

**BEFORE THE
SURFACE TRANSPORTATION BOARD
Washington, DC 20423**

In the Matter of:

**Review of Rail Access and Competition Issues -
Renewed Petition of The Western Coal Traffic
League**

STB Ex Parte No. 575

**COMMENTS OF
ARKANSAS ELECTRIC COOPERATIVE CORPORATION**

This document contains comments of Arkansas Electric Cooperative Corporation (AECC)¹ regarding the Board's planned reforms related to interchange commitments (a.k.a. "paper barriers") included in the sale or lease of rail assets, as described in the Board's Decision in this proceeding dated October 30, 2007. AECC agrees with the Board that interchange commitments in different circumstances may have different nuances and complexities. However, to effectively address interchange commitments on an individualized, case-by-case basis, the Board must not hesitate to accept and deal realistically with the complexities it may encounter.

The Decision characterizes the short- and long-term economic impacts identified by AECC as going "...a step beyond particularized rate and service issues..." AECC agrees with the proposition that the economic impacts it identified will not necessarily arise in the context of other interchange commitments. Indeed, AECC's comments dated March 8, 2006 explicitly made no claims regarding the extent to which these impacts might arise in other situations, and showed only the nexus of such impacts in AECC's

¹ AECC's interests in this proceeding were described in its comments dated March 8, 2006. In the interest of brevity, they are not repeated herein.

own experiences involving a single powerplant. While the Board may have no basis upon which to extrapolate such economic impacts to the universe of interchange commitments, it should not hesitate to acknowledge and accept such impacts that reasonably can be demonstrated.

At a more general level, the improving financial health of the industry makes it legitimate and proper for the Board to give increased weight to the broader impacts and implications of its policies. Perhaps it should be expected that initial attempts to take such a broadened view may cause consternation for those accustomed to the largely protectionist stances taken in past Board actions. While such consternation is understandable, the changes that cause it are reflective of the achievement of fundamental underlying goals of the Staggers Act. As the industry achieves financial health, the Board can and should place greater weight on the issues beyond rail industry profitability that define a more balanced and complete view of the public interest. When such issues arise, the Board should not hesitate to take steps and make decisions that reflect a properly broadened view of the public interest.

AECC appreciates the Board's continuing efforts to review and adapt its practices
in light of the changing circumstances of the rail industry.

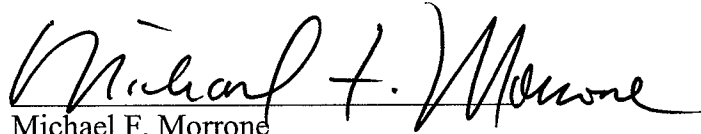
Respectfully submitted,

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January 2, 2008



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