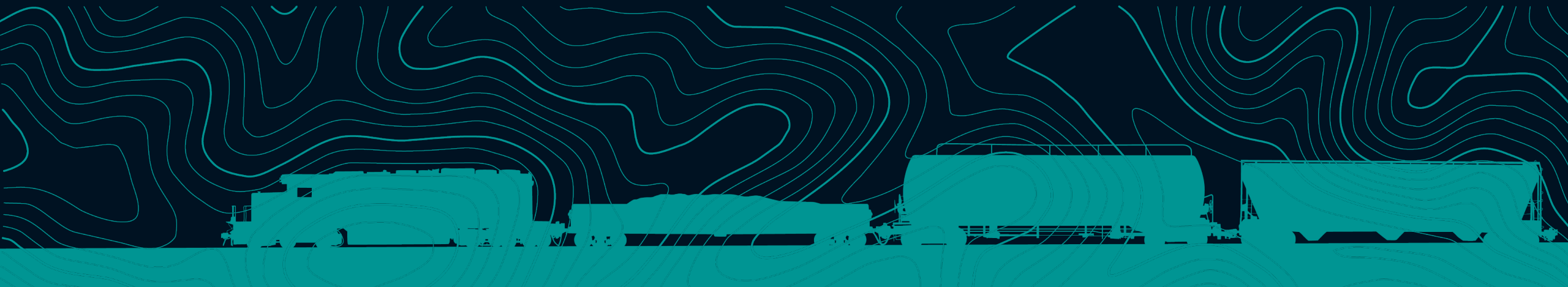
# SURFACE TRANSPORTATION BOARD

## RAIL ENERGY TRANSPORTATION ADVISORY COMMITTEE MEETING

OCTOBER 27, 2026

NMA
National Mining Association



# RECOGNIZING SERVICE IMPROVEMENTS WHILE MAINTAINING ACCOUNTABILITY

- Coal producers generally reported stable or improved service levels.
- Reliable coal transportation depends on resilient rail networks supported by adequate workforce development, equipment, and long-term capacity investment.
- Reliable rail service remains critical for domestic and export markets.

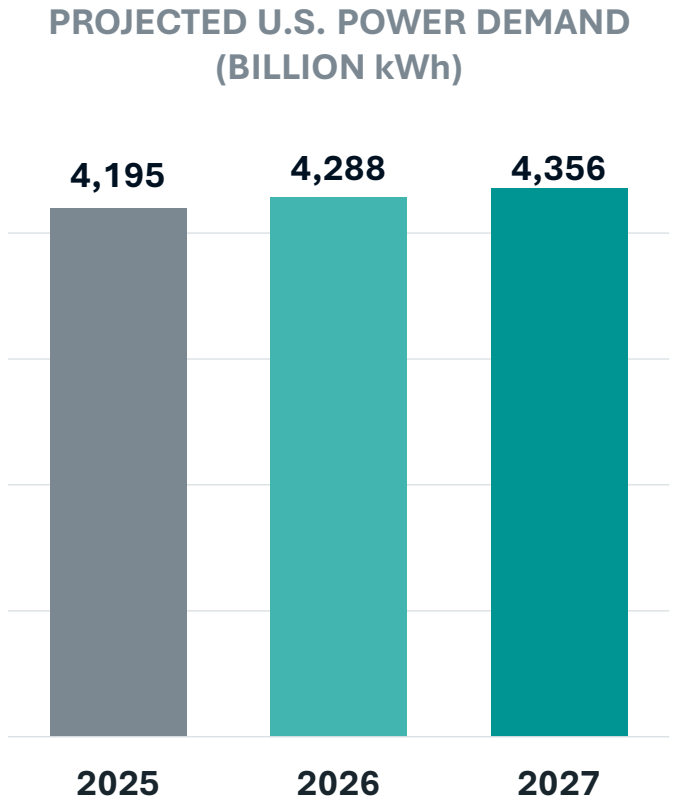
## The State of the Rails

| 2025 | | | | 2026 | | L10W |
|---|---|---|---|---|---|---|
| Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | |
| 6% | 10% | 15% | 22% | 22% | 19% | 16% |
| 13% | 19% | 18% | 19% | 16% | 10% | 11% |
| 3% | 10% | 24% | 23% | 12% | 6% | 12% |
| 9% | 4% | 9% | 8% | 9% | -9% | -1% |
| -16% | 3% | 4% | 3% | -6% | 2% | 1% |
| -4% | -2% | -2% | 10% | 8% | 20% | 9.7% |

*Running Well (green)*
*Running Normally (yellow)*
*Source: STB & Rick Paterson*

# RAIL TRANSPORTATION SUPPORTS RELIABLE BASELOAD POWER

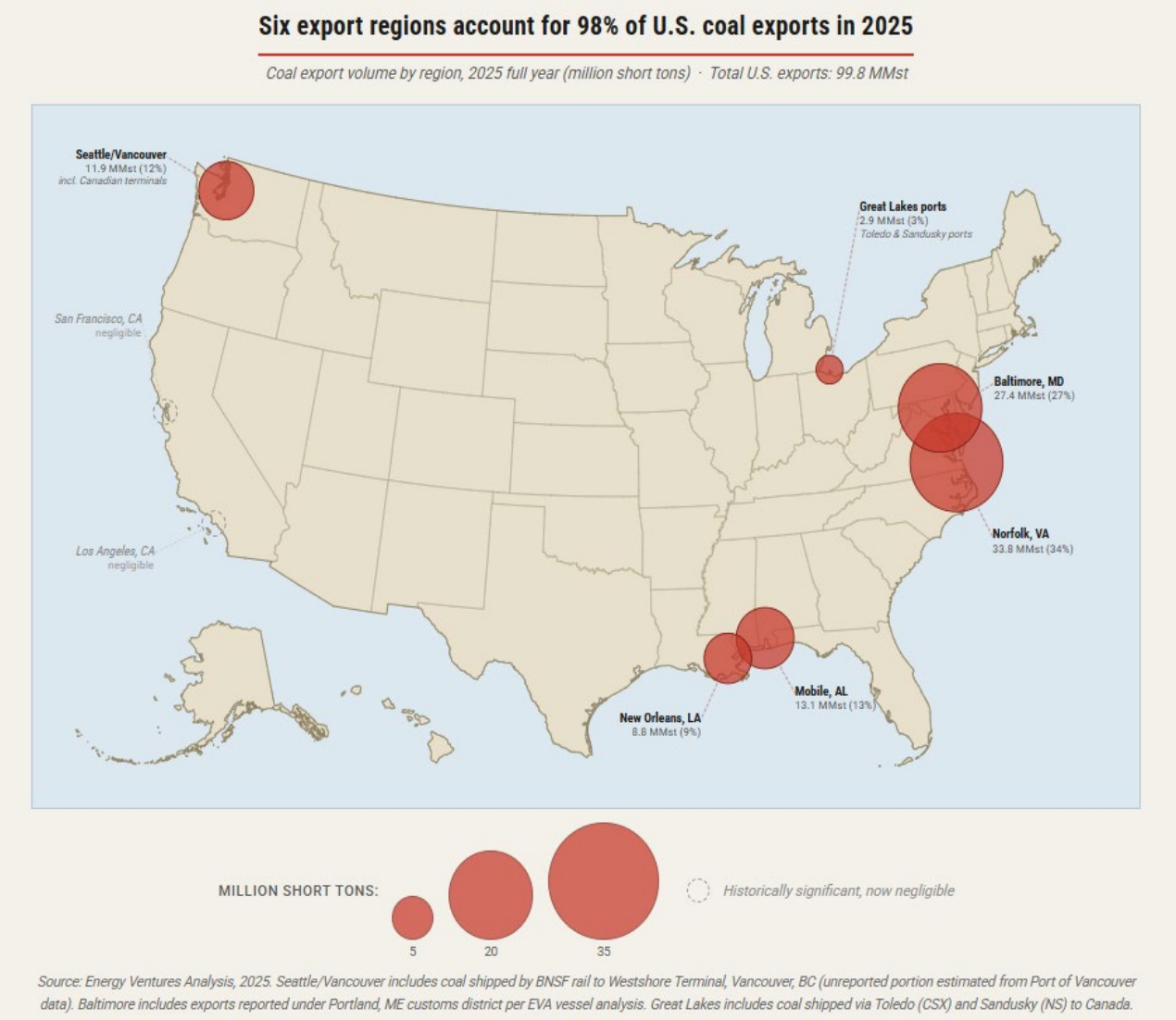
- U.S. power demand is projected to reach record highs in 2026 and 2027.
- The existing coal fleet remains an important source of dispatchable, fuel-secure generation to help meet growing electricity needs.
- Competitive freight rail rates help ensure coal remains competitive with other fuel sources, supporting affordable electricity for U.S. consumers.
- Projected growth in U.S. power demand will make rail flexibility even more essential.
- Railroads should maintain the workforce, equipment, and surge capacity needed to deliver coal reliably.




*Source: Reuters, EIA Short-Term Energy Outlook*

# EXPORT INFRASTRUCTURE AND MARKET ACCESS

- Global coal demand is set to increase by 1.2% in 2026.
- Through August 2026, U.S. coal exports reached 66.4 million short tons, up 8.6% from the same period last year.
- Transportation costs remain a key determinant of U.S. coal export competitiveness.
- Up to $75 million in Defense Production Act funding for the proposed rail-served West Gateway Terminal would expand West Coast export capacity.
- Expanding and maintaining reliable rail access to export terminals is essential to US export growth and competitiveness.
- Railroads and coal producers should continue collaborating to lower transportation costs from mine to port.



# COAL CAR AVAILABILITY, RAIL CAPACITY, AND FUTURE GROWTH

- Much of the existing coal car fleet is approaching the end of its useful life.
- Retirement of aging coal cars without sufficient replacement could create a capacity constraint.
- With diesel prices rising, the average fuel surcharge for coal shipments is climbing.
- High diesel prices may shift freight from truck to rail.
- How are railroads preparing for potential traffic growth and maintaining service quality as network demands increase?



# QUESTIONS?

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