

UNITED STATES SENATE

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

**SUBCOMMITTEE ON SURFACE TRANSPORTATION
AND MERCHANT MARINE**

RAIL TRANSIT

**TESTIMONY OF H. CRAIG LEWIS
VICE PRESIDENT, CORPORATE AFFAIRS
NORFOLK SOUTHERN CORPORATION**

DECEMBER 6, 2000

I am Craig Lewis, Vice President, Corporate Affairs for Norfolk Southern Corporation. Our group takes principal responsibility for new passenger service proposals within our geographical territory.

We appreciate the opportunity to participate in this hearing because Norfolk Southern and Georgia mean a lot to each other. Our spider web of lines touches virtually every corner of the state. The riches of Georgia's forests, fields, mines and factories fill dozens of our trains headed in all directions everyday.

Atlanta is one of the most important junctions in the 21,000 mile Norfolk Southern system. As the hub of five important mainlines, it anchors the southern quadrant of our railroad. The freight that comes from Atlanta's manufacturing, distribution and consuming markets constitute a meaningful part of Norfolk Southern's business.

A comparable statement may be made about what Norfolk Southern means to Georgia and to Atlanta. Every year well over a million freight cars pass through the state on our rails. In Atlanta alone, a half-million cars of freight begin or end their journey in the metro area. That's the equivalent of two million or more trucks that aren't on I-20 or I-85 or I-75.

The 5000 Norfolk Southern men and women who keep the trains rolling in Georgia add hundreds of millions of dollars to the state's economy each year. And NS spends hundreds of millions more on goods and services in the Peach State, including construction of new facilities to handle our growing freight business and maintenance of our track to keep it safe and in good repair.

Further, our industrial development group helps industries – freight generating, tax paying, job-providing industries – to expand their factories or build new ones. This is an activity that pumps hundreds more millions into the Georgia economy.

Our fastest growing business is intermodal freight – the transport of truck trailers and containers on trains over long distances. This freight generates more revenue for our income statement than any other commodity in Atlanta. Our biggest customer of this, our biggest business segment, is Atlanta's own United Parcel Service.

The public benefits of a vibrant rail freight system are enormous. Freight trains perform behind-the-scenes delivery of new cars and trucks, food and drink, building materials, packages, and parcels and coal to make electricity. Without us, the good life would be a lot more expensive and the Interstates would be a lot more crowded.

Despite the volume of freight moving in and around Atlanta, and the critical importance of the heavy-duty main lines to our collective well being, there are possibilities that routes can be developed for passenger service fairly quickly.

We are willing to pursue win-win partnerships with public agencies on these lines.

There are certain ground rules we need to follow where new passenger service is concerned:

Safety – must be enhanced

Liability and Indemnity – NS cannot be exposed to any new or additional liability by the presence of passenger trains.

Capacity – the presence of passenger trains cannot diminish the capacity of a line to handle its existing freight service and must provide for anticipated freight growth.

Compensation – NS expects to be fairly compensated for the use of its track and right-of-way.

Passenger service on the heavily-used mainlines is problematic and figuring out how, if at all, passenger trains can be accommodated requires a great deal of work and analysis. It is important to appreciate that new passenger rail proposals are not a low cost, snap your fingers, overnight solution to commuter traffic congestion. As a practical matter, however, we know that freight and new passenger service can co-exist because it's recently been done elsewhere in the U. S. – in the Pacific Northwest, California, Virginia, New Jersey. It may be possible to do it here in the Atlanta area as well.

Regardless of the route used, starting new passenger service is a difficult and expensive proposition (although not nearly as expensive as new highway construction). If the resources are available, and if the right routes can be identified, Norfolk Southern is prepared to move forward.

The key, and the goal, is to commit ourselves to a new partnership. Where public interests promote the movement of people, and the goods they use, each of us can see a better day ahead.