



WYOMING STATE GEOLOGICAL SURVEY

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Victoria Rutson May 26, 2005
Section of Environmental Analysis
Case Control Unit
Finance Docket No. 33407
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Dear Victoria,

The Wyoming State Geological Survey would like to submit the following comments made by Robert Lyman, Chief Coal Analyst, on the Dakota, Minnesota & Eastern Railroad Powder River Basin Expansion Project SEIS as far as the issue of potential increased coal consumption in the region to be served by the DM&E railroad.

The market to be served by the new line into the Powder River Basin is currently served by other lines out of the Powder River basin of Wyoming, as well as coal production from the Central Appalachian coal region. The projected tonnage to be moved by the DM&E would be primarily utilized at existing coal-fired power plants, many of which have historically used Central Appalachian coals, an area where mines currently are showing rapid depletion of their coal resources.

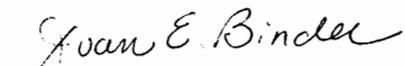
The addition of these existing power plants to the Powder River Basin coal market area has greatly strained the current transportation systems serving the mines in northeast Wyoming.

If rail transportation out of the Wyoming's Powder River Basin is not expanded, the existing coal-fired plants wishing to use our nation's stable domestic coal resources will be forced to turn to South American coals to fill their needs. At a time in our history when the nation is working toward finding ways to become independent from energy imports, having to next become a net importer of thermal coals would not be in the best interest of our country's citizens.

As a point of illustration, in 2003 the United States consumed approximately 98.2 quadrillion Btu's of energy (A quadrillion is 1 followed by 15 zeros). Energy imports into our country amounted to 26.8 quadrillion Btu's. By not being able to move additional Wyoming coal (via the DM&E) to these coal-fire plants, we will be forcing them to import coal. This has the potential of adding 1.6 quadrillion Btu's to our national energy deficit. To further put this in perspective, our nation's solar, wind, geothermal, and bio-mass energy programs contributed only 0.53 quadrillion Btu's to U.S. energy production in 2003.

The nation's coal-fired power plants will burn coal whether it comes from the Western United States, or Columbia and Venezuela. The use of Wyoming coal is important to the security of the American people.

Sincerely,

A handwritten signature in cursive script that reads "Joan E. Binder". The signature is written in black ink and is positioned above the typed name.

Joan E. Binder
Executive Assistant

For Ronald C. Surdam
State Geologist/Director

Cc: Governor's Planning Office