

SURFACE TRANSPORTATION BOARD

Ex Parte 711 (Sub. No. 1)

Summary of Ex Parte Meeting Between Norfolk Southern Railway Company

and Surface Transportation Board Vice Chairman Robert Primus

December 15, 2021

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Norfolk Southern Attendees:

- Jim Squires, Chairman and CEO
- Cindy Sanborn, Executive Vice President and Chief Marketing Officer
- Vanessa Allen Sutherland, Executive Vice President and Chief Legal Officer
- Raymond Atkins, Counsel to Norfolk Southern
- Randy Noe, AVP Regulatory Affairs

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STB Attendees:

- Robert Primus, STB Vice Chairman
- Elizabeth McGrath, Attorney Advisor

Meeting Summary:

Vice Chairman Primus welcomed the meeting participants and expressed his interest in discussing recent service challenges on Norfolk Southern. He expressed the concern that these challenges are the result of implementation of the Precision Scheduled Railroading (PSR) model brought on by Wall Street pressure. He explained that, in his opinion, the pressure to cater to investors has grown too strong at the expense of employees, customers, and the general public. He encouraged Norfolk Southern to consider establishing a minimum employment level in order to increase employee morale and to prevent future service disruptions.

Norfolk Southern explained that one of the central tenets of the PSR model is customer service and that high efficiency and good service go hand-in-hand across the entire service sector. Norfolk Southern explained why investors and managers alike are highly motivated to avoid service disruptions, but that unforeseen events, such as the higher-than-expected attrition rates recently experienced in critical parts of its network, sometimes result in a mismatch between demand levels and resources. Norfolk Southern gave examples of past service cycles prior to the implementation of PSR that have resulted in a similar mismatch. Norfolk Southern summarized the efforts it is undertaking to hire more employees and increase utilization of its workforce to address its service challenges.

Vice Chairman Primus thanked Norfolk Southern for speaking with him about service. Norfolk Southern thanked Vice Chairman for expressing his views.