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## Algoma gives a lift to Cleveland's port traffic

PITTSBURGH — Although the amount of steel coming into the Cleveland-Cuyahoga County Port Authority fell in 2007 because of the weak dollar, the port is expecting to see a turnaround from North American business.

Steve Pfeiffer, the port's vice president of maritime services, said Algoma Steel Inc., Sault Ste. Marie, Ontario, has begun shipping barge loads of coils to the port as a way to save money. Algoma will send a barge containing 9,000 tons of coils Monday, the largest of a handful of coil loads it began sending to Cleveland six weeks ago, where they are unloaded and trucked to nearby customers and service centers, Pfeiffer said.

Normally, steel shipments handled by the Cleveland-Cuyahoga County Port Authority come from offshore sources via the St. Lawrence Seaway. But with the weak dollar choking off imports, that business fell 30 percent last year to about 400,000 tons, Pfeiffer said. With the new Algoma traffic, he expects the Cleveland-Cuyahoga County Port to see a 25-percent increase in its gen-

eral cargo-sector tonnage, 90 percent of which traditionally has been steel.

While Algoma does not have a specific-length contract with the port, Pfeiffer said he foresees an ongoing relationship. "We expect come spring that we will be seeing more," he said. "It's strictly an initiative from Algoma to take advantage of being on the water."

An Algoma spokeswoman said that rationale is reasonable. "We ship our product three ways—truck, rail or barge—whatever makes most sense in terms of logistics and economics," she said. "When we have a specific concentration of orders in a geographic area like we have in Cleveland, it becomes more economical to ship by barge."

She said Algoma's specific logistics methods could fluctuate over time depending on order size and location. "It really just depends on the customer base," she said. "It doesn't take a lot more customers; it just takes order quantity to be there."

Pfeiffer said he hopes to employ the Algoma example to lure other Great Lakes-area shippers to use the

port in similar ways. "We will be marketing this to other mills—any mill that's on the water," he said. "If they want to reduce their costs and ship to a port facility, they can take advantage of it."

Pfeiffer said there is a bit of a learning curve. "It's not exactly the same as a truck," he said. "For barging, you get into a charter party and it's a little more complicated, but that's certainly outweighed by the savings."

He said, for example, that Algoma's Jan. 9 coil shipment of 4,500 tons involved a single barge and tugboat with a seven-member crew. "Had that load been shipped by truck, it would have taken 215 truckloads—215 trucks, 215 engines and 215 drivers," he said. "Barge is a labor and fuel advantage."

He said port management compared a truck vs. barge shipment from Detroit to Cleveland and found that there's a 20-percent savings using barges. "It's competitive price-wise," he said. "I don't want to give prices, but it's not marginal."

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