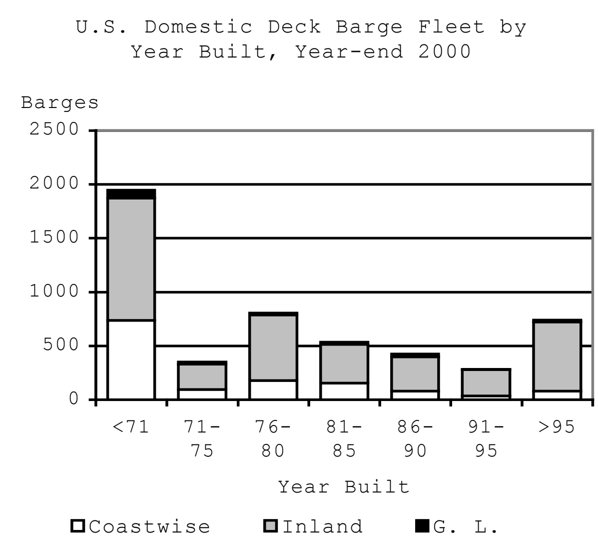
Highlights, U.S. Deck Barge Market
April 2001

As of year-end 2000, there were 5,237 deck barges available for operation in U.S. domestic trades. Of these, 3,547 operated on the inland waterways, 1,401 operated coastwise, and 178 operated on the Great Lakes. Crude materials (coal, stone, sand, gravel, rock, forest products ores and scrap) accounted for 68 percent of domestic deck barge traffic (ton-miles), followed by farm products (11 percent), manufactured products (6 percent), petroleum products (6 percent), and semi-manufactured products (5 percent). Eighty-five percent of the deck barge traffic in crude materials (ton-miles) was on the inland waterways. Ninety-one percent of the deck barge traffic in manufactured products was in coastwise trades (See attachment 1).

Supply



Source: U.S. Army Corps of Engineers.

- 40% of the domestic deck barge fleet was built before 1971 and a substantial number of these barges will be removed within the next 5 years.
- Only 14% of the fleet were built after 1995

Size Distribution of Deck Barges by Year Built, Year-End 2000

Length (Ft.)	<1971	1971-1980	1981-1990	>1990
<101	376	68	41	27
101-150	1,001	600	402	279
151-200	549	363	436	628
201-250	76	53	54	42
>250	68	56	23	50
No.	2,087	1,157	967	1,026
000 MTs	1,916	1,507	1,217	1,670
Avg. Mts	918	1,303	1,259	1,627

Source: U.S. Army Corps of Engineers.

- There has been an increasing demand for large capacity (greater than 150 feet) deck barges in domestic trade.

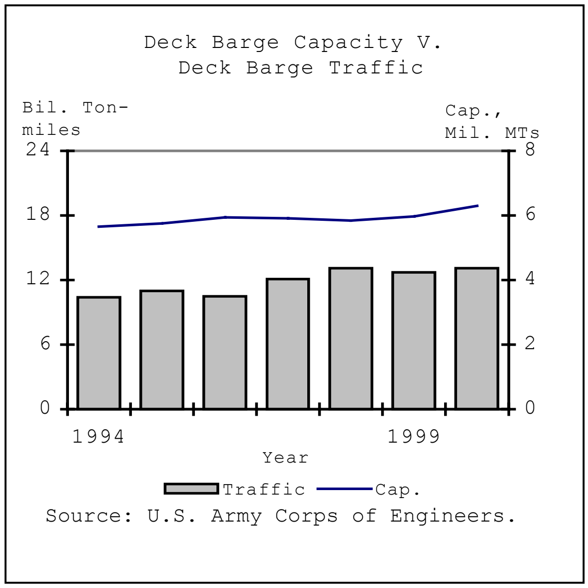
Deck Barge Additions and Removals, 1997 to 2000

Additions	
Number	633
Capacity (000 MTs)	1,119
Average Size (MTs)	1,770
Removals	
Number	660
Capacity (000 MTs)	749
Average Size (MTs)	1,135
Average Year Built	1963
Fleet	
Year-end 1996	
Number	5,264
Capacity (000 MTs)	5,940
Year-end 2000	
Number	5,237
Capacity (000 MTs)	6,310

Source: U.S. Army Corps of Engineers.

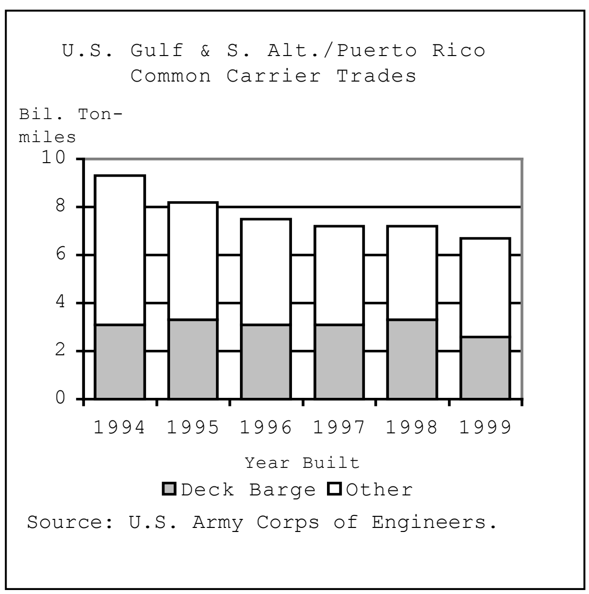
- From 1997 to 2000, the average size of deck barges added to the fleet was 1,770 metric tons. This was 56 percent greater than the average size of deck barges removed from the fleet.

Demand



- Over the period 1994-2000, deck barge traffic grew at significantly higher rates than deck barge capacity.
- The decline in 1999 reflects delays in the exploration and development of U.S. Gulf offshore oil leases.

Common Carrier Trades



- Large Ro/Ro deck barges have increased their share of the U.S./Puerto Rico trade at the expense of containerships.
- This trend is likely to continue given the aging of containerships in these trades and the inherent operating advantage of barge operations

Charter Rates

- 120 foot long deck barges $90/day
- 140 foot long deck barges $215/day
- 150 foot long deck barges $350/day
- 170 foot spud deck/dredge barges $1,300/day
- 180 foot long deck barges $1,200/day

Due to the age of the fleet, scrapping rates for deck barges have increased as older vessels have been replaced with newbuilding vessels of higher capacity. Average capacity of the U.S. deck barge fleet will continue to increase over the next five years. In the 1990s, deck barge traffic (ton-miles) has grown at significantly higher rates than deck barge capacity, due to increasing use of ro/ro deck barges in non-contiguous common carrier trades, aging of the fleet, and expansion of offshore construction projects. These trends are expected to continue over the next five years, with charter rates for large capacity deck barges expected to remain substantially above newbuilding breakeven rates.

Attachment 1

Deck Barge Traffic by Trade and Commodity Group, 1999

Commodity Group	Mil. Tons	Bil. Ton-Miles	Avg. Haul, Miles
Coastwise, Total	4.566	2.604	570
Crude Materials	3.520	1.258	357
Food and Farm Products	0.133	0.184	1,383
Manufactured Products	0.499	0.723	1,449
Primary Manufactures	0.149	0.164	1,101
Petroleum Products	0.248	0.217	875
Chemical Products	0.017	0.058	3,412
Other	-	-	-
Inland, Total	58.187	9.820	169
Crude Materials	52.903	7.454	141
Food and Farm Products	1.522	1.226	805
Manufactured Products	0.271	0.075	277
Primary Manufactures	0.559	0.214	383
Petroleum Products	0.592	0.541	913
Chemical Products	0.203	0.225	1,108
Other	2.136	0.085	40
Great Lakes, Total	1.093	0.343	314
Crude Materials	0.161	0.016	100
Food and Farm Products	-	-	-
Manufactured Products	-	-	-
Primary Manufactures	0.931	0.327	351
Petroleum Products	-	-	-
Chemical Products	-	-	-
Other	-	-	-
Total, Domestic	63.846	12.768	200
Crude Materials	56.585	8.727	154
Food and Farm Products	1.655	1.411	853
Manufactured Products	0.772	0.798	1,034
Primary Manufactures	1.638	0.706	431
Petroleum Products	0.840	0.757	901
Chemical Products	0.220	0.284	1,291
Other	2.136	0.085	40