

2004 U.S.-FLAG DRY-BULK CARGO CARRIAGE

Lake Carriers' Association members (plus the barges *Integrity*, *Cemex Conquest* and *Cleveland Rocks*) moved a total of 111.3 million net tons of dry-bulk cargo on the Great Lakes in 2004. The 2004 float represents an increase of 17.5 percent compared to 2003, but only because market conditions were so depressed for most of that year. The 2004 total still compares favorably with the 5-year average, but the increase -- 6 percent -- is the more accurate measure.

Iron ore cargos moved by LCA members topped 51 million net tons. Again, the 2004 total represents an impressive gain over 2003, but actually falls slightly short of the 5-year average. The latter comparison illustrates the degree to which the North American steel industry has restructured in the past five years. The reduction in iron ore transshipments is, however, not as great as the totals suggest. Mittal Steel USA's Cleveland Works (formerly ISG) now receives a significant share of its iron ore directly in river-class vessels.

There is nothing misleading about the surge in LCA members' coal shipments. Loadings increased 11.6 percent over the previous year, even more -- 13.6 percent -- compared to the 5-year average. Demand for western, low-sulfur coal loaded at Superior, Wisconsin and Chicago, Illinois continued to grow. Shipments of eastern coal from Lake Erie ports recovered slightly compared to 2003, but remained well below totals recorded just a few years ago. The power-generating industry more and more relies on cleaner-burning low-sulfur coal; hence, the decline in Lake Erie coal loadings. Restructuring of the North American steel industry has also reduced demand for metallurgical coal loaded at Lake Erie ports.

The strengthening economy produced a significant rebound in shipments of limestone by members and the barge *Cleveland Rocks*. Loadings neared 30 million net tons, an increase of 23.2 percent over 2003, but again, demand for aggregate and fluxstone was depressed that year. Nonetheless, the 2004 float represents an increase of 12.8 percent compared to the trade's 5-year average.

There were no significant fluctuations in shipments of the other commodities.

U.S.-FLAG DRY-BULK CARGO CARRIAGE **CALENDAR YEARS 1999-2004 AND 5-YEAR AVERAGE** (net tons)

COMMODITY	1999	2000	2001	2002	2003	2004	AVERAGE 1999-2003
IRON ORE							
Direct Shipments.....	52,160,147	54,586,514	43,829,971	45,861,075	41,343,509	48,265,018	47,556,243
Transshipments.....	5,523,530	5,746,164	3,094,732	2,334,252	1,672,776	2,936,493	3,674,291
TOTAL – IRON ORE	57,683,677	60,332,678	46,924,703	48,195,327	43,016,285	51,201,511	51,230,534
COAL (By Lake of Loading)							
Lake Superior.....	13,353,794	12,769,682	13,640,260	13,874,872	14,238,033	15,459,399	13,575,329
Lake Michigan	8,279,404	2,068,078	2,288,791	2,239,657	2,771,065	3,734,928	8,019,868
Lake Erie		5,922,714	6,030,000	5,629,302	4,870,328	5,222,022	
TOTAL – COAL	21,633,198	20,760,474	21,959,051	21,743,831	21,879,426	24,416,349	21,595,197
LIMESTONE	27,310,498	27,288,089	26,988,622	26,554,243	24,239,110	29,861,141	26,476,113
CEMENT	4,417,055	4,144,774	4,136,897	3,817,911	3,851,487	3,965,401	4,073,625
SALT	1,309,894	838,017	876,392	587,090	945,355	1,032,109	911,350
SAND	249,238	427,070	625,094	230,950	500,456	489,355	406,562
GRAIN	346,814	351,857	350,719	329,471	312,316	367,785	338,236
TOTAL	112,950,374	114,142,959	101,861,478	101,458,823	94,744,435	111,333,651	105,031,617

Note: LCA previously categorized coal as eastern and western. The breakdown by Lake of loading began in 2000.