



Lake Carriers' Association

For Immediate Release

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Light Loading Continues To Limit Vessel Carrying Capacity **Great Lakes Iron Ore Trade Off 4.3 Percent In May**

Cleveland---The Lakes/Seaway iron ore trade totaled 6 million net tons in May, a decrease of 4.3 percent compared to a year ago, and a drop of nearly 7 percent compared to the month's 5-year average.

Lack of adequate dredging again affected the month's total. The largest iron ore cargo loaded during May totaled 64,366 net tons, and represented only 92 percent of the vessel's carrying capacity.

There is little vessel operators can do to overcome the effects of light loading. Vessel speed cannot be increased to any significant degree. The locks at Sault Ste. Marie, Michigan, which connect five of the six U.S. iron ore loading ports to the lower Lakes, open on March 25 and close on January 15 in all but the most extraordinary circumstances. Therefore, there is little opportunity for vessels to make additional trips to offset carrying capacity lost to inadequate dredging. Only increased Federal spending to clear the backlog of dredging projects on the Great Lakes will solve the problem.

For the year, the Lakes/Seaway iron ore trade stands at 17.6 million net tons, an increase of 5.5 percent compared to the same point in 2005, and up some 9 percent compared to the 5-year average for the January-May timeframe. However, the 5-year average does reflect the very difficult conditions that existed in the steel industry earlier this decade.

Lake Carriers' Association represents 18 American corporations that operate 62 U.S.-Flag vessels on the Great Lakes. These vessels carry the raw materials that drive the nation's economy: Iron ore and fluxstone for the steel industry, limestone and cement for the construction industry, coal for power generation.... Collectively, these vessels can transport as much as 125 million tons of cargo a year when high water levels offset the lack of adequate dredging of Great Lakes ports and waterways.

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Information based on data from knowledgeable sources. However, accuracy cannot be guaranteed. Lake Carriers' Association assumes no legal responsibility for the outcome of decisions or commitments made on the basis of this information. This report represents the views of Lake Carriers' Association and may not necessarily represent the views of its individual members.

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The Association Representing Operators of U.S.-Flag Vessels on the Great Lakes

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Grand River Navigation Company, Inc. • Great Lakes Fleet, Inc. / Key Lakes, Inc. • HMC Ship Management Ltd. • Inland Lakes Management, Inc. • Integrated Shipping, LLC
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