

Biz NS

Volume 2, Issue 4 | July-August 2010



A different
breed of
railroad
employee

Biz NS

Jul/Aug '10

- 1 NOT YOUR TYPICAL RAILROAD JOB
- 2 DAVE MORVATZ
- 4 MARK DUDLE
- 6 MELANIE AYERS
- 8 ADRIAN SINKLER
- 10 CURT STANLEY

12 SUCCESS OF A SALESMAN

14 ECONOMIC SUSTAINABILITY


17 GOING TO THE DOGS

20 KEEPING TRACK OF CARS BECOMES EASIER

21 BUSTED

BACK COVER 2011 CALENDAR
COVER CALL FOR ENTRIES





Not your typical railroad job

Though few in number, these employees play key roles in NS' success

Norfolk Southern trains crisscross the eastern half of the country, passing through tiny crossroad communities and major metropolitan areas, hauling consumer goods and cargo vital to the U.S. economy.

While people see or hear these trains every day, most know little about running a successful railroad. They might be familiar with locomotive engineers and conductors – the public faces of railroading, and the largest group of NS employees – but have no clue about the variety of jobs and career paths at the company.

Even employees might be surprised to learn about some of the work that contributes to NS' success.

What follows is a look at five NS employees who hold positions that are not your typical railroad jobs – a blacksmith, an industrial hygienist, a counterterrorism liaison, an industrial engineer, and a manager of asset disposition.

They are part of the NS team that keeps the railroad moving.

■ Dave Morvatz works
as a blacksmith at the Charlotte
Roadway Shop.

Dave Morvatz

Builds on a railroad tradition – one part at a time

Dave Morvatz's work uniform includes safety glasses, hearing protection, face shield, oversized gloves, and a flame-resistant green lab coat stained with gray metal slag. He performs his job duties in a shop space he affectionately calls "The Hole," cordoned off by red-tinted plastic welding curtains to buffer passersby from arc flashes of a torch or sparks of a grinder.

If Morvatz had worked in railroading during the days of steam locomotives, he would have spent his hours beside a coal-fired forge, hammering metal pieces to build or repair heavy equipment.

As a railroad blacksmith these days, Morvatz uses digital welders and works with metal parts cut out by computer-controlled machinery.

Morvatz is one of 15 NS blacksmiths at Norfolk Southern's Charlotte, N.C., Roadway Shop. He and his fellow craftsmen build and rebuild the metal components and parts on equipment that NS road gangs use to maintain the railroad's 22-state network of track, bridges, and rail.

"I feel that the craft and I are a contributing factor to the railroad's success," he said.

Morvatz hired on with Conrail in 1978 as a brakeman. After a year or so, he joined the maintenance of way shop in Canton, Ohio, as a repairman helper, and soon advanced to repairman. In 1999, after NS purchased part of Conrail, he moved to Charlotte as a blacksmith.

Even though NS continues to call them blacksmiths, Morvatz and his fellow craftsmen actually are welders/fabricators. They use arc and torch welding tools instead of hammer and forge. Morvatz recalled recently telling a nonrailroad person that he was a blacksmith, and the response was, "Oh, you shoe horses?"

The 32-year railroad veteran takes pride in what he does, and he's a pro at it. His specialty is rebuilding side ballast boxes – known as "wing boxes" – that are attached to a ballast regulator, a hulking piece of machinery resembling a tractor combine that NS roadway crews use to sculpt and move track ballast.

"Beyond that, I'm a jack of all trades – whatever is next on the order list is what I do," Morvatz said. "The guys in the blacksmith craft can jump across to somebody else's table to pick up where they left off on an entirely different component. We have our specialties, but we're all cross-trained."

Most of the equipment that passes through the blacksmith shop is made up of many interconnecting pieces.



When possible, the blacksmiths make replacement parts that are stronger and more durable than original parts built by an equipment manufacturer.

On an April afternoon, he was working on a bridge crane grapple, a metal part that's about 24 inches wide, 7-1/2 inches high and 18 inches long. It is attached to the end of a boom on cranes that NS building and bridge crews use to maintain railroad bridges. That morning, he had put the finishing touches on a combination fuel and hydraulic tank for another piece of track machinery.

Most of the equipment that passes through the blacksmith shop, such as the weld heads on flash-butt welding trucks – used to join sections of rail – is made up of many interconnecting pieces.

"A lot of work goes into those weld heads," he said. "There are a lot of different parts, and you've got to weld them together to a machine fit. It's got to be right in the way it fits together and grips the rail. We work off drawings and put stuff together one piece at a time."

The goal of the shop, headed by **Wayne Terrell**, shop supervisor, is to provide quality service to the railroad's road gangs, Morvatz said. When possible, the blacksmiths make replacement parts that are stronger and more durable than original parts built by an equipment manufacturer.

"NS will buy new machinery and it'll go out for a couple of seasons and we'll start seeing parts come back that are worn and cracked," Morvatz said. "We'll modify and upgrade them to beef them up to make them last longer.

"When we send a machine out of here and it goes to a gang, they expect it to work the way it's supposed to and last a long time," he added. "They rely on us to put out a good machine because they've got limited track time, and when they have control of the track, stuff's got to work."



Mark Dudle

Looks out for your health and safety

If Norfolk Southern's rail network is affected by flooding, wildfires, hurricanes, hazardous chemical spills, or similar calamity, **Mark Dudle** usually is not far behind.

Dudle, manager industrial hygiene, is one of two industrial hygienists employed by the railroad. He pulled duty after Hurricane Katrina hit New Orleans, after fires erupted in the peat-filled bogs of Okefenokee Swamp in South Georgia, and after a train collision released chlorine gas in Graniteville, S.C.

His primary role in such situations is to help identify, evaluate, and control hazards that could threaten the health and safety of employees or in some cases residents of communities along the railroad's tracks.

Thankfully, such events are rare. The bulk of his work involves a more routine regimen of monitoring railroad facilities to ensure that workers are not exposed to workplace health hazards. That could involve noise monitoring to evaluate exposures from equipment or operations, or air monitoring to assess potential exposures from such things as chemical fumes in shops or silica dust during work on track ballast.

If he discovers problems, he recommends steps to eliminate or minimize the hazards, such as a change in work practices or the use of personal protective equipment, including hearing protection or respirators.

"I get to work with all of the departments and, potentially, I could work with any employee on the railroad, which makes this job very interesting to me," said Dudle, who is based in Atlanta. "Norfolk Southern is a very safe place to work, and our intention is to make it safer all the time."

NS recruited Dudle in fall 1992 out of graduate school at the University of Alabama Birmingham, where he earned a master's of science in public health. He majored in biology with a heavy emphasis on chemistry for his undergrad degree.

Companies in several other industries offered him a job, but he decided the railroad was the best fit – and had the most appeal from a career perspective.

"For me, it was the prospect that this was truly a job and an industry where one person could make a difference," he said. "I know every railroad industrial hygienist in the country. We're not a large group, but we all feel like we do important work."



Dudle and **Michael Black**, NS' assistant manager industrial hygiene, administer four company programs: respiratory protection, hearing conservation, hazard communication, and confined space entry. Along with that, they regularly visit workplaces to take air samples and conduct other monitoring tests.

"We'll collect air samples during operations, like welding or hot work or painting in the shops, or when work gangs are out doing ballast work," he said. They compare the results to federal regulations to ensure compliance with permissible exposure limits.



Dudle often handles things that are a little off the beaten path, including identification of unknown chemicals or odors, or evaluation of the risks of exposure to bird droppings in work facilities.

After Hurricane Katrina in 2005, Dudle was a passenger on the first NS train that crossed the repaired bridge over Lake Pontchartrain into New Orleans' Oliver Yard. He brought respirators, waders, boots, bug spray, and "anything that we could think of that conceivably might be needed if the train had problems," he said. While there, he helped issue bulletins to workers on a variety of personal safety topics and made recommendations for proper personal protective equipment.

Dealing with mold-related issues caused by water damage to railroad facilities is standard practice, Dudle said, as is assessing track and structures for potential contaminants after being submerged in flood waters.

During the Okefenokee Swamp fires in 2007, thick beds of peat smoldered for several weeks, creating a smoky haze as far north as Atlanta.

"We conducted a lot of air monitoring for particulates and carbon monoxide, and were making sure that trains running through there were not in danger of fire and that employees weren't being exposed to hazards from the smoke," he said.

While Dudle and Black have chemical-sensor equipment that enables them to get instantaneous readings of potential air contaminants, most of the air samples they take – including from pumps worn on the belt – are sent to a certified lab for analysis.



"I like the variety of the work," Dudle said, "and it truly is a challenging job."

If he discovers problems, he recommends steps to eliminate or minimize the hazards, such as a change in work practices or the use of personal protective equipment, including hearing protection or respirators.

Melanie Ayers

Sells scrap for millions

When a locomotive or freight car reaches the end of the line for Norfolk Southern, **Melanie Ayers** gets a call.

As manager of asset disposition, Ayers is responsible for disposing of them. Essentially, Ayers and her work group – an assistant manager and a secretary – serve as the railroad’s undertakers of equipment deemed no longer usable.

It’s a side of the business few employees see. Some of the old locomotives are stripped of engines and major components and sold for scrap, while others are sold to smaller railroads for power. Rail cars are sold for scrap wood, metal, or aluminum, although some get refurbished and resold.

In addition, Ayers’ office oversees the disposal of abandoned track, old rail, miscellaneous scrap, and other track material, including spikes, bars, anchors, and “frogs” – a metal structure at the intersection of two running rails.

Her office falls under material management in Roanoke, Va., and is part of a larger operation that includes groups that purchase rail cars, diesel fuel, and locomotive parts.

The scrap and surplus equipment generate tidy sums for the railroad. In 2009, despite the recession, Ayers’ office sold in excess of 250,000 gross tons that brought in more than \$55 million. That included 4,857 freight cars and locomotives.

“People typically look at material management as a group that spends money and not as a revenue-generating group,” Ayers said. “I think that is probably one of the most surprising things for employees to know.”

In 2007 and 2008, when market demand was higher, Ayers’ office sold more than \$77 million worth of locomotives, freight cars, rail, and other track materials each year. As of April this year, scrap sales stood at more than \$19 million.





■ Melanie Ayers stands in the roadway material yard in Roanoke, where scrap track material, such as track plates, spikes, and anchors, are stored before being sold. Ayers' office oversees disposal of the material.

The locomotives that Ayers disposes of can no longer handle the mileage or tonnage to meet NS' service demands. Often, NS will remove a locomotive's engine, compressor, and other major components and sell the "core" for scrap.

"If we can pull parts to use to keep our fleet running we do so, especially on some units where it's hard to find replacement parts," she said.

In some cases, the locomotives, after refurbishment, are bought by a short line railroad for hauling freight. Those railroads often pay NS to make needed repairs before buying the equipment.

Late last year, Ayers' office sold through a contract broker several locomotives that will be used as power by a freight railroad in Peru. Before being shipped overseas, the NS logo and numbering will be removed, she said. Over the years, other South American countries have purchased surplus NS locomotives.

As for NS' surplus freight cars, most are sold under a car-cutting contract to a firm with facilities in Roanoke, and Mallard, Ala., while aluminum cars are sent to the firm's shredder facility in Albertville, Ala., Ayers said.

Since joining the asset disposition group four years ago as assistant manager, Ayers said NS has become more aggressive in selling railroad scrap. That's driven by the company's emphasis on being greener, a desire to clean up yards and facilities, and increased market demand, which has made it more profitable.

"I've seen an increase, not only for the green initiative, but to get rid of things that are not functioning and that are taking up space in our yards, and just to add value to our bottom line," she said. "The fact that you can sell \$77 million worth of scrap is not anything to dismiss."

Ayers hails from a railroading family that goes back four generations and, including aunts and uncles, boasts a cumulative total of more than 350 years of railroad service.

She began her railroad career 38 years ago with Norfolk & Western, as a clerk typist in the motive power department. She moved to Norfolk as secretary to NS' corporate secretary after the 1982 consolidation with Southern, her first nonagreement job, and later was secretary to the executive vice president law.

From there, she worked as a claims agent in Chattanooga and in Roanoke before moving into material management.

If empty cars could be moved more quickly back to the mines, NS would need fewer cars to move the same amount or even more coal. That means NS could save money on the number of new cars purchased to replace aging ones.

Adrian Sinkler

Engineers cost savings

After joining Norfolk Southern's industrial engineering group in mid-March, **Adrian Sinkler** didn't have to wait long for a chance to help improve the company's long-term business success.

The first project landing on his desk: To examine ways NS might reduce future coal car replacement costs, a capital expense currently estimated at more than \$1 billion over seven years. If he can figure out how NS can save even 10 percent, that's \$100 million – no small potatoes.

Getting a chance to work on such an assignment is a primary reason he applied for the job, more than 12 years after earning an engineering degree and then hiring on with the railroad as a train conductor.

"I wanted something where I could go in and use my engineering degree to make a difference for the company," he said. "Any company that wants to continue to succeed has to do the research and make sure it's spending money in the right places. We have limited funding to do capital investment projects, and if we want to concentrate on areas that will give us the bigger bang for the buck, I believe my job is very crucial to that."

In a nutshell, that's what being an industrial engineer at NS is all about. They deal with some of the railroad's toughest challenges.

"We're problem solvers," said **Tim Williams**, manager industrial engineering and Sinkler's supervisor. "We typically are called when the normal business processes in place are not working, and when the normal avenues of solving a problem haven't accomplished it."

In effect, Williams' group is an in-house consultancy, taking on projects suggested by senior management and by any department that needs assistance evaluating and improving a business process. Most of the group's work involves some aspect of operations, such as thorny customer service issues or network performance problems that slow or disrupt train traffic in yards and terminals.

Over the past few years, Williams' group has worked more closely with strategic planning to evaluate proposals for infrastructure improvements and equipment purchases.

"It's important that the railroad doesn't just throw money at a problem," Williams said. "We'll examine projects and make recommendations to help put some priority on them. We'll also look to see if there's a better way to accomplish something that those projects are supposed to accomplish."

Based in Atlanta, the team is part of NS' industrial engineering and operations research group. The team is divided into two sections. One is focused primarily on business process improvements, which is the group Williams heads up. The other develops and evaluates computer models to analyze mainline infrastructure issues, such as how to reduce train delays over specific lines of track.

Sinkler came to Williams' group by a rather circuitous career route. After earning a bachelor's degree in civil engineering from South Carolina State University, he worked six months for that state's department of transportation. While working there, he met a former Norfolk Southern employee who told him about the opportunities the railroad offered.

"I didn't know anything about railroading, so I did some research and found it to be very attractive," he said. "I took the first job that was available in order to get my foot in the door."

After joining as a conductor, he worked his way up to yardmaster and then trainmaster in Atlanta. After 10 years in transportation, he took a job as manager of grade crossing safety with NS' Safety and Environmental Department. When a position opened earlier this year in industrial engineering, he jumped at the chance to get back into the engineering field.

For his first project, Sinkler is relying heavily on Six Sigma tools, which involve analyzing data and mapping out operational processes to identify and fix problems or defects in a process. In this case, Sinkler is studying the movement of specific export coal trains from mine to terminal. The goal is to identify ways to streamline operations, such as reducing terminal dwell time of coal hopper cars.



If empty cars could be moved more quickly back to the mines, NS would need fewer cars to move the same amount or even more coal. That means NS could save money on the number of new cars purchased to replace aging ones.

"We're approaching it with an open mind," Sinkler said. "We'll see what the data is showing us and go from there."

As of May, his work continued on the project. He was unsure what his next project might be.

"We are purely a demand-driven shop," said Williams, his supervisor. "It's whatever we're asked to do."



It's all about safety and security. They go hand in hand.

Curt Stanley

Builds partnerships to keep rail secure

Curt Stanley, a Norfolk Southern supervisory special agent, holds a one-of-a-kind job in the rail industry.

Since August 2003, Stanley has worked as the first and only railroad police officer on the National Joint Terrorism Task Force. While paid by NS and considered a railroad employee, Stanley is based at the National Counterterrorism Center, known as Liberty Crossing, near Washington, D.C., and reports to the Federal Bureau of Investigation.

In his role, he serves as liaison between federal law enforcement authorities and the rail industry, including railroad police forces, and helps focus the two camps on a common goal: To minimize the threat of a terrorist attack on the country's freight rail system. A big part of his job involves building relationships and fostering information sharing. It also involves ensuring that local, state, and federal counterterrorism officials are prepared to respond in a safe, coordinated way if an attack does occur.

"My position here and the overall mission that we've established is assisting the federal government and the freight rail industry with improved security and safer operations," Stanley said. "It's all about safety and security. They go hand in hand."

The rail industry's seat on the National Joint Terrorism Task Force grew out of the Sept. 11, 2001, terrorist attacks on New York and Washington, said **Hugh Kiley**, NS assistant vice president operations and corporate security officer. Officials recognized that a disruption of the country's rail network could have a major impact on the U.S. economy, he said.

Kiley credits Stanley with building strong industry ties with the FBI and other federal agencies that deal with homeland security issues, including the Transportation Security Administration, Customs and Border Protection, and the Coast Guard.

"He has helped foster the trust and cooperation needed to build these strategic partnerships, which we feel have enhanced our security posture," Kiley said.

Stanley helped initiate a training program on rail operations and safety for FBI agents and other designated law enforcement officers known as rail liaison agents, who serve on local joint terrorism task forces established nationwide. The training, designed to familiarize them with various railroad equipment and safety protocol, is now held at NS' training facilities at McDonough, Ga.

Earlier this year, the FBI and the NJTTF named Stanley the task force's 2009 officer of the year, citing his work to support the rail liaison agent program and the JTTF counterterrorism network, which now operates from 106 offices around the country. From 2008 to 2009, Stanley served as manager of the FBI's Rail Security Program in the absence of an FBI supervisor.

"Through Curt, working with the railroads has been a very positive experience for us," said **Mike Ferrick**, an FBI supervisory special agent and acting manager of the Rail Security Program.

In counterterrorism work, intelligence sharing is critical, and Stanley has helped facilitate that, Ferrick said.

"He gives us direct contact with the railroads, and he keeps the lines of communication open," Ferrick said. "If that link didn't exist I do not believe that the daily information we use for operational issues – be it threat information or other information – would make it to us. NS, UP, CSX, and BNSF, as well as KCS, CN, and CP, are so spread out, and the railroad officers at all the various locations wouldn't have contact with an FBI person or know who to contact.

"Basically, the whole system is about sharing intelligence," he added. "A certain piece of information might not mean anything to one person, but if you pass it on to somebody else, it does."

Stanley competed with other railroad police officers for the position and was named to the job by a vote of the industry's Class 1 railroad chiefs of police. At the time of his selection, Stanley was assigned by NS as supervisory special agent of the Norfolk field office. Before joining the NS police force 24 years ago, he worked six years as a patrol officer for the sheriff's department in Roanoke County, Va.

Much of the information that passes Stanley's desk deals with incidents reported by rail industry police. Reports of such things as derailments, thefts of railroad equipment, suspicious activity, and people who don't belong on railroad property are reviewed by federal authorities.

"If there is something that has the potential to be looked at as a domestic terrorism event, it gets reported," Stanley said. "We are always looking at measures, countermeasures, and actions we can do as an industry to prevent any type of attack or incident from occurring on freight rail. It is part of our job to protect railroad employees and property, the freight we haul, and the public. We're always vigilant, we're always watchful." ■ BizNS



Success of a Salesman

Puts a personal touch on customer service



Amrhien started in the business almost 44 years ago, in October 1966, with the former Erie-Lackawanna Railway, a time when salesmen handled most everything the railroad hauled.

While **Bruce Amrhien** never has been tasked with selling ice to Eskimos, chances are he could turn a profit on it.

Amrhien, a Norfolk Southern senior account manager in industrial products, handles some of the railroad's largest agricultural accounts, including Tate & Lyle, a global manufacturer of renewable food and industrial ingredients. If young up-and-comers want to know what it takes to be a top salesman at NS, Amrhien is the role model, according to those who work with him.

"If there is such a thing as a poster child for the qualities that NS is looking for in sales, Bruce is it," said **Steve Blinn**, NS director sales Chicago and Amrhien's manager. "He's the pedigree."

Amrhien turned 68 in March and plans to retire within the year, but he still "runs circles around everybody else," Blinn said.

For the past two years, Tate & Lyle, Amrhien's largest customer, has named him national railroad salesperson of the year. He handles the firm's flagship plant in Decatur, Ill., two facilities in Lafayette, Ind., and a plant in Loudon, Tenn. He helps them ship a variety of corn- and grain-based products over NS' rail network, including ethanol, corn syrup and sweeteners, starches, and a variety of byproducts, including cattle feed and fish meal exported to fish farmers in Brazil and Scandinavian countries.

Lynn Hiser, Tate & Lyle's director of transportation, likens Amrhien to a Wal-Mart greeter.

"He's greeting you as you walk in the door because he wants you to know he wants to do business with you," Hiser said. "His approach is, 'When the customer is happy, everybody's happy.' We may not always agree about rates, but he provides that extra bit of customer service so that you forget about the rate because he did everything else that needed to be done.

"Bruce makes you feel like he's working for you," he added, "but there's no question he's working for the Norfolk Southern railroad."

Hiser said Amrhien pays attention to the details of service, even sending e-mails on a Sunday to let him know a particular issue had been resolved. He is proactive rather than reactive, letting Tate & Lyle know if cars start to pile up in a rail yard, for example, or about opportunities to expand its market reach. During a tough business year in 2009, Amrhien helped win a significant volume of business from a competing railroad by showing Tate & Lyle how NS could reduce the transport time of corn syrup by up to two days.



“The pricing was the same, but if we can reduce our car costs by 24 or 48 hours, that’s money, too,” Hiser said. “That’s how he took the business, and it helped Norfolk Southern’s numbers.”

A thing that stands out, he said, is that Amrhien doesn’t hesitate to ask potential customers for their business.

“One of my biggest frustrations with a lot of sales people is that they never ask for the order,” Hiser said. “They come in and say they have the greatest widget in the world, but they never go the next step and say, ‘Will you buy this widget?’ What puts Bruce as the top railroad salesman is he’s always out there saying, ‘We’ve got the best widget, here’s the reason why, and oh, by the way, we’d like you to try it.’ He’s always asking for the order.”

Amrhien started in the business almost 44 years ago, in October 1966, with the former Erie-Lackawanna Railway, a time when salesmen handled most everything the railroad hauled. He sold intermodal service, then known as “piggyback,” as well as coal, coke, and iron ore, and such commodities as lumber, paper, and clay.

He later worked for Conrail where he spent some time in Tulsa, Okla., selling rail service for chemical and petroleum products. Amrhien was director of sales for Conrail’s agriculture group before NS bought a portion of the railroad.

These days, Amrhien reports to the Chicago sales office, working out of his home in Indianapolis. He’s typically on the road three days a week, last year putting around 50,000 miles on his car visiting customers in Illinois, Ohio, Indiana, Michigan, Kentucky, and Tennessee.

By Amrhien’s telling, a good salesman must engage customers. You talk and probe to learn their business and their needs, and, most important, you listen to what they say. Having an outgoing personality helps. “I’m an extrovert,” he said. “My wife says I’ve never met a stranger.”

A salesman also must be a self-starter. “I work out of my house, and I could sit here and not do anything all day, but I’m up and dressed like I’m going to office at 7:30 in the morning,” he said.

Ultimately, Amrhien said, a good salesman knows that he can’t succeed by himself.

“I’ve been fortunate in that I’ve always had extremely fine people to work with and for, and every one of them has added something to my career to keep me going forward,” he said. “If I take another NS person in to a customer to make a presentation, whether it is an operations person or a marketing person, I always refer to us as the NS team. I don’t think it’s ever ‘I.’ It is always ‘We.’” ■ BizNS

Economic Sustainability: Improving customer service and the bottom line

When employees think about how to make Norfolk Southern more sustainable, many focus on green initiatives to reduce our impact on the environment.

However, economic performance is a key component of sustainability and NS' industrial products and customer service groups have launched several initiatives aimed at long-term business success.

The paper, clay, and forest products group for instance, has piloted a program with Boise Inc. and railroads Union Pacific and Burlington Northern Santa Fe to improve use of high-capacity box cars moving paper products and scrap paper over NS' network and on connecting lines to the West Coast and Pacific Northwest.

The e-commerce division of industrial products and NS' customer service group have made Web-based and wireless tools available to help customers monitor their freight shipments in real time and get rapid response to questions or service issues.

These moves have reduced costs, improved the flow and use of rail cars, and enabled NS to offer more efficient service.

"When we talk about economic sustainability, our goal is to keep the assets spinning – that's how we make money and that's how our customers make money," said **David Lawson**, NS vice president industrial products. "These initiatives are a value-add we provide in the marketplace to make it easier and more cost-effective for customers to do business with us."

An added bonus is that they enable NS and customers to improve both their bottom lines and conduct business in greener ways.

The initiative with Boise is a good example, said **Sarah Milam**, NS product manager paper, clay, and forest products. Across the railroad's network of paper customers, NS has projected moving 157,000 box cars of paper and related product in 2010.





■ At the Boise Inc. paper mill in Jackson, Ala., Boise employee Roy James loads a Norfolk Southern rail car with boxes of Boise Aspen 30, a recycled paper produced at the mill for use in high-speed copiers, printers, and fax machines.

“Paper is an integral part of our business, and we want our customers and our employees to understand that there are environmental and economic benefits to using paper,” Milam said. “A unique feature of paper is that it can be reused to make new paper, allowing us to reduce waste and our need for trees to make paper. We have capitalized on that reusable nature to achieve operating efficiencies that significantly reduce our costs and make better use of our assets.”

‘Triangulation’ and collaboration

NS worked with Boise to avoid the costs of hauling empty rail cars to a major paper mill in Jackson, Ala.

NS and Boise identified suitable scrap paper vendors along NS’ network in the Northeast and Midwest to fill high-capacity cars that otherwise would return empty to the plant. Boise uses the scrap paper to manufacture a higher-value recycled-content cutsize paper used in office copiers.

With Boise’s collaboration, NS also worked out a “directional loading” system with UP and BNSF that has eliminated cross-country hauls of empty cars. It has enabled the railroads to reload cars with paper product or scrap as they move from Jackson to delivery points on the West Coast and Pacific Northwest, and then as they are returned to the East Coast with product for customers in the Southeast or Northeast.

Milam calls it the group’s “triangulation” strategy. “Reloading those cars and eliminating our empty car costs has a huge impact on making our pricing more competitive in the marketplace,” she said.

On average, the 60-foot cars Boise uses can haul 97 tons of paper, compared with about 22 tons in a truck, giving the company a more than 4-to-1 productivity gain in each rail car, Milam said.

Baird Spicuzza, NS director paper, clay, and forest products, said the aim is to get other paper companies to adopt a similar rail strategy. Converting shipments from highway to more fuel-efficient rail is another way customers can address their own sustainability initiatives, he said.

“These customers are buying scrap material and moving it by truck today,” Spicuzza said, “so if we’re able to put it on rail, we can lower their transportation costs and their carbon footprint.”

While directional loading is more complex to manage, the effort is worthwhile, said **Ross Corthell**, Boise Inc.’s general manager transportation.

“We’ve worked together to manage a very challenging process, and all the stakeholders have benefitted from that economically in the immediate term,” said Corthell. “In the longer term, I think this asset utilization model will help us all reduce costs. When the next up cycle in the economy really takes hold, there’s not going to be enough space to run empty cars around.”

While the initiative is in its infancy, he said, “We’re taking solid steps to grow that business.”

“We felt really good that Norfolk Southern’s marketing group had the same vision as we have in terms of thinking creatively about how we can better manage assets,” Corthell said. “If we don’t find smarter ways to utilize our assets then, globally, we fail to compete. We are really excited about our participation in this program.”

Doing business online

NS' customer service group last year rolled out an initiative that is helping the railroad address one of its biggest customer complaints.

Dubbed "Pacesetter," the Web-based program gives customers the same view of their rail shipments as NS has internally. They know not only when a freight shipment arrives at a particular terminal, but when the cars have moved from the receiving yard to the classification track and are available for unloading.

By helping customers better manage their supply-chain pipeline, Pacesetter ultimately helps reduce their demurrage costs, a fee NS charges if a customer fails to unload a shipment after a certain period of time.

"Demurrage is a small percentage of our revenue, but it's probably the No. 1 gripe of our customers," said **Rush Bailey**, NS assistant vice president customer service.

In addition to saving customers money, the system has eased congestion in rail yards and allowed NS to turn cars more quickly. With Pacesetter, customers are releasing cars to NS almost a day earlier than before, Bailey said.

Customers who sign up for the free service must agree to go online to order and release rail cars and to verify that their demurrage records are correct. Using the Internet, rather than telephone or fax, means productivity gains for NS, Bailey said, because there's no "hands on" to take orders or enter data.

That makes Pacesetter a good sustainability initiative on many levels.

"We have to stay ahead of the game with our customers," he said, "and this is an example of how we're applying new technology and doing things differently to make it easier for them to do business with us."

In two other sustainability initiatives related to customer service, the e-commerce group has rolled out "live chat" and text message alerts.

Customers interested in tracking a special shipment can have a text message sent to their cell phone or handheld device when the shipment arrives at a specific destination.

"Everyone is so much more mobile, and this gives our customers the ability to get the information they need without being tied to their office and sitting at a computer terminal," said **Carol Orndorff**, NS director e-commerce. "A lot of these folks are traffic managers who have to be out on the dock

working with their folks to make sure they keep their supply chain and pipeline moving fluidly."

With live chat, which is similar to an online shopping site, customers can log on to accessNS, click a chat button, and type in questions regarding bills of lading, service issues, or other concerns.

It's good for customers because they don't have to deal with telephone voice mail and waiting for a return call. It's good for NS because an employee on the e-commerce help desk can work on several online queries in contrast with handling only one phone call at a time.

Since introducing live chat last September, the number of customer sessions per month has increased from 150 to more than 500 in March.

NS is the first Class I railroad to offer text alerts and live chat, Orndorff said.

"It says something about your company if you give customers superior service and some really cool tools that no one else in the industry is offering," Orndorff says. "We like to think that these are things that will make customers say, 'Hey, they're great to work with, and I'm going to stick with them.'" ■ BizNS

Online commerce is good for customers because they don't have to deal with telephone voice mail and waiting for a return call. It's good for NS because an employee on the e-commerce help desk can work on several online queries, in contrast with handling only one phone call at a time.

Going to the dogs

K-9 partners form strong, unique relationships

Working with a partner every day can be a challenge. It's even more challenging when that partner has four legs and lives with you and your family. Norfolk Southern's K-9 partners work together to protect and serve the communities where they live and work. But there's more to it than just work.

What is unique is the relationship that each officer forms with his K-9 partner. Just as people have different personalities, so do the dogs. Each partner has to work to understand that personality and work together as a team.

Hugh McCormack, supervisory special agent and K-9 supervisor trainer in Chicago, oversees the K-9 teams. The first K-9 partners began working in Chicago in 1999. There are 10 teams across the system and three in training.

Dogs are chosen for their personality traits, trainability, and intelligence. They have to know the difference between acceptable work and home behaviors, and how to interact appropriately with people on the job.

"We try to match personalities: strong dogs with strong handlers, mellow dogs with mellow handlers," McCormack said. "When selecting dogs, we try to find ones that fit the perfect triangle of drives: prey, defense, and sociability. The more equal each side of the triangle, the more balance in the dog."

New K-9 teams spend four weeks in patrol training. Training days are long, 12 to 14 hours, and the dogs are exposed to situations they might encounter on patrol. They are trained in obedience, agility, area searches, building searches, aggression control (bark and holds), and tracking. They encounter water, run over logs and other obstacles, and they even have to maneuver over slick floors. It takes more than a year for the officer and the dog to bond completely.



■ Hugh McCormack, supervisory special agent and K-9 supervisor trainer in Chicago

Dogs are chosen for their personality traits, trainability, and intelligence. They have to know the difference between acceptable work and home behaviors and how to interact appropriately with people on the job.

■ Right: Ron Lubek with Agbar in Chicago

■ Bottom: Joey Shirley with Smoke in Atlanta

Ron Lubek, a special agent in Chicago, and his K-9 partner **Agbar**, a 3-year year old German Shepherd, have been working together since fall 2009. Lubek and McCormack were the first K-9 officers in the NS police department. Agbar is trained for patrol and explosive detection.

Lubek said behavior at home is part of the training process for the dogs and the families with whom they live.

"Agbar is very focused on his job and is very family oriented," Lubek said. "I have very young children at home, so it's important that Agbar understands when he's working and when he's not. It's also important for family members to know how to treat a K-9 properly."

Joey Shirley, a 25-year special agent in Atlanta, is working with a new partner, **Smoke**, a 13-month-old Belgian Malinois-German Shepherd mix. Shirley got into the K-9 program seven years ago.

"We finished our patrol training in late May, and we're using all the skills Smoke learned as we work together," Shirley said. "He's very laid back, quiet, and good with people as we go through our normal workday. However, I know he will be a formidable opponent when he has to be."

Shirley and Smoke will receive six weeks of explosive detection training at a later date.

Losing a partner can be devastating

Shirley's former partner, Muis, was a well-known fixture at the David R. Goode Building in Atlanta. The Belgian Malinois was a favorite of NS employees who work in the building. He was humanely euthanized after he was diagnosed with terminal cancer.

"I think of him every day," Shirley said.





Al Shackelford, director police, summed up the strong bond between K-9 and officer when he described Muis' last goodbye.

"Officers from the area met to bid Muis a farewell and escort him on his last ride in a convoy of police vehicles," Shackelford wrote to NS police personnel. "When the convoy pulled into the veterinarian's parking lot, there were more officers waiting. The officers gathered around, and Muis went one by one to each officer, laying his head in their laps. In the parking lot, you could hear the K-9s from all the jurisdictions barking their goodbyes. Every officer waited as Officer Shirley entered the building with Muis. Support for Muis and Joey came from the Douglas County Sheriff's Office K-9 Unit, the K-9 units of the Douglasville, Villa Rica, Austell, Fairburn, and Hiram police departments. Muis went peacefully and will truly be missed."

Ron Lubek's former K-9 partner, **Devil**, was killed in March 2009 as he pursued burglary suspects.

"Devil was hit by a passenger train as he did his job," Lubek said. "It was so devastating that I couldn't go to him. I knew he was gone. We had worked together for about four years, and losing him was like losing a family member. I don't think that pain will ever go away."

Lubek's original partner, **Gerry**, retired and lived the rest of his life in Lubek's home.

"Working in the K-9 unit is a great opportunity," Lubek said.

"I got into this part of police work because I love animals," Shirley said. "It's very demanding, and it's very rewarding."

"Our K-9 teams are an important part of our police work at Norfolk Southern," Shackelford said.

"They provide us with unique skills and tools to protect our people and our property. Our dogs are police officers, and when we lose one of them to injury or illness, we've lost a valuable member of the department."

A memorial to the two fallen K-9 partners, Muis and Devil, is being planned for the police headquarters office in the Goode building in Atlanta. ■ BizNS

Keeping track of cars becomes easier

A new technology called remote intelligent terminal is making it easier for Norfolk Southern customers to track their shipments in real time. The project is part of NS' Track 2012 process, a plan to significantly improve all aspects of the company's business.

Prior to RIT, crews recorded information on paper and faxed it to centralized yard operations at the end of the workday. With the new technology, there is a paper backup system for hazardous material shipments.

RIT is GPS-based. As NS crews arrive at a customer location, they receive automatic updates on which cars they will work with and their locations. That data is then transmitted into NS' Thoroughbred Yard Enterprise System using a docking station in crew rooms and a land line or wireless transmission. It saves time over conventional methods and ensures more accurate data reporting. NS customers can view the information on a real-time basis.

Prior to RIT, crews recorded information on paper and faxed it to centralized yard operations at the end of the workday. With the new technology, there is a paper backup system for hazardous material shipments.

The development team included four conductors from the Georgia Division. "We wanted to make sure we were heading in the right direction with this technology," said **Brad Fitzgerald**, director CYO. "Having people on the team who would actually use the technology gave us a much better end product."

RIT is used on the Alabama Division at Mobile, MacIntosh, and Demopolis, Ala., with plans to expand to Selma, Ala., Wilton, Ala., and New Orleans.

"We have 21 conductors across the system who will conduct peer-to-peer training for RIT," Fitzgerald said. "It makes sense to tap into the knowledge and experience of our conductors to help roll out this new technology, just as we did in its development."

Fitzgerald said it will take approximately 24 months to reach all locations. New hires will receive training at NS' McDonough, Ga., training center. Rollout will include the Georgia, Piedmont, and Harrisburg divisions within the next few months.

"We want to do this the right way, so we're not rushing out to train everyone at once," Fitzgerald said. "RIT is an important development for NS customers and employees. Our customers get timely, accurate information when they want it, and our crews have a tool that helps them be more productive." ■ BizNS



■ Kyle McGhee RIT conductor

Busted

Pilot project nabs suspects

A pilot project between Norfolk Southern and the New Jersey Office of Homeland Security and Preparedness to study security issues and potential terrorist threats had a big payoff shortly after it was installed. Two trespassers were apprehended while allegedly stealing merchandise from a container, and two more were identified.

The pilot uses cameras that detect when a person enters railroad property. The particular stretch of track chosen for the pilot has many characteristics that make it the best candidate for the pilot.

"The track has a very sharp curve, and trains have to slow down significantly to navigate the curve," said **Joe Geng**, regional superintendent, NS police. "That means there is the potential for someone to trespass on our property and possibly cause trouble. It also is in a heavily populated urban area with three separate passenger or commuter operations nearby."

NS worked with the Transportation Security Administration's Office of Science and Technology to develop the best system for the pilot. The system was designed by the United States Naval Research Laboratory.

"Working together, we wanted to make sure we had a system that we could test here and perhaps be able to use similar ones in other areas on our rail system," said **Hugh Kiley**, assistant vice president operations. "Building strong relationships with state and federal security agencies is good for our business and good for the communities we serve."

The cameras provide color and thermal images to monitors in a central command center. The system sends an alert 30 seconds after someone enters the track area. Special agents also can access the images via laptop computers so they can respond quickly to trespassing incidents. The system also will have text message capability.

In place since late December 2009, the system has shown positive results already.



■ Cameras project color and thermal images to a command center, where police can monitor intruders.

"The cameras detected a number of trespassers on the track just as a train was slowing to navigate the curve," Geng said. "Our officers were able to respond quickly and apprehend a number of the trespassers who we observed breaking into a container and stealing some of the contents."

"We've taken a leadership role working with the Department of Homeland Security, the Transportation Security Administration, the Federal Railroad Administration, and the states in our rail system to enhance security," Kiley said. "That includes the National Joint Terrorism Task Force where NS special agent **Curt Stanley** represents the railroad industry."

Kiley said the city of Chicago worked with NS to install cameras and additional fencing along NS tracks in some areas and the company received a grant from Homeland Security for a project at the Hannibal Bridge over the Mississippi River. TSA will work with NS to look at all bridges and how to enhance security on and around them. ■ BizNS



ON THE COVER:

Agbar, a German Shepherd, is a member of one of 13 K-9 teams on the Norfolk Southern system.

BizNS presents an in-depth look at the challenges and opportunities Norfolk Southern faces. It is produced by the Corporate Communications Department.

Andrea Just
EDITOR

Jon Glass
CONTRIBUTING WRITER

Frank Wright
DESIGN MANAGER

Audra Byrn
DESIGNER

Veronica Dana
Stan Kingma
Nicole Michael
Steve Smedley
PHOTOGRAPHERS

CONTACT US:
Three Commercial Place
Norfolk, Va. 23510

e-mail:
bizns@nscorp.com

2011 NS wall calendar contest call for entries

If you haven't ventured out to take any photographs yet, it is time to start thinking about sending in your entry for the annual Norfolk Southern wall calendar contest.

You can win \$500 and 50 calendars and have your name and photo appear on 115,000 copies. The contest is open to active employees of NS and subsidiaries.

You may enter up to five images. For digital photos, use a four-megapixel or higher camera and submit images on a CD along with a README file giving specifics of the photo and photographer information. RAW or TIF images are preferred. Do not over-sharpen images.

For slides, submit horizontal images only. If you are submitting large format transparencies or prints, send the entire negative strip. For each photo, provide details, such as location and time of year, origin, destination, and cargo, if known. Entry deadline is Aug. 2, 2010.

For more calendar contest details and to print out an entry form, go to www.nscorp.com/calendar. If you have questions, contact **Rhonda Broom**, manager advertising and promotions, at (757) 629-2706 or e-mail rhonda.broom@nscorp.com.

Send entries to: 2011 Calendar Contest, Norfolk Southern Corp.,
Three Commercial Place, Norfolk, VA 23510-9217

As always, practice Thoroughbred safety when taking photographs. ■ BizNS

