



Surface Transportation Board
Washington, D.C. 20423-0001

Office of the Chairman

November 27, 2018

Mr. James A. Squires
Chairman, President, and Chief Executive Officer
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510

Dear Mr. Squires:

Norfolk Southern Railway (NSR) announced during its third quarter earnings call that it intends to implement aspects of “precision scheduled railroading” in 2019 as part of a new operating plan. I am writing to inform you of my strong concern about the potential dislocation that can result when a railroad makes wholesale operating changes, particularly railroads that have been confronting prolonged service challenges.

As you well know, CSX Transportation, Inc. (CSX) implemented precision scheduled railroading across its network last year, which resulted in significant service disruptions for both CSX’s customers and other railroads, including NSR. In order to facilitate CSX’s recovery efforts, the Board engaged in several forms of oversight, including reporting of additional service metrics and a public listening session in Washington, D.C. As such, it is critical for NSR to work diligently and transparently to avoid similar disruptions to the nation’s rail system and to communicate frequently with its customers and connecting carriers before implementing significant changes.

Further, and consistent with the Board’s response to the announcement by Union Pacific Railroad Company (UP) of its plan to implement a new operating plan that also incorporates precision scheduled railroading, I am requesting that members of NSR’s senior management commence weekly calls with the Board’s Rail Customer and Public Assistance staff to keep the agency fully informed of NSR’s operating changes and impacts to customers and interchange partners. In the meantime, I invite you to meet with each of the Board members to inform us about the details of the planned operating changes and how those changes will impact service for your customers and connecting carriers.

Finally, I understand that NSR notified its customers of numerous changes to rules and charges set forth in its tariffs, which are to become effective January 1, 2019. While I recognize NSR’s desire to optimize asset utilization, it is important that tariffs are balanced and create appropriate incentives for both the customer and the railroad. As with tariff modifications recently announced by UP, I urge NSR to evaluate its proposed changes from the standpoint of commercial fairness.

Thank you for your attention to this request. If you or your staff have any questions, please contact me or Ms. Lucille Marvin, Director of the Board's Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0238.

Sincerely,

A handwritten signature in blue ink that reads "Ann Begeman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Ann Begeman
Chairman