



Norfolk Southern Corporation
650 West Peachtree Street NW
Atlanta, GA 30308

May 9, 2023

The Honorable Maria Cantwell
The Honorable Ted Cruz
The Honorable Sherrod Brown
The Honorable J.D. Vance

Senators Cantwell, Cruz, Brown, and Vance,

As President and CEO of Norfolk Southern Corporation (Norfolk Southern), I write at the encouragement of Senator Cruz to reaffirm Norfolk Southern's commitment to make it right for the people of East Palestine, including by establishing a fund to compensate homeowners in the area for property value diminution. As importantly, and as I have assured you during my congressional testimony, we are committed to doing it the right way. We have made significant progress in our comprehensive work cleaning up the site, and we will continue this until the job is done. In addition to our site remediation expenditures, Norfolk Southern has already paid over \$15 million directly to affected residents through our family assistance center; compensated first responder agencies for the costs incurred for their heroic work; and supported local businesses with our purchases. We are committed to this community not just for the near term, but for the long haul, and are investing in the community and its citizens to ensure its long term success.

This enormous financial commitment is just a downpayment. Last month, Norfolk Southern announced total accrued charges for the derailment of nearly \$400 million. Of particular significance, this amount does not include expected costs for funds relating to property value diminution, long term health care, or water treatment. The expected costs for these funds are not included in the accrual because, while Norfolk Southern understands the vital importance of establishing these funds, properly structuring them requires an iterative process with all stakeholders, including Attorney General Yost, Attorney General Henry, U.S. EPA, Ohio EPA, community leaders, local citizens, and attorneys for the recently consolidated pending putative class action.

It is also critical to recognize that Norfolk Southern is undertaking these efforts and expenses without any judicial or investigatory finding of fault. In fact, the NTSB has yet to determine a cause of the derailment. There is a likelihood that other parties will bear some responsibility for the February 3 derailment, but the judicial and investigatory processes move at a measured pace. Making it right the right way means respecting the legal process while taking care of the immediate needs of all affected.

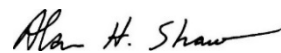
Norfolk Southern has not waited for the judicial process to be completed prior to getting to work on the structure and shape of a real property fund that will compensate homeowners. Norfolk Southern has already contracted with Alvarez & Marsal to evaluate the local property market and develop a plan. Norfolk Southern will develop the full details of the real property fund, including the fair geographic radius to which this compensation will apply, in concert with the key stakeholders involved with the legal process, in order to ensure we are following appropriate procedures and are respecting the class action participants' rights. Initially, we expect eligible homeowners for this compensation to include those with homes within an approximately 5-mile radius of the derailment, and who sell their homes for less than their property's pre-February 3 appraised value.

Moreover, prior to establishing the real property fund pursuant to the ongoing litigation, Norfolk Southern commits to compensate homeowners who sell their homes for less than their property's pre-February 3 appraised value with the understanding that such homeowners will execute a release of any future claims for property value diminution from the property fund once established and will have substantially complied with the terms of the fund.¹ Any homeowners who have such claims will be able to submit them through the family assistance center, which, as noted above, has a proven track record of processing claims and making payments to East Palestine residents. Norfolk Southern expects that it will be able to begin making payments to eligible homeowners within one year.

This commitment demonstrates that, as Senator Cruz and others have indicated, Norfolk Southern understands that this derailment was not the fault of the people of East Palestine. I have been to the village and surrounding communities numerous times and I see that this is a strong and resilient population, but they are victims of this circumstance. Norfolk Southern understands that any diminution of the value of East Palestine homes as a result of the derailment is a significant potential harm to homeowners and a strong consideration of the suit filed by Attorney General Yost as well as the recently consolidated putative class action.

I further commit to you that Norfolk Southern will coordinate with Attorneys General Yost and Henry as the initial payments are made and the real property fund is implemented, and the company will respond to any questions you may have on these topics.

Sincerely,



Alan Shaw
President & CEO

cc: Ohio Attorney General Dave Yost
Pennsylvania Attorney General Michelle Henry

¹ In agreeing to these provisions, Norfolk Southern does not concede, and explicitly reserves all its rights to contest in litigation, that any diminution in property value is attributable to the derailment or its effects.