

2001 ANNUAL REPORT of Lake Carriers' Association

2001 IRON ORE TRADE

Iron ore shipments on the Great Lakes totaled 55.9 million net tons (49.9 million gross tons) during the 2001 navigation season, a decrease of 18 percent compared to 2000, and the lowest total since the recession year 1986, when the trade totaled 51 million net tons (45.6 million gross tons).

As has been explained elsewhere, the continued depression in America's steel industry accounts for the decrease. North American steel production slipped 11.5 percent in 2001 to 99.3 million net tons. Since it takes 1.3 tons of iron ore to make one ton of raw steel, a significant decline was unavoidable. Furthermore, there is no other sizeable market for iron ore. A small quantity is used by the cement industry as an additive, but the amount is miniscule by any measure.

The 2001 season also witnessed the closing of Taconite Harbor on the north shore of Lake Superior. This loading facility was an engineering marvel when constructed in the 1950s to load pellets produced at Erie Mining Company, the second-ever taconite plant to be built. Erie Mining Company later became LTV Steel Mining Company. Inefficiencies at the pellet processing plant and a declining quality of ore reserves prompted the steelmaker to close the mine in January 2001. Stockpiled ore kept Taconite Harbor loading at a reduced pace through June. A few cargos were shipped in July and "Tac Harbor" loaded its last boat on August 21. Cleveland-Cliffs Inc. has acquired LTV Steel Mining Company's assets, but declared it will not resume iron ore mining there. Whether Taconite Harbor will ever ship iron ore mined at other Cliffs' properties or even other cargos is unknown as of this writing.

MONTHLY IRON ORE SHIPMENTS - 2001 NAVIGATION SEASON

(March 12, 2001 - January 27, 2002)

(gross and net tons)

Month	Great Lakes		Eastern Canada		Totals	
	Gross Tons	Net Tons	Gross Tons	Net Tons	Gross Tons	Net Tons
March	1,527,221	1,710,488	76,987	86,225	1,604,208	1,796,713
April	4,882,653	5,468,571	744,126	833,421	5,626,779	6,301,992
May	5,204,805	5,829,382	1,011,178	1,132,519	6,215,983	6,961,901
June	4,646,061	5,203,588	1,104,672	1,237,233	5,750,733	6,440,821
July	4,483,698	5,021,742	1,215,374	1,361,219	5,699,072	6,382,961
August	4,804,256	5,380,767	877,875	983,220	5,682,131	6,363,987
September	4,140,588	4,637,459	667,657	747,776	4,808,245	5,385,235
October	4,202,439	4,706,732	788,208	882,793	4,990,647	5,589,525
November	3,788,208	4,242,793	797,633	893,349	4,585,841	5,136,142
December	3,120,033	3,494,437	368,908	413,177	3,488,941	3,907,614
January 2002	1,422,227	1,592,894	0	0	1,422,227	1,592,894
Totals	42,222,189	47,288,853	7,652,618	8,570,932	49,874,807	55,859,785