

GREAT LAKES FLEET: Then and Now

by Patrick Lapinski

The long anticipated sale of the eight vessels that comprised the Great Lakes Fleet, Inc. was made official this past October when the Canadian National Ry. Co. announced the purchase of the holdings of Great Lakes Transportation LLC for US\$380 million. Included in the scope transaction, along with the Great Lakes Fleet, are the rail operations of the Duluth, Missabe, and Iron Range Railway Co. (DM&IR); the Bessemer and Lake Erie Railroad Co. (B&LE); and The Pittsburgh & Conneaut Dock Co. (P&C Dock). Final approval of the sale by the US Surface Transportation Board is expected to be completed in early May.

In the area of marine transportation, the origin of today's Great Lakes Fleet began in 1899 with the formation of the Pittsburgh Steamship Co. The fleet, consisting of 11 steamers and two barges, was soon absorbed along with six other small- and medium-sized fleets in the creation of the United States Steel Co. in 1901. In the short span of two years, the Pittsburgh Steamship Co., as a part of the new "Steel Trust," expanded to 112 steamships and barges, more than double the total number of active American ships on the Great Lakes today.

The fleet was forged and molded into a model of efficiency, quickly becoming a dominant force on the lakes, all the while hauling their cargoes exclusively for US Steel. Dubbed the "Tin Stackers," these vessels were an all too familiar sight to anyone at all associated with the Great Lakes maritime industry. The ships of US Steel helped carry the nation through two World Wars and beyond, frequently setting, and then breaking, their own tonnage records.

The last quarter of the 20th century would prove to be a challenging one for US Steel and its fleet of ships. In 1981, facing extreme economic pressures resulting from a depressed domestic steel market, US Steel divested itself of its once-powerful fleet. The USS Great Lakes Fleet was formed, a wholly owned subsidiary of US Steel, consisting of thirty-one ships. For the first time in their storied history, the ships were competing for cargo on the open market. The new competitive environment spelled the end for many of the fleet's aging vessels, reshaping the Great Lakes fleet into its present-day configuration of eight vessels.

The Great Lakes Fleet consists of two 1000-ft. class vessels, the *Edwin H. Gott* and the *Edgar B. Speer*; the *Presque Isle*, a 1000-ft. integrated tug barge; the *Roger Blough*, an 858-ft. freighter; three "AAA" class vessels, the *Cason J. Callaway*, *Arthur M. Anderson*, and *Philip R. Clarke*; and the former Bradley fleet steamer *John G. Manson*. The total float capacity for the vessels is about 349,000 net tons.

According to Canadian National spokesman Mark Hallman, CN has entered into a three-year contract with US-based Keystone Shipping Co. to operate the vessels. The federal law known as the Jones Act prohibits Canadian National from direct operation of the vessels. (The Jones Act prohibits foreign ownership, operation, and manning of vessels trading between US ports). "Keystone is a highly regarded operator of vessels, both in private industry and the US government," stated Hallman regarding CN's agreement with Keystone.

At this time, Canadian National plans to retain all eight vessels, as well as maintain the offices at Duluth. There are presently no plans to re-name the vessels or alter the paint and

logo schemes. Hallman said that Canadian National has not ruled out looking into new markets for the vessels. "We plan to market the vessels as aggressively as we do our core business, expanding markets where they make economic sense."

Keystone, with headquarters in suburban Philadelphia, is a privately held company specializing in the transportation of petroleum products, crude oil, and chemicals. Keystone was founded in 1919 by Charles Kurz, grandfather of Robert Kurz, current president of Keystone Shipping. In addition to its deep-sea tanker fleet, Keystone operates and manages several vessels as part of the US Maritime Administration (MARAD) fleet. Keystone's only presence on the Great Lakes is its operation of the tug-barge mv. *Michigan* and barge *Great Lakes*. **ENR**



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