



What's Moving on
the Waterways?

Commodities Panel

*Structuring A Plan For Waterways'
Infrastructure Investment*

Sixteenth Annual Waterways Symposium

November 7, 2019



@IEG_Vantage
@keriksen

Charting the Course

► Barge Situation and Outlook

- Ken Eriksen, Senior Vice President, IEG Vantage

► Grain

- Kelly Nelson, Economist, USDA-AMS, Transportation & Marketing Program, Transportation Services Division

► Large Cargoes

- Andrew Young, Functional Logistics Manager, Bechtel Oil, Gas & Chemicals

► Petroleum

- Craig Darilek, Senior Manager of Chartering, Valero Energy Corporation

► Questions and Answers

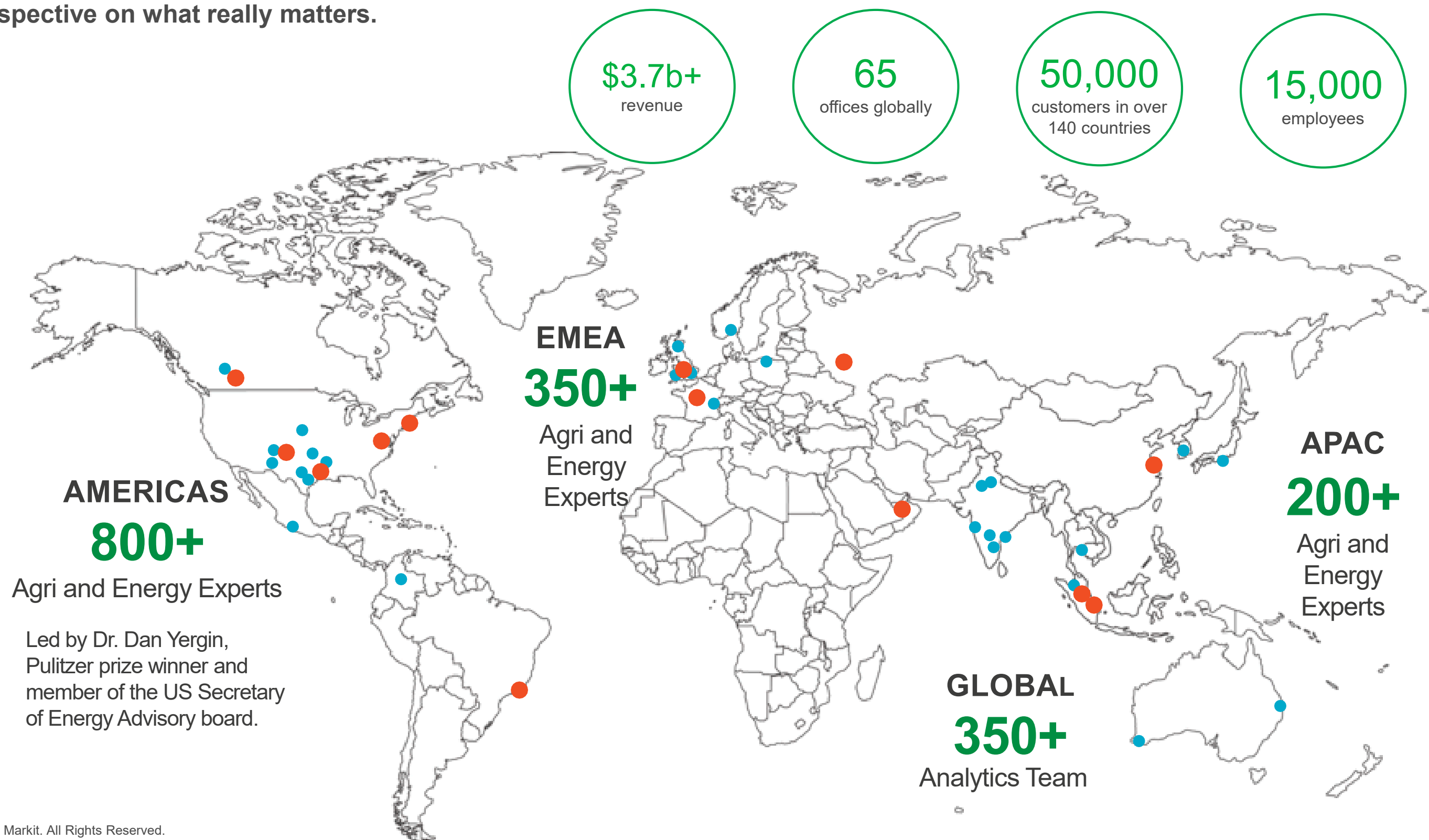


IEG Vantage Transition to IHS Markit



About IHS Markit

We have the deepest source of information, analytics and solutions for the world's major industries, financial markets and governments. Our analytics and experts reveal interdependencies across complex industries to truly understand why things happen. By seeing the big picture and all the connections, we provide our customers with insights and perspective on what really matters.



Addressing strategic challenges with interconnected capabilities

Energy & Natural Resources

Financial

Consolidated Markets & Solutions

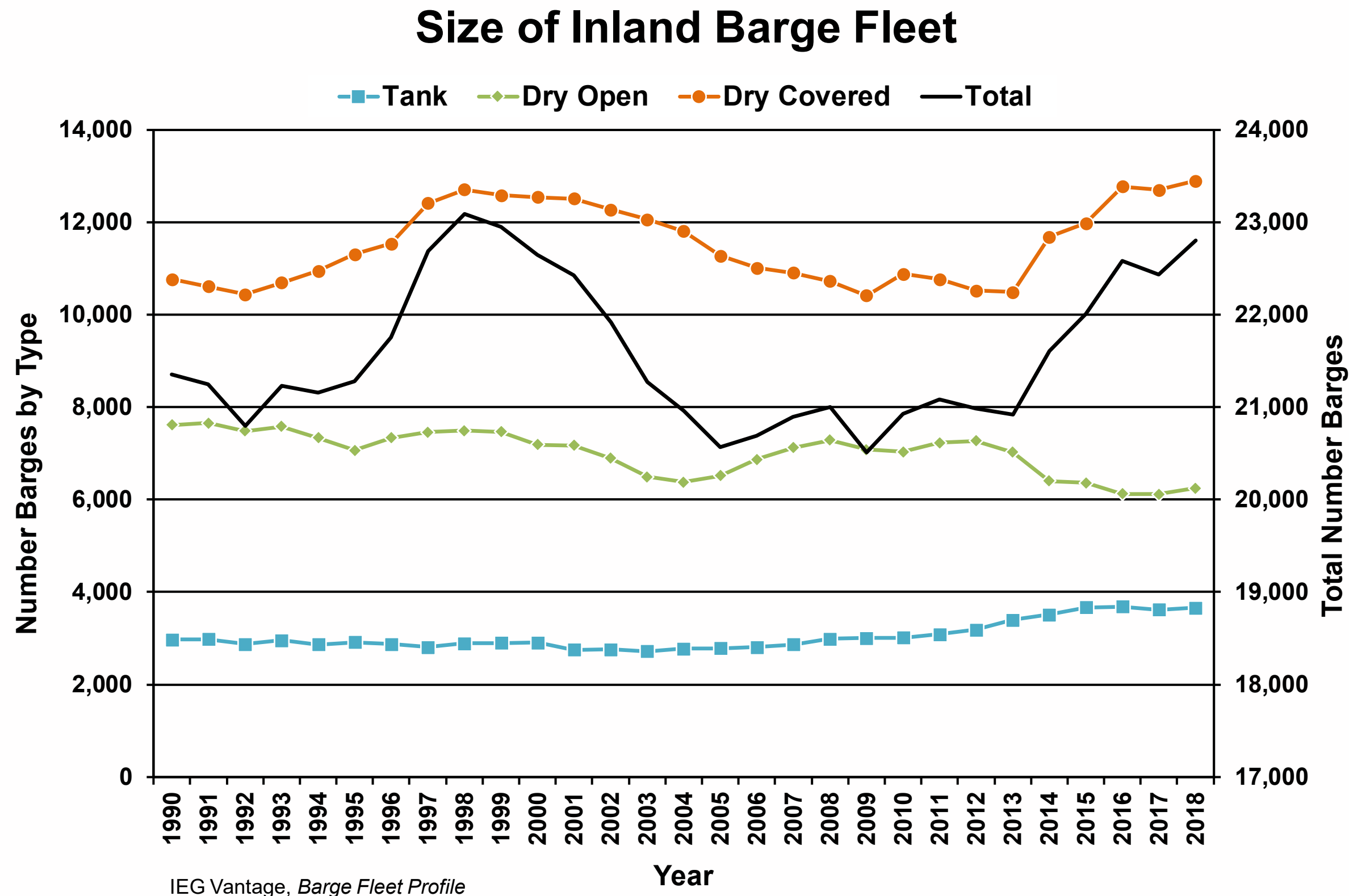
Transportation



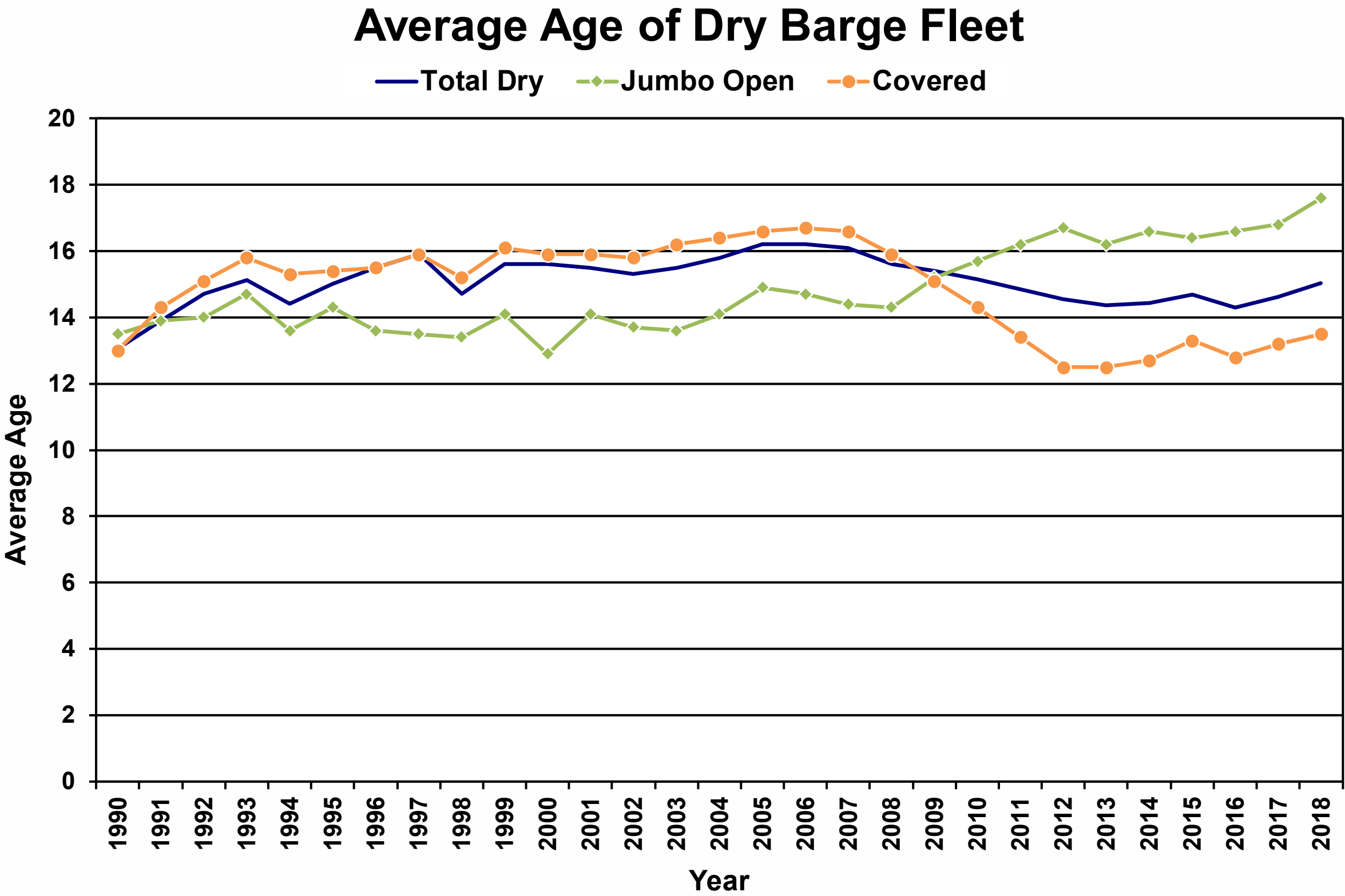
Barge Situation and Outlook



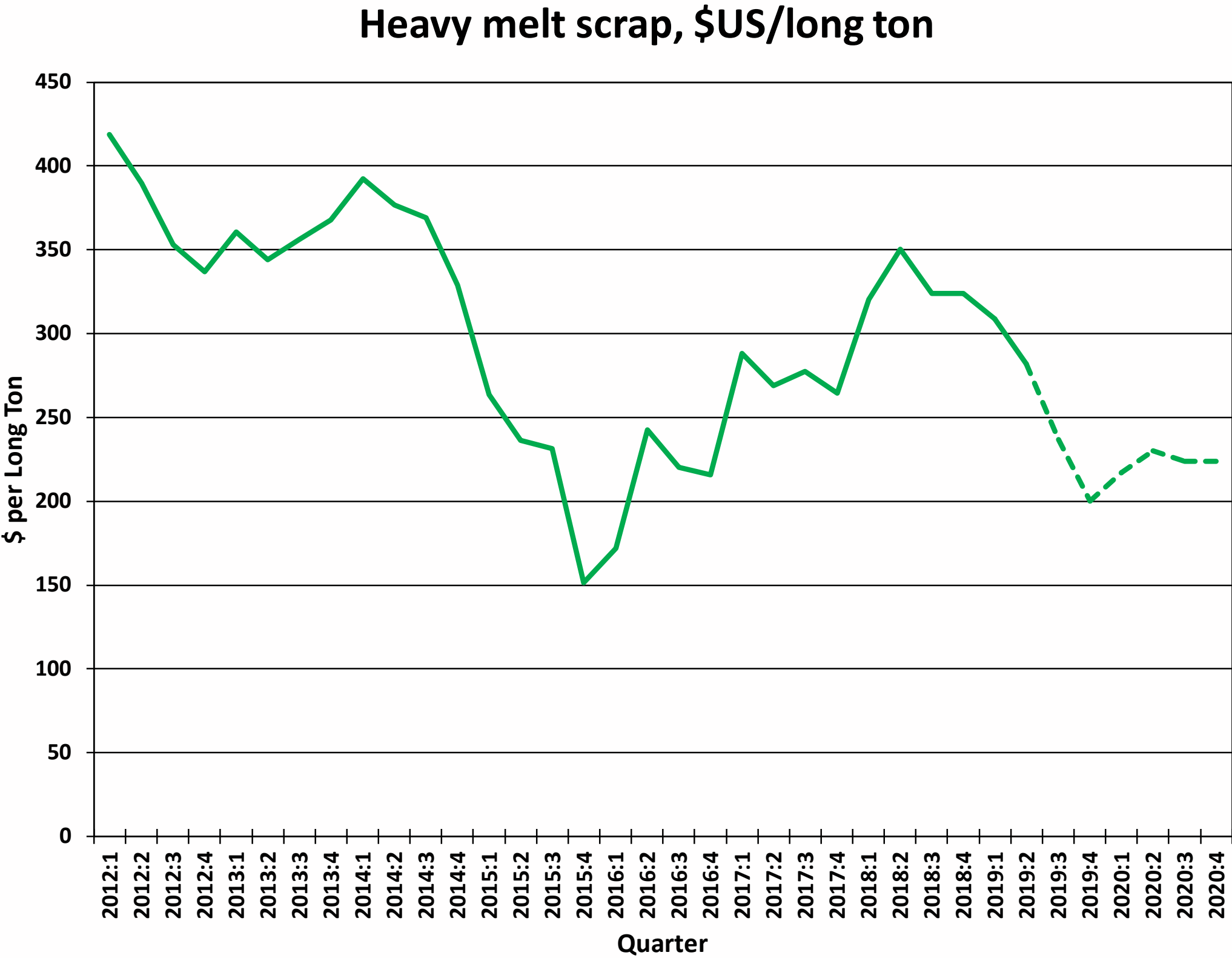
Barge Fleet Turned Higher in 2018, Anticipate Shrinkage in 2019



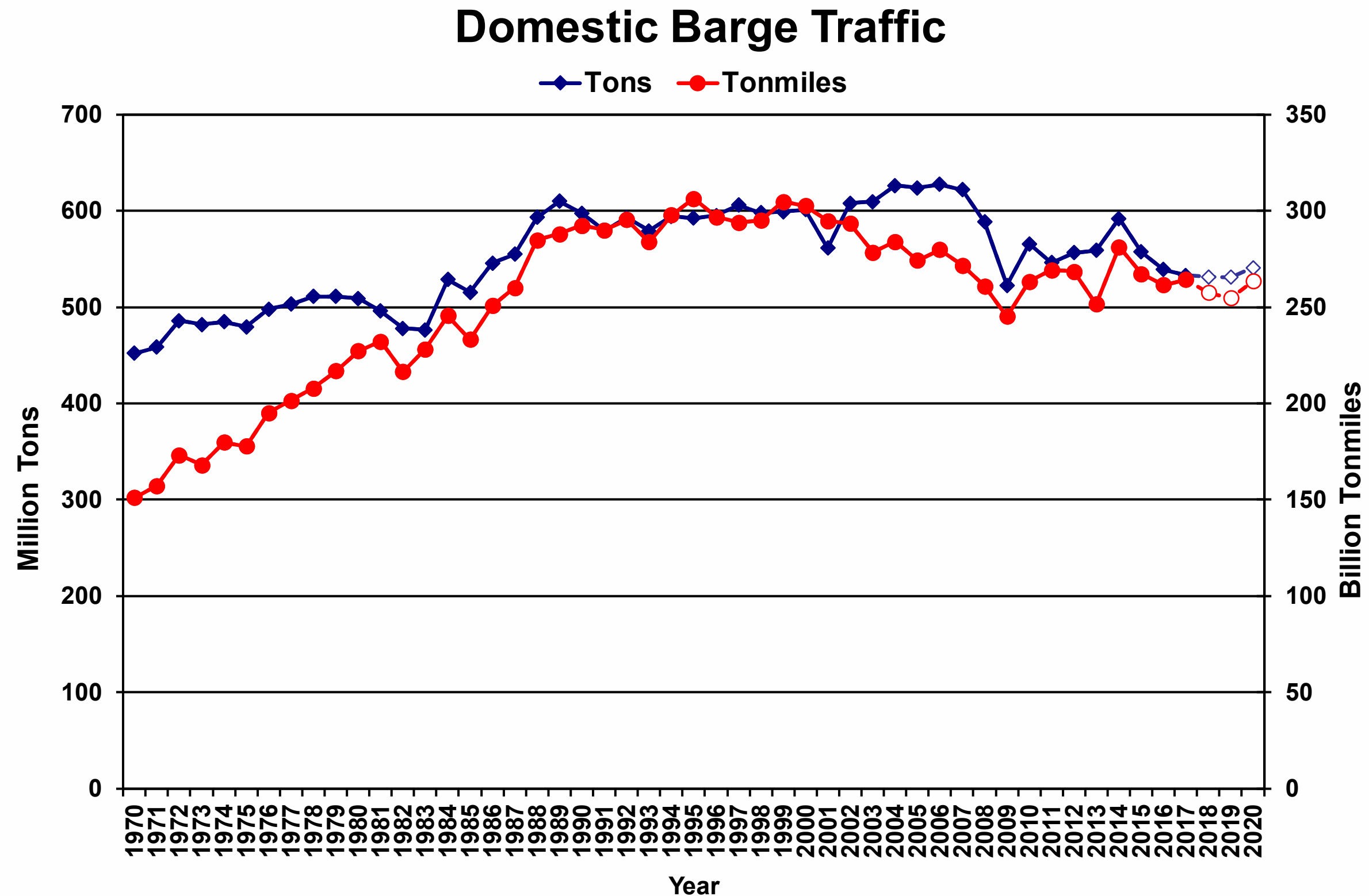
Covered Fleet Age Firming but Remains Young, Jumbo Hopper Fleet Aging More So



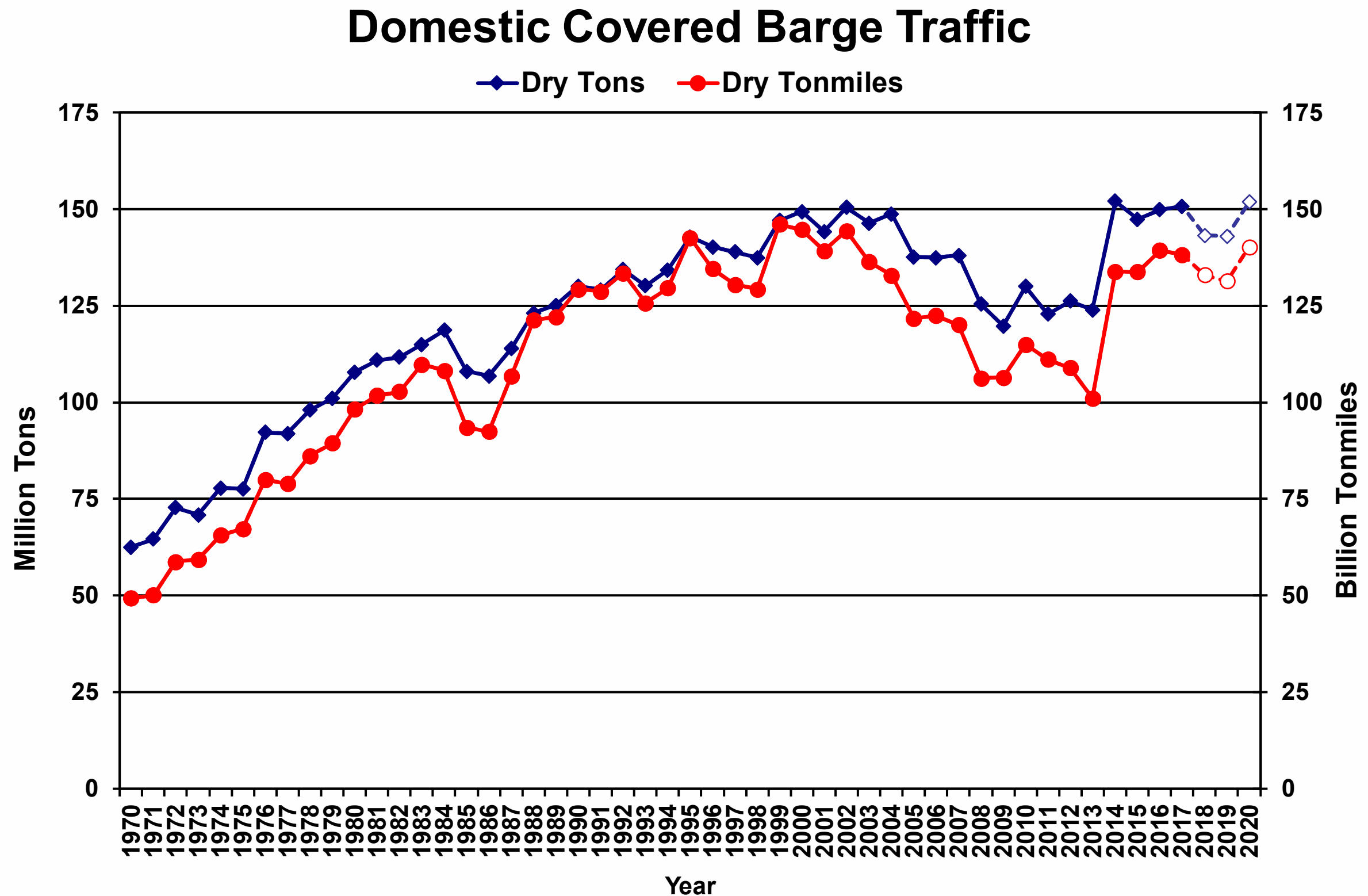
Scrap Metal Pricing Does Not Favor Sending Barges to the Scrap Heap for Solid Revenue Opportunity



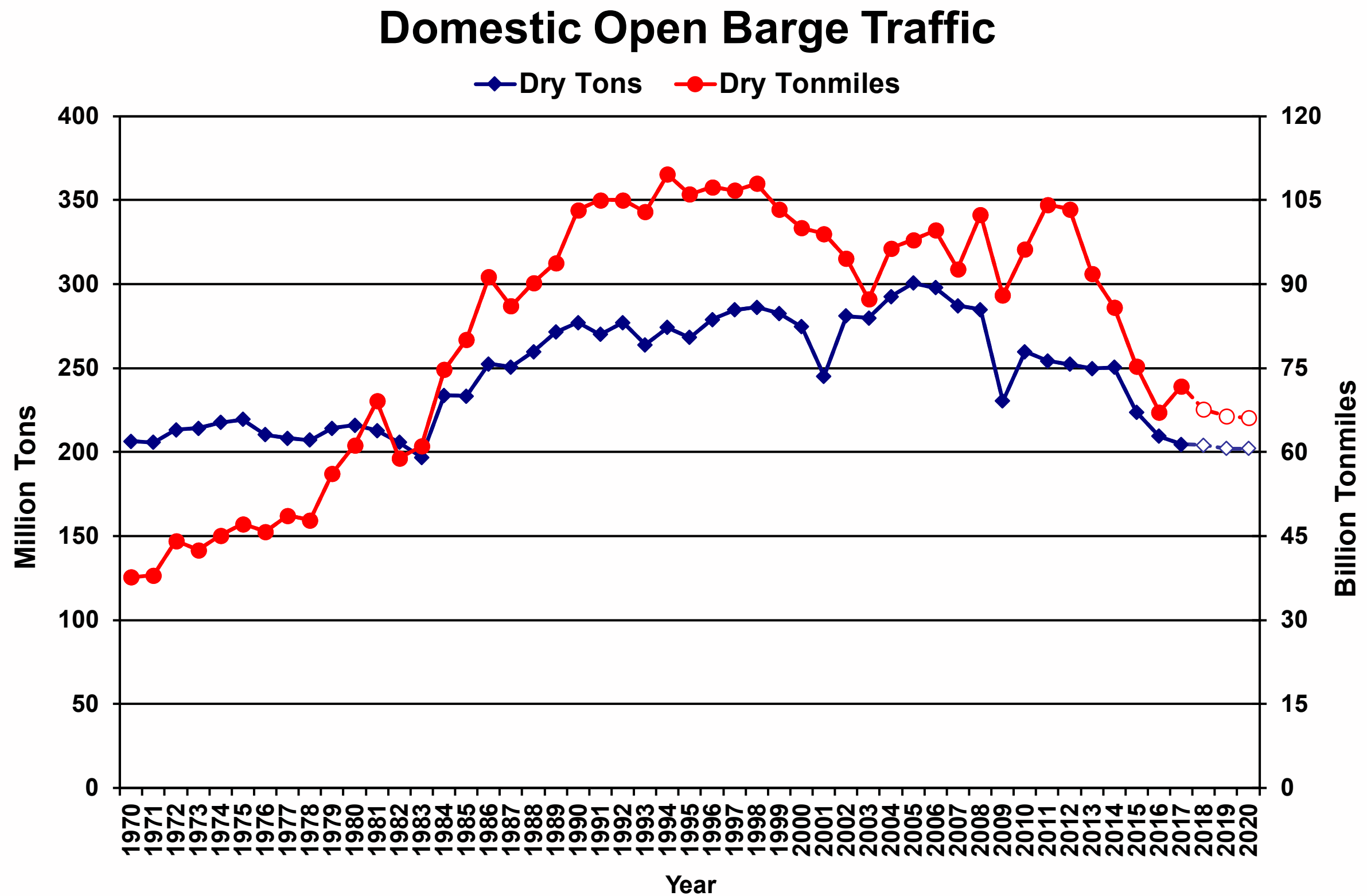
Commodity Volumes Bottoming, to Regain Ground, but Volume by Barge Type Reveals the Full Story



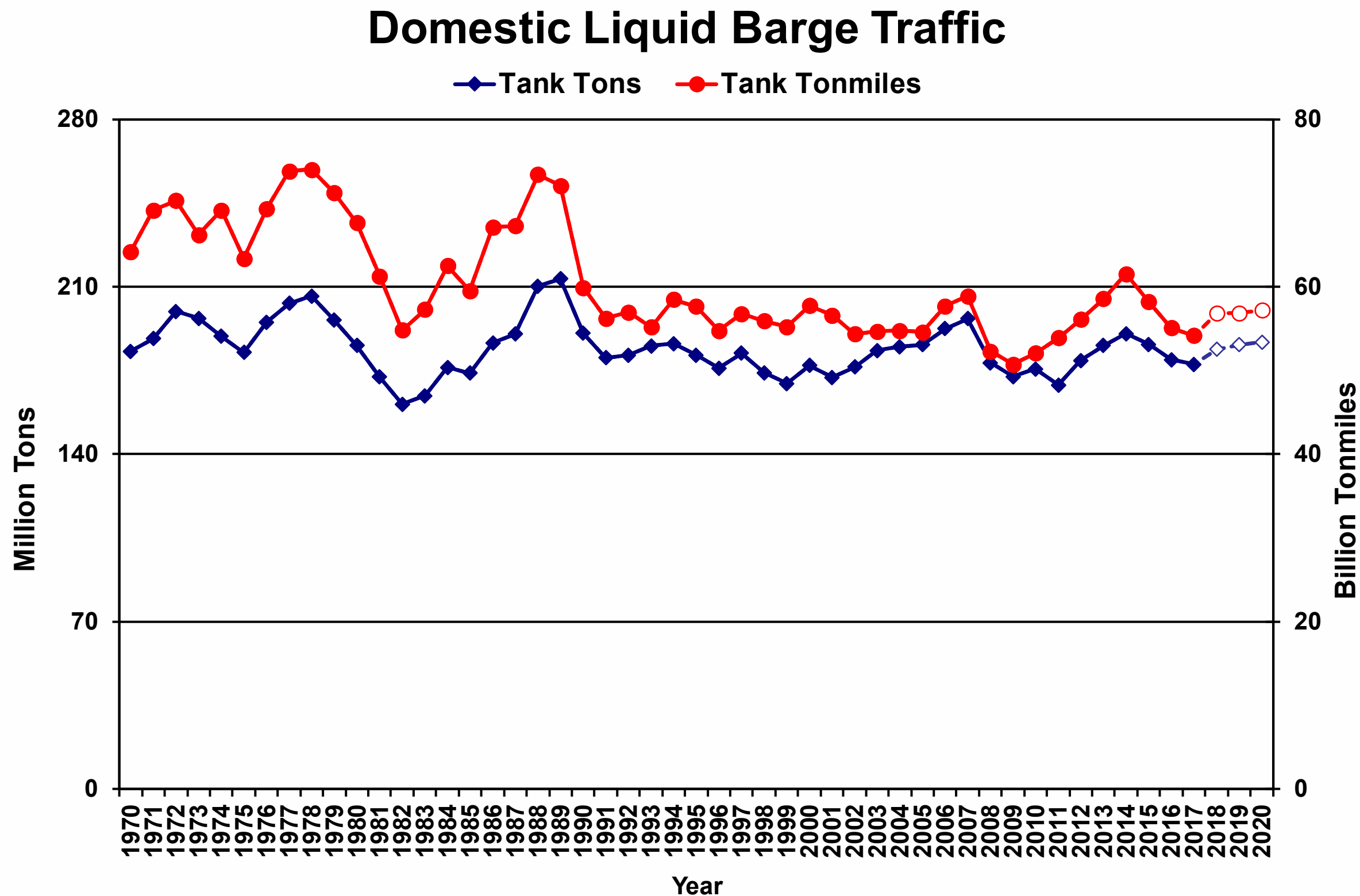
Covered Barge Volumes Going with the Grain, Lower in 2019, Regain on Export Strength in 2020/21 Marketing Year



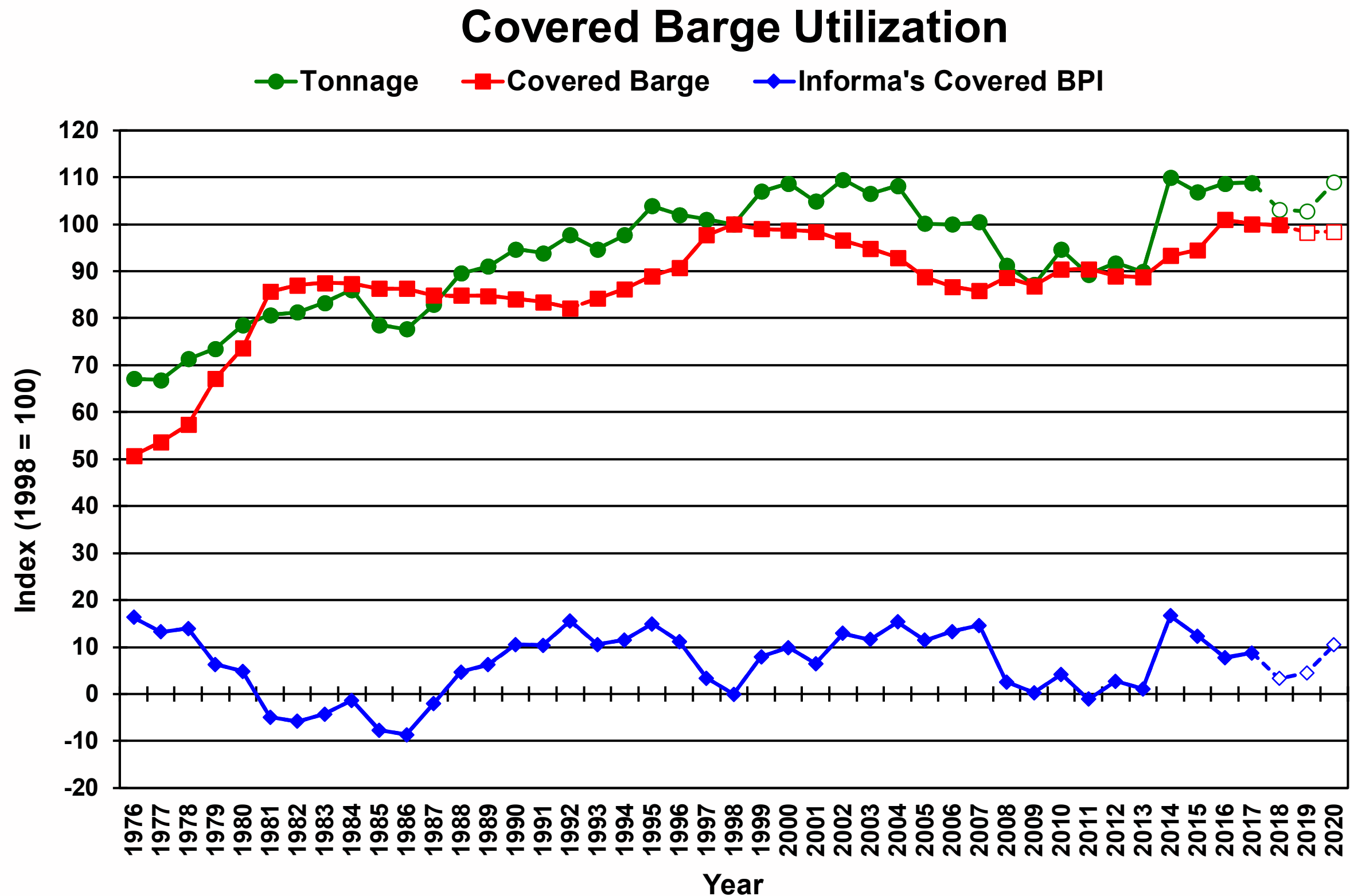
Open Barge Movements are a Four Letter Word: Coal and Yet to Find Bottom



Tank Barge Volumes a Mixed Brew, Varying by Barge Type

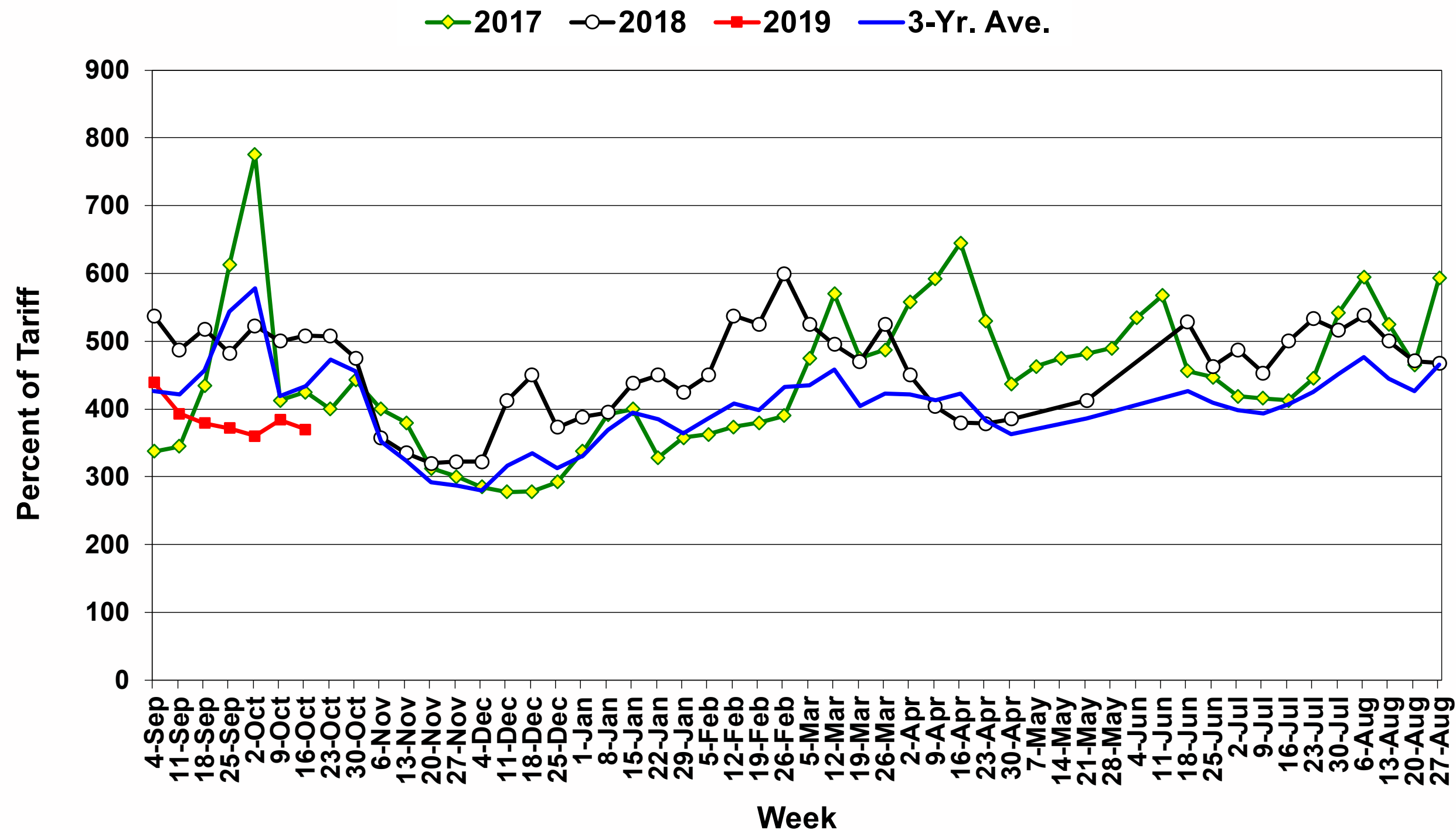


Covered Barge Fleet Pressure to Firm in late 2020 as Demand Rises, Especially on Strong Crop Exports

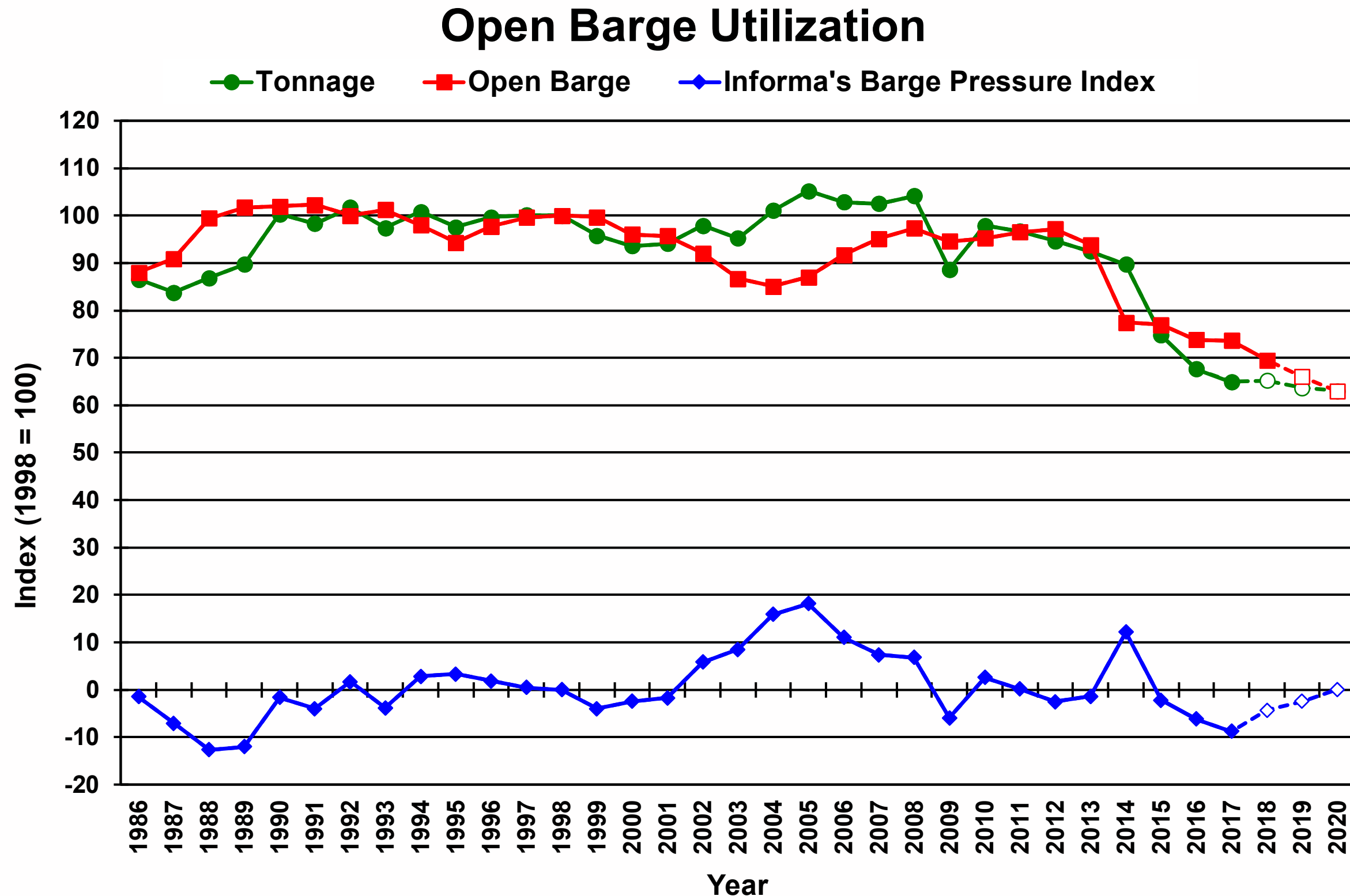


Trade Impacts Commodity Flows and Factors as Impacting Barge Freight Rates

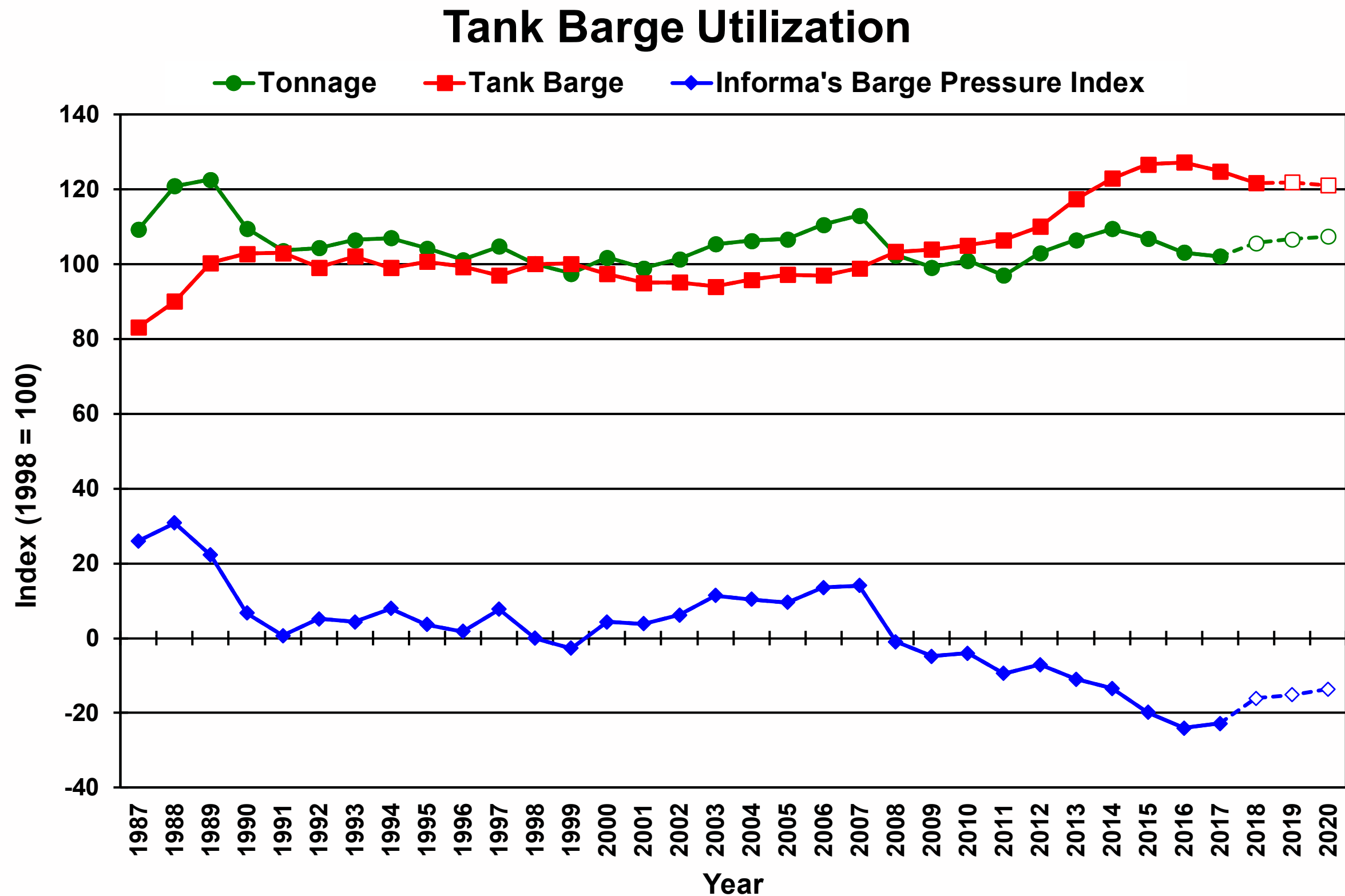
Illinois River Barge Freight Rate (percent of tariff)
by Crop Year (Sep/Aug)



Barge Open Fleet more than Adequate, but Needed Shrinkage will Tighten Things Up



Barge Tank Fleet Seemingly Adequate, but Varies by Equipment Type



Segmentation of Waterway Traffic in Pittsburgh – 2017

<u>Segment</u>	<u>Share</u>
Ohio River System Coal	65%
Ohio River System Ores & Minerals	13%
Ohio River System Steel	5%
Ohio River System All Other	7%
Mississippi River System Chemicals & Petroleum	4%
Mississippi River System Coal	3%
Mississippi River System All Other	4%

Source: IHS Markit TRANSEARCH



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Questions?



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