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Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, D.C. 20423

Re: Gulf Coast Passenger Service Between New Orleans and Mobile
STB Finance Docket No. 36496

Dear Ms. Brown:

Central National Gottesman is located in **Purchase, NY**, and relies on the freight rail service provided by CSX Transportation, Inc. I write on behalf of **Central National Gottesman** to express concerns regarding the impact on that freight rail service of Amtrak's proposed Gulf Coast passenger service between New Orleans, Louisiana and Mobile, Alabama.

Central National Gottesman sells Pulp, Paper and Metals and relies on CSXT to transport materials to our customers as well as from suppliers to our port based warehouses for export. Freight rail service is critical to the success of our business and CSXT provides us access to two major port terminals in New Orleans and Mobile through which we can access greater domestic and international markets than would otherwise be available. The quality of service CSXT provides makes freight rail the most efficient transportation alternative to maintain and grow our business.

CSXT and Norfolk Southern Railway Company have submitted evidence, including a Rail Traffic Controller study, that shows the introduction of Gulf Coast passenger service between New Orleans and Mobile will cause significant harm to freight service. This harm will manifest itself through decreased freight train speeds and delay as well as extreme operational variability. CSXT's local trains, the very trains that directly serve our facility, will be hit the hardest. **Central**

National Gottesman is deeply concerned about our ability to meet the demands of our customers and remain profitable if this harm to CSXT's freight rail service materializes. **We foresee that import and export shipments moving via Mobile and/or New Orleans will be impacted significantly and we will see increased dwell time in the port warehouses as a result causing additional costs, deterioration of our supply chain performance levels – but also significantly contributing to the already existing overall congestion at the port complexes and surrounding infrastructures and warehouses.**

Central National Gottesman does not oppose Gulf Coast passenger service and expresses no opinion on the merits of that service. However, it is important that the introduction of this passenger service does not decrease the quality of freight service provided by CSXT. It is our understanding that CSXT and NSR have proposed infrastructure projects that would support Amtrak's desired passenger service while protecting the quality of freight service that **Central National Gottesman** relies on. **Central National Gottesman** urges the Board to seriously consider the merits of these projects.

It is unfair for Amtrak to insist on operating passenger service without regard to the businesses it will share the corridor with. If Amtrak is permitted to commence passenger service without paying its own way, the cost of that service will inevitably fall on the shoulders of shippers. Shippers like **Central National Gottesman** will either be forced to turn to more expensive and less efficient alternatives to rail or will wind up subsidizing passenger service through increased rail service costs as CSXT and NSR are pressed to add infrastructure to stem the degradation to freight service.

The Board has an obligation to protect the interests of all parties that rely on the national rail network, not just those of passenger rail. Amtrak's desire for access to the Gulf Coast Corridor with no strings attached is not only harmful to freight rail service, but untenable given the substantial funding it received from Congress last year. **Central National Gottesman** requests that the Board require Amtrak to fund and facilitate the construction of infrastructure projects so as to avoid any harm to freight rail service.

Respectfully submitted,



Simon Preisler
Vice President, Logistics
Central National Gottesman, Inc.

cc: FD 36496 Service List