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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:

P & L Transportation, Inc. is a holding company which owns three shortline railroads, Paducah & Louisville Railway, Inc., (operating in Kentucky) Evansville Western Railway, Inc. (operating in Indiana and Illinois) and Appalachian and Ohio Railroad, Inc. (operating in West Virginia) (the "PLT Railroads"). Each of the PLT Railroads interchange with CSX Transportation, Inc. ("CSXT") and rely upon the freight service provided by CSXT. This letter is on behalf of P&L Transportation and each of our subsidiary railroads. The purpose is to express our concerns regarding the potential precedent setting impact on our nation's efficient freight rail network if Amtrak's proposed Gulf Coast passenger service between New Orleans, Louisiana and Mobile, Alabama is allowed to proceed without evaluating impacts on connecting short lines' ability to efficiently compete and serve its customers.

P&L Transportation, Inc. and its subsidiary railroads rely on Class 1 railroads, such as CSXT, to connect to the national freight network. Consistent, reliable, and cost efficient Class 1 rail service is critical to the success of our business and our customers. The quality of service CSXT provides makes freight rail the most efficient transportation alternative to maintain and grow our business. Introducing services that limit rail capacity without regard to understanding the impacts on freight rail efficiency and the ability to meet the demands of our customers is a significant concern.

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, higher dwell times and extreme operational variability. Although our short line does not operate in this region, our concern over the precedent of proceeding without proper due diligence is justified. In the event that this procedure is repeated in the P&L Transportation services areas, it could disrupt and impede the

efficient movement of freight on our railroads, putting the industries that we serve at competitive disadvantage.

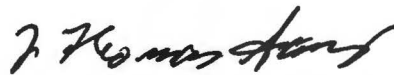
P&L Transportation does not oppose passenger service and expresses no opinion on the merits of that service. However, it is important that the introduction of this passenger service does not decrease the quality of freight service provided by our class 1 partners such as CSXT. It is our understanding that CSXT and NSR have proposed infrastructure projects that would support Amtrak's desired passenger service while protecting the quality of freight service that the PLT Railroads rely on. P&L Transportation 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 our shippers. These shippers 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 former scenario poses a real threat to the viability of short line operators who may only have a limited number of customers. Every carload is critical and the loss of one major customer could result in cutbacks and job losses in that community. Attracting new industries is the lifeblood of every short line. Increased delivered costs due to unreliable service and delayed shipments severely impacts our ability to grow and contribute to the local economies.

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 or any Rail 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. P&L Transportation, 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.

Respectfully submitted,



J. Thomas Garrett
President & CEO
P&L Transportation, Inc.
Appalachian and Ohio Railroad, Inc.
Evansville Western Railway, Inc.
Paducah & Louisville Railway, Inc.

cc: FD 36496 Service List