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Global Coal Sales Group, LLC

May 5, 2023

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

Re: STB Docket No. NOR 42178, Navajo Transitional Energy Company, LLC v BNSF Railway Company

Dear Ms. Brown:

Global Coal Sales Group, LLC ("Global") is aware of the proceedings that Navajo Transitional Energy Company LLC ("NTEC") initiated at the Board regarding BNSF's transportation of coal for export through Westshore Terminals at Roberts Bank, British Columbia. We understand that in NOR 42178, NTEC v. BNSF – Ex Parte Application for Section 11123 Emergency Service Order, NTEC has asked the Board to mandate that BNSF move a minimum monthly volume of traffic for NTEC beginning May 1, 2023. I write today to share Global's concerns that an Emergency Service Order resulting in BNSF shifting resources from the transportation of Global's coal for export would have significant economic, operational, and safety impacts on Global.

Global is responsible for the sale and transportation of coal mined from the Signal Peak Mine located in Roundup, Montana, which is owned by Global's affiliate Signal Peak Energy, LLC. Global ships export coal from the Signal Peak Mine to Westshore Terminal under a long-term rail transportation contract with BNSF that secures committed capacity for Global. Global has a corresponding long-term contract with Westshore Terminal that secures long-term, guaranteed port capacity. Global has invested greatly over the last 15 years to secure and maintain these long-term capacity commitments with BNSF and Westshore. They are the backbone of Global's export business and are critical to Global securing business in the export coal market.

Global's coal business is unique. Unlike other export coal shippers, Global is almost exclusively dependent (over 95%) on the export market. The majority of Global's coal is sold through long-term, fully committed contracts with Japanese customers that are dependent upon Global's secured rail and port capacity. An Emergency Service Order that favors one of our competitors at Global's expense would jeopardize Global's ability to meet its obligations under its port and customer contracts, creating significant legal and financial implications for Global.

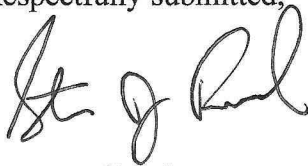
Being able to rely on BNSF transporting consistent coal volumes is critical to Global. The export coal market has fluctuated substantially over the past decade. Because of Global's commitment to the export coal market, our customers, and our contractual commitments, Global has remained in the export market and shipped relatively consistent volumes of export coal for the past decade. This is true even in times when the export market has declined significantly, causing other U.S. shippers to stop exporting coal entirely in favor of their domestic alternatives. While the market for export coal has increased to historic levels since 2021 and brought new or returning players into the export market (including NTEC), Global has been the largest and most consistent coal exporter for the last decade.

On a final note, a reduction in BNSF's service in response to an Emergency Service Order would create potentially significant operational and safety impacts for Global / Signal Peak Mine. Unlike the other export shippers in this lane, Signal Peak Mine is the only underground coal mine in the State of Montana. Signal Peak Mine conducts its mining operations through the longwall mining method, which consist of coal shearers mounted on a series of self-advancing hydraulic roof supports known as "shields." These shields support the overburden to allow shearers to cut coal from the coal seam and place the coal onto a conveyor belt for transport to the surface, while also protecting our miners as they work at the face. This longwall must advance (mine) continuously in order to avoid undue stress on the shields, which could potentially cause shield failure leading to the loss of the entire longwall system. Parking the longwall due to lack of export trains would also expose our mining personnel to significantly increased risk of injury.

In order to reduce these catastrophic risks, coal must be mined, transported to the surface, and loaded onto trains on a continuous and consistent basis. Global cannot reduce these risks without making significant operational changes that would require lead time and could not be accomplished on an emergency basis.

Thank you for your time attention to Global's concerns. For all the reasons above, we urge you to reject NTEC's request. Please reach out with any questions.

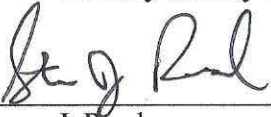
Respectfully submitted,

A handwritten signature in black ink, appearing to read "St J Read", written in a cursive style.

Steven J. Read
President, Global Coal Sales Group, LLC

CERTIFICATE OF SERVICE

I certify on May 5, 2023, I served copies of this letter on all parties of record in this proceeding.

A handwritten signature in black ink, appearing to read "Steven J. Read", is written over a horizontal line.

Steven J. Read

President

Global Coal Sales Group, LLC