



## Memorandum

Date: June 15, 2023

Subject: INFORMATION: Audit Announcement—Great Lakes St. Lawrence Seaway Development Corporation’s Cost Estimates for the Seaway Infrastructure Program Project No. 23F3010F000  
Great Lakes St. Lawrence Seaway Development Corporation

From: Dormayne “Dory” Dillard-Christian *D. Dillard-Christian*  
Assistant Inspector General for Financial Audits

To: Administrator, Great Lakes St. Lawrence Seaway Development Corporation

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The Great Lakes St. Lawrence Seaway Development Corporation (GLS), a wholly owned Government corporation within the U.S. Department of Transportation (DOT), is responsible for operating and maintaining the two locks owned by the United States and the navigation channels in U.S. waters between Massena, NY, and Lake Ontario. The locks, channels, and accompanying infrastructure of the St. Lawrence Seaway are perpetual transportation assets that require periodic and regular capital reinvestment to continue to operate safely, reliably, and efficiently. GLS’s Seaway Infrastructure Program (SIP) addresses the long-term capital asset renewal needs of the U.S. Seaway infrastructure. Previously, however, the Government Accountability Office (GAO) identified issues with GLS’s cost estimating process.<sup>1</sup> A reliable cost estimating process is necessary to ensure that cost estimates are comprehensive, well-documented, accurate, and credible.<sup>2</sup>

Given the importance of reliable cost estimates to managing program costs and GAO’s previous findings, we are initiating this audit. Our objective is to evaluate the reliability of GLS’s cost estimating process for SIP projects completed during fiscal years 2021 and 2022.

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<sup>1</sup> GAO, *St. Lawrence Seaway: Estimates for the Asset Renewal Program Will Change, and Implementing Best Practices May Improve the Estimates’ Reliability* (GAO-10-541R), May 13, 2010.

<sup>2</sup> GAO, *Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Program Costs* (GAO-20-195G), March 12, 2020.

We plan to begin the audit in the coming weeks and will contact your audit liaison to schedule an entrance conference. We will conduct our work at GLS Headquarters in Washington, DC, and its operational office in Massena, NY. If you have any questions or need additional information, please contact me or Ingrid Harris, Program Director.

cc: Assistant Secretary for Budget and Programs and Chief Financial Officer  
DOT Audit Liaison, M-1  
GLS Audit Liaison