



2411 N. Glassell Street
Orange, CA 92865
Office: (714) 632-2000
Fax: (714) 279-7544
www.sarecycling.com

303843

February 14, 2022

ENTERED
Office of Proceedings
February 14, 2022
Part of
Public Record
EP 711 (Sub No.1)

Hon. Martin Oberman
Chairman
Surface Transportation Board

Hon. Patrick Fuchs
Member
Surface Transportation Board

Hon. Karen Hedlund
Member

Hon. Robert Primus
Vice Chairman
Surface Transportation Board

Hon. Michelle Schultz

Member
Surface Transportation Board

Submitted to

<https://link.edgепilot.com/s/d0403453/ZU2Mbv0dHUilx373lF0gQ?u=https://www.stb.gov/resources/n-eeed-assistance/how-to-file/>.

Surface Transportation Board

Re: Proposed Rule on Reciprocal Switching (Docket No. EP 711)

My name is Silvana Jones and I am the Director of Transportation for SA Recycling LLC. SA Recycling strongly supports the adoption of the Board's proposed reciprocal switching rules that will help facilitate greater rail competition. My company has 35 facilities that are served by a single class I rail carrier. These facilities are subject to substantially higher rail rates and less reliable service than our facilities that have rail competition.

SA Recycling is one of the country's largest scrap metal recyclers with 120 facilities in 12 states. In 2021, SA's facilities shipped an estimated 5 million gross tons of recycled scrap metal to steel mills. America's steel mills are heavily dependent on recycled scrap metal to make steel. An estimated 70% of all steel manufactured in the United States is made from recycled scrap metal. Due to the bulk and density of scrap metal, rail is a critical transportation means of shipping the recycled scrap metal to the steel mills. Therefore, railroads are critical to the making steel in the United States, and it is vital that responsive, competitive and cost effective railroad service be made available to recycled scrap metal producers.

We applaud the Surface Transportation Board's ("STB") decision to proceed with this rulemaking and agree that new switching rules are needed. The Staggers Act of 1980 specifically empowers the STB to grant reciprocal switching when it is in the public interest or necessary to

provide competitive rail service. The Board's existing rules impose such high regulatory hurdles that no shipper has ever been able to successfully request switching.

The rail industry today is vastly different than the industry of the 1980s and there are far fewer competitive options. The Board's recent Annual Rail Rate Index Study shows that since 2004, real rail rates (adjusted for inflation) have increased by 30%. Many shippers remain captive to their railroad, even when reciprocal switching could help relieve railroad service disruptions and congestion.

Based on the extensive evidence already submitted in this proceeding, we believe reciprocal switching can be implemented without compromising railroads' ability to invest in the rail network or harming service for other rail customers. The proposed case-by-case approach allows the Board to appropriately consider the interests of all stakeholders based upon the facts of each individual switching request.

We encourage the Board to finalize reciprocal switching rules that will provide shippers with greater access to competitive rail options. This would help create a more responsive and competitive freight rail system.

We appreciate the Board's consideration of this letter.

Respectfully submitted,

/S/
Silvana Jones
SA Recycling