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By E-Filing
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:

Strategic Materials, Inc has several plants throughout the United States and those that are on the East Coast and rail served rely on the freight rail service provided by CSX Transportation, Inc. I write on behalf of Strategic Materials, Inc 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.

Strategic Materials, Inc handles recycled glass, a growing and increasingly important area of focus and we rely on CSXT to transport the recycled glass to our facility and processed glass to our customers. Freight rail service is critical to the success of our business on the East Coast 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. Strategic Materials, Inc 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. Our business model is different in that the recycled glass we obtain in one area may not be what the local customer's need, however the customer several states away does. In growing this business rail has become a critical part of our business model to fully utilize each plant's capacity, regardless of where end customer may be. The value of our goods is very low thus transportation costs are a major aspect and thus focus of our Supply Chain department.

Strategic Materials, Inc 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 Strategic Materials, Inc relies on. Strategic Materials, Inc 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 Strategic Materials, Inc will either see shipments via rail out of the East Coast decrease due to costs overcoming the value of taking recycled glass, or see excess inventory sent to landfills, which we are sure no one wants good, recyclable product to end up at.

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. Strategic Materials, Inc 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.

Regards,



Cassandra Rucky
Fleet Manager

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CC: Parties of Record