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The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E St. S.W.
Washington, D.C. 20423-0001

RE: Ex Parte No. 670, *Establishment of the Rail Energy Transportation Advisory Committee*

Dear Secretary Williams:

This letter is filed on behalf of American Electric Power Company, Inc. ("AEP"). AEP is one of the largest electric utilities in the United States, delivering electricity to more than 5 million customers in 11 states. AEP ranks among the nation's largest generators of electricity, owning nearly 38,000 megawatts of generating capacity in the U.S. AEP's utility units operate in Ohio, Texas, Virginia, West Virginia, Tennessee, Indiana, Michigan, Kentucky, Oklahoma, Arkansas and Louisiana. AEP's coal-fired plants account for 73 percent of AEP's generating capacity. AEP consumes approximately 76 million tons of coal per year, forty percent of which is transported to AEP's coal-fired plants directly by rail, with another seventeen percent transported initially by rail and then transloaded for final delivery by barge.. AEP receives coal from fields in the eastern United States as well as from the Powder River Basin in Wyoming. AEP also controls, either by ownership or by lease, more than 8,000 railcars and one rail-to-barge transloading terminal with twenty million tons of capacity. Thus, AEP has a major interest in regulatory policies related to coal transportation by rail.

In a Notice served March 9, 2007, the Board is seeking the views of interested parties on the utility and desirability of establishing, pursuant to the Federal Advisory Committee Act, a Rail Energy Transportation Advisory Committee, to provide independent advice and policy suggestions to the Board related to the reliability of rail transportation of resources critical to the nation's energy supply, particularly, but not necessarily limited to, the rail transportation of coal and ethanol. The Board seeks input on a number of issues.

AEP favors the creation of such a committee. AEP agrees with the Board that such a committee could provide candid policy advice and a means of fostering open, effective communication among affected interests on such issues as rail performance, capacity constraints, infrastructure planning and development, and effective coordination.

In its March 9 Notice, the Board has asked about the appropriate scope of such a committee's mandate. AEP believes that the Committee should be focused primarily on coal, rather than being constituted more broadly. Coal is, of course, one of the largest commodities carried by the nation's rail carriers. The transportation of ethanol, while far smaller in volume compared to coal, has the potential to contribute in important ways to our nation's energy supply. However, if a Rail Energy Transportation Advisory Committee is constituted more broadly, its

focus could be severely diluted. Thus, AEP suggests to the Board that the scope of the proposed Committee's mandate be limited to coal and ethanol.

AEP believes that the optimum size of the Committee should be no more than about fifteen members from the private sector. AEP believes that such a number would provide for a sufficient cross-section of interests to promote useful discussion and exchange of views, without complicating and extending discussion unduly. AEP also believes that, for the Committee to be successful, all three of the Board members should be ex officio members of the Committee, and should plan to take an active role. AEP believes that the utility of such a committee would be very dependent on the opportunity that committee members have to interact directly with each other and with members of the Board.

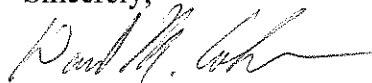
In its Notice, the Board has also asked how the committee's membership be allocated among various stakeholder interests to provide a balanced cross-section of those directly affected. AEP believes that the Board should consider a staggered three year membership that would include representatives of at least the following: (a) large and smaller utilities using coal transported by rail from the eastern and the western coal fields of the United States; (b) a coal supplier from the eastern and a coal supplier from the western coal fields, both of whom have their coal shipped via rail to its buyers; (c) eastern and western Class I rail carriers; and, (d) various ethanol producers and users. The Board may also want to consider a short-line representative, especially related to ethanol movements; as well as a representative of the car supply industry. The Board may also want to consider appointing a representative of the inland barge transportation industry, to obtain a perspective that might be useful for rail-barge transportation.

AEP notes that the transportation of coal and ethanol, although both energy-related, are very different. The former involves large unit-train movements, while the latter takes place in much smaller carload and multiple car movements. Given these and other differences, AEP suggests that the Board consider structuring the Committee so as to form at least two subcommittees, one dealing with coal transportation, and the other dealing with the transportation of ethanol. Some meetings may deal with issues together, and other meetings may focus on the subject matter directly related to the two types of transportation.

AEP believes that the Board should be prepared to provide staff resources to such a Committee, since AEP expects that information will need to be developed to inform and advance the work of the Committee. AEP also believes that the Committee should be authorized to issue reports and analyses that would be made available to policymakers and to the public generally.

AEP appreciates the opportunity to make its views known the Board. AEP would be willing to appoint a representative to serve on such a Committee, if the Board would so desire.

Sincerely,



David M. Cohen
Senior Counsel