

SURFACE TRANSPORTATION BOARD**Ex Parte 711 (Sub. No. 1)****Summary of Ex Parte Meeting Between Norfolk Southern Railway Company****and Surface Transportation Board Member Karen Hedlund****April 22, 2022****ENTERED**
Office of Proceedings
April 25, 2022
Part of
Public RecordNorfolk Southern Attendees:

- Tom Zoeller, General Counsel Markets and Regulation
- Randy Noe, AVP Regulatory Affairs
- Raymond Atkins, Counsel to Norfolk Southern

STB Attendees:

- Karen Hedlund, Board Member
- Charles Vance, Attorney Advisor

Meeting Summary:

Norfolk Southern began by reiterating its concerns with the proposed rule, as expressed at the March hearing in EP 711 (Sub. No. 1), on operational fluidity and investment. While Norfolk Southern appreciated that the Board might be searching for a more incremental way forward, it was concerned about one of the ideas raised during the hearing – the availability of a no-fault reciprocal switching rule at locations that are already open to reciprocal switching. First, it would fall more heavily on railroads that have been more generous with voluntary reciprocal switching. Second, at least some locations open to reciprocal switch are constrained and could not take on more switching activity without significant operational impacts.

Member Hedlund pointed out that some customers are more concerned about rates than service. Norfolk Southern noted that it is part of a group of railroads that has offered a proposed way to ease access to the rate relief process for small shippers, pointing to the joint alternative dispute resolution proposal.

On service, the meeting participants discussed several ideas for updating the Board's service regulations, including providing greater certainty for the duration of the remedy, relaxing the current requirement for an alternative carrier, and providing clarity on what level of service would trigger a regulatory remedy. Particularly on the last point, there was discussion about the tension between certainty and flexibility, with Norfolk Southern expressing the view that general standards are in most cases better than prescriptions because one size usually does not fit all.

Norfolk Southern offered the perspective that the Board ought to be focused on identifying the problem it is trying to solve and finding a narrow solution to address that problem. It expressed concern that the proposed regulation in EP 711 (Sub. No. 1) will force the Board to pick winners and losers, which will have unintended network impacts.

Norfolk Southern thanked Member Hedlund for her time and Member Hedlund thanked Norfolk Southern for offering its perspective.