

BEFORE THE
SURFACE TRANSPORTATION BOARD

In the Matter of:)	
)	
)	
RAILROAD COST RECOVERY)	Ex Parte No. 290 (Sub-No. 4)
PROCEDURES - PRODUCTIVITY)	
ADJUSTMENT)	
)	

COMMENTS OF THE WESTERN COAL TRAFFIC LEAGUE

WESTERN COAL TRAFFIC LEAGUE

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Its Attorneys

Dated: February 20, 2007

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SURFACE TRANSPORTATION BOARD

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In response to the Board's decision in the above-captioned proceeding served January 31, 2007, the Western Coal Traffic League ("WCTL")¹ states that the Board's calculation of 2005 productivity growth at 1.068 appears to be correct under the Board's established methodology.

However, 2005 productivity would have been significantly higher if railroad performance had reflected honest, economical, and efficient management. In particular, there were major volumes of Powder River Basin coal that were not delivered due to poor railroad maintenance and/or other factors. Delivery of these volumes would have significantly boosted railroad output. Moreover, improved maintenance and operations would have also improved railroad velocity, reducing railroad inputs such as labor (better use of train crews and maintenance labor) and fuel consumption. Furthermore, delivery of these additional coal volumes would have saved WCTL members, other coal-burning electric utilities, and their ratepayers very substantial dollars

¹WCTL is a voluntary association, whose regular membership consists entirely of utility shippers of coal mined west of the Mississippi River that is transported by rail. WCTL members presently ship and receive in excess of 140 million tons of coal by rail each year. A list of WCTL's members is attached as Exhibit A.

as well. The 2000-2005 productivity average reflects railroad performance problems in other years as well.

Accordingly, while WCTL does not dispute the technical productivity calculations, WCTL remains deeply concerned by the absence of any meaningful prudence or similar standard in the STB's rate and cost regulation, notwithstanding the language of 49 U.S.C. § 10704 that revenue levels are to be established "under honest, economical, and efficient management."

Respectfully submitted,

WESTERN COAL TRAFFIC LEAGUE

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EXHIBIT A

WESTERN COAL TRAFFIC LEAGUE MEMBERS

Alliant Energy

Ameren Energy Fuels and Services

Arizona Electric Power Cooperative, Inc.

Arizona Public Service

CLECO Corporation

City of Austin, Texas

CPS Energy

Kansas City Power & Light Company

Lower Colorado River Authority

MidAmerican Energy Company

Minnesota Power

Nebraska Public Power District

Omaha Public Power District

Texas Genco, LP

Texas Municipal Power Agency

Western Farmers Electric Cooperative

Western Fuels Association, Inc.

Wisconsin Public Service Corporation

Xcel Energy

Certificate of Service

I hereby certify that today, February 20, 2007, copies of the foregoing Comments of the Western Coal Traffic League have been served on all parties of record in this proceeding by first class mail, postage prepaid, in accordance with the Board's Rules of Practice.

/s/ Robert D. Rosenberg