

Much has happened on the lake shipping scene since we went to press with our January issue. It was announced on January 3rd that the Oglebay Norton Company, Cleveland, and the American Steamship Company, Buffalo, had reached agreement on a multi-year pooling of their vessel dispatch and operation activities in order to achieve more efficient and, presumably, less costly services. The pooling arrangement would appear to be a direct result of the downturn in the U.S. steel industry and, in particular, the closure of the LTV Corp.'s Cleveland and East Chicago steel plants. The announcement of the pool formation took pains to note that this is not a merger between the firms, and that no transfer of assets is involved. Oglebay Norton owns the largest U.S. lake freighter fleet, while American Steamship has the second largest, and as both laid up a number of ships very early last fall because of a lack of cargoes, it seems to follow that not all of the ships of either fleet will fit out this spring, and that some may eventually fall by the wayside. No specifics of the operations planned by the pool for the 2002 season have yet been announced.

Then, on January 14th, it was announced that Oglebay Norton had reached an agreement in principal to acquire the Erie Sand and Gravel Company and all of its associated companies (including the Erie Sand Steamship Company and the Erie Navigation Company) in a cash-for-stock transaction. The deal requires certain approvals, and is not expected to be completed for several months. It was reported by the "Erie Times-News" that the Erie Sand and Gravel operations would be continued by Oglebay Norton, but no specifics have yet been divulged as to how the acquisition may affect vessel operations. Erie owns the Maritime-class self-unloader RICHARD REISS, the sandsucker J. S. ST. JOHN and the idle cement carrier DAY PECKINPAUGH. As reported last issue, Erie sold another sandsucker, the venerable JOHN R. EMERY, to the Osborne Materials Company, of Mentor, Ohio, during the autumn, and we have confirmation that she was moved from Erie to Fairport on December 16th.

Another interesting announcement came on January 17th, when the United States Steel Corporation, already in consolidation efforts with other U.S. steel producers, revealed that it had begun discussions to acquire the National Steel Corporation. U.S. Steel already had obtained an option to acquire the Japanese NKK Corporation's 53 percent share holding in National. In return, NKK would obtain warrants to acquire four million common shares of U.S. Steel.

Meanwhile, the LTV Corporation will be holding an auction at Cleveland on February 27th, the purpose being to sell off its Cleveland Works East and Indiana Harbor Works (East Chicago) assets. The U.S. Bankruptcy Court in Youngstown, Ohio, will conduct a hearing the following day to approve any sale of those assets resulting from the auction. It will be interesting, in a time when the North American steel industry is on the ropes because of the importation of foreign steel products, to see whether there are any bids for LTV's operations.

Another January announcement was to the effect that as of April 1st, 2002, Acomarit Canada, part of the V. Ships Group, of Glasgow, will assume certain vessel management functions for N. M. Paterson & Sons Limited, of Thunder Bay. Acomarit will look after the day-to-day operation of the fleet, thus achieving efficiencies for the Paterson organization, while Paterson will continue to own the ships and market the fleet's services. Acomarit already provides similar services to some other Canadian shipowners, such as the CSL fleet. Speaking of the Paterson fleet, however, there still has been no indication of what will become of WINDOC, severely damaged in last year's altercation with the prematurely-descending Allanburg Bridge. The WINDOC is still lying at Hamilton, her grain cargo having been delivered to its St. Lawrence River destination by Upper Lakes Shipping's CANADIAN PROVIDER. The Paterson company was known to be considering a number of options for returning WINDOC to service after the vessel was re-acquired from the underwriters to which she earlier had been abandoned.