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## Regional recycler

The decision to locate a facility in Elko has paid off for Pacific Steel and Recycling, which has added more than a dozen mine sites to its list of recycling customers since opening in September 2009.

Pacific, which operates from a 44-acre facility at the Elko Regional Railport, started recycling operations with a single Barrick Goldstrike mine, and has since expanded into processing scrap steel and other metals from all the Barrick and Newmont Mining Corp. properties in the region. The logistics of rail transportation was one of the main reasons Pacific chose to open a facility in Elko — its first operation in Nevada.

“We were servicing this area from Twin Falls, and Boise/Nampa already,” says Manager Kelly Wilson, who relocated from Boise to run the Elko facility. “The more familiar we became with the area the more we saw that the amount of business and the potential for business here was such that we needed to have a branch locally. It wasn’t cost-effective to try and service it from outside the area.”

Pacific Steel and Recycling was the first customer to use the Elko Regional Railport and also was the first company to purchase land at the facility in 2006. The company installed its own rail spur at the end of the railport line.

Kelly says cost per ton for shipping by truck runs about 25 percent higher, and as much as 50 percent higher when the cost of diesel fuel soars. Trucks also face weight restrictions.

“We need rail in order to function,” Wilson says. “Rail car shipping is a flat-rate shipping. As long as you can maximize your rates in your railcar shipping you are maximizing your cost effectiveness for shipping material.”

The new site has a recycling building that also houses offices, and a new steel facility as well. Pacific Steel and Recycling employs 24 at its Elko facility. The company employs more than 650 in 38 processing and new steel centers in Idaho, Washington, Utah, Wyoming, Montana and South Dakota.

Pacific Steel and Recycling not only salvages scrap steel and metals but also sells rough stock steel.

Recycling accounts for three-quarters of the Elko location’s revenues, but Wilson says new steel sales are projected to grow in the coming years, especially if gold mining stays strong. As mine sites expand they consume new steel for building fabrication and for replacement parts for machinery — which also generates a great deal of scrap metals.

The company’s nearest competitors for structural steel are in Reno, Salt Lake City, and Idaho. Pacific Steel and Recycling doesn’t do any steel assembly or fabrication but rather does first-level



processing, which involves shearing, forming and punching steel to specified sizes and shapes. Elko-area fabricators then weld the steel to customer specifications.

Pacific hopes its location in northeastern Nevada scoops other steel suppliers because it can offer much faster turnaround times.

“We can stock the material that people need and deliver it in a short amount of time,” Wilson says. “And if there is a problem, I am just down the road.”

“Having a location in Elko, that other scrap and new steel distributors don’t have, combined with the logistics of having rail, gives us a market advantage in the region. But our new steel sales in the region have suffered because of the economic downturn.”

Pacific’s fabrication customers in Elko include P&H MinePro, Patzer Fabricating and Taylor Made Iron Services.

Carmen Taylor, owner of TMI, says Pacific Steel’s location in the region helps his shop be more competitive — but he’s fiercely loyal to PDM Steel Services Center of Reno, where he’s done business for more than 30 years. “As far as having (Pacific) here, it is a godsend when you need them,” Taylor says. “If you need something quickly, it is a tremendous benefit, and unbelievable benefit. They have made a great commitment to the area.”