



it's what's **inside** that counts

306784

June 23rd, 2023

Surface Transportation Board
395 E Street SW
Washington, DC 20423

ENTERED
Office of Proceedings
June 30, 2023
Part of
Public Record

RE: Docket Number FD 36501

To Whom It May Concern,

Commercial Metals Company (CMC) is a leading provider of construction reinforcement solutions, capable of meeting the most rigorous demands of the markets we serve. As the one of the largest manufacturers of steel reinforcing bar (rebar) and merchant bar in North America and Central Europe, we are a key supplier to the construction and OEM markets across two continents.

Over the last 3 years, we have worked with Union Pacific and the local authorities in the development of this important rail solution that will serve our existing manufacturing facility as well as the new facility currently starting up in Mesa, Arizona and the Pecos Advanced Manufacturing Zone in the East Valley of Phoenix.

As one of the major industrial companies located along the rail track line, we are in strong support of bringing rail freight infrastructure into the region. This rail line will allow us to expand operations, add high-paying manufacturing jobs and explore additional multi-modal efficiencies that will benefit the region by reducing truck traffic and congestion while reducing greenhouse gas (GHG) emissions.

This rail project is critical to the success of our operations in Mesa, Arizona. We built our original steel micromill capable of producing 275,000 tons per year of steel rebar in 2009 and have expanded the capability of this facility by over 50% to 420,000 tons per year over the past 14 years. This expansion has required that we increase our market reach and rail service is critical to providing our customers a low-cost logistics option. Additionally, after an extensive multi-state site search process in 2020 we chose Mesa, Arizona to locate a new steel micromill due to its central proximity to growing markets, contingent upon the availability of lower-cost rail freight options that are provided by this project. We are currently commissioning that facility, a first and one-of-a-kind, state of the art micromill capable of producing 500,000 tons rebar and merchant bar.

We currently receive and ship 48,000 truckloads per year via over the road freight and an estimated additional 52,000 truckloads per year upon full production at the new facility in 2024. Rail will allow us

to receive raw material and deliver products to our customers more efficiently eliminating an estimated 10,000 trucks per year from current operations and 25,000 truckloads per year from our new manufacturing facility in 2023, further reducing traffic congestion and improving safety. In addition, the current lack of rail at our production facility significantly increases cost, reduces our profitability and subsequently reduces our profit sharing pool to our employees.

In summary, this rail project is critical to our manufacturing facilities and to the East Valley's efforts in attracting advanced manufacturing to the region. CMC's existing facility will utilize this rail line immediately and significantly increase our usage upon full commissioning of our new facility. We ask the Surface Transportation Board for an expedited review and approval of this extremely important project to not further delay construction and benefit to the community.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara Smith", with a stylized flourish at the end.

Barbara Smith

Chairman of the Board and Chief Executive Officer

Commercial Metals Company



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I do hereby certify that I have served a copy of my filing to all parties.

Sincerely,

Barbara Smith
Chairman of the Board and Chief Executive Officer
Commercial Metals Company