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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

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

Dear Ms. Brown:

Matson Logistics, Inc., a subsidiary of Matson, Inc. (MATX, NYSE), is headquartered in Concord, CA, and transports approximately 35,000 containers per year via CSX Transportation (CSXT) and overall 160,000 containers within North America annually. These shipments move on all major U.S./Canada/Mexico rail networks via 53-foot "domestic" containers and 45/40/20-foot ocean containers. I write on behalf of Matson Logistics to express concerns regarding the freight rail service of Amtrak's proposed Gulf Coast passenger service between New Orleans, Louisiana, and Mobile, Alabama.

Matson Logistics is aware that CSXT and Norfolk Southern Railway Company (NSR) 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.

Our company and customers, and indeed the U.S. economy, need the national rail network to operate reliably and predictably. We've experienced multiple events in recent years where service disruptions in one part of a rail carrier's network ultimately impacted other parts of that network, and problems affecting a single rail carrier have spread to the national network.

Matson Logistics does not oppose Gulf Coast passenger service nor express an opinion on the merits of that service. However, the introduction of this passenger service must not

decrease the quality of freight service provided by CSXT. Both CSXT and NSR have proposed infrastructure projects that would support Amtrak's desired passenger service while protecting the quality of freight service in the region. Matson Logistics urges the Board to seriously consider the merits of these projects.

Over the past 18 months, the national rail network has experienced unprecedented stress. How is it the interest of American consumers for Amtrak to act arbitrarily, disregarding prior industry practice? How can Amtrak 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 and consumers. It would be an unfortunate precedent for Amtrak to ignore the impacts to the freight transportation network and to push costs onto CSXT and NSR.

The Board must 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. Matson Logistics requests that the Board require Amtrak to fund and facilitate the construction of infrastructure projects to avoid any harm to freight rail service.

Respectfully submitted,



Joe Robledo
Vice President
Wholesale and International Intermodal Services

cc: FD 36496 Service List

ABOUT MATSON LOGISTICS

Matson Logistics serves a broad mix of manufacturers, retailers, and distributors with freight transportation across North America, including highway and intermodal rail service using all Class I providers. Our warehouses on both coasts provide inventory receiving, storage, distribution, and value-added packaging services.

Internationally, we help importers source from more than 22 regions worldwide, providing supply management, consolidation, ocean transportation, and day-definite product delivery throughout the U.S.

We are a part of Matson, Inc. Established in 1882, its multimodal network connects the U.S. Mainland, Hawaii, Alaska, Guam, Micronesia, China, Japan, and the South Pacific. Matson operates more than 25 U.S.-flag vessels throughout the Pacific, with dedicated terminals and stevedore services at key U.S. ports. NYSE: MATX