

INEOS Phenol

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Office of Proceedings
February 10, 2022
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Public Record

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:

INEOS Phenol is located in Mobile County, Alabama, and depends on consistent freight rail service provided by CSX Transportation, Inc. I write on behalf of INEOS Phenol to express our concern regarding the impact on that freight rail service of Amtrak's proposed Gulf Coast passenger service between New Orleans, Louisiana and Mobile, Alabama.

INEOS Phenol's Theodore, Alabama production facility is the largest Phenol facility in the United States and our products supply a wide variety of critical markets essential to everyday life. Our markets include Automotive Manufacturing, Building Materials, Cosmetics, Disinfectants, Electronics, Food Additives, Herbicides, Medical/Pharmaceutical Applications, Medical Technology (Vaccines), Pesticides, and Polycarbonate Sheets (Covid-19 Barriers). INEOS Phenol relies on CSXT to safely and consistently transport more than 4,500 tank car shipments of our finished products to our customers throughout North America on annual basis. Freight rail service is indispensable to the success of our company as well as our customers' production of a vast number of crucial end products.

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 Theodore, Alabama facility, will be hit the hardest.

EXHIBIT
CSXNS 201

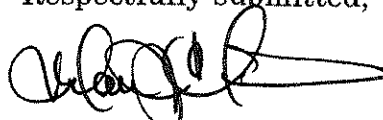
INEOS Phenol is deeply concerned that Amtrak's Gulf Coast service will impede our ability to supply existing and new rail customers in the future and damage our distinguished reputation of providing world class service as a timely and dependable supplier, which presently sets us apart from our competition. Furthermore, the unpredictability of CSXT rail service will place us at a clear competitive disadvantage within our industry given that other US producers will not face rail service disruptions and these extraordinary challenges in shipping rail freight via the Mobile corridor. INEOS Phenol's assessment is that the enactment of the Gulf Coast passenger service will have significant negative financial impact to our business and to our end customers.

INEOS Phenol does not oppose Gulf Coast passenger service and expresses no opinion on the merits of that service. However, it is imperative 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 INEOS Phenol's business relies on. INEOS Phenol urges the Board to seriously consider the merits of these projects.

It is unreasonable for Amtrak to insist on operating passenger service without regard to the businesses it will share the corridor with as well the adverse impact to the various industries that INEOS Phenol supplies. 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 INEOS Phenol will either be forced to turn to more expensive and less efficient alternatives to rail or will be 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. INEOS Phenol 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,

A handwritten signature in black ink, appearing to read 'Marc J. Hill', written over a horizontal line.

Marc J. Hill
INEOS Phenol

cc: FD 36496 Service List