

February 14, 2021

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Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings
U.S. Surface Transportation Board
395 E Street, SW
Washington, DC 20423

ENTERED
Office of Proceedings
February 15, 2022
Part of
Public Record

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

Dear Ms. Brown:

UPS operates the world's largest private multimodal transportation services and solutions network, combining air, truck, rail and ocean movements into a seamless mosaic to service customers around the world. This sophisticated transportation operation moves, on a daily basis, goods equaling approximately 6% of the nation's gross domestic product. More than 543,000 worldwide employees work in concert to meet our customers' needs and deliver approximately 25 million packages, documents and freight shipments a day, whether it be across town, or around the globe.

For almost 45 years, UPS has utilized truck-rail intermodal transportation to service our customers throughout the United States. Today, UPS is one of the nation's largest corporate customers of the Class I railroad industry, moving approximately 3,000 containers and trailers on the rail network each business day.

The freight rail intermodal franchise provides UPS a safe, efficient, sustainable manner to move commercial vehicles off the highway as we transport both small packages and larger goods throughout the United States. While trucks ultimately make final-mile delivery for all UPS shipments, the rail intermodal component is critical in helping to alleviate highway congestion, promote air quality, and mitigate highway infrastructure degradation. UPS works closely with CSX Transportation (CSX) and their Class I freight competitors to maximize opportunities to move intermodal rail traffic, while balancing financial and time-in-transit constraints of rail transportation.

We write to express concerns regarding the negative impact on freight rail velocity and fluidity due to Amtrak's proposed Gulf Coast passenger service from New Orleans, Louisiana to Mobile, Alabama, and the potential ripple effect this would have on the entire U.S. rail network. Impeding freight rail service, during a time of constrained supply chains and an economically challenging post-pandemic economy, is particularly concerning.

CSX and Norfolk Southern Railway Company (NS) have submitted evidence, a Rail Traffic Controller study, that shows the introduction of Gulf Coast passenger service between New Orleans and Mobile will cause significant harm to the freight rail franchise. The new passenger rail service may very well manifest itself in decreased freight train velocity, operational variabilities and a negative impact on intermodal rail time-in-transit. If UPS cannot meet customer commitments for intermodal rail movements due to atrophied service levels, we will be forced to take significant small parcel volume off the rails by moving trailers back to the highways, exacerbating highway congestion and increasing carbon emissions output.

It is important to note that UPS does not oppose Gulf Coast passenger service and does not proffer an opinion on the merits of the proposed service enhancement. Rather, our concern is that the introduction of this passenger rail service will dilute the quality of the freight service provided by CSX. UPS understands both CSX and NS have proposed reasonable infrastructure initiatives that would support Amtrak's desired passenger service objectives while protecting the quality and predictability of freight service; UPS urges the Board to seriously consider the merits of these projects.

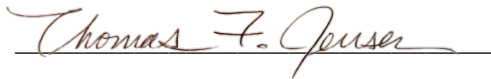
Amtrak, an outstanding organization that provides a valuable service to the public, should not be allowed access to the Gulf Coast Corridor without taking into consideration the negative impact this service would have on commercial customers and individuals who rely on timely intermodal rail delivery. The STB has an obligation to consider the interests of all parties that rely on the national freight rail network, not just those of passenger rail. UPS urges the Board to carefully evaluate all aspects of these deliberations, so that Amtrak, CSX, NS and other rail stakeholders can not only coexist, but can continue to thrive.

We encourage the Board to continue to pursue a thoughtful, balanced, approach when deliberating on this issue, and in future matters. If you or STB staff has questions or concerns about UPS's position on this issue, or other initiatives, please feel free to contact us as referenced below.

Respectfully,

A handwritten signature in cursive script, reading "Bonnie Michael", written in dark ink. The signature is positioned above a horizontal line.

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A handwritten signature in cursive script, reading "Thomas F. Jensen", written in dark ink. The signature is positioned above a horizontal line.

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cc: FD 36496 Service List