

P. MICHAEL OBERMIRE
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October 14, 2005

Ex Parte No 658

215076

The Honorable Roger P. Nober
Chairman, Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001

Re: Rail Capacity in the United States

Dear Mr. Nober:

USS-POSCO Industries is a steel converter located near San Francisco, California, producing cold rolled annealed, galvanized and tin products using hot rolled coils as our raw material. We employ 850 people and produce 1.3 million tons of steel annually which is consumed in the Western United States. American owned steel mills located in the Midwest and Eastern part of the country supply fifty percent of our raw material. That represents over 7,000 rail cars per year delivered to USS-POSCO Industries. Further, we utilize nearly 6,000 rail cars to ship finished products to our customers each year.

Each year we find it more difficult to obtain the required rail service to receive our raw materials and ship our finished products. Transit times, primarily because of rail congestion, have grown significantly, adding further financial pressure to our profitability. I believe that the United States needs additional freight rail capacity and that the STB should promote a federal regulatory policy that does not inhibit the railroads from making the necessary investments to expand their rail infrastructure to accommodate forecasted demand growth.

Thank you for your continued efforts to solve these difficult and complex problems that have such a significant effect on American business.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Obermire".

Michael Obermire