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Consolidated Scrap Resources, Inc.

February 28, 2021

Cynthia Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Re: STB Ex Parte No. 704 (Sub-No. 1), Review of Commodity, Boxcar, and TOFC/COFC Exemptions

Dear Ms. Brown:

My name is Ben Abrams, and I am the president and CEO of Consolidated Scrap Resources, Inc., a scrap processor and dealer based in Central Pennsylvania. We ship ferrous scrap by rail on a regular basis and rely on rail to move our product to consumers located more than about 150 miles from our production facilities. Because of our dependance on railroads to carry our product, often in privately leased or owned railcars, we strongly support revocation of the existing exemption so that our rail shipments have STB oversight.

We rely on rail transportation because the volume and weight of our shipments make it impractical and inefficient to ship large volumes of scrap metal by truck much beyond 150 miles from our Central Pennsylvania facilities. It takes at least four trucks to handle the same volume of scrap as a single rail car and there is not sufficient truck capacity to handle our individual volumes or the needs of our industry.

Our scrap yard(s) are configured for rail transport, which we need because there is not enough local demand for scrap from steel mills to consume all of our product. Indeed, many of the new steel mills built in the United States over the last several decades are located in areas well over 150 miles from our facilities. Thus, trucks are not a viable substitute for all of our scrap shipments, and we do not have access to water transportation to supply our customers.

Unreliable rail service, unreasonable demurrage practices, rising freight rates and charges, and a lack of negotiating leverage have all been commonplace when dealing with the railroads in recent years. We face the same challenges as other regulated commodities and believe that our rail shipments should be treated the same given the highly concentrated rail market and our dependance on rail service.

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We do not support adoption of new complicated and expensive procedures which will cause only substantial further delays and expenditures. Adding more procedures is not necessary based on the substantial information already provided in this proceeding over many years. Thus, we strongly and respectfully urge the STB to remove the exemption applicable to iron and steel scrap (STCC 40-211) without further delays and expensive proceedings.

Respectfully submitted,
CONSOLIDATED SCRAP RESOURCES, INC.

By: 
Ben Abrams
President and CEO