



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

November 23, 2021

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

Dear Mr. Squires,

I am writing to request an update on the rail service performance of Norfolk Southern Railway (“NSR”) in meeting the needs of its customers.

Over the last several weeks, NSR’s key operating metrics, as reported under STB Docket No. EP 724, have deteriorated significantly and are hovering far below 2019 comparables. (Because of disruptions caused by COVID-19 during 2020, in my view, 2019 is a better year for measuring the degree to which service has been restored.) For example, NSR’s system average train speed for manifest service was 14.01 mph for the second reporting week of November 2021, showing a marked decline against the same week for November 2019 when NSR’s manifest train speed was 20.7 mph. This delta is particularly troubling given the focus on the manifest network in NSR’s precision scheduled railroading operating model. Similarly, NSR’s system average dwell is approximately 10 hours greater than the same reporting week in 2019, 27.5 hours versus 17.8 hours. Finally, the average number of manifest trains holding per day increased by ten times when the second reporting week of November 2021 is compared against 2019: 58 versus 5. These metrics reflect an unfavorable trend in NSR’s overall performance in 2021. Yet, NSR’s number of “transportation” employees has continued to decline over the last three months (8,281, 8,269, and 8,207, respectively), as reported on STB Form C.

Coinciding with the marked deterioration in NSR’s performance metrics, the Board has received an increasing number of complaints from NSR’s customers about poor performance. These complaints include missed switches, cars stranded at intermediate yards, longer transit times, operating plan changes without notice, and a lack of communication from customer service. Many of these complaints are from customers along NSR’s Cincinnati to Chattanooga corridor, but I have also heard from shippers in the deep South and the mid-Atlantic. Taken together, they represent a cross-section of key commodity groups. These rail service disruptions have caused customers to incur additional costs, typically without compensation from NSR.

For these reasons, I am requesting that you provide the Board with a review of the current state of NSR's network, and your assessment of what factors are affecting NSR's ability to achieve past levels of fluidity and consistent service, and in particular the impact on customer service of previous headcount reductions for train, yard, and maintenance employees.

It would be most helpful if you could provide this review as a follow up to your letter to me dated June 18, 2021, in which you outlined a "program of targeted hiring" to meet workforce needs, referenced measures to attract and retain operating employees, including through financial incentives, and forecasted the number of conductor trainees you anticipated onboarding through 2021. In light of the declining employee headcount since June as shown by the data supplied to the STB, your program does not appear to have succeeded in obtaining a workforce level sufficient to avoid the service challenges described above. Please detail any adjustments NSR has made in the intervening time, and any modifications or additional efforts NSR intends to make in the future to increase its overall operating headcount against attrition.

I take the problems involving NSR's service with the utmost seriousness and look forward to their resolution in the shortest possible time as the Nation's economy continues its rebuilding efforts while recovering from the effects of the pandemic.

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

Sincerely,

A handwritten signature in cursive script that reads "Martin J. Oberman".

Martin J. Oberman
Chairman