

Norfolk Southern Corporation Three Commercial Place Norfolk, Virginia 23510-2191 Telephone (757) 629-2845 James A. Squires Chairman President and Chief Executive Officer

August 31, 2020

Ronald Batory Administrator Federal Railroad Administration 1200 New Jersey Avenue, SE Washington, DC 20590

Ann Begeman Chairman Surface Transportation Board 395 E Street, SW Washington, DC 20423 Martin Oberman Vice Chairman Surface Transportation Board 395 E Street, SW Washington, DC 20423

Patrick Fuchs
Board Member
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Administrator Batory, Chairman Begeman, Vice Chairman Oberman, and Member Fuchs:

Thank you for your letter dated August 24, 2020. We are grateful for your recognition of the hard work employees in our industry have performed during the COVID-19 pandemic, and for your commendation of our industry's safety performance, service reliability, and communication with customers. The men and women of Norfolk Southern have dedicated themselves to providing essential freight rail service at a critical moment, and we could not be prouder of their performance during such challenging times.

Despite the uncertainties that remain in the wake of the pandemic, Norfolk Southern has sufficient resources to meet its customers' needs and expectations. This confidence is reinforced by our service performance, which has remained solid even as volumes have increased. Our most recent train speed and terminal dwell performance (for the week ending August 28) improved two and four percent, respectively, compared to the last week of July.

We have maintained these service levels by focusing on the areas noted in your letter, including crew availability. As demand increased we began recalling crews, and as demand exceeded our forecast we accelerated that effort. Approximately 550 train and engine employees who were in furlough status on June 1 have now returned to work, resulting in a net increase of 217 train and engine employees in that time period. Our furlough return rate is currently 67 percent; however, our future success in recalling crews could be affected by a significant resurgence of the virus or because of other factors beyond our control. In addition to recalling furloughed crews, we have begun hiring and training new employees. We began a training class for new hires in July and will start another in September. Finally, we have had success with permanent and temporary transfers of crews to select locations to respond to localized needs.

With regard to equipment resources, we have approximately 270 locomotives and 15,500 railcars in storage. At this time, we do not expect we will have to pull any of these resources from storage to meet our customers' expectations, but we do have them available if needed.

We also recognize and emphasize the importance of customer communication, which is a key part of our strategic plan. By staying in close contact with customers, Norfolk Southern is well positioned to understand their requirements and to prepare for future service needs. To that end, we have engaged in an aggressive campaign to meet with customers across our system. These meetings are headed by our Chief Marketing Officer Alan Shaw and include teams from Marketing, Transportation, and other departments. The intent is, first, to hear directly from our customers about how their service needs are being met and to develop an action plan for any opportunity areas that may exist. Second, we want to understand our customers' view of their respective markets with an emphasis on what we can do, collaboratively, to grow their business.

Thank you again for your letter. We look forward to working with both the Federal Railroad Administration and the Surface Transportation Board as we continue to provide safe, reliable service to our customers.

Very truly yours,