

NATIONAL COAL TRANSPORTATION ASSOCIATION

4 Meadow Lark Lane • Suite 100 • Littleton, Colorado 80127-5718 • Tel: 303 979-2798 • Fax: 303 973-1848



BOARD OF
DIRECTORS

PRESIDENT
JERRY WESS
CONSTELLATION
ENERGY

VICE PRESIDENT
KENT SMITH
ARCH COAL SALES

SECRETARY
ERIC LINN
ALLIANCE COAL, LLC

TREASURER
EMILY REGIS
ARIZONA ELECTRIC
POWER COOPERATIVE

JIM HENRY
AMERICAN ELECTRIC
POWER

DON VISSAT
CLOUD PEAK ENERGY

ABBY HERL
KANSAS CITY POWER
AND LIGHT

SHARON ROBINSON
PATRIOT COAL

SCOTT YAEGER
PEABODY ENERGY

KAREN BRAMLEY
TAMPA ELECTRIC
COMPANY

RANDY VAN AARTSEN
WE ENERGIES

THOMAS C. CANTER
EXECUTIVE DIRECTOR

PAUL LINTON
LEGAL COUNSEL

August 4, 2014

VIA E-FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

236391
ENTERED
Office of Proceedings
August 4, 2014
Part of
Public Record

Re: STB Docket No. EP 661 (Sub-No. 2), *Rail Fuel
Surcharges (Safe Harbor)*

Dear Ms. Brown:

The National Coal Transportation Association ("NCTA") hereby submits these brief Opening Comments in response to the Board's decision in this proceeding served on May 29, 2014. The NCTA represents coal shippers throughout the United States. Our members include coal producers, coal consumers, and entities that provide material, technical, and services to the coal supply chain.

The reasonable and equitable cost of coal transportation for domestic and export markets is of paramount importance to our membership. NCTA believes that the application of the "safe harbor" provision of the Board's current fuel surcharge rules is allowing the railroads that transport coal to collect charges from their customers that are in excess of the fuel costs they actually incur to provide this transportation. The Board and all affected industry stakeholders should be interested in the accuracy of fuel cost accounting and NCTA and its members support the Board using this proceeding as a starting point to develop and implement a revised process to address how its "safe harbor" rules, if retained, can be modified to ensure that fuel cost recovery mechanisms like "fuel surcharges" can accurately account for variations in diesel fuel costs.

NCTA commends the Board for conducting this inquiry into possible modifications to its fuel surcharge rules, and we look forward to the opportunity to participate further in the reply round.

Respectfully submitted,

Thomas C. Canter
Executive Director