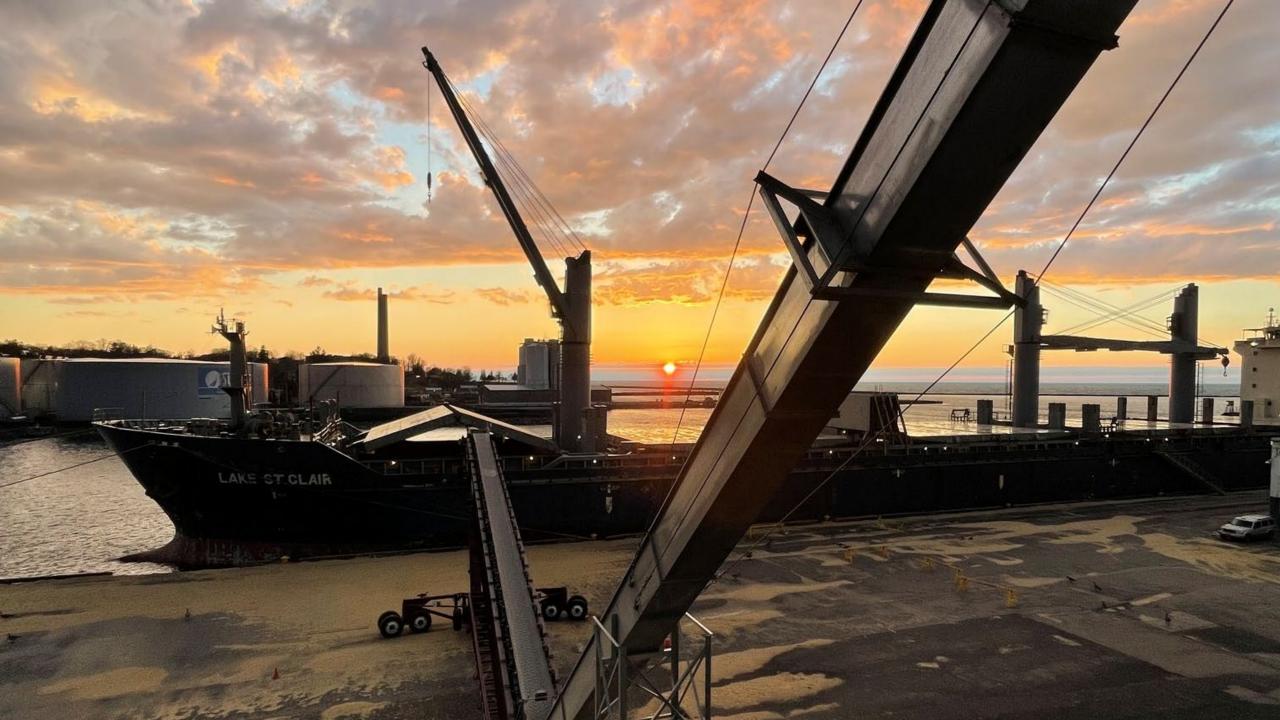
Factors To Consider:

- -Container Shippers Are Looking for A Maritime Alternative To/From Midwest
- -Global Agricultural Buyers Seeking Alternative Sourcing
- -A Seaway System With Vessel Capacity
- -A Seaway System that is Reliable (99.6% YTD)
- -Increased Vessel Accessibility: HFM's first full season was 2020
- -Seaway provides <u>Direct</u> & <u>Visible</u> Maritime Cargo Access Into 3rd Largest Economy
- -Seaway System Can Offer Sustainability (Less Landborne miles) to Shippers Who value it &
- Balance to North America's overall supply chain (Offsetting Coastal Congestion)



Seizing The Opportunity

- 1. Develop A Great Lakes Container Network (Expand CBP Clearance Capability)
 - A. Cleveland Expanded Service in 2021 (Successfully Selling a Direct & Reliable Maritime Route)
 - B. Duluth attained U.S. Customs & Border Protection Container Clearance in 2021
 - C. Monroe has \$5 million in State of MI funding in 2023 to construct a container terminal.
 - D. Burns Harbor is engaged in CBP dialogue
- 2. Increase U.S Agricultural Exports
 - A. Each season has unique market conditions. (High Corn & Soybean Demand in 2022 YTD)
 - B. New Investments Are Being Made in the System to increase capability & Capacity (Oswego Facility Opened in 2021, Duluth Terminal Purchase in 2022, Milwaukee Delong Facility in 2023,)
 - C. Containerization will expand shipping options for Midwest growers (Not all ship in bulk..Non-GMO, Meal)
 - D. Identify & Promote the Seaway System to Emerging Overseas Markets for US Agricultural Exports. (Grain Organizations)
- 3. Develop New Trade Lanes (Find Lane Balance)
 - A. Identify & Engage New Ocean Carriers & Cargos (Expand Overseas Outreach & Engagement)
 - B. Work to Expand Liner Services beyond Europe, North Africa, & Middle East (South America & Asia) GOAL: Provide Midwest shippers more global maritime supply chain options through the Seaway
- 4. Increased Infrastructure Investments In Ports to Enhance The Great Lakes As An Alternative For Shippers (Container Capability –Storage & Warehousing Capacity-Multimodal Connectivity....)





2022 Navigation Season Trends

A Constant...

"STEEL IN-GRAIN OUT"



2022 Navigation Season Trends

Impact of 2021's Harvest
"Outbound Laker moves are down significantly.....60 fewer.



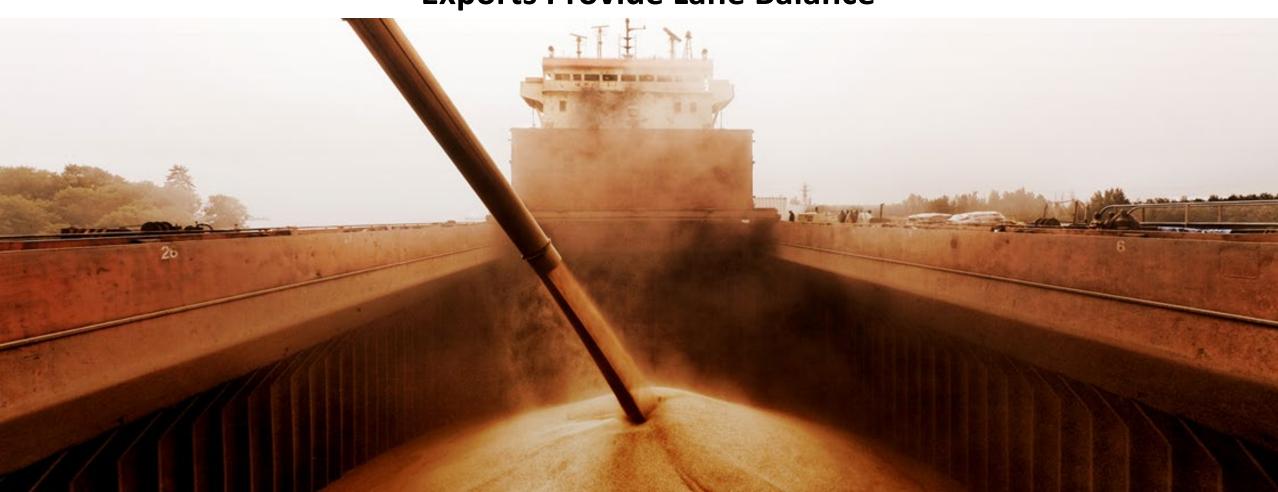
2022 Navigation Season Trends

Disruption in the global supply chain... "Salties Are Ballasting In"



Each Ship <u>Into</u> the System Increases The Export Capacity of the System

A Seaway Ship is a 8,000-22,000 MT container Exports Provide Lane Balance





"A Year of Ballasting In"

35 more "Salties" have transited into the system Year Over Year.

AND....35 more "Salties" have transited into the system In ballast...50 vs 15 Year Over Year.

Driven by global demand for the Great Lakes supply of......

U.S. Grain +27% (corn, soybeans, feed), Coke +31%, and Potash +267%



2022 Traffic YTD

19 million tons (-8%)

Sectors Impacted: Wheat, Iron ore, Coal

Sectors of Strength: Steel, U.S. Grain, Petroleum, Potash, Coke, U.S. Containers & Wind Cargo

Another Year, Another Tonnage "Formula" (Influenced by Weather, Supply Chain Issues, Conflict)

*One Constant: System 99.6 % Reliability



GLS Trade Outreach

- 1. Cleanpower (Salt Lake City) Dec 2021
- 2. Transportation Go! (Milwaukee) March 2022
- 3. Posidonia (Athens, Greece) June 2022
- 4. Breakbulk Americas (Houston) September 27-29*
- 5. Antwerp XL October 4-6
- 6. Export Exchange (Minneapolis) October 12-14
- 7. Breakbulk Middle East (Dubai) February 2023
- 8. Cleanpower New Orleans May 2023
- 9. Breakbulk Europe (Rotterdam) June 2023

^{*} SLSMC & GLS Jointly Under "HWY H2O"



THANK YOU!

Peter Hirthe

International Trade Specialist

Great Lakes Saint Lawrence Seaway

Development Corporation

Washington, DC

414-551-3161

Peter.hirthe@dot.gov