

February 9, 2022

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:

Pan Am Railways is a regional freight railroad operating throughout New England and New York with direct interchange connections to Norfolk Southern and CSXT. Pan Am has also hosted the Amtrak Downeaster service for over 20 years and shares tracks with multiple commuter rail providers throughout its system. Given the history of these relationships, Pan Am has a unique perspective 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.

Prior to the initiation of the Downeaster service in December of 2001, Pan Am (then known as Guilford Rail System) litigated with Amtrak for several years regarding the terms and conditions that would govern this service. Ultimately, this Board resolved the litigation with an order that balanced the needs of the freight industry with Amtrak's statutory mandate to provide intercity passenger service. *Application of the National Railroad Passenger Corp. under 49 U.S.C. 24309(a)---Springfield Terminal Railway Company, Boston and Maine Corporation, and Portland Terminal Company*—STB Finance Docket No. 33381, Service Date May 29, 1998. Nevertheless, despite the Board's efforts to address all issues, the relationship between Pan Am, Amtrak and its state partner the Northern New England Passenger Rail Authority ("NNEPRA") remained contentious for several years after the service began because Pan Am rightly believed that the freight service and its customers were inappropriately subsidizing the Downeaster service.

These disputes were ultimately resolved when Amtrak, NNEPRA and Pan Am reached an agreement regarding two substantive items. First, NNEPRA would be required to supplement the incremental payments made by Amtrak with an annual payment designed to fully cover the cost of maintenance and rehabilitate of Pan Am's lines to support the Downeaster service. Second, Amtrak and NNEPRA agreed that no additional trains would be added to the Downeaster service until all parties agreed to the infrastructure that would be necessary to

support that additional service, infrastructure that would be paid for by NNEPRA and Amtrak. Since this framework was established, Amtrak, NNEPRA and Pan Am have viewed this relationship as a partnership wherein each party has a say in how the rail lines are utilized and what resources are needed to maximize the efficiency of both rail modes. As a result, trains have operated fluidly and on time, necessary infrastructure has been constructed and both the intercity passenger and freight service have thrived. In short, negotiation among equals, rather than litigation between adversaries, has proven to be a successful model to allow intercity passenger and freight rail service to coexist.

Consequently, Pan Am has noted that the current dispute between Amtrak, Norfolk Southern and CSX has many similarities to Pan Am's history with the Downeaster service. For that reason, Pan Am is concerned that Amtrak's recalcitrance with regard to the Gulf Coast service may have adverse impacts for the entire national rail network and urges the Board to protect the interests of all parties in this matter.

Respectfully submitted,

/s/ David A. Fink

President

cc: FD 36496 Service List