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Export like the big boys, inventor says

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PHILADELPHIA -- Yankee ingenuity is alive, well and hard at work at a six-acre scrapyards in Fontana, Calif.

Advanced Steel Recovery Inc., a ferrous scrap processor, has teamed with an equipment maker and developed an innovative sea-container loading technology that allows it to export ferrous scrap to offshore steel mills, a market that has been dominated by the big scrap export yards for decades.

Its Frankel Advanced Shipping Technologies (FASTek) reduces container loading time to 15 minutes from four hours. More important, though, it has given the landlocked scrapyards access to the high seas.

Nathan Frankel, president of Advanced Steel Recovery, said excess sea containers piling up on the U.S. West Coast prodded him to look for some means of using them. Most come from China and other Asian countries filled with products for the U.S. market and are needed back there.

So, Frankel said, he realized he could make use of them as a backhaul to bypass the export yards in the region and ship scrap directly to steelmakers and foundries in the scrap-poor Far East.

All that was needed, he said, was an efficient way to load the containers and not damage them. FASTek, a sort of container in itself, accomplishes the task in 15 minutes instead of the typical four hours. It requires only a single operator at a control panel to run the equipment. No one works inside the container and there is no damage to the sides of the metal boxes. The equipment also contains a scale to weigh each load as it is placed in a sea container.

Frankel said he sketched out what he wanted on a napkin about 18 months ago, then found Metronomic Solutions, an industrial equipment designer based in New Mexico that was willing to work with him to build the equipment. Frankel said he is currently seeking a patent for the equipment.

"I realized if we can load a truck and transfer that ability to a container, we could load a sea container with the same efficiency and speed as a truck," he said. "In the five years that I have been building my business, my desire has been to develop something that is truly unique."

Frankel said he has loaded more than 400 containers with ferrous scrap in the first two months he's had the equipment running. Most of them have gone to steelmakers and foundries in China and South Korea. His FASTek can handle an array of ferrous grades, from No. 1 heavy melt to plate and structural scrap, No. 1 dealer bundles and even railroad scrap.

Frankel is a third-generation scrap processor. His father, Leo, was the owner of the former Frankel Iron & Metal Co. in Fontana and Ferromet Inc. in nearby Etiwanda. Leo Frankel sold both companies to Sims Group Ltd. in 1999, which subsequently sold the two yards to Pacific Coast Recycling LLC, a Los Angeles-based exporter that uses the facilities to feed scrap to its export operations.

Frankel said the FASTek equipment not only opens the export market to smaller scrap shippers but also to the smaller offshore steelmakers and foundries that "are locked out of the supply chain by exclusive cargo ship deals that feed only the largest mills."

Importers and traders now recognize sea-container loading as a mainstream vehicle for the export of raw materials, he said.

"Through FASTek, I can book enough scrap from one U.S. processor in a fraction of the time by loading hundreds of empty sea containers from a single source rather than simultaneously loading scrap into containers from multiple sources," Roman Cheng of RJ Metals, an Asian scrap importer, said in a statement.