

ISRI's Position on Railroad Transportation¹

Overview:

The U.S. scrap recycling industry is highly dependent upon rail service to transport recycled materials to both domestic and international markets. However, diminished rail service and capacity threaten the U.S. scrap recycling industry. Rail car shortages, appreciable rail car and service deterioration, extensive rail congestion, significant cost increases, and no effective remedies for insufficient and unsatisfactory service are harming the nation's important manufacturing and exporting industries including the scrap recycling industry. ***Improving the nation's rail service by increasing capacity, reducing congestion, improving service, and providing cost effective remedies is imperative for the U.S. scrap recycling industry and U.S. manufacturing.***

Rail Investment and Capacity

While the economy has grown significantly over the past 25 years and the need for a more substantial and robust rail service is needed, the railroad industry has been reluctant to invest in new gondolas, boxcars, and power units to help improve this situation. ***More investment in rail cars and other rail infrastructure is necessary to improve and grow the nation's rail capacity and service.***

Surface Transportation Board

When the railroad industry was largely deregulated, the Surface Transportation Board was created to protect rail users by addressing rail service issues and complaints from rail shippers. However, the Surface Transportation Board has been ineffective in this duty especially for captive rail shippers. Bringing a case to the Surface Transportation Board is too burdensome for shippers since its costs are extremely high and normally takes over a year to complete. Moreover, the remedies provided by the Surface Transportation Board have not always been helpful or effective. ***A more accessible and shipper-friendly remedy process is needed.***

It is the position of the Institute of Scrap Recycling Industries, Inc. (ISRI) that:

ISRI will work with rail shippers and rail shipping coalitions to advance federal legislation and other efforts to encourage the nation's railroads to significantly 1) increase the purchases of railcars sufficient to transport scrap materials to domestic and international markets; 2) improve service and rail car availability to scrap processors and their consumers; and 3) increase the amount of new track and

infrastructure funding to ensure future growth. Furthermore, ISRI will work with rail shippers and rail shipping coalitions to advance federal legislation and other efforts including regulatory rulemakings that

improves the Surface Transportation Board's appeals process so that it is more accessible and less burdensome in both time and money for rail shippers and provides more administrative and cost effective remedies for the scrap recycling industry.

¹ As Adopted by the ISRI Board of Directors on October 20, 2007