

25 April 2017

Surface Transportation Board
395 E Street SW
Washington, DC 20423
Re: Docket 35952

VERIFIED STATEMENT
OF JOHN W. NOLAN
ON BEHALF OF
STEEL DYNAMICS, INC.

My name is John W. Nolan and I am presently Vice President, Product Development for Steel Dynamics, Inc. (SDI). I will have worked for SDI and for other USA steelmakers in various commercial, operations and technical capacities this 04 June for forty-four (44) years.

SDI is an Indiana Corporation with principal offices in Fort Wayne. We operate several metal recycling, steel producing and steel finishing business units across the USA, notably in Butler, Pittsboro and Columbia City, Indiana; Columbus Mississippi; Roanoke, Virginia; Pittsburgh, Pennsylvania; and Huntington, West Virginia.

I have served SDI during the past twenty-four (24) years in several senior management capacities, notably as its Vice President of Sales and Marketing; as a Loaned Executive to the Nakhornthai Strip Mill project in Chonburi, Thailand; and as the Vice President and General Manager of its Structural and Rail Division (SRD) in Columbia City, Indiana from 01 May 2007 through 30 April 2013.

During my six (6) years at the SRD, I was distinctly privileged to lead six hundred (600) remarkable men and women in an exciting capital project that installed, commissioned and commercialized America's newest long rail mill. The SRD's long rail mill produces standard strength and head treated, head hardened premium rail in one (1) quarter mile continuously welded 320-foot rolled rail lengths. There is no rail like SRD long rail produced anywhere today in the western hemisphere.

Among its notables, SDI's SRD supplied **100%** of the welded long rail to Amtrak's *Vermont* project that upgraded 190 miles of track between St Albans and St. Vincent, VT during 2010, 2011 and 2012. The *Vermont* was the first major rail corridor project to be completed under the Federal Railroad Administration's High-Speed and Intercity (HSIPR) program. The upgrade to heavier, continuously welded 320-foot rail enabled Amtrak to reduce the scheduled running time of the *Vermont* nearly half an hour via

track speed increases of nearly 60 percent (50 to 79 miles per hour) in signaled territory. The project -- part of the American Recovery and Reinvestment Act -- received \$52.7 million in Recovery Act funds. I was both honored and humbled to stand in Brattleboro, VT on 05 October 2012 with then Secretary of Transportation Ray LaHood and be recognized by then Federal Railroad Administrator Joe Szabo for the SRD's contribution to the on-time, on-budget completion of the *Vermont* rail project. The experience that Friday morning remains one (1) of the "high water marks" of my career.

Returning to SDI, we are an \$8 billion revenue company again operating numerous metals recycling, steel producing and steel fabrication facilities across the United States. During calendar years 2015 and 2016, our facilities received 70,000 rail cars of ostensibly raw materials for steel production and departed more than 80,000 rail cars of finished goods to SDI customers nationally. A significant portion of this rail traffic moves through the Chicago area on the Genesee & Wyoming, the CSX and the Norfolk Southern railroads. Historical information suggests that SDI's annual rail spend during calendar 2017 could exceed \$150 million.

It is our understanding that Great Lakes Basin Transportation (GLBT) has applied for authority to construct and operate the Great Lakes Basin Railroad (GLBRR). GLBRR is planned as a bypass railroad connecting both the numerous Class 1 railroads that operate in and out of the Chicago Region and the many short line railroads serving the Region. We strongly support GLBT's petition as the new GLBRR route would provide much needed capacity and permit higher velocity for rail traffic moving throughout the Chicago Region. The project's value would accrue to all rail shippers whose traffic moves through the Region. Additionally, the new GLBR route would remove through or overhead traffic from the Chicago Terminal giving the Class 1's and Chicago's Terminal Switch Railroads additional capacity to grow sensibly in the future.

SDI further believes that the GLBR project will bring significant incremental economic value first to Midwesterners badly in need of good paying jobs; next to Regional and National rail industry suppliers and supporting businesses; and then to the general population and tax payers of Indiana, Illinois and Wisconsin.

For the reasons stated above and for those following, SDI fully supports both the GLBRR project and GLBT's application and we strongly urge the STB to support them as well.

In closing, I ask the STB to please consider these additional important project points:

- Potential positive impacts on the movement of existing and future commerce.
- Increased routing options and improved connectivity for rail freight, particularly BNSF rail trains from SDI's SRD.

- Potential expansion of railroad movements for new origin-destination pairs.
- Significant business cost savings from reduced transportation times (direct railroad-to-railroad connection rather than via the Chicago Terminal).
- Reduction of weather impacts from the ability to by-pass "core" Chicago.
- Improved internal capacity, improved Chicago rail network reliability, consequentially improved shipment performance to and from the Chicago Terminal.
- New Chicago network rail capacity will better support an additional 2.7 million people forecast for the Region by 2040 as well as the logistics necessary to move a sizeable portion of those people.
- The GLBRR project would positively impact on-time shipping performance to many in SDI's NAFTA markets.
- The GLBRR project as presently conceptualized represents 150,000 to 200,000 tons of potential rail sales to SDI's SRD.
- The GLBRR project represents outstanding Midwest job creation potential, direct as well as indirect and collateral.
- SDI has little recourse but to continue using the Chicago gateway for rail shipments going forward given a lack of suitable alternatives.

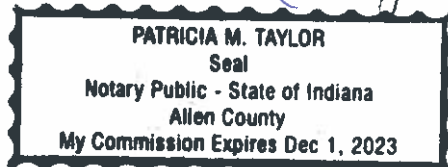
I affirm under penalty of perjury that the foregoing remarks are true and correct. I further certify that I am qualified and authorized to file this verified statement.

Sincerely,



John W. Nolan

Vice President, Product Development
Steel Dynamics, Inc.
Fort Wayne, IN USA







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