



2411 N. Glassell Street  
Orange, CA 92865  
Office (714) 632-2000  
Fax (714) 282-7366  
www.sarecycling.com  
GOT SCRAP?®

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Cynthia Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423

ENTERED  
Office of Proceedings  
September 12, 2016  
Part of  
Public Record

Re: STB Ex Parte No. 704 (Sub-No. 1), Review of Commodity, Boxcar, and TOFC/COFC Exemptions

Dear Ms. Brown:

My name is Jeff Farano and I am the Corporate Council and Director of Governmental Affairs for SA Recycling, a scrap dealer/processor with 71 facilities located in 7 different states. SA Recycling ships ferrous scrap on a regular basis. A significant portion of our shipments of ferrous scrap depends upon rail service and these shipments tend to be higher volumes and longer distances. For these shipments, neither truck nor water transportation provide a competitive alternative. In our experience, rail transportation of ferrous scrap over the past several years has been characterized by the following:

- Rail transportation rates have largely increased.
- There is no ability to negotiate rates with the serving railroad.
- Insufficient gondola cars are available to meet the demands of the scrap market.
- When gondola cars are available, they are often not provided in a timely fashion.
- Rail transportation service and frequency are subpar.
- Rail providers are slow to respond to our complaints about service.

We urge the Surface Transportation Board ("STB") to remove the exemption applicable to iron and steel scrap (STCC 40-211), so that rail transportation of this commodity is subject to STB oversight.

Respectfully submitted,

Jeff Farano