



June 29, 2022

304893
ENTERED
Office of Proceedings
June 30, 2022
Part of
Public Record

Hon. Martin Oberman
Chairman
Surface Transportation Board

Hon. Michelle Schultz
Vice Chairman
Surface Transportation Board

Hon. Patrick Fuchs
Member
Surface Transportation Board

Hon. Robert Primus
Member
Surface Transportation Board

Hon. Karen Hedlund
Member
Surface Transportation Board

Re: Application of the National Railroad Passenger Corporation under 49 U.S.C. § 24308(e) – CSX Transportation, Inc. and Norfolk Southern Railway Company (STB Docket No. FD 36496)

Dear Chairman Oberman, Vice Chairman Schultz, and Members, Fuchs, Primus and Hedlund:

As the Surface Transportation Board (STB) begins its final consideration of the National Railroad Passenger Corporation's (Amtrak) application to initiate new passenger rail service between New Orleans, LA, and Mobile, AL (the "Gulf Coast Line"), the American Chemistry Council is writing to highlight the need for appropriate infrastructure improvements to handle future freight rail traffic and potential Amtrak service, particularly around the New Orleans gateway.

ACC reviewed the testimony and filings submitted in this proceeding. The rail infrastructure needs discussed during and since the February 2022 public hearing directly impact the interests of ACC members and other shippers. ACC supports passenger rail service. However, the STB must ensure that the introduction of Gulf Coast Line passenger service does not decrease the quality of freight service in the region.

ACC represents more than 190 of America's leading chemical companies. Our members produce and manufacture a wide variety of chemicals, polymers, and related products that make our lives and our world healthier, safer, more sustainable, and more productive. The business of chemistry supports over 25% of the U.S. gross domestic product and directly touches nearly all manufactured goods. In addition to supporting a vast supply chain, our members help create more than half a million skilled, good-paying American jobs.

The U.S. chemical industry is one of the largest freight rail customers, shipping more than 2 million carloads per year, and the ongoing expansion of U.S. chemical manufacturing means our transportation needs will continue to grow. Chemical and plastics production is heavily concentrated in the Gulf Coast.

In 2019, freight railroads initiated 357,800 chemical carloads in Texas and 252,400 chemical carloads in Louisiana.

Substantial chemical traffic moves through New Orleans where freight rail capacity is already constrained. ACC members experience systemic delays and disruptions in the region and service problems have gotten worse. While recent challenges largely have been attributed to labor shortages, ACC believes rail infrastructure in the New Orleans region has not kept pace with demand.

Significant railroad infrastructure projects are needed to accommodate Gulf Coast passenger service and projected freight demand in the region. For example, the Freight Lead Extension project identified by Norfolk Southern is critical to providing efficient and reliable rail service to ACC members. This 8,500-foot extension would facilitate rail operations and allow NS to stage trains without blocking Amtrak routes. We further urge the Board to ensure that there is a defined plan for implementing needed infrastructure projects.

As Chairman Oberman has emphasized during this proceeding, the STB has an important role in advancing the public interest. To fulfill this role, the Board must carefully consider the needs and concerns of ACC members and other shippers that are dependent on a reliable freight transportation network.

Thank you for your consideration of these views. Please contact me at 202-249-6710 or jeffrey_sloan@americanchemistry.com if you have any questions about this submission.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jeffrey Sloan".

Senior Director, Regulatory Affairs

cc: All Parties of Record