



PEABODY ENERGY
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February 7, 2014

Dr. Bechara Choucair, Commissioner
Chicago Department of Public Health
Attn: Environmental Permitting and Inspections
333 South State Street, Room 200
Chicago, IL 60604

RE: Proposed Regulations for the Handling and Storage of Bulk Material Piles

Dear Commissioner Choucair:

Peabody Energy operates multiple underground mines and surface operations across the United States and holds leadership positions in production and reserves in the Illinois Basin. In the state of Illinois, wholly owned subsidiaries of Peabody Energy operate three coal mines: the Gateway, Cottage Grove and Wildcat Hills mines. In 2012, these mines produced approximately 6.4 million tons and employed over 650 salaried and hourly employees that earned over \$70 million in wages and benefits. In addition, Peabody has over 2.2 billion tons of proven and probable coal reserves in Illinois.

Bulk material facilities are critical to the delivery of our product to U.S. and international utilities in a safe, efficient and affordable manner. While these facilities in Chicago are not widely used for coal transportation at this time, Peabody has utilized them in the past and could in the future – depending on market opportunities.

However, future opportunities could be limited due to the substantial costs imposed by the proposed regulations. The ability to ship coal from the Illinois Basin needs to remain cost-effective in order for Illinois coal to be competitive in U.S. and international markets. Adding additional burdens on these facilities could curtail major export growth for the Illinois coal industry.

In January, the Illinois Pollution Control Board turned down the Illinois Environmental Protection Agency's (IEPA) request for new emergency rules on bulk terminals and has indicated it will proceed with a state-wide general rulemaking for bulk material facilities. There would be significant uncertainty for bulk facility operators if the City of Chicago sets these proposed standards prior to the IEPA setting standards. Facilities would face uncertainty in complying with the rules and our future growth strategy would be impeded.

In addition, the proposed rulemaking was instigated by an event that occurred in August 2013 and involved a petroleum coke terminal facility. This rulemaking goes far beyond the context of the original event and could have unforeseen, detrimental impacts to our company and our customers and suppliers.

Peabody appreciates the opportunity to comment and urges to carefully consider all aspects of its proposed rule.

Sincerely,

A handwritten signature in blue ink that reads "Kemal Williamson".

Kemal Williamson
President Americas