

Digging It Up in Utah, Sending It to Asia, Getting Cash Back

By George Cunningham

One of the many reasons I like ports is that you can see the wheels of commerce turning all about you. A port is a place where you are an eye-witness to the world working together – different parties, thousands of miles apart, finding ways to get along in order to advance their own agendas. And in the end, if everything works out, the world sometimes takes a baby step forward.

We were over at the SA Recycling Terminal in the Port of Long Beach this week at a ceremony to mark the exporting of iron ore through the port for the first time in more than 40 years. SA Recycling – whose prime business is exporting scrap metal – has terminals in both Long Beach and Los Angeles where it chops up old cars, refrigerators, and other metal items. The old metal is sent to Asia, where it is melted down, refined into new metal and used to make other stuff.



The scrap metal market has been down for a while, so now SA Recycling is working with CML Metals Corp. of Cedar City, Utah. CML digs up the iron ore in Utah, and sends it by unit train to Long Beach, where it is loaded on a vessel and shipped to Asia. In essence, the folks at SA Recycling and CML Metals are taking what is essentially dirt from Utah – 65 percent iron – and shipping it across the ocean to Asia.

Does that make economic sense? SA Recycling hopes to ship up to 1 million tons this year. At a going price of almost \$140 per metric ton, it sure seems to make sense. And it means jobs for both people at the port and people at the mine.

It was a hazy and breezy day at the port – not the kind of weather California is famous for – but everybody seemed to be having a good time. The possibility of jobs and profit does that for people.

It was one of the days you sometimes get at the port that helps put the costs of operating a port – the congestion, pollution, and noise – in the proper perspective.

George and Carmela Cunningham are writing a history of the Port of Long Beach. It is scheduled to be released in 2014