

Major rail carriers focus on recycle markets

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Conrail and Norfolk Southern are two of the long-haul rail lines that see a promising future for recycling.

Where other people saw garbage, Ron Bridges saw an opportunity to make money. Bridges, director of sales for Consolidated Rail Corporation (Conrail), was convinced that hauling waste paper could be strategically and economically important to the rail line.

Beginning in 1986, Bridges began his effort to make waste paper attractive to Conrail. Two years later he drafted the first plan of how the system might work and in 1989, Conrail implemented the strategy.

One of the things that made the recycling market attractive to Conrail is that it "fits perfectly with our backhaul strategy," said Bridges. Rather than move empty cars up to Canadian newsprint mills for loading, many of those cars can make the return trip filled with waste paper for recycling. The same for pulpboard and newsprint facilities in the southern United States.

The strategy is very cost-effective, allows for greater use of equipment, and provides

for quicker turnaround of cars, Bridges said. And, with competition from the trucking industry, it helps Conrail protect its market. "If you have a truck taking scrap back to the mills, they would be trying to get the headhaul going back," he explained.

Conrail now sees waste paper and other scrap as a growing market. "Many of the raw materials that we handle coming into different facilities are products that are going to be substituted by recycled papers, recycled fibers, etc.," Bridges said. The railroad decided to position itself to haul the scrap materials that might replace the raw materials it had been hauling.

Most of the cars Conrail uses to haul paper for recycling are 50-ft, wood-lined boxcars built specifically for transporting newsprint or finished paper. A typical car might carry 60–65 tons of ONP (old newspapers) or 50–60 tons of OCC (old corrugated containers), roughly 2.5 truckloads. The boxcars are carefully inspected after each shipment for wear or rough walls that might damage a paper roll, Bridges said.

Scrap paper gathered for recycling at Lackawana Valley Recycling in Scranton, PA.



Norfolk Southern has also made a concerted effort to provide "paper quality" cars with water-tight, snag-free interiors. The rail line mechanically upgraded and repainted more than 1000 of its 50-ft boxcars in 1991 and had scheduled another 1700 for upgrading in 1992.

Shipping tariffs simplified

The major railroads have recently agreed upon a simplified tariff system for hauling waste paper that is a lot easier to read and a lot easier to use, Bridges said. It allows shippers and receivers to look up the total, door-to-door shipping price themselves without going through a complicated process of calling each rail line along the route.

"An origin or destination on a railroad is called a station," explained Michael E. Kiley, marketing and sales representative for secondary fibers in Conrail's Forest Products Division. Each rail-

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road has thousands of stations and rate would be figured between each station. To simplify that, the new system groups the stations into 13 regional divisions. Now all the shipper needs to do is look up the point of origin, then the destination point to find the per car price.

"That's a true rate ... recyclery to mill," noted Bridges. "Used to be you would have a per hundred weight charge, and then there would be an excess charge over a minimum weight, and if there was a circle reference you had to check that it applied to that particular car ... so it was not very user friendly."

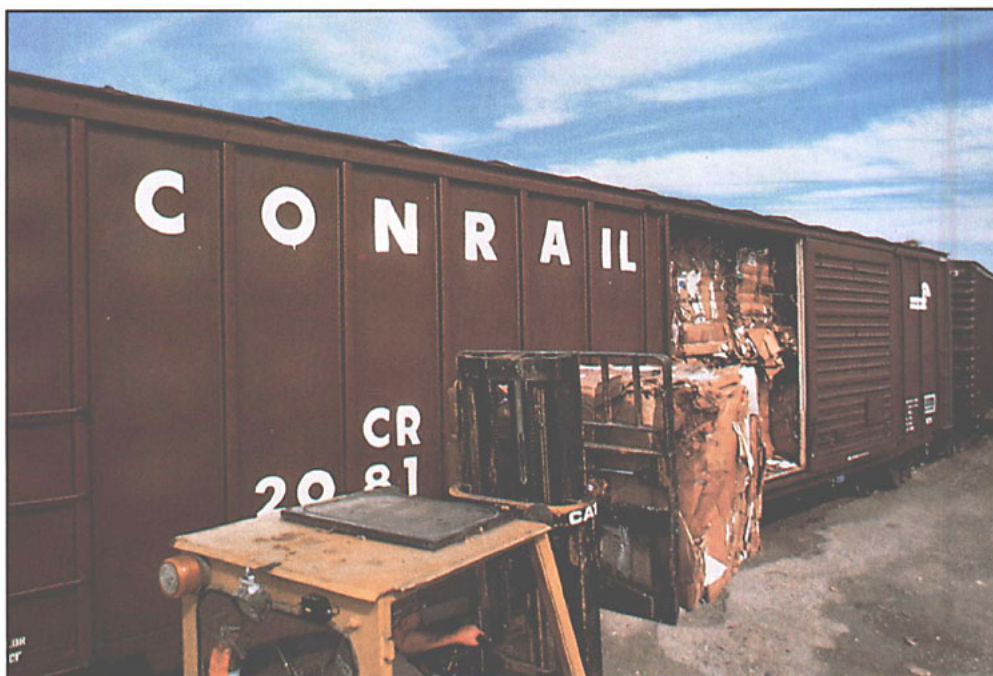
A major southern carrier

Norfolk Southern is another major rail carrier making a concerted effort to haul scrap paper. The railway system serves more than 50 paper mills, mostly in the southeastern United States, linking them with more than 35 waste paper sources. Its marketing, sales, and industrial development departments have worked together to locate scrap paper collection centers along Norfolk Southern lines. Rail-to-truck distribution can also be arranged for sites that lack direct rail access.

During 1991, Norfolk Southern hauled more than a million tons of scrap paper, for revenues of nearly US\$ 19 million. It's a booming market, but "a difficult market because, traditionally, it has been a short-haul truck market," said Catherine "Kitty" Womack, product manager in the paper, clay, and forest products division of Norfolk Southern's marketing department. As the recycled paper industry has grown, however, mills have had to look to sources further away. That trend favors rail transport of scrap paper.

Even so, the railroads are keenly aware of the competition posed by trucks. Both Conrail and Norfolk Southern promote the cost

Top: A Conrail boxcar being loaded with bales of wastepaper. **Bottom:** A Norfolk Southern train outside Atlanta



benefits of rail transport and have become more mindful of quality service. Both also promote rail transport as a more environmentally friendly way to ship scrap paper. They say it's more efficient and uses less fuel than does truck transport and that it pollutes the air less. [E]

Meadows is editor of Tappi Journal.