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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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EP 346 (Sub-No. 29)

**RAIL GENERAL EXEMPTION AUTHORITY — PETITION OF AAR TO EXEMPT
RAIL TRANSPORTATION OF SELECTED COMMODITY GROUPS**

DURA-BOND PIPE, L.L.C.'S PETITION TO PARTIALLY REVOKE EXEMPTION

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L.L.C.**

Dated: December 9, 2025

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Dura-Bond Pipe, L.L.C. (“Dura-Bond”) is concurrently filing a complaint against Cleveland-Cliffs Railways Inc. (“Railways”) that alleges Railways will unlawfully discontinue rail service and has unreasonably conditioned its service to Dura-Bond. *See* Complaint filed in *Dura-Bond Pipe L.L.C. v. Cleveland-Cliffs Railways, Inc.*, NOR 42184 (filed December 8, 2025) (“Complaint”). Dura-Bond’s Steelton facility receives steel plates (purchased on a “delivered” pricing basis) and then ships large diameter pipe fabricated from those plates—all via rail, at the rate of 3,000 carloads per year. Comp. ¶15.

The Interstate Commerce Commission exempted the transportation of both the steel plate input and the steel pipe output in this proceeding (the Standard Transportation Commodity Code for steel plates is 3312253; for large-diameter steel pipe it is 3312649). *See gen.* 9 ICC 2d. 969, 971 (1993). Dura-Bond asks the Board under 49 U.S.C. § 10502 and 49 C.F.R. § 1121.1 to partially revoke the commodity exemptions so the Board can fulsomely address the Complaint’s allegations, which implicate no less than 5 elements of the Rail Transportation Policy (the “Policy”) Congress codified at 49 U.S.C. § 10101.

BACKGROUND

Dura-Bond is owned and operated by the Norris family. Compl. ¶ 1. With its related companies, it employs over 400 skilled workers across Pennsylvania, with

nearly half of those employees working at its Steelton facility. Compl. ¶ 1. “Steelton” takes its name from the historical Bethlehem Steel plants in the borough. Compl. ¶ 2. The historic footprint now includes a Cleveland-Cliffs steel mill (the Cleveland-Cliffs group of companies (“Cliffs”)); a common carrier rail line operated by Railways; and Dura-Bond’s pipe and pipe-coatings plants (“Pipe Facility”). Compl. ¶¶ 3, 13, 14, and 20.

Dura-Bond’s is one of only four manufacturers of large-diameter (24” to 42”) pipe in the United States. Compl. ¶¶ 3–6. Of those four, it is the only American-owned company, and it manufactures approximately 20% of the domestic large-diameter pipe market. Compl. ¶¶ 3–4. These large-diameter pipes are a critical link in America’s energy supply chains, enabling the development and transportation of natural gas and operation of liquified natural gas export facilities. Compl. ¶¶ 4–6. Dura-Bond’s supply is needed to support a rapidly expanding energy market—including for data center development in the international race for artificial intelligence—for the United States and its allies. Beyond that, imported U.S. liquefied natural gas is critical for nations would otherwise require natural gas from Russia. Compl. ¶ 4–6.

The large-diameter pipes that Dura-Bond manufactures are made from steel plates, which Dura-Bond sources from Cliffs’s steel mill in Burns Harbor, Indiana. Compl. ¶ 9. This year, Dura-Bond will order more than 100,000 tons of steel from Cliffs to support its current production commitments; this is 85% of what the Pipe Facility will use. *Id.* All of that steel and the outbound pipe Dura-Bond produces are transported via Railways. Compl. ¶15.

Norfolk Southern Railway Company (“Norfolk Southern”) is the linehaul carrier, delivering and picking up rail cars from the interchange tendered to or received from Railways. Compl. ¶ 15. As the receiver of the steel plate shipments, Dura-Bond does not have an agreement with Railways or Norfolk Southern for

delivery of inbound traffic. Compl. ¶¶15 and 23. That said, Dura-Bond pays Cliffs for steel on a “delivered” basis, meaning it compensates Cliffs for the inbound rail transportation Cliffs obtains from Norfolk Southern. Compl. ¶ 10. The outbound movements Dura-Bond ships on Norfolk Southern originate on Railways. Compl. ¶22. For this year the rail traffic to/from Dura-Bond at Steelton will be 3,000 carloads. Compl. ¶ 15.

At its Steelton facility, Dura-Bond produces pipe in 80-foot lengths and will produce more than 1,200,000 feet of pipe this year—all of which will be shipped to pipeline companies via rail at Dura-Bond’s cost. Compl. ¶22. Rail is paramount for pipe delivery, as it is not practicable to move significant amounts of 80-foot large-diameter steel pipe via motor carriers. Compl. ¶ 11.

In the spring of 2025, Cliffs announced that it would “idle” its Steelton steel mill. Compl. ¶ 24. Cliffs told Jason Norris of Dura-Bond that this idling included cessation of Steelton & Highspire’s¹ rail service—unless Dura-Bond were to pay the full costs of Cliffs’s operation. *Id.* Since then, Dura-Bond has attempted to purchase various rail assets (real property interests, track assets, and operating rights) sufficient to preserve rail service for itself and Railways’s other customer on the Steelton property, Atlantic Track—a rail track manufacturer. Compl. ¶¶ 27 and 40. These attempts were generally discussed as part of a “Transition Services” negotiation memorialized in draft exchanges of similarly titled, unsigned documents between Cliffs and Dura-Bond. Compl. ¶ 27.

But then Cliffs stopped negotiating. Instead, since July 2025 Cliffs and Railways have conditioned all continued service to Dura-Bond’s on Dura-Bond paying what Cliffs claims are Railways’s cost of operation. Compl. ¶28. Or as Paul

¹ This is the fictitious name for Railways’s Steelton operation. Compl. ¶ 22.

Finan, an executive within Cliffs, put it Cliffs “would continue providing rail service as long as you [Dura-Bond] pay us.” Compl. ¶ 29.

Given that Dura-Bond pays a delivered price for steel and tenders outbound pipe for linehaul transportation to Norfolk Southern (which then pays Railways), this condition was a demand for a double payment. Cliffs then multiplied the pain, as the double payment itself has 2 more parts. First is a monthly “provisional” invoice of \$339,500. Compl. ¶27. Cliffs and Railways demand that Dura-Bond pay these “provisional” invoices at the beginning of each month. Compl. ¶ 29. Then at the end of the month, they revise the invoices to account for what they claim are the actual costs for the prior month. Compl. ¶ 32 and Exhibit E. The final “actual costs” are inevitably more than the original provisional invoice, often by 50% or more. Compl. ¶ 32. And then, after the month-end payment, Cliffs turns around and invoices for the next month’s provisional payment. Compl. ¶ 30.

Dura-Bond has told Cliffs it is making any secondary payments “under protest.” Compl. ¶ 33 and Exhibit E, 2. Were the double payments themselves not enough cause, the costs attributable to rail service are lumped in with utility services provided to Dura-Bond by Cliffs; Cliffs has never provided Dura-Bond its formula for calculating the provisional or final invoices or provided a breakdown of the individual cost items—notwithstanding Dura-Bond’s request.. Compl. ¶¶ 37–38. Not only is Cliffs double-charging for rail service, but they are also hiding just how much they are double-charging.

There is no contract between Dura-Bond and Cliffs for these payments. Compl. ¶ 36. Dura-Bond has made provisional and final payments purportedly for rail service for July through October 2025 and a provisional payment for November 2025. Compl. ¶ 33.

On November 6, 2025, Railways informed Dura-Bond it would permanently cease rail service on January 13, 2026. Compl. ¶ 39 and Exhibit H. On receiving

this information, Dura-Bond again voiced to Cliffs its interest in lawfully succeeding Railways in operating the line and made a purchase offer of \$2 million for the Steelton & Highspire line and assets. Compl. ¶ 40. That offer was ignored. Compl. ¶41.

Nor has Railways told Dura-Bond anything else about their plan for the rail line. Compl. ¶41. But without rail service, Dura-Bond cannot meet America’s growing energy needs—needs driven by a global Artificial Intelligence race and a desire of American allies to stop using Russian natural gas. Against this backdrop, Dura-Bond has asked the Board to intervene.

ARGUMENT

The Rail Transportation Policy of 49 U.S.C. § 10101 is the polestar for the Board’s decisions about when to exercise its jurisdiction. With its jurisdiction the Board may make or revoke exemptions where it finds the action “necessary” to carry out the Rail Transportation Policy. 49 U.S.C. § 10502(d). “Necessary” is not a strict showing but here denotes the Board’s “flexibility” to revoke exemptions to help it address ongoing proceedings. *Granite State Concrete Co. Inc. and Milford & Bennington Railroad Company, Inc. v. Boston & Maine Corporation and Springfield Terminal Ry.*, NOR 42083, (STB served Sep. 15, 2003) 7–8. A “partial revocation” permits the Board to re-regulate as needed to meet the Policy. *Sanimax v. Union Pac. R.R.*, NOR 42171, (STB served Nov. 2, 2021), 3–4 (“*Sanimax*”).

The purpose of applying the Policy is to filter out minor grievances Congress has told the Board are not worth regulating. *Rail General Exemption Authority — Misc. Agricultural Commodities — Petition of G&T Term. Packaging et al. to Revoke Conrail Exemption*, 8 I.C.C.2d 674, 677 (1992) (“Thus, a finding of what might be a minor violation (if regulation were in effect), or a slightly adverse impact on one

component of the NRTP, does not necessarily indicate that reregulation is appropriate.”) *affirmed in part and remanded on other grounds sub nom.*, 8 F.3d. 118 (2d. Cir. 1993), *petition for certiorari denied*, 512 U.S. 1205 (1994). In meeting that threshold, the Petitioner bears the burden of persuasion that its allegations implicate the Policy. *Sanimax* at 4 (revoking an exemption to permit further examination and development of a record in a complaint).

Dura-Bond’s complaint is not a minor grievance. At stake is nothing less than the complete cessation of rail service by Railways without Board authority and 4 months of Railways’s holding hostage (1) the steel plates Dura-Bond has purchased from Cliffs; (2) the ability of Dura-Bond to produce pipe; (3) the ability of Dura-Bond to distribute that pipe; and (4) critical components of America and Europe’s energy supply.

The gravity of the situation is further seen in that each count raises multiple Policy issues Congress has asked the Board to regulate (Policy element No./Count No.), including whether:

- Railways cessation of service is consistent with a sound rail transportation system (No. 4/Count I);
- Railways is honestly and efficiently managed by Cliffs (No. 9/Count II);
- Railways is engaging in unlawful discrimination (12/Count II);
- Railways is discouraging and impairing energy conservation (14/Count I);
- revoking the exemption will promote the honest and expeditious handling and resolution of all proceedings (15/Count II).

This petition addresses each in turn.

I. The Complaint Raises Five Policy Elements Congress Has Identified as Meriting Regulation.

Policy Element No. 4—Sound Rail Transportation System

(Count I – Unlawful Cessation of Service)

For four months, Cliffs has threatened to yank rail service from Dura-Bond that amounts to 3,000 carloads a year unless Dura-Bond pays opaque, inexplicable invoices for a service it has already paid for. Compl. ¶¶29 and 34. A sound rail transportation system is not one predicated on the whims of carriers. That was borne out in *SF&L Rwy. — Acquisition and Operation Exemption — Toledo Peoria & Western Rwy.*, FD Nos. 33995 and 33996, 2003 WL 205243 (STB served Jan. 31, 2003). In that matter, the affiliate of a rail carrier realized it could make more money by scrapping the railroad than it could by running it. *Id.* at *2. And so it sought to stop operating it, ignoring the utility of the railroad to commerce.

The same calculation appears to have taken place here where there are 3,000 car loads a year for a railroad to make money on. Compl.¶ 15. After abruptly breaking off negotiations for Dura-Bond to acquire the rail assets, Cliffs summarily announced that Railways’s rail service will cease on January 13, 2026—without any regard for the Board’s supervision of its obligations. Compl. ¶39. Cliffs’s and Railways’s threatening immediate cessation and summarily announcing a halt to rail service is inconsistent with a sound rail transportation system.

Policy Element No. 9 — Honest and Efficient Management of Railroads.

(Count II – Unreasonable Practice: Double Recovery)

The double charging implicates Congress’s interest in the honest and efficient management of railroads. For steel plates, Dura-Bond pays Cliffs for delivered pricing, and until July 2025, received those plates without further charge from Railways. Compl. ¶¶10 and 23. Though Dura-Bond continues to pay delivered

pricing to Cliffs, Railways now demands additional compensation for the transportation Cliffs has already paid and that Norfolk Southern will remit to Railways. Compl. ¶ 28. That, Cliffs says, is their attempt to “help” in a “fair way.” Compl. ¶ 38. Double-charging—whether two parties, or the same party two-times—is not honest and efficient management of railroads.

What’s more, Railways’ announcement that it is suspending service on a date certain—January 13, 2026—without reference to authority from the Board suggests either (1) there may be disingenuous posturing by Cliffs or (2) Cliffs does not respect the Board’s authority. Either possibility would show Cliffs is not honestly managing Railways. On the first it would be dishonest for Cliffs to say it was ceasing Railway’s service on January 13, 2026, if it knew it could not do so without Board authority—that it does not yet have. On the second, it is dishonest to willfully violate the law. Double-charging and posturing without respect for the Board’s processes show that the honest management of Railways is in serious question.

Policy Element No. 12 — Prohibit Unlawful Discrimination.

(Count II – Unreasonable Practice: Double Recovery)

The same double-charging that raises questions of honest management also implicates concerns of unlawful discrimination—particularly given the vertical combination between Cliffs and Railways. It is plausible that Railways is not double charging every customer; if they are not, then Congress’s concern about discrimination comes to the fore.² The vertical integration Cliffs has here—controlling both production and transportation of steel plates—gives Cliffs the

² Though Dura-Bond is not undertaking discovery for this revocation petition, it expects to discover how widespread Railways’s double charging is in pursuit of its unreasonable practice claim.

opportunity to discriminate against Dura-Bond in favor of other steel-purchasing customers via the terms of Railways's transportation. If Cliffs and Railways are (1) not double charging other customers—whether customers of Cliffs, Railways, or both—for rail transportation or (2) proportionately allocating rail transportation costs to other rail customers—but not Dura-Bond—Railways may be unlawfully discriminating against Dura-Bond.

Policy Element No. 14 — Encourage and Promote Energy Conservation.

(Count I – Unlawful Cessation of Service)

The Interstate Commerce Commission recognized in this proceeding that the natural alternative to rail carriers for transportation of steel plates and their products were motor carriers. 9 I.C.C.2d. at 980. It also recognized that rail transportation conserves energy relative to motor carriers. *See Rail Gen.*

Exemption Auth. —Exemption of Grease or Inedible Tallow, Etc., EP 346 (Sub-No. 31), 1994 WL 687462, at *4 (ICC served Dec. 9, 1994) (finding element 14 satisfied when a regulatory action would encourage rail over trucking). Here, forcing the transportation of steel plates and large amounts of 80-foot length of pipe onto trucks would—if it were even feasible—significantly increase energy consumption given the natural inefficiencies of trucking relative to rail. *Id.* So revoking the exemption to examine whether the Board should re-regulate the transportation—avoiding the shift to trucks—will allow the Board to encourage and promote energy conservation.

Policy Element No. 15 — Expeditious Handling of Proceedings.

(Count I — Unlawful Cessation of Service and Count II — Unreasonable Practice:
Double Recovery)

The complaint's allegations address fundamental issues of the Board's jurisdiction—far beyond the commodities themselves—including whether a rail carrier can tell customers it will cease service without having received any authority to do so. *See, e.g.*, 49 U.S.C. §§ 10903 and 11101. The complaint's allegations cut to the very fiber of the Board's purpose: to encourage, regulate, and sustain rail service. 49 U.S.C. § 10101. Revoking the exemptions would permit the Board to expeditiously handle Cliffs's and Railways's naked challenge to the Board's Congressional mandate.

II. A Showing of Market Power Abuse Is Not Necessary but Is Satisfied Here.

Sometimes considered—but not required—in revocation proceedings is the issue of market power. *Sanimax* at 4 (“While the agency has considered market power in some of its past exemption revocation decisions, the statute does not require such an analysis.”).

Whatever the import, there appears to be an abuse of market power here. Considering: that Dura-Bond exclusively receives steel plates in and ships pipe out via S&H rail service; the 100,000 tons of steel plates Dura-Bond will receive; and the nature of Dura-Bond's product—80-foot outbound pipe—makes trucking infeasible; Railways has market power over Dura-Bond. Compl. ¶¶9–11; 15. The complaint alleges Railways has abused that market power by (1) threatening to cease service without Board authorization (both commodities) (Count I) and (2) double collecting from Dura-Bond for transportation that Dura-Bond has already paid for (Count II).

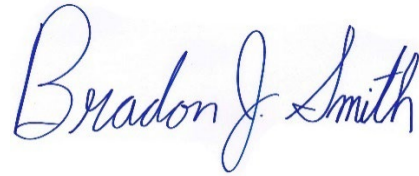
On the first point, no service at all—whatever the reason—is a per se abuse of market power. *See Rail General Exemption Authority — Misc. Agricultural Commodities*, EP 346 (Sub-No. 14C) (STB served June 21, 2006), 4. Put another way, if a carrier’s failure to provide service is an abuse of market power, the willful withholding Count I describes must be also. Railways has abused its market power in refusing to transport both commodities unless it receives double payment. This merits partial revocation of both exemptions.

On the second point, Cliffs and Railways together have complete control of the inbound transportation of steel plates Dura-Bond orders. Unless Dura-Bond pays Railways the “double payment” Count II alleges is an unreasonable practice there will be no steel plates Cliffs ships nor that Railways will deliver. Railways, both independently and in concert with Cliffs, has abused its market power over Dura-Bond by requiring a second payment. Though monopolists are sometimes bold in extracting amounts due, they are not often so bold as to require two payments for a single service. But that is exactly what Cliffs and Railways have done here.

CONCLUSION AND REQUEST FOR RELIEF

Wherefore, Dura-Bond asks the Board to partially revoke the commodity exemptions applicable to Railways’s service to Dura-Bond at Steelton, Pennsylvania.

Dated: December 9, 2025



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NOR 42184

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AND

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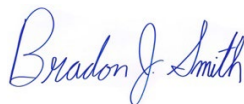
RAIL GENERAL EXEMPTION AUTHORITY — PETITION OF AAR TO EXEMPT
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CERTIFICATE OF SERVICE

I certify that on December 9, 2025 I caused the Complaint, Motion for Preliminary Injunction, and Petition for Partial Revocation of Dura-Bond Pipe, L.L.C. filed in the respective captioned dockets to be served on:

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