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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36873

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
—CONTROL—
NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILROAD COMPANY

COMMENTS AND REQUEST FOR CONDITIONS OF THE SCHUYLKILL RIVER PASSENGER RAIL AUTHORITY

The Schuylkill River Passenger Rail Authority (SRPRA) is an affected party in the proposed acquisition of Norfolk Southern (NS) by Union Pacific (UP) by virtue of NS being the primary host railroad for intercity passenger rail service between Reading and Philadelphia, Pennsylvania, via Berks, Chester, and Montgomery Counties, currently in planning and development by SRPRA.

The SRPRA service would use a portion of the NS Harrisburg Line from Reading to Philadelphia that currently has considerable capacity for passenger service. UP and NS's own workpapers show a fluidized capacity of between 53.3 (midpoint) and 58.3 (high threshold) trains per day, while serving only 4.9 trains per day currently and under the proposed merger conditions. *See* UP Line-of-Road Volume-Capacity Summary. The public interest would be served by using some of this considerable unused capacity for passenger rail service between Reading and Philadelphia, and on to New York on the Northeast Corridor. This is currently the subject of planning and a Memorandum of Understanding (MOU) with Amtrak to provide this service.

SRPRA has had productive discussions with NS. We have confidence that the current NS staffing and management would engage in productive discussions to enable the service in a way that benefits passengers and the freight corridor by ensuring more revenue and investment. We want to ensure that the merged entity would continue this progress and not leave it to chance or general assurances not backed by the Surface Transportation Board (STB) as a condition.

SRPRA was incorporated in 2022 by Berks, Chester and Montgomery Counties in Pennsylvania, which, through 2026, have collectively contributed $1,275,000 to SRPRA's efforts. SRPRA has also secured two Local Share Account (LSA) Grants from the Pennsylvania Department of Community and Economic Development (PA DCED) that total $656,575 and a Congressionally Directed Spending Grant in the amount of $750,000. Benefitting from unanimous bi-partisan support from our Congressional Delegation, and state and local elected officials, SRPRA was accepted in the Federal Railroad Administration (FRA) Corridor Identification and Development Program (CIDP) in 2023, and officially completed CIDP Step 1 in 2025. While awaiting entry into CIDP Step 2 and using local funds, SRPRA has been performing Step 2 work items, including creating numerous Step 2 deliverables, executing a MOU with Amtrak to advance SRPRA's Service Development Plan, and continuing to work with various project partners to advance the Reading – Philadelphia – New York Corridor passenger rail project.

SRPRA has concerns regarding the proposed acquisition of NS by UP without additional conditions, including the following:

- **Potential loss of capacity to negotiate in good faith for passenger rail access**. The history of railroad and other mergers has shown that merged entities seek cost reductions through cutting administrative and management jobs like those necessary to support, negotiate, and develop new and expanded passenger service. Indeed, the Applicant's Application itself identifies cost savings from eliminating 1,138 employees, especially from NS. *See* Employee Impact Exhibit at 99, 106 (July 26, 2026). It is unclear what roles these employees play and how it could affect the capacity to expand passenger rail access.

  UP and NS have indicated on their website and in discovery responses that they will continue to engage with passenger rail requests. SRPRA appreciates the statements in support of passenger rail and future capacity. However, the responses are very general

and do not guarantee that the public interest will be advanced.[1] The Application itself only addresses existing agreements. And, STB will have no real visibility in whether the public interest in accommodating passenger rail with reasonable conditions is being met until things break down to the point when a complaint is filed with the Board.

- **Potentially increased detachment from local issues by management.** The expansion of the network and location of the headquarters in Omaha will result in relocation of management with decision-making responsibility from Atlanta to Omaha, making resolution of issues in both the development and operation stages of the SRPRA project more time consuming and consequently more expensive. The reductions in force for management and administrative employees, as well as uncertain reporting structures, make it unclear whether passenger rail issues will have access to sufficient managerial bandwidth to allow new or expanded passenger rail service to proceed in a timely way.

- **Potential operations integration challenges that could adversely affect service consistency and reliability**. This could unnecessarily increase the scope of required passenger-related infrastructure improvements and associated costs. The history of mergers in recent decades suggests this is a substantial risk; as examples, Union Pacific's acquisition of Southern Pacific in 1996, Norfolk Southern and CSX's acquisition of Conrail in 1999, and more recently Canadian Pacific's (CP) acquisition of Kansas City

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[1] For example, in the Applicant's merger website, they state that:

> Union Pacific and Norfolk Southern will continue coordinating with Federal Railroad Administration programs, including the Corridor Identification Program, and with state transportation partners evaluating future state-supported passenger rail opportunities across both networks.

And:

> Union Pacific and Norfolk Southern already partner with passenger agencies, states and federal programs across multiple corridors nationwide. The combined network will continue coordinating with public-sector partners evaluating future passenger rail opportunities, while maintaining all existing passenger rail commitments and operational obligations.

https://www.up-nstranscontinental.com/the-impact/passenger-rail/

Southern (KCS) in 2021, resulted in dramatically increased traffic congestion at key locations around the merged networks. Furthermore, mismatched UP and NS terminal assets and differing IT systems could take years to reconcile, potentially resulting in degraded performance during the critical start-up period for SRPRA passenger service.

To address these concerns, SRPRA seeks the following conditions from the Board if it proceeds with the requested merger approval:

1. That UP negotiate in good faith to accommodate an ultimate maximum level of passenger train traffic of 10 trains per day in each direction between Reading and Philadelphia. (Note that the reference here to Philadelphia refers to either the connection with SEPTA at CP Norris in King of Prussia or the connection with CSX at CP River in Philadelphia, depending upon the alignment ultimately selected in this route segment; additionally, the initial proposed frequency over this route segment is between three and seven daily round trips.) This is a small fraction of the unused capacity on the Harrisburg Line even with the merger. Agreeing to an ultimate service level would establish a goal to be implemented over time, helping both UP and SRPRA manage their respective expectations. To establish context, Norfolk Southern has not opposed such an ultimate service level, subject to SRPRA's adherence to the NS policy regarding implementing passenger rail service, and separate from SRPRA's compliance with the framework established by the Federal Railroad Administration (FRA) Corridor ID Program (CIDP). SRPRA seeks to avoid incurring additional project delay costs due to, and changes in, the process to be followed at Union Pacific's direction;
2. That UP agree to negotiate in good faith a mutually acceptable package of infrastructure improvements that are essential to accommodate passenger rail service while protecting freight flexibility and capacity;
3. That UP negotiate in good faith the costs associated with the previously mentioned, mutually acceptable package of infrastructure improvements, as well as a fair share of operations and maintenance costs;

4. That UP agree to prioritization of scheduled SRPRA passenger train movements over freight movements, to the extent necessary to enable passenger trains to operate on schedule;
5. That UP provide SRPRA and the Commonwealth of Pennsylvania with rights of first refusal should UP seek to dispose of the NS route between Reading and Philadelphia; and,
6. That UP accept the potential transfer or assignment of project responsibility from SRPRA to PennDOT if in the future SRPRA and PennDOT agree to such a transfer, either entirely or in-part.
7. That UP provide annual reports to the STB regarding national passenger-development-related staffing, and passenger related work accomplished, including reviews of proposal and design materials, performance of required analyses, and implementation of agreements to facilitate new or expanded passenger service. Transparency and reporting to the STB are critical to ensuring that the merged entity will follow through with its public commitments and assurances to engage in meaningful discussions and negotiations for new or expanded passenger rail service with SRPRA and others. SRPRA looks forward to continued discussions with NS and/or a merged entity to find reasonable and mutually beneficial arrangements that permit passenger service in the public interest.

CONCLUSION

For the reasons outlined above, SRPRA respectfully requests that the Board approve the proposed transaction only if it imposes the requested conditions.

Respectfully Submitted,

THE SCHUYLKILL RIVER PASSENGER RAIL AUTHORITY

By Counsel

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Date: November 17, 2026

CERTIFICATE OF SERVICE

I hereby certify that on the 17th of November 2026, I caused the foregoing Comments and Request for Conditions of the Schuylkill River Passenger Rail Authority to be served on all parties of record in this proceeding.

Dated: November 17, 2026

By: */s/ John Putnam*

Partner

Kaplan Kirsch LLP

cc: All Parties of Record (via email or first class mail)