



Safety is
the first priority
at Norfolk Southern

Biz NS

July/Aug '09

3 SAFETY CULTURE
DEFINES NORFOLK
SOUTHERN

6 PREVENTING
INJURIES

9 NS MECHANICAL
DEPARTMENT
MAKES HISTORY

12 NORFOLK
TERMINAL B&B
TEAM – 13 YEARS
INJURY-FREE

16 2008 SAFETY
PERFORMANCE
WINNERS

18 WINS – LEADING
CHANGE

19 SAMUEL SPENCER
STATUE – HOME

21 NS EARNS
AUTOMOTIVE
AWARD

BACK COVER
REMEMBERING
ARNOLD B.
MCKINNON



2005



2006



2007



2001



2002



2003



1997



1998



1999



1993



1994



1995



1989



1990



1991



Solid gold!

2008 – our 20th consecutive year winning. This year also showcases a new design.

Two decades of safety leadership



2004



2000



1996



1992



When CEO Wick Moorman accepted Norfolk Southern's 20th consecutive E.H. Harriman Gold Medal Award for employee safety, the latest chapter was written in the company's historic quest for an injury-free work place.

Through 20 years of industry leadership, NS has demonstrated its commitment to the dual goals of zero injuries and zero incidents. In 2008, NS led Class 1 railroads in safety with a ratio of 0.94 injuries per 200,000 employee-hours worked – down from 1.16 in 2007.

NS' safety performance began turning after the railroad hired DuPont Consulting in 1988 to review the railroad's safety programs, analyze problems, and make recommendations on ways to reduce injuries. At the time, DuPont's safety record was world-renown, with annual injury ratios as low as 0.33.

With DuPont's help, NS developed a prevention process that forms the nucleus of the railroad's Six Point Action Plan for Safety of Operations. It focuses on such tools as safety audits, recognition of safe behavior, proper training, rules compliance, and communicating the commitment to safety.

■ NS employees received a 20th consecutive E.H. Harriman Gold Medal Award for employee safety at ceremonies in Washington, D.C., in May. L to R: Mark Manion, executive vice president operations and chief operating officer; Wick Moorman, CEO; Steve Tobias, retired vice chairman and chief operating officer; and Ed Hamberger, president Association of American Railroads.

■ NS received its first Harriman gold for its 1989 safety performance. L to R: Gilbert Carmichael, then administrator of the Federal Railroad Administration; Arnold B. McKinnon, then CEO; and Pamela Harriman, wife of Hon. Averell Harriman, E.H. Harriman's son.



■ The back side of the Harriman medal depicts a lantern noting progress in safety and accident prevention.

The year after NS implemented DuPont's recommendations, 1989, was one to remember. Around the world, history was being made: the Berlin Wall fell, Czechoslovakia's Velvet Revolution peacefully broke the grip of Soviet domination, and the first of 24 GPS satellites was launched into orbit. In America, George H.W. Bush became the 41st president, "Batman" was the year's most popular movie, "L.A. Law" won an Emmy for outstanding drama series, and a gallon of gas averaged 97 cents.

NS also was making history. That year, NS employees recorded an injury ratio of 4.83, the railroad's lowest rate since its 1982 consolidation. Even bigger, they won the Harriman gold medal for the first time.

NS' then-CEO **Arnold B. McKinnon** accepted the award at a Washington ceremony. The June 1990 issue of "World," NS' employee newsletter, recorded McKinnon's remarks:

"Safety is our No. 1 priority at NS," he said. "Safety comes before profit. It comes before customer service. It comes before stakeholder value. It comes before all the things that one usually thinks of when a business is asked to list its priorities. We recognize that all those other priorities are meaningless if they're achieved at the price of injured employees.

"To create a truly safe environment, we must be fully aware of problems, acknowledge that they exist, and take corrective steps immediately – and the number of accident reports will take care of itself," he added.

McKinnon's philosophy was that a safe environment was all about paying attention to details. "An injury requires that only one detail be missed," he said. Through teamwork, he added, employees could avoid mishaps by "helping each other catch the details."

A year after winning the Harriman for the first time, the April 1991 issue of "World" reported that employees who attended NS' awards banquet were full of "heady talk" about the possibility of winning for the second year in a row.

By 2000, after NS had captured Harriman gold for the 11th consecutive year, taking home the Harriman seemed business as usual. That year, then-CEO **David R. Goode** elevated customer service as an equal to safety. That reflected in part the operational challenges NS faced in 1999 as the railroad began integrating Conrail into its rail network. However, it also came as recognition that NS had learned how to operate safely.

"You've shown the industry and the world how to be a safe railroad," Goode told employees. "Now, we must apply the same commitment – the same dedication – to customer service. We can do both, and let's begin by recognizing that great service begins with each of us."

Over the past two decades, it's not hard to explain why NS has been so successful with safety performance, said **Barry Wells**, system director safety.

"It starts with commitment from the top, from the chairman, and it transcends all the way down through the rest of the organization, from the yard supervisors to the people out there switching box cars, maintaining locomotives, and repairing track," Wells said. "When a new person is hired, he or she knows in a short time that safety is first in everything we do, and they buy into it, they want to participate in the process. They understand it's the right thing to do, not only for them, but for their families." ■ BizNS

Safety culture defines Norfolk Southern, and every employee plays a role

The traditional gift for a 20th anniversary is china, but the only china at the E.H. Harriman Awards banquet was on the tables. Norfolk Southern employees struck gold as they were honored with an unprecedented 20th consecutive E.H. Harriman Gold Medal Award for employee safety.

The award is based on injury rates as calculated by the Federal Railroad Administration. NS' injury rate for 2008 was 0.94 injuries per 200,000 employee-hours worked, down from 1.16 in 2007. NS employees logged 169 days without a reportable injury during 2008, an improvement over 2007, when employees logged 143 days without a reportable injury.

CEO **Wick Moorman** accepted the award at the annual ceremonies held in Washington, D.C.

"I'm proud to accept this award on behalf of our 30,000-plus employees," Moorman said. "Our safety culture defines our company. We are successful because everyone at Norfolk Southern plays a role and is involved in making NS safer. It is our first priority every day from top to bottom."



■ Members of a track gang in Norfolk make safety their first priority.

THE HARRIMAN AWARDS

> A HISTORY

The annual rail employee safety awards were founded in 1913 by Mary W. Harriman in memory of her husband, Edward H. Harriman, a pioneer in American railroading. For many years, the program was sponsored by two sons, E. Roland Harriman and the Hon. W. Averell Harriman, a prominent politician, diplomat, and businessman. Both are now deceased. The awards currently are administered under the auspices of the E.H. Harriman Memorial Awards Institute, with support from the Mary W. Harriman Foundation.

Winners are chosen by a committee of individuals in the transportation field. Awards are granted to railroads on the basis of the lowest casualty rates per 200,000 employee-hours worked — a formula that takes into account the volume of work performed, as well as the number of fatalities, injuries, and occupational illnesses confirmed by the Federal Railroad Administration.

At the time the Harriman awards were founded, railroading was considered among the nation's most dangerous occupations. However, employee injury rates have declined sharply since then. Today, railroad employees have injury rates comparable to those experienced by employees in retail stores and lower than those experienced by employees in other modes of transportation.

1. **Frank Orecchio**, train dispatcher, Susquehanna, Pa.
2. **Wick Moorman**, CEO, Norfolk
3. **Scottie Spears**, carman, Charlotte, N.C.
4. **Shae Kemp**, crew dispatcher, Atlanta
5. **Suzy Charles**, accountant, Roanoke
6. **Arlene Floyd**, chief clerk, Roanoke
7. **Marlene Garten**, safety coordinator system, Roanoke
8. **Karen Howard**, lead clerk, Atlanta
9. **Tim Drake**, vice president engineering, Atlanta
10. **Steve Tobias**, retired vice chairman and chief operating officer, Norfolk
11. **Deb Butler**, executive vice president planning and chief information officer, Norfolk
12. **Andy Corcoran**, general solicitor, Norfolk
13. **Eddie Little**, B&B foreman, Savannah, Ga.
14. **Randy Reeves**, machinist, Roanoke
15. **Mike Wheeler**, vice president transportation, Norfolk
16. **Rudy Husband**, director public relations, Philadelphia
17. **Tom Sevigny**, secretary, Roanoke
18. **Mark Manion**, executive vice president operations and chief operating officer, Norfolk
19. **Barry Wells**, director safety, Roanoke
20. **Gerhard Thelen**, vice president operations planning, Norfolk
21. **Jeff A. Dodd**, coordinator workplace design, Roanoke
22. **Jim Squires**, executive vice president and chief financial officer, Norfolk
23. **Jesse Austin**, head clerk, Atlanta
24. **Fred Ehlers**, vice president customer service, Atlanta
25. **Tim Heilig**, vice president mechanical, Atlanta
26. **Jerry Bean**, engineer, Decatur, Ill.
27. **Mike Boyer**, chief clerk, Harrisburg, Pa.
28. **Greg Beemler**, engineer, Edgemoor, Del.
29. **Perry Burgess**, carman, Sheffield, Ala.
30. **Andrea Just**, manager corporate communications, Norfolk
31. **Kirk Porter**, conductor, Greenville, S.C.
32. **Chuck Wehrmeister**, vice president safety and environmental, Roanoke
33. **Steve Grabill**, sheet metal worker, Enola, Pa.
34. **Hugh Kiley**, assistant vice president operations, Norfolk
35. **Jeff M. Dodd**, signal electrical specialist, Decatur, Ill.
36. **John Rathbone**, executive vice president administration, Norfolk



Moorman also paid tribute to all railroad employees for their commitment to making the workplace safer.

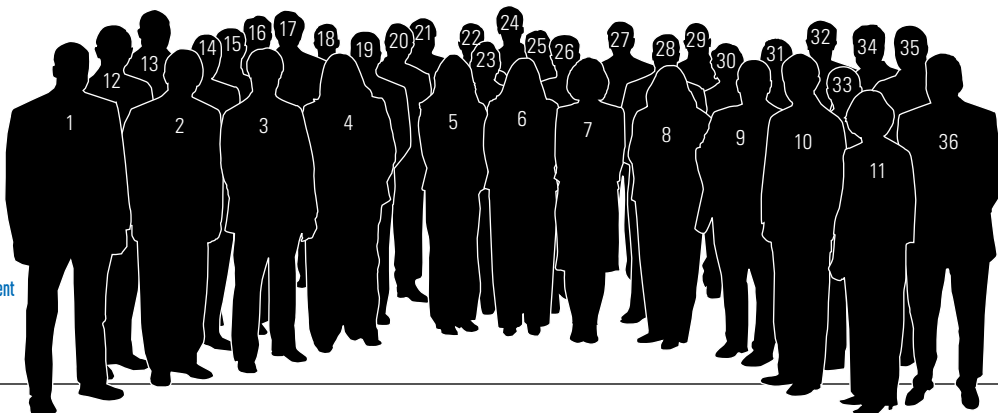
"Everyone is a winner in the safety process," Moorman said. "All railroad employees have worked to make this industry one of the safest, with an enviable record that many wish to emulate."

Retired Vice Chairman and Chief Operating Officer **Steve Tobias** received a rarely given lifetime achievement award from the institute for his 40 years of leadership in making NS the safest railroad and working to improve the overall safety record of the industry.

Throughout his career, Tobias worked not only at NS, but at the national level, to help reduce injuries and work toward a goal of zero injuries and zero incidents.

Moorman credited Tobias with NS' success in reducing injuries. "Steve Tobias has played a more than significant role in our safety process and in creating our safety culture," he said.

Also honored was **Jerry Bean**, a locomotive engineer from Decatur, Ill., and NS' Harold F. Hammond Award nominee. ■ BizNS



Meet Jerry Bean

2008 NS Harold F. Hammond Award Nominee

Jerry Bean, a Norfolk Southern engineer from Decatur, Ill., is a second-generation railroader whose commitment and dedication to safety, both at work and in the community, has earned the respect of his NS colleagues and others.

He has served as a member and in leadership roles on his local safety committee, actively involving his co-workers in the safety process through safety training activities in Decatur, safety workshops, and terminal cleanup days.

"I like being involved at my workplace and in the community, so I joined our safety committee to see what kind of a difference I could make as part of the team," Bean said. "As time went on, I tried to get others involved in what we were doing, and it made our efforts more successful."

Bean said his goal is to help people understand the "whys" of safety.

"Safety is more than a rule book to me. It's about how you live every day, and how you encourage others to be part of the process," he said.

Working with the Decatur Fire Department, Bean led a review of the Decatur Terminal Evacuation Plan, arranged regular drills and tours for engine houses, and set up testing of fire hydrants and other recorded locations. Most importantly, Bean secured a discretionary grant from NS and presented it to the Decatur Fire Department to purchase key entry boxes for the elderly in the community, so firemen could gain access to their homes in an emergency.

In the community, Bean has been a facilitator for Operation Lifesaver, an international public education program established to end collisions, deaths, and injuries at places where roadways cross train tracks, and on railroad rights of way. He also organizes the annual Decatur Santa Train, which carries OL's message – Look! Listen! Live! – to more than 1,300 people and generates large donations of canned food for local charities.

Bean also is the NS liaison to the Archer Daniels Midland Contractor Safety Committee and served on the Customer Quality Team that secured intermodal service for Decatur.

He has worked injury-free for 41 years and plans an August retirement.

And, what is his advice to younger railroaders?

"This is a great industry to be part of, and you have to make it work for you," he said. "Get involved in activities at your workplace and encourage others to do the same. Even though the work can be difficult and the hours long, it's all worth it in the end."

The Harold F. Hammond Award was established in 1986 and is awarded to an individual railroad employee who has demonstrated outstanding safety achievement during the preceding year. It is named for the late Harold F. Hammond, former president of the Transportation Association of America. ■ BizNS

"Safety is more than a rule book to me. It's about how you live every day and how you encourage others to be part of the process."

~ Jerry Bean, locomotive engineer



■ Jerry Bean, a locomotive engineer from Decatur, Ill., was NS' Harold F. Hammond Award nominee.

Working safely at NS boils down to one goal – preventing injury

In work locations across Norfolk Southern, you can find them – bulletin boards packed with safety information.

The “official” boards display such items as directors’ safety notices, corporate safety goals, and reports of serious incidents. Others, though, feature photos of children and spouses – posted by employees as a reason why they work safely.

The effect is powerful and personal – and one more way NS employees get involved in promoting job safety.

It’s all aimed at one primary goal: preventing accidents.

“It is No. 1 in everything we do,” said **Barry Wells**, NS’ system director safety.

Based on injury rates, railroad employees these days are less likely to be hurt on the job than workers in many other occupations, including mining, trucking, aviation, and factories – even hotels and large merchandise retailers.

“It’s because we have a focused safety process,” Wells said. It’s no coincidence, for instance, that the first letter in SPIRIT, the acronym for NS’ core company values, stands for safety.

“Safety and proper safety compliance reside within every individual at NS,” Wells said, “and each and every employee shares responsibility for keeping the work environment safe and injury-free.”

Many locations around NS’ 22-state system can attest to injury-free work performance, and they all have something in common: The work force has taken ownership of the safety process.

“They understand the importance of complying with the rules, and they generally take charge of the safety committees,” said **Mark Manion**, executive vice president and chief operating officer. “You find that they have a caring attitude about each other, and frankly, when you walk into their work area, you enter a positive atmosphere.”

Also key is having supervisors who value working with and helping their employees. They listen, handle work issues, and act on employee ideas, Manion said.

NS requires supervisors to conduct weekly safety audits to ensure that work areas are kept safe and that employees are working safely. Done properly, audits provide opportunities to recognize and reinforce good rule compliance, as well as to correct deficiencies, fix hazards, and find ways to do jobs more efficiently, Manion said.

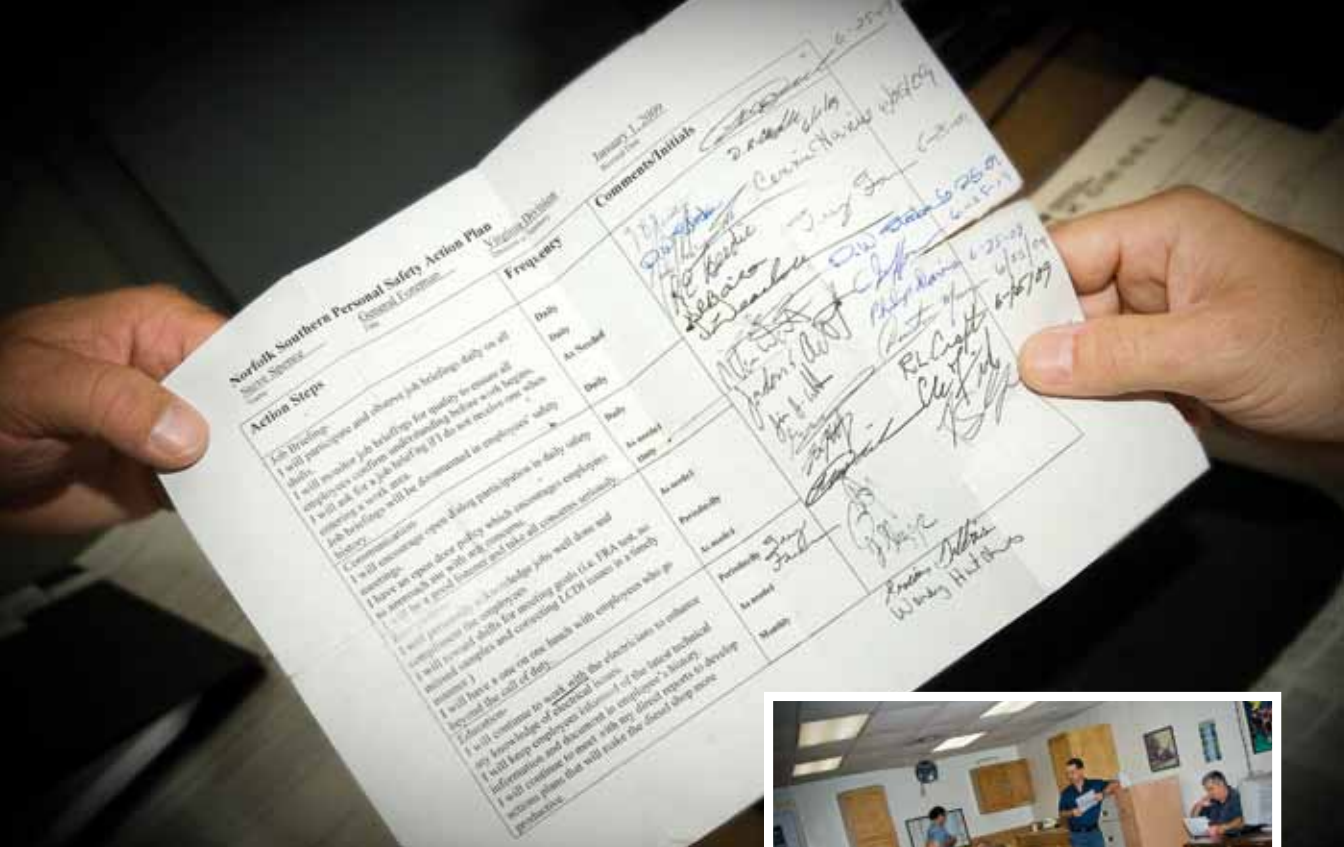
Some locations have progressed to the point that employees – and not just supervisors – actively participate in the audits. When employees take the initiative, the audits can be even more effective.

“This is not a punitive process – no one gets in trouble or has their name recorded for citing an infraction – the focus is all positive,” Manion said. “It’s being proactive and is a great example of people caring about each other.”

Another central component of NS’ safety process is the Personal Safety Action Plan, known as PSAP. Every supervisor is required to develop one, and all employees are encouraged to create their own.

The PSAP is a written list of things an employee pledges to do to contribute to safety at NS. It covers four areas: job briefings, communication, education, and recognition. Manion folds his into a leather planner he carries in his coat pocket, and he refers to it in the field. PSAPs are intended to get supervisors out of their offices, mingling and talking with employees to build stronger relationships and teamwork.

“It’s being there with them, understanding what they do and how you can assist them to make things safer,” said **Tim Drake**, vice president engineering. “Whenever I’m out on the railroad, I talk to everybody from the youngest laborer to the oldest supervisor. My PSAP is tied to being engaged with employees at all levels of my department.”



“Safety and proper safety compliance reside within every individual at NS, and each and every employee shares responsibility for keeping the work environment safe and injury-free.”
~ Barry Wells,
system director safety

■ Top Photo: Steve Spence, general foreman of the Norfolk diesel shop, shows the goals in his Personal Safety Action Plan. He gets employees to review and sign his PSAP so they know what he is holding himself accountable to do to promote safety at NS.

■ Employees at the Norfolk diesel shop conduct a job safety briefing.

When in the field, **Tim Heilig**, vice president mechanical, asks employees to sign his PSAP. “I want people to know what I’m holding myself accountable for,” Heilig said. “I think you can be a really effective manager if you’re out there walking the walk and not just talking the talk.”



There are good reasons why NS focuses on prevention. Year after year, for example, the largest number of injuries at NS involves a seemingly simple activity – walking.

According to reports filed with the Federal Railroad Administration, NS employees slipped, stumbled, and fell while walking, sometimes on ballast, on irregular surfaces, on patches of ice, or on greasy spots.

Overexertion is another common source of injuries, sometimes while walking but also when applying or releasing handbrakes, lining switches, lifting equipment and other material, and adjusting couplers.

Those mishaps, however, can be avoided. NS statistics show that roughly 96 percent of all reportable injuries result from some type of unsafe behavior or activity, and not from conditions in the field. In fact, most conditions were caused or overlooked by someone’s unsafe behavior or action.

“Usually things happen because someone is in a hurry, or they’re not paying attention,” Wells said. “But if you’re thinking prevention, by using the proper footwear, or by taking your time, or by being aware of your surroundings, you can avoid accidents. That’s why we focus on behavior, because we know that’s the best way to reduce injuries.”

NS stresses the importance of safety for everyone, noting that office workers who become careless or distracted can trip and fall, for instance. Some railroad jobs, however, expose workers to more potential hazards.

According to FRA data, road freight conductors and engineers – followed by yard conductors, yard foremen, carmen, and machine operators – typically have the highest number of injuries. In large part, that's because they make up the largest portion of the rail industry's work force. They also work around big moving equipment and hold jobs that require a lot of physical activity.

"You've got to pay attention and avoid distractions," said **Mike Wheeler**, vice president transportation. "For any work that puts employees near the tracks or moving equipment – the 'danger zone,' so to speak – we have very specific rules about how you go in and do that and protect yourself."

That's why NS is so keen on training, rules compliance, and other preventive measures, said Wheeler, whose department includes train engineers and conductors.

"One of our long-term challenges is getting our train and engine employees to be in the safety audit mindset all the time," Wheeler said. "That means having employees who aren't afraid to tell a co-worker that they're doing something unsafe that could hurt them or someone else."

"Our safety committees – our labor leaders and our craft employees – are the ones who drive the safety process at the local level," Wheeler added. "When you look at locations that have a good safety

performance long-term, you find safety committees that are very active, and you find employees who are willing to be their brothers' and sisters' keepers."

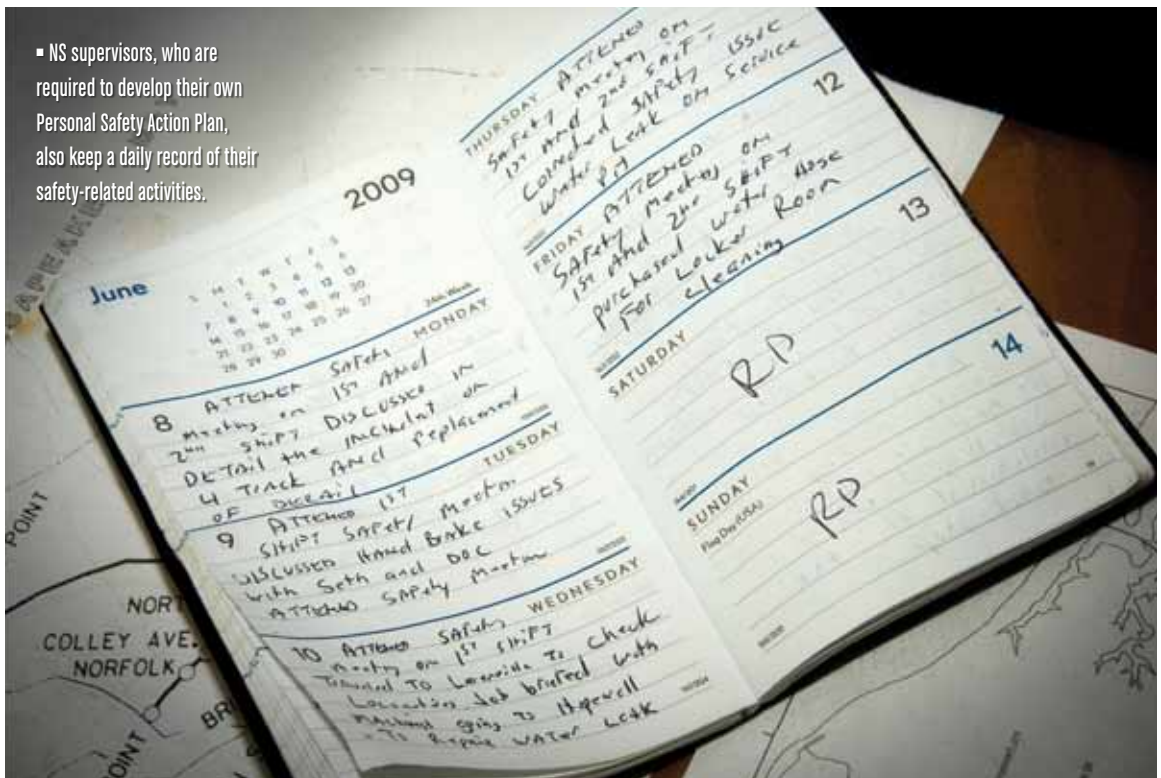
Manion praised employee efforts to improve NS' safety performance. Their efforts in 2008 resulted in NS winning the Harriman Gold Medal Award for safety for an unprecedented 20th consecutive year. The real value in winning the award, Manion said, is recognizing NS employees' hard work and the railroad's success in ensuring that they return home safely to their families each day.

"It makes you feel good to get out with our employees who have had great success with safety," Manion said. "You find them all over the system – maintenance of way production gangs, mechanical shops, train and engine forces. They follow the fundamentals, take responsibility for their own actions, look out for each other, and treat each other with respect. It may not sound fancy, but our people demonstrate that it works."

■ BizNS

*"When you look at locations that have a good safety performance long-term, you find safety committees that are very active."
~ Mike Wheeler,
vice president transportation*

■ NS supervisors, who are required to develop their own Personal Safety Action Plan, also keep a daily record of their safety-related activities.





NS mechanical department sets standard with safety record, strong productivity

Norfolk Southern's mechanical department made railroad history last year in more ways than one. Besides turning in an unprecedented safety performance, mechanical employees also were leaders in productivity.

Their 0.53 injury ratio, the lowest ever achieved by an NS operations department, is thought to be the best safety record ever achieved by a Class 1 railroad operating department. The ratio is based on reportable injuries for every 200,000 employee-hours worked, the industry standard for measuring safety.

On production, their costs of maintenance per locomotive and out-of-service ratio were the lowest for Class 1 mechanical departments. For railcar service, NS mechanical finished '08 with a bad order ratio – or cars out for repairs – of 3.9 percent, down from 8 percent the previous year.

"A lot of people say that if you're a safety fanatic, you don't get your work done, or if you're all about production, then you're not very safe," said department leader **Tim Heilig**, vice president mechanical. "Well, our mechanical employees proved in 2008 that you can have it both ways, and that's what I tell them. They did a phenomenal job."

NS' mechanical employees maintain the railroad's 3,700 locomotives and 94,660 freight cars. They perform work that ranges from locomotive oil changes and engine repairs to maintenance of railcar air-brake systems and steel wheels.

This is what's remarkable: Out of 11.9 million employee-hours worked in 2008 by the approximately 5,800 mechanical employees, the department recorded only 31 reportable injuries.

Three of the department's major mechanical groups – the Juniata and Shaffers Crossing locomotive shops, and the entire Virginia Division mechanical forces – completed 1 million employee-hours injury free. The entire locomotive Group 2 – comprising smaller operations at Bellevue, Enola, Elkhart, and Roanoke – finished the year with zero reportable injuries. What's more, Shaffers Crossing and the



■ A welder takes care to use proper safety gear at the Juniata locomotive shop, contributing to the shop's 1 million employee-hours of injury-free performance in 2008.

■ An employee at the Juniata locomotive shop directs a crane operator who's maneuvering the "truck," or undercarriage of a locomotive, in place.

Alabama Division mechanical group wrapped up '08 with zero reportable injuries, while Dearborn mechanical had one injury.

Prior to last year, the best safety performance by the entire mechanical department was a 0.92 ratio in 2006.

"We had set a goal in 2008 to achieve a 0.73 ratio – a 10 percent improvement over 2006 – and we went right by that," Heilig said. "We had a lot of people very active and working very hard to achieve that."

He gave special credit to **Don Graab**, assistant vice president mechanical, who heads up the department's locomotive side, and **Calvin Cox**, general manager mechanical field operations, for their help leading the department's efforts.

Overall, Heilig attributes last year's performance to the department's "sense of urgency" about working safely every day.

"That requires our supervisors to put in a lot of face time with employees, and it requires a lot of individual effort by our agreement employees," he said. "If it had just been something the supervisors were pushing, it would have never happened – not without the input and the energy that our agreement employees put in there."

Supervisors and mechanical craft employees at shops around the railroad pointed to positive attitudes, teamwork, and employee buy-in as the biggest contributors. Agreement employees said NS management has become better at responding to their concerns, leading to locomotive and shop upgrades systemwide – and improved safety and productivity.

At the Conway, Pa., locomotive shop, for instance, NS installed computer kiosks along process lines that eliminated paperwork and constant walking back and

forth to mark off maintenance lists. The shop also has improved tooling and updated and added new hose reels and lighting.

"Employees can see that NS actually does care about their people, and that translates into better attitudes at work," said **Sam Bombiani**, a machinist and chairman of Conway locomotive shop's safety committee. "If you're mad at somebody or you've got a bad attitude, you're more likely to get hurt, because you're not focused on the job."

In early May, Conway celebrated 365 days without a reportable injury or incident – the envied "Double Zero" in safety performance.

Tony Stuart, shop manager, grilled steaks for the shop's 237 employees to recognize their efforts. In three years, Conway progressed from having mechanical's worst safety record to being a top performer.

"When we recognized our weaknesses, we committed to improving our safety culture and found that anything is possible," Stuart said.

"We've reached a point where we can truly say we are our brothers' and

sisters' keepers."

At the Juniata shop, NS installed "antifatigue" floor mats, which are easier on the feet and legs than a concrete floor, said machinist **Charlie Beiswenger**, who served the past year as the shop's safety committee chairman. Other improvements include tool "balancers" to help handle heavy equipment, such as hydraulically powered wrenches, and installation of fall protection devices to safeguard employees working on top of locomotive car bodies.

"The company has invested a lot of money to make the shops safer," Beiswenger said. "If there are safety

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~ Tim Heilig, VP mechanical





■ Demetrius Mangum, laborer, refuels a locomotive at Lamberts Point Roundhouse.

"If there are safety issues, they're brought out at biweekly safety committee meetings we hold with management, and we try to work together to address them."
~ Charlie Beiswenger, machinist

■ NS mechanical employees at the Lamberts Point terminal gather to celebrate their safety performance, which helped the Virginia Division achieve 1 million employee-hours of injury-free service.

issues, they're brought out at biweekly safety committee meetings we hold with management, and we try to work together to address them."

The work force has become more vested in promoting safety because they have been given ownership of daily safety meetings and job safety briefings, mechanical supervisors said.

"It's a team effort of all the craft employees and management to reward employees who demonstrate safe behaviors and to eliminate risky behavior by retraining," said **Don Faulkner**, Juniata's general superintendent.

"The line isn't drawn between management and agreement employees here," said Conway's Stuart. At shift meetings, Conway employees discuss NS' stock price. "Many are stockholders and are interested in how NS' stock is traded daily," he said. "Each employee plays a role in our company's success, and we want total buy-in."

On the Dearborn division, members of the mechanical safety committees regularly visit terminals to discuss safety topics, sometimes serving employees soup or coffee in winter, and fruit or soft drinks in summer, said **Erwin "Erky" Allen**, division manager mechanical operations.

In 2008, his division scored an impressive 0.28 injury ratio, down from 1.88 in '07.

"Once our employees got involved in promoting safety, our safety processes were raised to new heights," Allen said. "My front-line supervisors also provide extraordinary leadership to help employees work safely."

On the Virginia and Pocahontas divisions, safety meetings often feature Power Point presentations that show re-enactment of railroad injuries, said **Ray Jones**, assistant division manager mechanical operations. "It's a good learning tool to identify the root cause of an injury so they can understand it better and so it doesn't happen again," Jones said.

Every quarter, safety committee chairmen and senior supervisors in the Virginia and Pocahontas divisions meet to discuss and develop safety-related presentations that are shared among division shops and terminals.

"We instill ownership in everybody," said Jones, who answers his cell phone with the greeting, "Safety first!" "Our people have bought into the safety process, they believe that zero injuries are obtainable, and they've proven it." ■ BizNS



13 years of injury-free performance

Norfolk terminal B&B team works to stay safe

On any given work day, you'll find them welding steel on Norfolk Southern's huge coal transload facility at Lamberts Point, maintaining nearby steel bridges that move coal trains over navigable waterways, and performing a variety of other tasks.

Their jobs are tough, gritty, all-weather and, if they don't pay attention, potentially hazardous.

The bridges and buildings team at Norfolk coal terminal knows the importance of working safely and has a proud record to prove it. For the past 13 years, team members have worked without a reportable injury.

"They wear a lot of different hats, and this is a significant accomplishment based on the type of work they do every day," said **Ron Patton**, assistant division engineer bridges for the Virginia Division.

Lamberts Point is unique, with more steel to be maintained than any other NS facility, said **Frank Wall**, the terminal's B&B project supervisor.

*"Some people call us the fire department, because we're always going here and there. It's a never-ending job."
~ Frank Wall, B&B project supervisor*

His team maintains the structural steel that supports the rotary coal dumpers, bins, shiploaders, conveyor belts, and elevated walkways. They do a lot of welding, often while on ladders, in lifters, or strapped in harnesses 10 to 20 stories above ground.

The 18-member team, including managers, also inspects and maintains four moveable rail bridges, including a swing, a vertical lift, and two bascule spans, as well as culverts, and rail on concrete. Besides that, the crew maintains terminal buildings.

"Some people call us the fire department, because we're always going here and there," Wall said. "It's a never-ending job."

The shifting demands make job safety briefings critical. The team starts the day with a 7 a.m. briefing to discuss work assignments. Each employee identifies hazards and the proper safety precautions to avoid injuries. Work crews hold follow-up briefings during the day as the work changes.

In April, as an experiment, Wall began taking a video camera to job sites, asking employees to describe the work and safety precautions. He plays the videotape on a TV at the morning briefings.

At a recent briefing, he played a video of an employee dismantling from a piece of heavy equipment without maintaining the proper three points of contact.

Afterward, Wall reviewed the three-points-of-contact rule to ensure employees understood it.

"It's serious business, and we can use the video to raise awareness and attention to duty," he said.

The safety briefings are key to the team's injury-free record. **Perry Eargle**, the B&B terminal supervisor, always stresses the importance of making quality decisions, because the decisions employees make can affect their safety.

At the recent briefing, Wall repeated the team's mantra: Look out for one another. Comply with the rules. Think before you act.

That day, carpenters **Michael Walden** and **Kenneth Muhammad** were assigned to maintain a lift bridge over the Elizabeth River. They would work from a slowly moving platform while painting graphite on the lift mechanism — done to reduce friction on rollers that move the span.

At the briefing, they talked of slipping hazards, staying clear of moving parts, and avoiding "pinch" points that could catch a finger or clothing. Noting the day's windy conditions, foreman **Bob Gerlach** recommended the men carry wipes. The graphite, if it spattered on their skin, could burn them if not quickly wiped off.



■ Top Left: Will Adams, laborer, and Chia Taylor, carpenter (in bucket truck), and Chuck Deanes, laborer; work to replace a walkway.

■ One of the first things employees and visitors see upon entering the Norfolk coal terminal at Lamberts Point is this safety billboard. Many times, such messages at NS facilities are suggested by employees.

"Everybody out here tries to be their brother's keeper. If we see somebody doing something that could get them or somebody else hurt, we point it out. We all learn from each other."
~ Michael Walden, carpenter

That kind of caring attitude – to watch each others' backs, the employees say – is another reason the team keeps safe.

"Everybody out here tries to be their brother's keeper," said Walden, chairman of the B&B team's safety committee. "If we see somebody doing something that could get them or somebody else hurt, we point it out. We all learn from each other."

Wall encourages the experienced hands to set a good example. "If the younger people see them breaking the rules, that's what they're going to do, too."

Gerlach, a 37-year NS veteran who's the size of an NFL linebacker, takes that message to heart. He's the first to tell you that 13 years ago, on Feb. 28, 1996, he was the last man on the B&B team to be injured – and it was bad.

Just before lunch, he and a few other employees were working along track near the Pier 6 coal dumpers, trying to repair a "barney" – an approximately eight-ton piece of equipment that moves coal cars into place to be unloaded. As the men labored over the barney, its clutch suddenly dislodged. The barney lurched back, crushing Gerlach's right foot.

It was a freak accident, Gerlach said, something he never expected would happen – but it did. He drives that point home when he talks to young employees on the job now.

"You've got to think of the worst thing that could happen, and then you know what to look for," he said. "I tell them, there ain't no amount of money in this world worth getting hurt." ■ BizNS

■ Will Adams, laborer, and Chia Taylor, carpenter (in bucket truck), work with Davis Martin, carpenter, to replace a walkway.



Going above and beyond, NS heroes abound in 2008

During 2008, 31 Norfolk Southern employees performed acts that made them heroes to either their co-workers or to the community. Each received an award at the 2008 safety awards meeting. Here are NS' 2008 heroes:

Steve Berndt, foreman, Knoxville, Tenn., used a fire extinguisher on a burning tractor-trailer rig and pulled the unconscious driver of the rig to safety.

Les Briones, track supervisor, arranged to take a track out of service, met EMS personnel, and guided them to a train where the engineer was in a medical emergency.

Nevin Dunaway, conductor, and **Brad Grace**, engineer, Louisville, Ky., stopped their train to avoid striking a small child. They rescued the child and searched the neighborhood until they found the child's home.

Rodney English, telephone maintainer, Lynchburg, Va., approached a burning vehicle and rescued two children.

Cleveland Faddis, welder helper, Cleveland, assisted an elderly man who was choking, by using the Heimlich maneuver.

Butch Farley and **Russell Cravens**, both electricians in Norfolk, called 911, secured an AED unit, and waited with an apparent heart attack victim until emergency services arrived on the scene.

Ralph Headrick, track supervisor, Tipton, Ind., called 911, assisted men in an elevated bucket that had swung out from a truck, and used his boom truck skills to lower a man hanging by his arms to the ground.

Jason Holman, conductor, noticed a house fire in Fostoria, Ohio, and alerted the sleeping residents, getting them out safely.

Keith Long, chief crew dispatcher on the Illinois Division, spotted a 2-year-old girl walking in the road. He rescued her, searched until he found her home, and returned her there safely.

Andrew Lynch, planning manager, distribution services, Norfolk, performed the Heimlich maneuver on a fellow employee who was choking.

While working in the Conway, Pa., area, members of Rail Gang R-8 **Ken Murra**, **Von Phillippi**, **Shawn Murphy**, **Daniel Cyrus**, and **John Austin**, all spiker operators, plus **Mike Bowens**, cribber operator, **Bob Miller**, foreman, **Jim Clark**, welding supervisor, **Howard Hull**, supervisor, **Calvin Price**, rail heater operator, and **Mark Day**, gang member, assisted a fellow employee who had collapsed from a possible heart attack.

Donnie Marcum and **Terry Dillon**, working gang leaders, and **Vicki Matney**, carman, all located in Williamson, W.Va., performed CPR and administered AED assistance to a collapsed employee.

Don McKinney and **Charlie Kantz**, both carmen, and **James Thimlar**, general foreman, all of Elkhart, Ind., called 911 and worked with emergency personnel and a crane to remove a rail car from an injured employee's leg.

John Patrick, track supervisor in Carroll, Mo., whose vehicle was hit head-on and caught fire, risked his life to save the life of a woman in the car that collided with his.

Dwayne Walker, conductor, Crewe, Va., came to the aid of a woman being assaulted in a vehicle and waited with her and her two children until police arrived.

2008 safety performance winners

Congratulations to these groups of employees for being injury-free in 2008. They were honored at Norfolk Southern's annual safety awards meeting in March.

Best Regional Operations

Eastern

Best Transportation Region

Northern

Best Engineering Department

MW&S

Best Mechanical Department

Locomotive

Best Operating Division Group 1

Lake

Best Operating Division Group 2

Virginia

Best Transportation Division

Group 1

Illinois

Best Transportation Division

Group 2

Central

Best Transportation Terminals

Group 1

Kansas City, Mo.;
Chattanooga, Tenn.;
St. Louis, Mo.;
Harrisburg, Pa.

Best Transportation Terminals

Group 2

Macon, Ga.; Charlotte, N.C.;
Detroit; Fort Wayne, Ind.;
Savannah, Ga.; Knoxville, Tenn.;
Sheffield, Ala.; Linwood, N.C.

Best Mechanical Territory

Group 1

Alabama

Best Mechanical Territory

Group 2

Dearborn

Best Mechanical Shop Group 1

Shaffers Crossing Locomotive,
Roanoke

Best Mechanical Shop Group 2

Bellevue, Ohio, Locomotive;
Enola, Pa., Locomotive;
Roanoke, Va., Locomotive,
Elkhart, Ind., Locomotive

Best Communications and

Signals Group 1 Territory

Dearborn, Lake, Va.

Best Communications and

Signals Group 2 Territories

Pocahontas

Best Communications and

Signals Construction Regions

Lines West—CGA,
Northern Group 1,
Northern Group 2

Best Maintenance of Way and

Structures Region

Eastern

Best Maintenance of Way and

Structures Division Group 1

Harrisburg

Best Maintenance of Way and

Structures Division Group 2

Piedmont

Best Maintenance of Way and

Structures Gang

Atlanta

Best Maintenance of Way and

Structures Shops

North Pump Repair

Best Support Services

Crew Management,
Engineering Miscellaneous,
Centralized Yard Operations

Best Nonoperating Groups

Atlanta Accounting Operations,
Delmarva Business Unit,
Marketing Department,
Roanoke Accounting Operations

Most Improved

Transportation Department

Lake Division,
Decatur Terminal Group 1,
Cincinnati Terminal Group 2

Mechanical Department

Piedmont Territory

Engineering Department

Georgia Division MW&S,
Georgia Division C&S

Outstanding Performance

Transportation Department

Norfolk Terminal

Mechanical Department

Virginia Territory Group 1,
Pittsburgh Territory Group 1,
Central Territory Group 2,
Pocahontas Territory Group 2,
Harrisburg Territory Group 2,
Conway Locomotive Shop,
Juniata Locomotive Shop

Engineering Department

Lake Division MW&S,
Pittsburgh Division MW&S,
Virginia Division MW&S,
Pocahontas Division MW&S,
Alabama Division MW&S,
Central Division MW&S,
Harrisburg Production Gang,
Greenville Production Gang,
Charlotte Roadway Shop,
Pittsburgh Division C&S,
Harrisburg Division C&S



■ The first “I” in SPIRIT – an acronym for NS core values – stands for integrity. This ice sculpture was at the company’s safety expo in March.

Integrity matters in everyday decision making

“The issue of integrity is extremely important. If you lose sight of integrity in the way you do business – integrity being the way you treat people, the way you look at numbers, in the way that you address the outside world – that can be extraordinarily destructive.”

~Wick Moorman, CEO

During difficult economic times, Norfolk Southern’s SPIRIT values – safety, performance, integrity, responsibility, innovation, and teamwork – are valuable tools.

In a recent interview taped for NS Focus, the quarterly video news program for employees, CEO **Wick Moorman**, focused on one of those values, integrity. “The issue of integrity is extremely important. If you lose sight of integrity in the way you do business – integrity being the way you treat people, the way you look at numbers, in the way that you address the outside world – that can be extraordinarily destructive,” he said.

Making ethical business decisions sounds easy, but it can be complex. To help NS employees in that process, training on the company’s Ethical Decision-Making model is being introduced. The model focuses on five questions. Is it legal? Does it comply with NS values and the Thoroughbred Code of Ethics? How will my decision affect others? How would I feel if my decision appeared in the newspaper? Finally, should I ask for help before making this decision?

Employees will receive training in a variety of formats. NS employees were given an opportunity to “warm up” their decision-making skills through a number of activities presented as part of Corporate Compliance and Ethics Week in May.

Moorman stressed that one of the strengths of NS’ culture is business and personal integrity. Even what appears to be a small, insignificant decision can impact the company’s reputation.

“At Norfolk Southern, making ethical business decisions is critical to our success,” Moorman said. “It takes many years to establish a reputation, but only seconds to destroy it. Decisions we make today are decisions that will be important five years from now and beyond. My expectation is that all our employees will work to help us maintain our strong, well-known reputation for fair and honest business dealings.” ■ BizNS



WiNS: Leading change with the SPIRIT value of innovation

WiNS, Norfolk Southern's women's network, is among those leading the charge for more innovation at NS through its Leadership & Development Committee. The committee developed a 2009 workshop series titled "Leading Change with the SPIRIT Value of Innovation" to support WiNS' overall goal—to give Norfolk Southern a competitive advantage by fostering professional development and leadership for all employees. The committee has members from 10 different departments, which gives the group a wide variety of experience and expertise.

The innovation workshops are scheduled quarterly in Atlanta, Norfolk, and Roanoke with dial-in/conferencing access provided for employees outside of these locations.

The first-quarter workshop focused on the importance of innovation and provided background on the innovationNS program. Participants also worked in teams to

develop a definition for innovation. Second-quarter workshops focused on identifying opportunities to embed innovation in our culture much the same way that safety is ingrained.

The third-quarter workshop will focus on how to change the culture at the local level to create a groundswell for innovation. The fourth-quarter session will revisit the definition of innovation and discuss innovative ideas and best practices from other locations.

All WiNS members are encouraged to consider attending the remaining workshops. Participants need not have attended the first two sessions to be able to gain knowledge and share thoughts and ideas.

and share thoughts and ideas.

Also, take a moment to visit innovations.nscorp.com – a Web site where all employees can submit ideas, answer a challenge, and rate others' ideas.

WiNS membership is open to all NS employees. To become a member and receive workshop invitation e-mails, visit wins.nscorp.com.  BizNS



Samuel Spencer statue finds home in front of Goode building

A 99-year-old bronze statue of **Samuel Spencer**, first president of Norfolk Southern predecessor Southern Railway, has been relocated from an Atlanta city park and placed in front of the David R. Goode Building.

Some 30,000 employees voluntarily contributed funds for a memorial to Spencer following his tragic death in a rear-end train collision in Virginia in 1906. Daniel Chester French, a notable American sculptor who created the Lincoln Memorial in Washington, D.C., was commissioned to create the statue. It was unveiled in May 1910 on the plaza at Atlanta's Terminal Station and ceremoniously presented to the state of Georgia and the city of Atlanta. It remained there for 60 years, until it was moved to Southern's Peachtree Station in July 1970. In 1996, as part of preparations for the Summer Olympics, the statue was relocated to Hardy Ivy Park downtown. Movement to its present midtown setting was arranged by agreement with the city of Atlanta and NS.

Over his career, Spencer served as president of six railroads. But his first railroad job came in 1869 as a surveying crew rodman for the Savannah & Western, a Central of Georgia predecessor. He became the first president of Southern Railway in 1894. During his 12-year tenure, the railway's mileage doubled, its annual passengers quadrupled to 12 million, and its earnings increased from \$17 million to \$54 million.



Spencer's passes (including one signed by Robert Todd Lincoln, son of the president) and pocket carrying case were removed from the train wreckage in which he died and today are displayed in the NS Museum in Norfolk.

The statue depicts Spencer in an office chair, perched high atop a marble pedestal in front of the glass facade of the Goode Building. Just on the other side of the glass inside the building lobby is another historic icon of the company, a replica of the 1830 Best Friend of Charleston, first steam locomotive built in America for regular service on a railroad, on loan from the city of Charleston, S.C. ■ BizNS

Optimized Train Control moves ahead

Norfolk Southern is moving closer to implementing Optimized Train Control, its version of positive train control, a system that will increase safety for railroad employees and communities and keep NS trains moving safely and efficiently. The system is designed to prevent train-to-train collisions, derailments, accidents caused by misaligned switches, and to protect employees engaged in track maintenance.

Development of OTC is part of NS' Track 2012 process, a five-year plan to significantly improve all aspects of the company's business.

The company has been working on OTC since 2005 with a focus on developing a vital positive train control system capable of supporting freight operations, according to **Tom Schnautz**, director advanced train control systems.

"At NS, we have worked to develop a system that 'overlays' our existing operating methods," Schnautz said. "That means OTC will be fully integrated with our existing systems."

The Rail Safety Improvement Act of 2008 put the program on the fast track. The national legislation mandates implementation of positive train control on certain routes by the end of 2015. Being able to interoperate on all positive train control systems in the U.S. is now a requirement. The legislation was signed in October 2008, and all four Class I freight railroads have been working together to ensure compatibility.

"Complex positive train control systems like OTC are not available off the shelf. As Norfolk Southern and other railroads have worked to develop them, interoperability among systems has become a major hurdle. As we work to address these challenges, the strength of the OTC team has put us in a leadership position," Schnautz said.

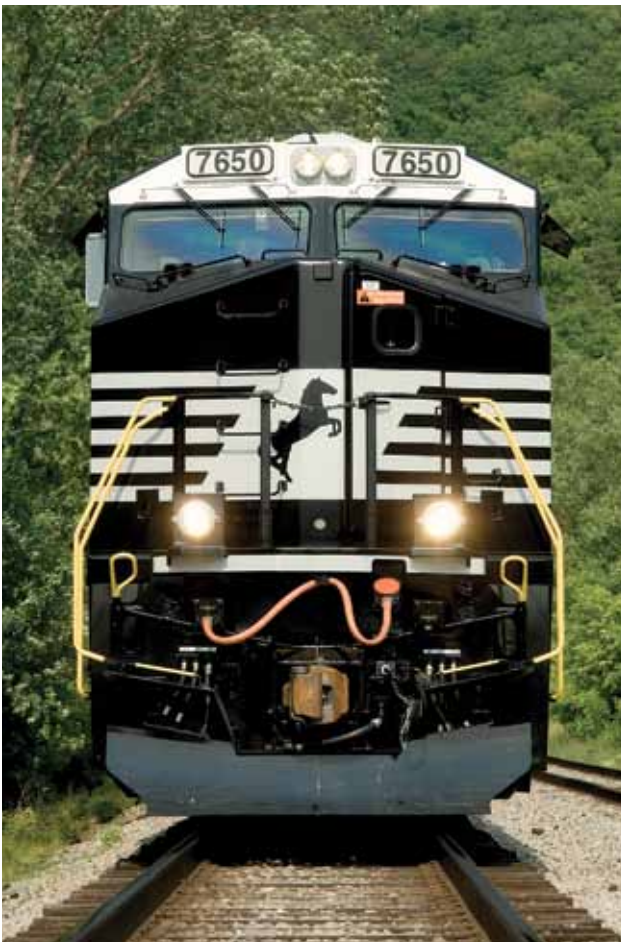
Train crews will have an onboard display that tells them their speed and the speed limit in a particular territory. Warning distance, stopping distance, track location, and the track where they are authorized to operate also are displayed. The display graphically shows the topography of the track and indicates what speed will give the most efficient performance of the train over that terrain.

NS is running a pilot program on the line that connects Charleston, S.C., and Charlotte, N.C. Schnautz said the line has 108 route miles that are signaled and 114 that are not, which allows the system to be validated for use across NS.

Wayside equipment has been installed along the pilot route, and more than 40 locomotives will have OTC equipment installed this year. Software development and testing is underway.

Validation and field testing will take place through 2009. When complete, Schnautz says NS will apply for approval from the Federal Railroad Administration to implement OTC on a majority of the NS system.

"We are extremely confident in OTC and are ready to move forward," Schnautz said. "We expect to be able to meet the FRA's requirements and deadline." ■ BizNS





■ Finished automobiles are transported in trilevel rail cars with special attention to damage prevention.

NS earns automotive logistics excellence award

UPJ Autogistics, in conjunction with Ford Motor Company, has presented Norfolk Southern the 2008 Carrier of the Year Award for overall logistics excellence among all North American rail carriers for the transportation of Ford vehicles.

The award recognizes superior performance in on-time delivery, quality and damage-free handling, and total customer service. NS transported more than 1.4 million Ford vehicles in 2008.

Walter Lowe, Ford's manager for North America vehicle logistics, said, "Ford and Norfolk Southern have had a long, mutually beneficial relationship, and this award is a testament to their commitment to excellence and customer service." ■ BizNS

Second-quarter SPIRIT Award winners

Norfolk Southern's SPIRIT Award program recognizes the exceptional accomplishments of NS employees. Congratulations to these employees whose contributions were recognized in the second quarter.

SPIRIT Award For Innovation:

W. A. James (Skip), laborer, Sheffield, Ala.

Joe David Sanders, carman, Roanoke

Larry A. Willis, gang leader carman, Melvindale, Mich.

SPIRIT Award For Performance

Ronald D. Alderman, manager accounting systems, Roanoke

Kathy L. Bond, assistant manager capital accounting, Roanoke

Bradley J. Brenneman, engineer environmental design, Roanoke

Gary W. Brightman, special agent, Dearborn, Mich.

Antone T. Byrd, engineer, Roanoke

James S. Campbell (Steve), systems analyst, Roanoke

Thomas J. Carman, thermite welder helper, Alliance, Ohio

Sabrina R. Carpenter, assistant manager accounts payable, Roanoke

Kevin L. Centers, assistant manager capital research, Roanoke

Donald L. Chesney, B&B supervisor, Chicago

Robert H. Cochran, manager audits, Roanoke

Dustin R. Cupp, capital accounting research analyst, Roanoke

Michael S. DeLoatch, assistant manager corporate accounting, Roanoke

Jeffrey A. Dodd, coordinator workplace design, Roanoke

Donna W. Donato, manager expenditure accounting, Roanoke

Julie K. Doss, assistant manager capital accounting, Roanoke

Nickolas T. Dunaway, assistant manager capital accounting, Roanoke

Byron W. Dunwoody, foreman, Monroe City, Mo.

Harold C. Feininger (Chip), safety coordinator, Roanoke

Marlene G. Garten, safety coordinator, Roanoke

H. Grubb, manager corporate accounting, Roanoke

Bryan S. Harres, general superintendent terminal operations, Atlanta

Philip L. Hess, mechanical engineer – locomotive design, Atlanta

Gary F. Iacono, foreman, Pittsburgh

Terri L. Kwasny, compliance specialist, Norfolk

Charles E. Lex III, assistant director – state taxes, Roanoke

Ashley T. Monk, supervisor capital accounting, Roanoke

Dale M. Osborn, business application analyst, Roanoke

Demietre I. Payne, business analyst, Roanoke

Lisa H. Pedigo, supervisor capital accounting, Roanoke

Stephanie G. Pritt, capital accounting analyst, Roanoke

Robert H. Raber, manager environmental operations, Roanoke

Ingrid C. Schafrick, manager network optimization, Atlanta

David L. Shank, fireman and oiler, Melvindale, Mich.

Robert L. Snyder, thermite welder, Alliance, Ohio

Catherine E. Swain, internal auditor, Roanoke

Kari M. Taylor, manager capital accounting, Roanoke

Maceo C. Toney Jr., assistant trainmaster, Roanoke

Michael J. Tuck, internal auditor, Roanoke

Kelly S. Umberger, tax agent, Roanoke

Timmy W. Veazey, assistant superintendent terminal operations, Atlanta

Larry G. Western, engineer environmental design, Roanoke

Robert H. Whitaker Jr., system manager interline services, Atlanta

Paul E. Wooden, conductor, Roanoke

Donny W. Woodlin, assistant terminal superintendent, Roanoke



ON THE COVER:

Safety is the first priority at Norfolk Southern and requires the commitment of every employee. Working together to prevent injuries has made NS the leader in safety in the railroad industry. In May, NS' leadership in safety was recognized with an unprecedented 20th consecutive E.H. Harriman Gold Medal for employee safety. The award is given to the company with the lowest injury ratio per 200,000 employee-hours worked.

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

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In memoriam: Arnold B. McKinnon, NS' second chairman

Leaving a 50-year legacy of railroad leadership that will not be duplicated or forgotten, Norfolk Southern's second chairman, **Arnold B. McKinnon**, died May 18 in Bethesda, Md. A resident of Norfolk, he was 81.

McKinnon, NS chief executive officer from 1987 to 1992, was among the first to envision the railroad as an integral link in the global logistics chain. Under his guidance, NS increased productivity and controlled costs, launched the Thoroughbred Quality improvement process, and began the development of managers who today are the railroad's leaders. From 1990 through 1992, "Financial World" magazine named him one of the best chief executives in U.S. industry.

After his retirement as CEO, McKinnon continued service on NS' board of directors until 2000, helping guide the company through the early stages of the Conrail transaction that increased the railroad's size by half and positioned it for long-term growth. In 2007, NS named its headquarters building in Norfolk in his honor. ■ BizNS



Oriana and Arnold McKinnon



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