

January 21, 2014

Mr. John Therriault, Clerk
Illinois Pollution Control Board
100 West Randolph St., Suite 11-500
James R. Thompson Center
Chicago, IL 60601

**RE: R2014-020. Emergency Rulemaking Regarding Regulation of Coke/Coal
Bulk Terminals; 35 Ill. Adm. Code Part 213**

Dear Mr. Therriault:

On behalf of Arch Coal, Inc., I appreciate the opportunity to comment on the proposed emergency regulations filed last Thursday by the Illinois Environmental Protection Agency captioned above. Arch Coal is the second largest U.S. coal producer, with total sales volume of 141 million tons in 2012.

We operate a geographically diverse portfolio of mines, with operations in nine states, including Illinois. The coal we produce serves as the fuel source for approximately 14 percent of the nation's electricity, and also acts as an important resource for domestic steel-making. In addition, we exported 13.6 million tons of coal into international markets last year, including significant volumes that moved through Illinois coal terminals and into the Gulf of Mexico.

Our Illinois operations include our wholly owned Viper Mine in Williamsville, as well as a 49% ownership interest in Knight Hawk Coal, located in Percy. These operations produced a total of more than 7 million tons of coal in Illinois during 2012, and we expect to report a similar total in 2013. In total, the Viper and Knight Hawk operations directly employ approximately 700 people, with more than 300 additional contract miners.

Our review of the proposed emergency regulations finds that coal mine sites are not subject to the regulations. However, approximately two thirds of our Illinois production relies on the river system – and Illinois coal terminals along the river system – to access the marketplace. Should terminal operations be constrained or impeded in any way by the proposed regulations, the impacts on our operations could be significant. Should the regulations as proposed go into effect, we believe such adverse impacts are likely.

In addition to the impact on our Illinois operations, we also move a significant amount of coal from our operations in other Western states – including Colorado and Wyoming – through coal terminals in Illinois. These movements also stand to be adversely affected by the proposed rule, which could in turn have adverse consequences on our operations elsewhere.

We would also reiterate the comments of other entities that have highlighted the serious questions surrounding the IEPA request for emergency designation of the regulations and their immediate effect. As you are aware, Section 27(c) of the Illinois Environmental Protection Act clearly and unequivocally states that the Illinois Pollution Control Board may only permit administrative emergency rule making when one or more of the following conditions exists:

- a) "...a disaster emergency"
- b) "... a severe public health emergency " or
- c) " a situation which reasonably constitutes a threat to the public interest, safety or welfare."

We simply do not believe that such conditions exist in this situation – not for petcoke and certainly not for coal. Accordingly, Arch Coal respectfully requests that the Pollution Control Board reject these emergency rules.

Again, thank you for the opportunity to comment on the proposed rule. As indicated, we believe that moving forward with rule as currently written could have severe, adverse consequences for our operations in Illinois and elsewhere.

Coal terminals in Illinois are an integral part of the logistics system that facilitates the movement of coal from Illinois and other coal-producing states into state, national and international markets. The proposed rule threatens to constrain and potentially even eliminate ongoing activities at some if not all of these terminals. The consequences of such an occurrence for the Illinois coal industry – and for the many businesses and consumers that rely upon low-cost coal for power generation – could be severe.

Sincerely,

Deck Slone
Senior Vice President, Strategy & Public Policy
Arch Coal, Inc.