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May 27, 2022

Chairman Martin Oberman
Vice Chairman Michelle Schultz
Member Patrick Fuchs
Member Karen Hedlund
Member Robert Primus
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

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Office of Proceedings
May 27, 2022
Part of
Public Record

Re: EP 770, Urgent Issues in Freight Rail Services

Dear Chairman Oberman, Vice Chairman Schultz, and Members Fuchs, Hedlund, and Primus:

A.F. Gelhar Comp. Inc. requests urgent attention and consideration by the Surface Transportation Board (STB) regarding ongoing supply chain issues we are experiencing with our transportation services to New Castle, Indiana.

A.F. Gelhar Comp. Inc., located in Markesan, WI, has been servicing the foundry industry for over 100 years providing high quality silica sand. The customer at the receiving end, Grede, produces premier ductile, gray and specialty iron casting, which automotive, industrial, and commercial trucking markets utilize. Customers include GM, Ford, Caterpillar, and the list continues. We take tremendous pride in saying we are their largest sand provider and want to continue holding them as a customer. However, due to the consistent and continuous issues we have experienced because of rail service, there is a direct threat to our ability to provide a stable supply of sand for Grede, and for it to maintain production levels.

For reference, the New Castle, IN lane from Markesan consists of the following: WSOR, UP, BRC, NS, NCS. The usual transit time was 10-12 days, but beginning in February 2022 it is now at an unacceptable 20-26 days.

The issues begin with the Belt Railway Company of Chicago (BRC). Congestion on the BRC is preventing the Union Pacific (UP) from switching our cars in a timely manner. Cars sit in Butler or Granville, Wisconsin on the UP waiting until BRC approves the switch. The average idle days from October 2021 through January 2022 were 1.189, but starting in February 2022, the average idle time is now 3.896 days, with the highest idle time being 8.135 days.

Once on the BRC, our cars are switched to Norfolk Southern (NS), which takes our cars to the final short line in New Castle, IN, New Castle Southern Railroad (NCS). Since February 2022, the NS's service is completely unsatisfactory. The usual route for cars is as follows: Clearing, IL, Elkhart, IN, Ft. Wayne, IN, Muncie, IN, then on the NCS to New Castle, IN. To help with



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congestion at the Elkhart, IN terminal, NS has been rerouting cars to other states, far out of route. For example, a railcar went from Elkhart to Ohio, then Pennsylvania, back to Ohio, then to New York, back to Ohio, only to return to Elkhart, IN. The unnecessary rerouting caused a 15-day delay. The total transit time from Markesan, WI to destination of New Castle, IN was a staggering 26 days. Other cars have traveled from Elkhart to Ohio, Pennsylvania, Ohio, and then return to Elkhart, while others from Elkhart are rerouted to Ohio, New York, Ohio, and back to Elkhart.

These issues have caused extensive delays, twice causing customer shutdown. From the NS's Customer Service response time, or shall I say lack thereof, it is clear to us our issues are of no concern to NS. I spoke to NS's Business Development Manager about my concerns. Although this employee listened, no further action was not taken by the NS, nor was any explanation given.

Since the NS increased its rate on this lane in the beginning of 2022, transit times have doubled, and service substantially declined. We are concerned this is not a short-term situation, but that this has become permanent. These delays have costed an additional thousands of dollars to A.F. Gelhar Comp. Inc. in trucking costs to ensure Grede receives the necessary sand to continue production. It is imperative Grede receives product in a timely manner to meet customer requirements and uphold their commitments to customers.

A.F. Gelhar Comp. Inc. appreciates the Board's attention to our issue affecting our ability to be and stay competitive. We urge the Board to exercise strict oversight and employ all measures within its power to ensure that our service to Grede's foundry returns to the normal 10-12 day transit time from the current 20-26 day transit time. We request the Board to direct the NS to not unnecessarily route our cars further east, and interchange as they were earlier this year.

Respectfully,

Heidi Gelhar
Associate Director
