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VIA E-MAIL

ENTERED
Office of Proceedings

APR 13 2011

Surface Transportation Board
Attn: Docket No. EP 705
395 E. Street, S.W.
Washington, DC 20423-0001

229249

Part of
Public Record

**RE: Competition in the Railroad Industry
Docket No. EP 705
Statement of Interest**

APR 13 2011
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To Whom It May Concern:

I write on behalf of Southern Coal Corporation in response to the Surface Transportation Board's request for comments regarding the current state of competition in the railroad industry, particularly the absence of any effective mechanism to address poor service or monopolistic rates. Southern Coal knows from painful first hand experience the problems posed by the lack of such safeguards in the railroad industry and is hopeful that the Surface Transportation Board will address this aspect of the current state of rail service in the country. Indeed, the lack of competitive safeguards and the resulting poor rail service is jeopardizing Southern Coal's viability as a productive and profitable company.

It is Southern Coal's strongly-held belief that many of the problems that exist today in the railroad industry have been greatly magnified by the lack of adequate competition without the necessary steps to correct resulting imbalances in the marketplace. In many locations, shippers have only one choice when it comes to rail service. In those locations the railroad has, for all practical purposes, a virtual monopoly. Under those circumstances, the railroads can basically do just about whatever they want and dictate all the terms of carriage. Moreover, when the railroad does not meet their obligations, there are no meaningful consequences for them. For those shippers captive to the railroads, including many coal mines, their market value and ability to earn revenue are completely dependent on the railroad. However, given the monopoly position allowed railroads in many areas of the country, combined with the absence of mechanisms to timely address instances of anticompetitive service shortcomings or price

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gouging, the railroads have no meaningful incentive to take action to resolve such problems. This state of affairs is undermining the ability of companies like Southern Coal to successfully compete in the marketplace, both domestically and abroad.

These circumstances make the present proceedings all the more important. Southern Coal looks forward to participating in these proceedings. To that end, Southern Coal respectfully requests the opportunity to submit further, more detailed comments as appropriate and to seek an opportunity to be heard in accordance with the procedures detailed in Docket No. EP 705 as revised.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Kevin Buster". The signature is written in a cursive, somewhat stylized font.

J Kevin Buster
