



Lake Carriers' Association

For Immediate Release

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Increase Small, Less Than 2 Percent

Weather Nudges 2006 U.S.-Flag Total Over 2005 Tally

Cleveland—Thanks to better weather in the final two months of 2006, U.S.-Flag carriage of dry-bulk cargoes on the Great Lakes increased 1.9 percent compared to 2005. The 109.7 million net tons hauled in 2006 also represent an increase of 6 percent over the fleet's 5-year average.

Strong demand for iron ore and limestone pushed shipments in U.S.-Flag Lakers over 2005 levels, but coal cargoes slumped, in part because of high inventories. However, the coal trade exemplified the problems that result from inadequate dredging. When high water levels offset the lack of dredging in the mid-1990s, the largest U.S.-Flag Lakers were carrying nearly 71,000 net tons each trip in the Head-of-the-Lakes trade (Lake Superior to lower Lakes ports). The top coal cargo carried through the Soo Locks in 2006 totaled only 66,429 net tons.

The problem became more acute in the final months of 2006. As water levels on Lake Superior plunged, vessels in both the coal and iron ore trades saw individual loads fall to 90 percent or less of designed carrying capacity. In fact, the vessel that has held the Lakes record for coal in the Head-of-the-Lakes trade since 1997 - 70,903 net tons - was able to carry only 61,832 net tons on its final voyage of 2006.

The iron trade suffered a similar fate as the year drew to a close. The record ore cargo in the Head-of-the-Lakes trade is 72,300 net tons and was lifted in 1997, yet in December of 2006, the same vessel could only haul 60,649 net tons of pellets on its final trip.

Lake Carriers' Association represents 18 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 transport as much as 125 million tons of cargo a year when high water levels offset lack of adequate dredging. More information is available at www.lcaships.com.

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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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