

Comments

**Submitted
To**

**Surface Transportation Board
Department of Transportation**

Re: STB Ex Parte No. 670

**Establishment of the Rail Energy
Transportation Advisory Committee**

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Sharma & Associates (SA), Inc. is an established premier engineering consulting company.

SA provides design, engineering, analysis, testing, and subject matter expert (SME) services to operating railroad companies worldwide and the railroad industry in general.

SA is a General Administration Services (GSA) certified company and is a current service provider to the Department of Transportation, Federal Railroad Administration's (FRA) Research and Development organization.

SA is pleased and privileged to submit its comments to the Surface Transportation Board in response to the solicitation of public comments on Establishment of the Rail Energy Transportation Advisory Committee, published on March 9, 2007 by Surface Transportation Board on its website.



1. Potential Utility of Rail Energy Transportation Advisory Committee

The United States is the world's largest energy-consuming nation due to the size of its economy and industrial base. With only 5% of the world's population, we consume 20-25% of the global energy resources. As other developing countries modernize and their economies grow, their need and appetite to import increasingly more energy resources will create pressure on the global energy supplies. The impact on the U.S. economy is certain to grow in response to the increased energy market prices. This may affect not only the economy but could directly threaten the security of our nation.

To stay competitive in the ever-expanding global energy markets, the need for a comprehensive vision of energy independence and a long-term national policy to address the development and management of our energy resources assumes a greater importance.

Railroads are the backbone in the supply chain and transportation of bulk energy resources such as coal, crude oil, gasoline, and ethanol. With growing emphasis on bio-fuel and renewable energy resources, it is imperative that the U.S. develops a vision and strategy to deal with the energy needs, resources, and logistics of distribution.

Railroads are the most efficient transportation vehicle for bulk commodities. Hence, establishing a Rail Energy Transportation Advisory Committee will go a long way to help develop the nation's energy self-sufficiency vision and policy and ensure continued and sustained economic growth.

2. Scope of the Committee's Mandate

The scope of the proposed committee's mandate should not be limited to coal and ethanol only. These two commodities are today's major energy resources transported by railroads. However, other bio-fuel types are being investigated and will be developed as the worldwide demand for energy outpaces and depletes the existing known resources.

The location of the facilities for the new energy supply resources will be governed by the availability and production of raw material and the processing infrastructure. The long distance shipping and transportation and distribution of bulk energy resources beyond coal and ethanol would still be primarily dependent on railroads.

Therefore, it is necessary that the proposed committee **NOT** limit its mandate to address just the transportation of coal and ethanol. It should be creative in assessing those emerging alternate energy sources that will require transportation infrastructure and include them in its policy formulation for the railroad industry.

3. Optimum Size and Allocation of Committee Membership

Energy supply and consumption is of great importance to all citizens whether they are with government, producers, transporters, distributors, academia, service providers or persons at large. We feel that besides the major stakeholders such as the producers, transportation provider and distributors, public interest groups such as environmental organization, engineering service organizations, and academia should be invited as committee members.

Whereas the major stakeholders have great vested interest in policy formulation and development, the other organizations bring a perspective, which most likely is to be neutral from the economic interest of the stakeholders but affords accommodating the needs and concerns of the citizenry at large.

Since this approach to the committee structure would ameliorate the inherent conflicting and competing interests of the constituent members, it is a noble vehicle to develop policy, which addresses and accommodates everyone's legitimate concerns and leads to its acceptance by majority of the public and timely implementation and efficient execution.

In our opinion, the committee size should, at the minimum, comprise the following members:

- Two Government Agencies Representative (One from the Department of Transportation and the other from the Department of Energy) –Committee Business Facilitators
- Legal Counsel – Private or Government (If private then he/she should not be associated with the other member's organizations/interests)
- Two or more Producer Industry Representatives
- Two or more Transportation Service Industry Representatives
- One or more Transportation Equipment Manufacturers Representative
- One or more Environmental Group Representative
- One or more Academia Representative from Supply Chain Expertise
- One or more Academia Representative from Energy Research and Development Expertise
- One or more Representative from the Railroad Engineering Services

The maximum size of the committee should be limited to twenty.

The committee chair should be rotated between the producers and transportation industry representatives.