



**JOAN BALLWEG**

STATE SENATOR · 14<sup>TH</sup> SENATE DISTRICT

**Senate Bill 363: Permits for the Overweight Transport of Pig Iron  
Senate Committee on Transportation and Local Government  
Testimony of Senator Joan Ballweg  
October 24, 2023**

Good afternoon, Chair Tomczyk and members of the committee. Thank you for hearing this legislation about the transportation of pig iron.

Pig iron, which has no commercial use on its own as a finished product, is used as a raw material to support the utilization of scrap iron and steel to create new iron and steel products. Senate Bill 363 allows pig iron to be transported by trucks using the Department of Transportation's (DOT) AG – Garbage, Refuse, and Recyclable Scrap permit, which allows trucks to carry overweight loads. The bill uses DOT's current definitions of "metallic or nonmetallic scrap" and "recyclable scrap" for this permit and makes it clear that the definition also includes pig iron.

Until recently, carriers transported pig iron under the aforementioned permit, but the DOT began enforcing their interpretation that pig iron could not be transported using this permit. In my district, this has cost the Waupaca Foundry up to \$500,000 and several hundred more truckloads per year, since their carriers are not able to transport as much weight as before.

We have had productive discussions with the DOT regarding this legislation. The agency requested an amendment to resolve concerns that the language in the bill could risk federal funding. We plan to introduce an amendment to resolve this concern with language we collaborated on with the DOT.

Changes in this bill will allow the metalcasting industry and its carriers to continue transporting pig iron at the weight levels they did previously. This will result in less trucks on the road and reduced transportation costs. This bill is supported by Waupaca Foundry and Wisconsin Manufacturers & Commerce.

Thank you for your consideration, and I am happy to answer any questions.

**Waupaca Foundry, Inc.**

**Testimony in Support of Senate Bill 363**

**Tuesday, October 24, 2023**

***Rob Johnson Remarks***

- My name is Rob Johnson, and I am the Chief Financial Officer (CFO) for Waupaca Foundry. I have worked at Waupaca Foundry for 21 years.
- For brief background, Waupaca Foundry produces iron castings, focusing on transportation, construction, agriculture and industrial markets worldwide.
- Our Wisconsin facilities employ approximately 2,600 people in skilled and well-paying jobs.
- These facilities are located in Waupaca (3 gray iron plants) and Marinette (1 ductile iron plant)
- We melt 275 tons of iron per hour in Wisconsin or 1.6 million tons per year.
- Waupaca Foundry is the largest recycler of iron metalcasting byproducts in the country and uses recycled material in melt operations.
- One of the recycled materials used to support operations is pig iron.
- Pig iron is a manmade product that combines various scrap materials into a smaller, more compact product.
- Pig iron has no commercial use as a finished product and is used 100% as a raw material in the steel and iron making process.
- Waupaca Foundry barges pig iron to Lacrosse and then trucks the material to our Waupaca plants.
- Despite pig iron being made from scrap materials, the interpretation of the permit AG-013DD20193523 is: It is deemed *not valid* to haul pig iron as of 12/18/2019 as a “recycled scrap,” limiting the allowable amount of pig iron per load from 30 net tons to 23 net tons. This is being enforced by the DOT.
- This cost of this ruling to Waupaca Foundry each year is as follows:
  - a. 2020 – 294 additional loads (\$512,075)
  - b. 2021 – 314 additional loads (\$559,722)
  - c. 2022 – 281 additional loads (\$502,093)
- Waupaca is asking the interpretation of the permit to deem pig iron *valid* as a “recycled scrap” material to support not only Waupaca Foundry, but all manufacturers in Wisconsin who utilize pig iron in their operations.



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Testimony of WisDOT Assistant Deputy Secretary Joel Nilsestuen Before the  
Senate Committee on Transportation on Senate Bill 363  
October 24, 2023

Thank you Chairman Tomczyk and members of the committee for your consideration of the department's input on Senate Bill 363, relating to permits for the overweight transport of pig iron. Likewise, the department appreciates the author's willingness to work with us on simple amendment language to resolve concerns we have with Senate Bill 363.

Under Wis. Stats. Ss 348.27(9r) and (12) and Wis. Admin Code ch. Trans 269, the Department may issue oversize, overweight permits to allow the transportation of divisible loads of garbage, refuse, recyclable scrap, and municipal sewage residue through the issuance of an "AG-Garbage, Refuse, and Recyclable Scrap" permit. Recyclable scrap means metallic or non-metallic material in waste for which there exists a commercially demonstrated processing or manufacturing technology which uses the material as a raw material, and which is transported for use as such a raw material, as defined by Wis Admin Code s. Trans 269.02(2)(d). The policy rationale for this permit is that policy makers determined that increased pavement and bridge damage was an acceptable cost in their efforts to incentivize recycling. Pig Iron is currently ineligible for this permit since it is determined that it is not a raw material in waste. Senate Bill 363 would include pig iron in the definition of recyclable scrap, thus making it eligible for oversize, overweight permits.

The primary concern WisDOT has with Senate Bill 363 is the potential to jeopardize federal highway funding. Annually, the Department must certify to the Federal Highway Administration that we are enforcing federal size and weight limits or risk reduction in funding. The vehicle size and weight limits allowed under the AG permit exceed federal limits. Amending the bill to include a prohibition of operation on the interstate and national defense highways except to the extent permitted by federal law would alleviate this concern. The department has consulted with the bill authors on this issue and we appreciate the opportunity to resolve this major concern.

Thank you for your time and consideration today and we stand ready to answer any questions committee members may have.

# WMC

Wisconsin's Chamber

**TO:** Senate Committee on Transportation & Local Government

**FROM:** Evan Umpir, Director of Tax, Transportation, and Legal Affairs

**DATE:** October 24, 2023

**RE:** Support for SB 363, Relating to: permits for the overweight transport of pig iron.

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Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to **support Senate Bill (SB) 363**. WMC supports this proposal as it will increase efficiency and help keep costs low for businesses and their customers.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business. That mission includes advocating for legislation, like SB 363, allowing for the issuance of overweight permits for the transportation of pig iron, which was previously allowed under the permit for metallic and nonmetallic scrap.

**In 2022 there were 97 foundries employing over 11,200 individuals in Wisconsin. The Primary Metal Manufacturing industry subsector, which includes foundries, contributed nearly \$2 billion to state GDP in 2021.** Foundries are a critical link in the supply chain and support countless other businesses and industries such as automotive and truck manufacturers, railroads, the energy extraction sector, and other industrial and manufacturing companies. Providing components and products in a cost-effective and timely manner is important for their customers, and ultimately, consumers.

Under current law an annual or consecutive trip overweight transport permit exists for scrap and sewage residue. *See Wis. Stat. §348.27(9r)*. The permit covers “metallic or nonmetallic scrap for the purpose of recycling or processing.” Previously, DOT allowed the transport of pig iron using this permit. SB 363 simply ensures pig iron can be transported using this permit by importing the definition of “recyclable-scrap” in DOT administrative code (Trans §269.02(2)(d)) and explicitly including pig iron in the definition of metallic or nonmetallic scrap. Under the current interpretation of the permit, foundries must receive their pig iron through multiple, inefficient trips costing tens to hundreds of thousands of dollars more for foundries using pig iron, depending on the volume needed. **The money put towards these additional costs could otherwise be used to invest in employees and keep costs low for customers.** Also, without being able to utilize an overweight permit, truck drivers are diverted to handle this increased demand for pig iron transport, increasing costs for *all* shippers at a time when there is a CDL driver shortage that is only anticipated to worsen over the next decade.

WMC urges you to support this bill to keep Wisconsin a competitive place to do business for foundries by codifying previous practice allowing for transportation efficiency and lower transportation costs. Thank you for your consideration.