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## Rail Charges/Recycling Industry: Institute of Scrap Recycling Industries, Inc. Surface Transportation Board Testimony

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The Institute of Scrap Recycling Industries ("ISRI") entered testimony on May 8th before the United States Surface Transportation Board ("STB") addressing the impact of rail charges on the recycling industry.

The STB is holding an oversight hearing on demurrage and accessorial charges. See STB Ex Parte No. 754.

ISRI is a trade association representing approximately 1,300 companies operating in nearly 4,000 locations in the United States and 41 countries worldwide that process, broker, and consume scrap commodities, including metals, paper, plastics, glass, rubber, electronics, and textiles.

ISRI describes in the testimony the relevance of rail to the recycling industry:

Rail transportation is a critical mode for shipments of ferrous and nonferrous scrap, especially at longer distances beyond 200 miles, and many of our members are captive customers who are served by only one Class I rail carrier. ISRI's rail shippers are subject to the railroads' demurrage and accessorial tariffs and, thus, ISRI has a significant interest in this proceeding.

STB is an economic regulatory agency that Congress charged with the mission of resolving railroad rate and service disputes along with review of proposed railroad mergers. It is decisionally independent. However, it is administratively affiliated with the United States Department Of Transportation.

ISRI's comments and/or points include:

- Several Class I railroads have made significant changes to their demurrage and accessorial rules tariffs to reduce free time for railcar unloading/loading or storage, assess charges for congestion, increase the level of demurrage and switching fees, and assess new charges for activities that previously were included in line haul or other charges
- Operational changes to implement aspects of Precision Scheduled Railroading has resulted in service variability, reduced or missed switches, an increased frequency in railcar bunching, and reduced storage options
- STB should evaluate the commercial fairness of the railroads' demurrage, tariffs and practices, including reciprocal commitments by railroads when their conduct causes detention and delays
- Support is noted for STB's collection and analysis of railroad data pertaining to demurrage and accessorial charges
- Demurrage practices must serve their underlying purpose of incentivizing an efficient rail network and must not be designed to generate additional revenue for the railroads

- Railroad customers should not be penalized for railroad service failures
- Railroad customers should be given sufficient notice to allow for adjustment of their operations

A copy of the testimony can be downloaded [here](#).