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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:

Hapag-Lloyd (America), LLC is located in Piscataway, NJ, and relies on the Intermodal rail service provided by the Class I Railroads serving the Gulf Coast including CSX Transportation, Inc. and Norfolk Southern Railroad (NSR). I write on behalf of Hapag-Lloyd 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.

Hapag-Lloyd relies on the Class I Railroads to transport containers to our customers. Intermodal rail service is critical to the success of our business and CSXT and NSR provide 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 these railroads provide makes intermodal 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.

Hapag-Lloyd 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 intermodal service provided by NSRR and 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 intermodal rail service that Hapag-Lloyd relies on. Hapag-Lloyd 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. Hapag-Lloyd 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. Hapag-Lloyd 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,

Thomas Barattini

Thomas Barattini
Hapag-Lloyd

cc: FD 36496 Service List