



Lake Carriers' Association

For Immediate Release

May 19, 2008

As if the Dredging Crisis Wasn't Enough

Ice Helps Chill U.S.-Flag Float on Great Lakes in April

Cleveland — Significant ice coverage played a role in the 7-percent decrease in cargo movement by U.S.-Flag vessels on the Great Lakes in April. With the thickest ice seen in years, delays and slower transit times helped limit shipments to 9.2 million net tons.

The dredging crisis remained a millstone around the industry's neck in April. The largest iron ore cargo totaled 62,823 tons, which meant the vessel left port only 88 percent full. The largest coal cargo was even less – 62,503 tons.

An increase in the U.S. Army Corps of Engineers' Great Lakes dredging budget this year will only scratch the surface of the dredging crisis. The backlog of dredging projects totals 18 million cubic yards of sediment. The Corps anticipates removing 1 million yards of backlog this year. However, the Administration's proposed budget for FY09 slashes nearly \$50 million from the Corps' Lakes' appropriation. If Congress does not increase funding for next year, it is doubtful any backlog will be removed in 2009 and America's iron, steel, power generation, and construction industries will continue to suffer from vessels having to leave cargo behind.

For the year, U.S.-Flag carriage is down by 110,000 tons, but compared to the 5-year average for the January-April time frame, shipments are off by 3 percent.

Lake Carriers' Association represents 16 American corporations that operate 63 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 more than 115 million tons of cargo a year when high water levels offset lack of adequate dredging. More information is available at www.lcaship.com.

Source: Lake Carriers' Association.

Contact: Glen G. Nekvasil – Vice President – Corporate Communications (216-861-0592).

-30-

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.

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

AMERICAN STEAMSHIP COMPANY • ANDRIE, INC. • ARMSTRONG STEAMSHIP COMPANY • BELL STEAMSHIP COMPANY • CENTRAL MARINE LOGISTICS, INC.
GRAND RIVER NAVIGATION COMPANY, INC. • GREAT LAKES FLEET / KEY LAKES, INC. • INLAND LAKES MANAGEMENT, INC. • THE INTERLAKE STEAMSHIP COMPANY
KK INTEGRATED LOGISTICS • LAKE MICHIGAN CARFERRY SERVICE, INC. • LAKES SHIPPING COMPANY, INC. • PERE MARQUETTE SHIPPING COMPANY
SOO MARINE SUPPLY, INC. • UPPER LAKES TOWING COMPANY, INC. • VANENKEVORT TUG & BARGE, INC.