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**Senate Transportation, Commerce, and Workforce Committee – House Bill 26:
State Transportation Budget | Interested Party Testimony
March 7, 2017**

Chairman LaRose, Vice Chair Kunze, Ranking Member Tavares and members of the Senate Transportation, Commerce, and Workforce Committee: thank you for the opportunity to testify today as an interested party and in support of the Ohio Rail Development Commission's items within the 2018-2019 biennial Transportation Budget.

My name is Bryant Thomas and I am Manager Government Relations for Norfolk Southern Corporation for the state of Ohio. As a fairly new Ohioan this is the first opportunity to address this committee. Allow me to add myself to the long list of those who have addressed the committee before me and expressed appreciation for your time and consideration during this budget process.

Norfolk Southern:

And just a few words about Norfolk Southern. We are one of the nation's premier transportation companies. A Class I Railroad operating almost 20,000 route miles in 22 states and the District of Columbia, including 2,200 miles of track in Ohio.

Norfolk Southern employs nearly 4,000 people in Ohio, and supports about 2,000 retirees. We transport a wide range of freight including intermodal, metals and construction materials, coal, and agricultural products. Our company supports customers, including Ohio-owned businesses, by investing nearly \$1 billion in payroll, in-state purchases and maintenance of our infrastructure annually.

Our network also allows us to serve every major container port in the eastern United States, connecting Ohio to the rest of the world, supplying companies, both large and small, with the products needed to keep their supply chains fluid and to get their goods to their destinations.

Projects such as Rickenbacker Intermodal Terminal in Columbus, OH as well as the recent \$160 million in improvements to Moorman Yard in Bellevue, OH, now the largest classification yard on our network, highlights Norfolk Southern's commitment to making Ohio the business and transportation hub of the region.

This is our private investment. That is our commitment to the state of Ohio. But, we also have great partnership with the state as well. These partnership opportunities are mostly coordinated through the Ohio Rail Development Commission and ODOT. So, I am very pleased to stand before you today in support of ORDC and the great work that they do.



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As you heard in the early testimony from the Rail Commission, ORDC's programs support two key areas: public safety and economic development. Norfolk Southern supports ORDC budget requests for appropriations supporting both of these areas that are included in House Bill 26. These ORDC priorities go hand in hand with Norfolk Southern's. In this endeavor, we have worked seamlessly with the ORDC to try and achieve these goals.

Safety:

Norfolk Southern is dedicated to the safety of employees, customers, and communities, and works toward continuous improvement of its safety efforts. Whether developing or improving safety tools and programs for customers and communities or creating new safety processes for employees, NS strives to make a positive impact on safety for all.

To underscore this commitment to safety, Norfolk Southern, and all Class I North American Railroads, have begun to install and implement Positive Train Control, or PTC, a technology designed to prevent train-to-train collisions and derailments caused by excessive speed.

Congress has required that railroads install PTC on tracks that carry passenger trains or toxic-by-inhalation materials. To date, the freight railroad industry has spent more than \$7.9 billion on PTC development and deployment. This number exceeds \$1 billion for Norfolk Southern alone.

ORDC has played an intricate role in the furtherance of railroad safety by implementing a strategic and well targeted plan to make Ohio's roads and railroad grade crossings safer for the community and our operators alike. Of the more than 5,700 previously referenced public railroad-highway grade crossings statewide, Norfolk Southern is responsible for more than 2,700 of those. This fact more than emphasizes the importance of maintaining the great working relationship that we share with ORDC in an effort to keep these crossings in good repair and also decrease the amount of incidents that occur at them.

A great example of ORDC's leadership in this regard is that during FYs 2015-2016, ORDC funded 138 grade crossing safety projects. This included 115 installations or updates to flashing lights and roadway gates, 16 crossing closures, six grade crossing surface reconstructions, and a queue cutter. This investment is invaluable to the safety of the traveling public.

Economic Impact:

Norfolk Southern is constantly looking to help customers locate rail-served industries, support expansion of existing industries, and promote economic growth for communities in Ohio. Being successful in these objectives allows us to maintain a robust and diverse railway network. In



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2015 Norfolk Southern helped nine industries locate or expand in Ohio for a total customer investment of \$52 million, creating 105 new jobs.

ORDC plays an integral role in this business development. ORDC, by partnering with the railroad, JobsOhio, businesses and local economic development authorities, helps facilitate a strong pro-business environment and helps enable major job creation and retention. ORDC's achievements in this area have been a resounding success by any measure. During fiscal years 2015 and 2016, ORDC provided grant and/or loan assistance for rail infrastructure to 39 economic development projects. As stated previously, these projects are expected to affect 27,600 Ohio jobs and to leverage \$37 in other investment, almost all privately funded, for every \$1 of ORDC support.

Conclusion:

Mr. Chairman, thank you again for allowing me to speak briefly about the great work that ORDC does and encourage the committee to support all the Rail Commission's budget requests as outlined in HB 26. I would be happy to answer any questions that you all may have.