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**PETITION FOR THE IMPOSITION OF CONDITIONS: PASSENGER COEXISTENCE AND
INFRASTRUCTURE DERISKING MODEL**

Pursuant to 49 C.F.R. § 1180.1 and the Surface Transportation Board's mandate to ensure that major rail consolidations serve the public interest, this proposal for a mandatory condition of approval is respectfully submitted.

I. Disclosure of Status and Procedural Coordination

It is necessary to clarify for the record that this intervention is submitted as an independent party of record and is not affiliated with, nor representative of, Lehigh Valley Transit (LVT), the Lehigh Valley Planning Commission (LVPC), or any municipal transit agency. This proposal is submitted from the perspective of an engineering stakeholder providing technical evidence of systemic saturation and does not constitute a formal commitment on behalf of regional planning bodies.

I am currently a senior environmental engineering student at Drexel University. My participation in this docket is driven by both technical interest and a documented personal need for regional connectivity. Maintaining a full time academic schedule requires frequent travel between my home in the Lehigh Valley and my university in Philadelphia, a journey currently restricted to the gridlocked US-22 and I-78 corridors due to the absence of rail alternatives. For the coordination of specific operational schedules, trackage valuations, and service frequencies, the Board and the Applicants should direct all inquiries to the Lehigh Valley Planning Commission (LVPC) and the professional consulting teams involved in the Phase II Passenger Rail Analysis.

II. The Proposed Condition: A Strategic Exclusivity Tradeoff

The Board's January 2026 rejection of the initial merger application on the grounds of incompleteness confirms that the Applicants' current operational assumptions are insufficient to meet the 2001 major rail consolidation standards. More importantly, the Board has reclassified this transaction as a significant transaction, which mandates that the Applicants prove the merger provides substantial and demonstrable public benefits rather than merely lacking anticompetitive effects.

Approval of this merger should be strictly conditioned on the establishment of a passenger coexistence model for the Lehigh Valley corridor. This transition of the Lehigh and Reading Lines toward a public private stewardship framework aligns the Applicants' operational efficiency with the public's right to essential transportation services.

III. Historical Context and an Anthracite to Amazon Pivot

The Lehigh Valley's current state as a captive market is a historical anomaly resulting from the 1999 Conrail split, which left Norfolk Southern as the sole operator of the region's primary freight arteries. While these rails were historically engineered for the transport of anthracite coal, the region has evolved into a global logistics pressure cooker. The launch of the Lehigh Valley Passenger Rail Study Phase II in January 2026 confirms that the region is no longer in decline but is actively seeking to maintain momentum through infrastructure modernization.

The Valley now hosts the largest FedEx Ground hub on earth and a multibillion dollar warehouse industry, meaning the Applicants are sitting on the most valuable last mile real estate in the Northeast. A public private model allows them to retain 100% of this revenue while the public bears the holding cost of the infrastructure itself. The current monopoly has effectively erased a rich multimodal history that, until 1979, proved passenger and industrial rail can share a geographic footprint while driving regional economic growth.

IV. Precedent: The Atlantic City Model as a Strategic Bottom Line

The viability of this proposal is demonstrated by Norfolk Southern's own successful operations on the Atlantic City Line (ACL). On that corridor, the public transit agency (NJ Transit) maintains ownership and responsibility for maintenance of way, while Norfolk Southern retains exclusive freight rights. The transition to public ownership with retained freight exclusivity provides several benefits to the Applicants' bottom line:

- **Maintenance of Way (MOW) Offload:** Public entities assume responsibility for maintaining tracks to high speed passenger safety standards, providing the railroad with premium infrastructure at a fraction of the private capital cost. This is made even more feasible by Governor Shapiro's February 2026 budget proposal, which seeks to inject over \$300 million annually into the public transportation trust fund for such mass transit investments.
- **Capital Expenditure Efficiency:** Major infrastructure upgrades can be funded through public grants rather than private debt. By leveraging state and federal transportation funds for critical projects like bridge replacements and signal modernizations, the railroad preserves its own capital for rolling stock and yard technology rather than sinking it into static rights of way.
- **Tax Shielding:** Transferring rights of way to a public authority removes significant property tax liabilities from the railroad's balance sheet. This model effectively transforms a depreciating real estate liability into a pure operational asset, allowing for higher profit margins on every carload moved through the Lehigh Valley.

V. Engineering Evidence: Solving the Dixon Street Bottleneck

The Surface Transportation Board need only to look at publicly available data and established industry trends to confirm that the Lehigh Valley corridor is operating at a physical saturation point.

1. Documented Blocked Crossing Trends: FRA data consistently shows that communities along the Lehigh and Reading Lines are disproportionately affected by delays caused by three mile long trains encountering dense networks of at grade crossings, such as those at 12th and Vultee Streets in Allentown. These prolonged obstructions compromise local safety by severing critical paths for emergency responders and utility crews, transforming a localized rail operations issue into a systemic public hazard.

2. The Failure of Speed Based Solutions: Engineering reality dictates that higher speeds cannot fix insufficient yard capacity. When the Allentown Terminal is over capacity, high speed arrivals must stop and idle on the mainline, effectively turning the region's primary arteries into static parking lots for three mile long consists.

3. The Yard Overflow Effect: The 2024 Lehigh Valley passenger rail analysis identifies this corridor as a critical choke point because when trains exceed receiving track lengths, they spill over into mainlines and create a ripple effect of systemic saturation. This lack of adequate terminal infrastructure ensures that operational inefficiencies at one node quickly degrade fluidity across the entire regional rail network. The January 2026 launch of the Phase II study provides a technical baseline for identifying exactly which segments require capacity expansion.

4. The Show Me Standard for Residual Capacity: A mandated passenger coexistence model is the only engineering solution that creates a buffer of certainty. It forces the optimization of yard entries and exits, which ensures the Lehigh Valley is no longer treated as a temporary storage area for transcontinental freight.

VI. Environmental Mandates and Highway Mitigation

The Applicants have consistently marketed this merger as a cornerstone of environmental excellence, frequently citing the carbon reduction benefits of shifting long haul freight from asphalt to rail. However, in the Lehigh Valley, the current lack of a coexistence model creates a stark contradiction between Norfolk Southern's public sustainability goals and the regional reality.

1. Addressing the US-22 and I-78 Gridlock: By maintaining an exclusive freight monopoly that precludes passenger service, the Applicants are forcing a metropolitan population of 860,000 people to rely on personal vehicles for intercity travel. This creates a net negative environmental outcome that offsets the supposed benefits of the merger, as residents are left with no viable alternative to the heavily gridlocked highway system. A mandated coexistence model is the only mechanism that aligns the railroad's operations with the stated goal of decrowding the national highway system and reducing regional car dependency.

2. The Defensive Advantage of Public Goodwill: As the Board considers the competitive risks of other Class I carriers, the Applicants should view this condition as a strategic shield. By hosting a public transit service, the railroad can argue that the physical corridor is fully utilized in the public interest, which prevents the entry of rival freight operators, like BNSF or CPKC, and preserves Norfolk Southern's regional exclusivity. This partnership transforms a potential regulatory burden into a long term competitive asset that stabilizes Norfolk Southern's market dominance while simultaneously satisfying public demand for sustainable infrastructure.

3. Fulfilling the Substantial Public Benefit Test: Integrating the Lehigh Valley Planning Commission's Phase II Passenger Rail analysis into the conditions proves a commitment to the region's future that is both ecologically responsible and operationally sound. This integration ensures that federal merger approval does not inadvertently nullify the \$400,000 in state level transportation investments recently announced by Lehigh County and Senator Nick Miller. By formally adopting these regional goals, the Applicants can demonstrate the quantifiable public utility required for major rail consolidations under modern regulatory standards.

CONCLUSION

The Surface Transportation Board's mandate is to ensure that rail mergers serve the public's interest. For nearly half a century, the Lehigh Valley has lived with the rare outcome of a freight monopoly that dismantled regional connectivity. Today, as a student who must frequently navigate the failing infrastructure between the Lehigh Valley and Philadelphia, it is clear that the status quo is a barrier to both growth and individual mobility.

By conditioning this transaction on a passenger coexistence and infrastructure derisking model, the Board can ensure that the Lehigh Valley's future is determined by engineering reality and public need. This model provides the Applicants a rare opportunity to shed infrastructure liabilities while preserving the operational exclusivity they require for a successful merger.

I ask only that you open the door.

Respectfully submitted,

/s/ Colin Finney

Colin Finney

Individual Party of Record

233 W. 27th St. Northampton, PA 18067

colinfinney7603@gmail.com

CERTIFICATE OF SERVICE I hereby certify that on this day, February 4, 2026, a copy of the foregoing was served electronically upon all parties of record on the service list for Docket No. FD 36873, including counsel for the Applicants at Baker & Miller PLLC.