



Recycled Materials
Association

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The Honorable Patrick Fuchs
Chairman
Surface Transportation Board
295 E Street NW
Washington, DC 20423

The Honorable Michelle Schultz
Vice Chairman
Surface Transportation Board
295 E Street NW
Washington, DC 20423

The Honorable Karen Hedlund
Member
Surface Transportation Board
295 E Street NW
Washington, DC 20423

Attn: Docket No. EP 788 Eliminating Regulatory Barriers to Competition: Review of Part 1144

Representing an industry heavily dependent on the nation's rail network, the Recycled Materials Association (ReMA) is pleased to submit written comments to the Surface Transportation Board's (the Board) proposal to repeal its regulations on "Intramodal Rail Competition," an action which intends to broaden the Board's statutory discretion and allow the Board to consider the prescription of through routes, through rates, and reciprocal switching agreements on a case-by-case basis, providing better access to remedies.

ReMA, formerly the Institute of Scrap Recycling Industries, represents 1,700 companies that play a critical role in supplying recycled materials to America's manufacturing industries. The recycled materials industry is integral to the U.S. economy, transforming surplus and end-of-life materials into essential components of daily life and providing high-quality resources for everything from national infrastructure to consumer products. The roads we drive on and the cars we drive in, the rebar that strengthens our buildings and beams that support our bridges, the wires that bring electricity and communications into our homes and offices, and the boxes that bring consumer goods and food to our homes are all made with recycled materials. In 2025, the industry generated \$183 billion in economic impact and supported over 600,000 direct and indirect jobs across the nation.

In the same year, the domestic recycled materials industry processed over 135 million metric tons of recycled materials – including 65 million metric tons of recycled iron and steel, and 42 million tons of recovered paper and fiber. The transportation of recycled materials connects collection and processing points with mills, smelters and other manufacturers across an extensive logistics network, moving millions of tons of valuable resources while creating significant economic value and employment opportunities across the supply chain.

Freight rail is central to that logistics network, carrying more than 40 million tons of recycled materials annually and ensuring that these valuable inputs reach our nation's steel mills, aluminum and copper smelters, plastics and glass reclaimers. For many of our members, rail is the only practical mode of transportation – particularly for commodities such as recycled steel, that cannot be moved efficiently or safely by truck, whether due to distance, density, or sheer volume. Whether these materials travel more than 200 miles or considerably less, there are many instances where shipments of recycled material must move by rail to accommodate manufacturers' operational needs. For example, more than 70 percent of the steel produced domestically today is made using electric arc furnaces that rely upon recycled metal as a primary input. Supplying these operations requires moving large volumes of recycled feedstock, which often necessitates rail service – even when the distance between the recycler and the manufacturer is well under 200 miles.

Because certain recycled materials cannot be shipped via truck, and because many facilities are served by only a single railroad, many industry operations are effectively captive to a single carrier. "Captive shippers," – those with access to only one railroad – are particularly vulnerable to service disruptions, pricing pressures, equipment and manpower shortages, and broader supply chain delays. For these operations, the reliability and competitiveness of the freight rail network can determine whether a facility continues operating or is forced to close.

For decades, Part 1144 has prevented captive shippers from seeking relief, or meaningful competition enhancements by imposing an unreasonable threshold requiring proof of "anticompetitive conduct" by a rail carrier before the merits could even be considered. In the nearly 40 years since the rule was adopted, no shipper has prevailed under the standard, leaving legitimate requests for reciprocal switching effectively barred. ReMA therefore supports the Board's recognition that the rail industry has evolved and that these regulations no longer serve the industries that depend on a competitive freight rail network.

The Board's proposal to repeal Part 1144 rules represents an important step toward restoring a more balanced framework that would allow captive shippers' requests for competitive access remedies to be evaluated by their merits and on a case-by-case basis. Instead of applying unreasonably high burdens of proof, requests for competitive access would be adjudicated under a public interest standard and other requirements in the applicable statute. Allowing greater flexibility when the Board considers requests for through routes, through rates, and reciprocal switching arrangements would create new opportunities to allow increased rail competition to establish efficient routing options, mitigate bottlenecks, and address service shortfalls.

While ReMA strongly supports the Board's proposal and the competitive relief it could provide for captive shippers based on case-by-case adjudications, the board is reminded of the problems that have existed for shipments that move under rail exemptions, such as the scrap metal exemption. These shipments face similar competitive challenges but lack direct access to such remedies. Companies shipping exempt traffic must first litigate revocation of an exemption to seek any redress by the Board at significant cost and uncertainty, a requirement that provides a competitive advantage to the railroads in their dealings with shippers of exempt traffic. As the Board takes steps towards alleviating regulatory burdens, exempt traffic must not be forgotten, and the Board should take steps to take revoke the scrap metal exemption which is also obsolete.

As the leading trade association for the recycled materials industry, ReMA appreciates the Board revisiting these outdated policies to modernize its approach to addressing competition challenges in captive rail markets. The recycled materials industry supports communities and American jobs and provides essential feedstock for our nation's manufacturing sector. Predictable service, pricing, availability, and clear access to remedies for any of the above issues are foundational to delivering these benefits.

America **IS** made with recycled materials, and the survival of our supply chains depends on a rail system that is both competitive and reliable. Should you have any questions or wish to discuss this further, please contact me at khildreth@recycledmaterials.org.

Sincerely,

A handwritten signature in cursive script, reading "Kristen Hildreth".

Kristen Hildreth
VP, Government Relations & Public Policy
The Recycled Materials Association