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BY E-Filing

Ms. Cynthia Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423-0111

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April 11, 2014  
Part of  
Public Record

Re: Docket No. EP 724, United States Rail Service Issues

Dear Ms. Brown:

This letter represents comments from Cliffs Natural Resources (Cliffs) regarding the above subject matter. Please include Cliffs' comments in the docket record.

Cliffs is a major global iron ore producer and a significant producer of high- and low-volatile metallurgical coal. We operate iron ore and coal mines in United States, Canada and an iron ore mining complex in Western Australia, organized through a global operations group responsible for mineral production and a global commercial group responsible for product sales and delivery. Cliffs' customers consist of all the major steel producers in the United States such as: US Steel, ArcelorMittal, Severstal and AK Steel. Cliffs provides our customers with iron ore pellets a critical raw material for steel production. We have three iron ore mines captive on the CN and BNSF, with no other reasonable options to move our pellets to market:

- United Taconite, Eveleth, MN served by the CN
- Empire Mine, Palmer, MI served by the CN
- Hibbing Taconite, Hibbing, MN served by the BNSF

The combined capacity of all the above iron ore mines is approximately nineteen (19) million long tons annually.

Inconsistent rail service has had severe impacts on our operations throughout the winter of 2013 – 2014 keeping our facilities from operating at capacity. Our pellet plants in Minnesota

had to reduce production rates and were required to submit approximately 250,000 long tons to ground storage at our mines versus transporting production to stockpile inventory at designated dock facilities on the Great Lakes. All steel makers are experiencing pellet shortages and are preparing to bank blast furnaces as a result of the combined impacts of the premature end to the 2013 Great Lakes shipping season and the inability to get adequate pellet supply through the normal in-between shipping season and delayed start up of the 2014 shipping season.

We continue to have open dialogue with Cliffs' rail service providers and we are only offered excuses not viable solutions, we anticipate spotty service for weeks to come until the CN and BNSF can recover/enhance their operations with power units and crews.

In conclusion, Cliffs asks that the Board consider our comments and realize the significance of these rail service failures and the importance of iron ore supply to the United States steel industry.

Respectfully Submitted,



Randel W. Thomas  
Director – Rail Transportation  
for William E. Miller  
Vice President Transportation