



**Rob Martínez**

The South, Automotive and Proper Railroading  
Biloxi, Mississippi  
October 2013

# Norfolk Southern is the . . .

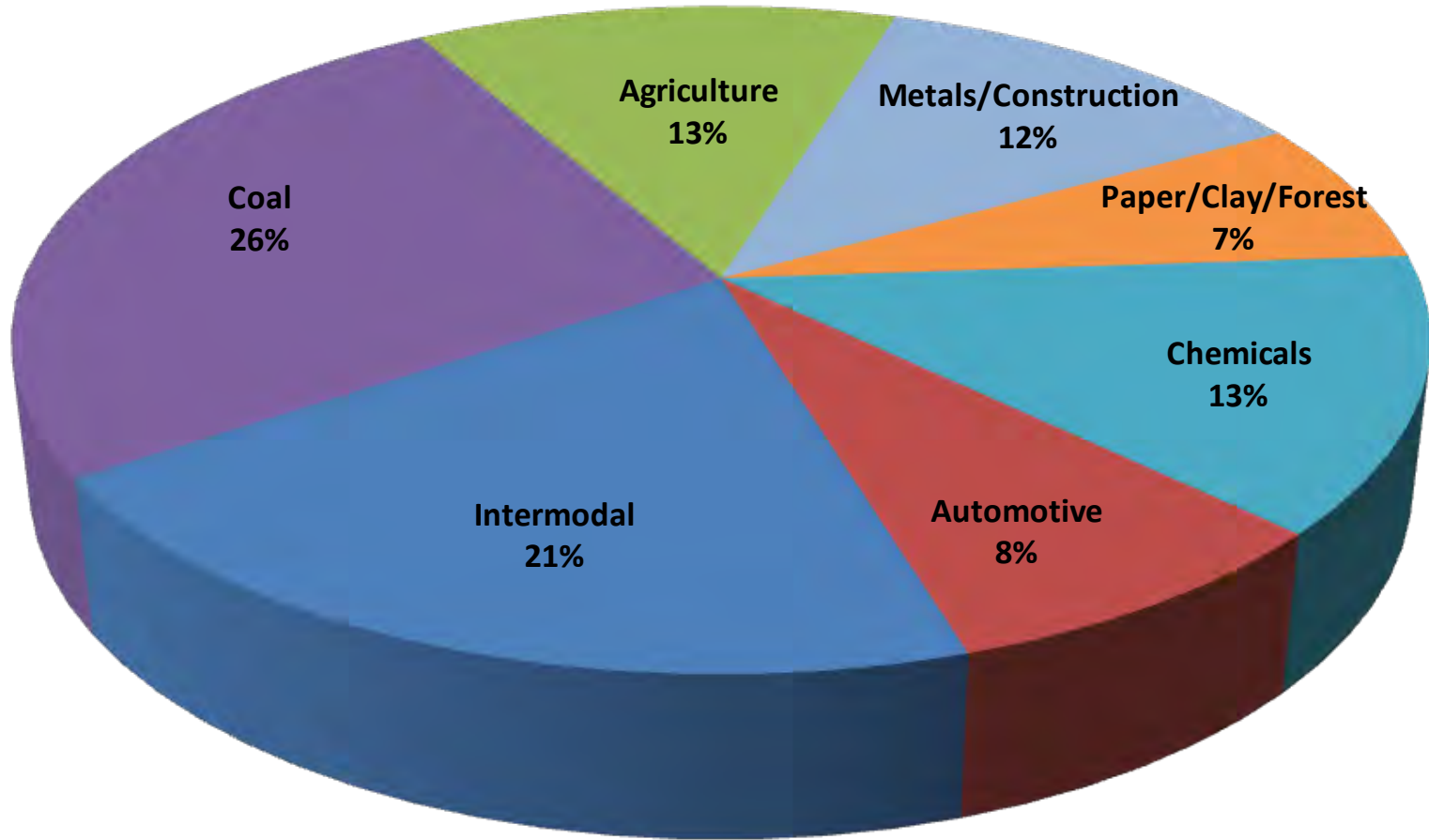
- Fourth largest Class I railroad in North America
- Largest Intermodal franchise in the eastern U.S.
- Originator of more finished vehicles shipments than any other North American railroad
- Serving railroad for every major port on the East Coast between New York City and Jacksonville, Florida
- Winner of Harriman Award for over 20 years as safest railroad in North America





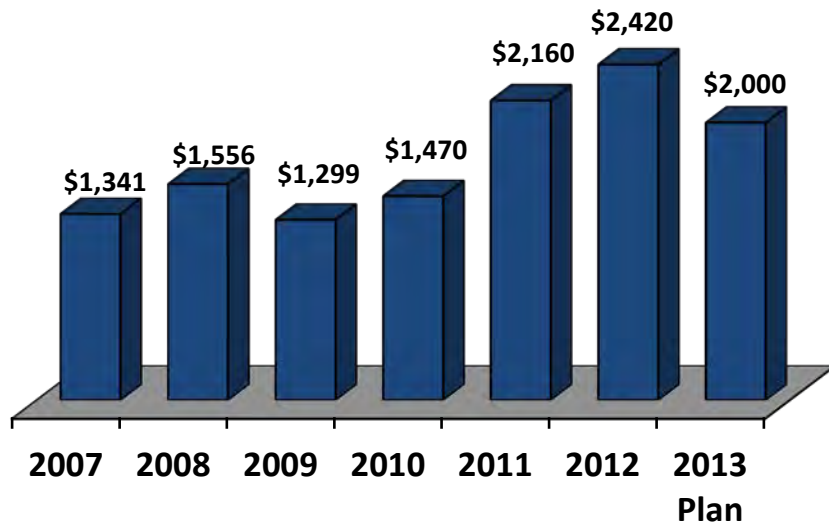
- 20,100 Route Miles
- 30,000 Employees
- 4,100 Locomotives

# 2012 Business Mix by Revenue



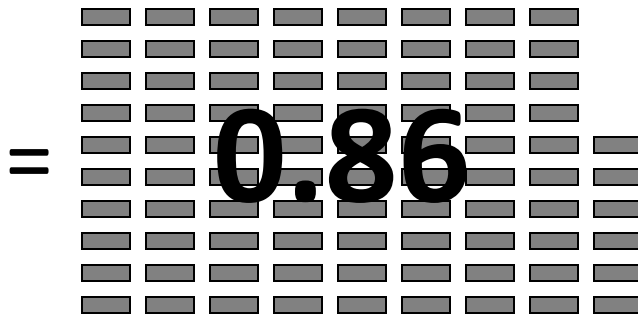
2012: \$11 Billion in Revenue

# A word about Capital Intensity in the Rail Industry (\$ Millions)

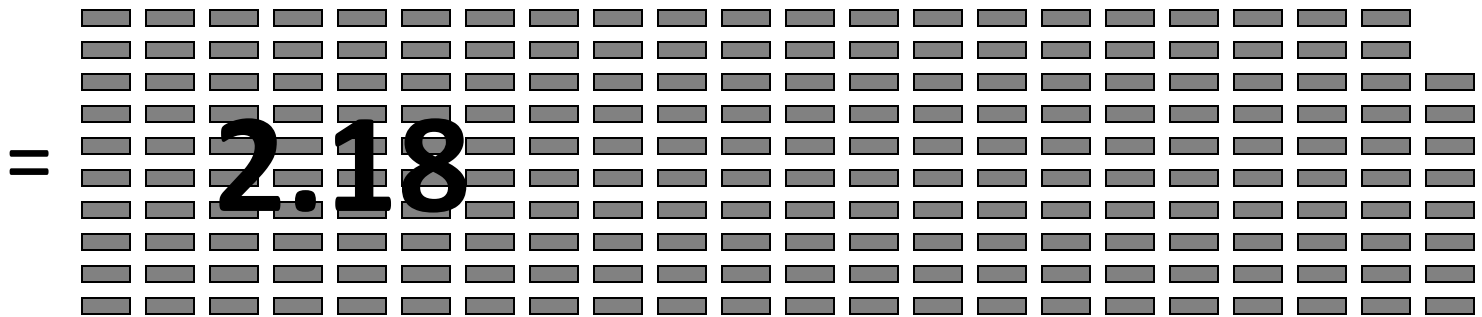


- Of the \$2B planned for 2013, nearly 10% is earmarked for IM/Auto
  - Network and facility improvements: \$95M
  - Equipment purchases: \$103M
- 2012-2013 multilevel acquisitions:
  - 600 trilevels
  - 350 bilevels

# And, Railroads are very environmentally friendly!



Based on door-to-door comparison of 1,000 mile over the road route vs. 1,100 mile Intermodal route for same shipment



 = 1/100<sup>th</sup> metric tons of emitted CO<sub>2</sub>

# Let's talk about cars



# *Automotive and Rail Service*

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- 70% of finished vehicle shipments move via rail in North America
- And, the South has been extraordinarily successful in attracting new automotive plant investment



# Why is the South so Successful?

- Right-to-Work; competitive prevailing wages
  - Good labor climate
  - A strong work ethic
- Proximity to major consumption markets
- Good highways; strong railroad networks with lots of capacity
- A growing supplier base
- Solid academics, including in engineering, logistics & research universities
- Streamlined environmental reviews; expedited permitting
- Quality of life
- Competitive tax regimes
  
- ***The South is Open for Business!***

# *But there are challenges afoot*

- The Midwest has woken up—in a big way
  - Indiana
  - Wisconsin
  - Michigan
- They are good folks to work with, and they have a strong work ethic.

# Mexican Automotive is Big





***Railroads are  
key to success.***

# *It's all about sites!*

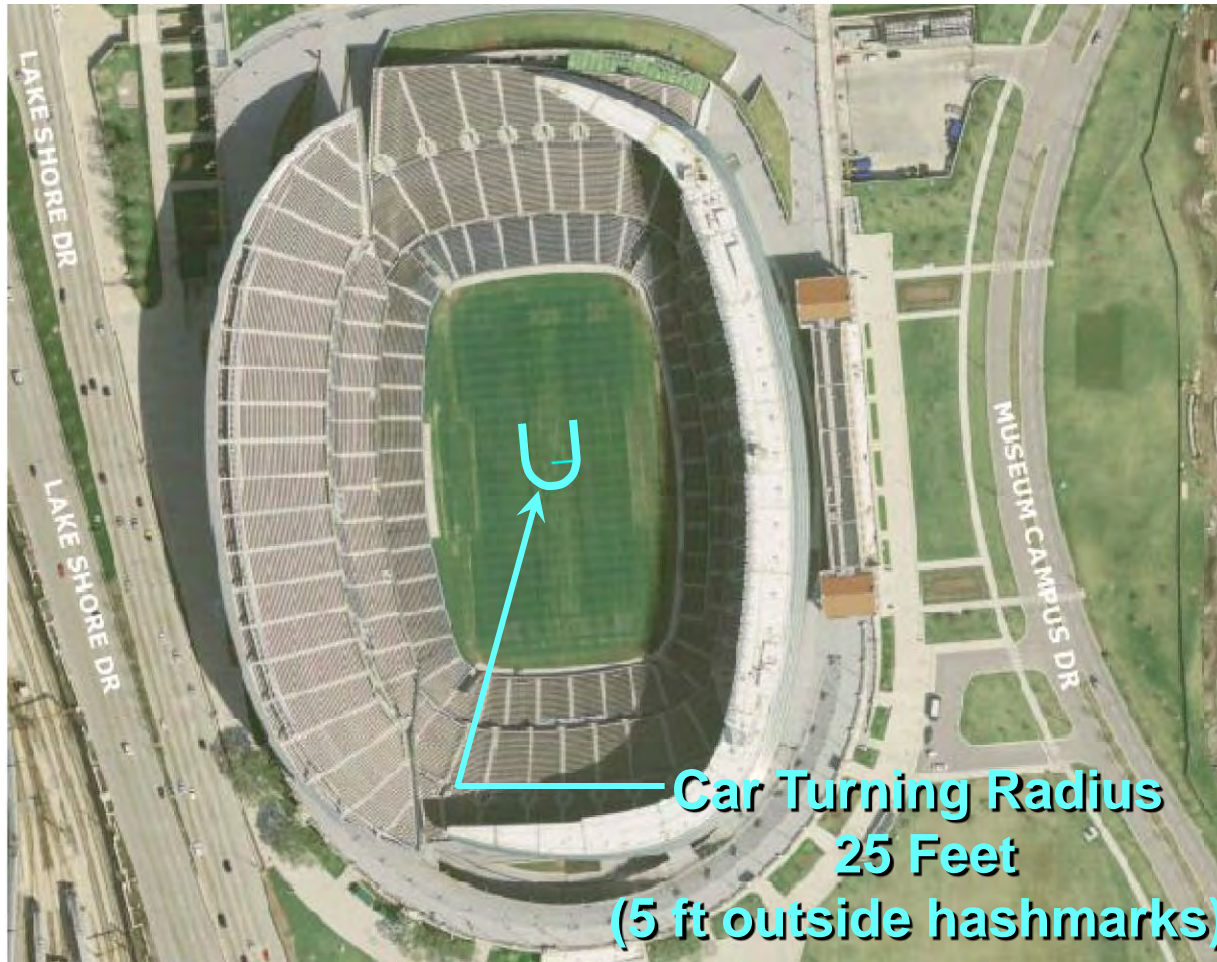
- At NS, *we are very site-centric.*
- It is very easy to put a non-rail user on a rail-served site, but you cannot do the inverse!
- If you don't have the site, you won't get the project.

# Soldier Field



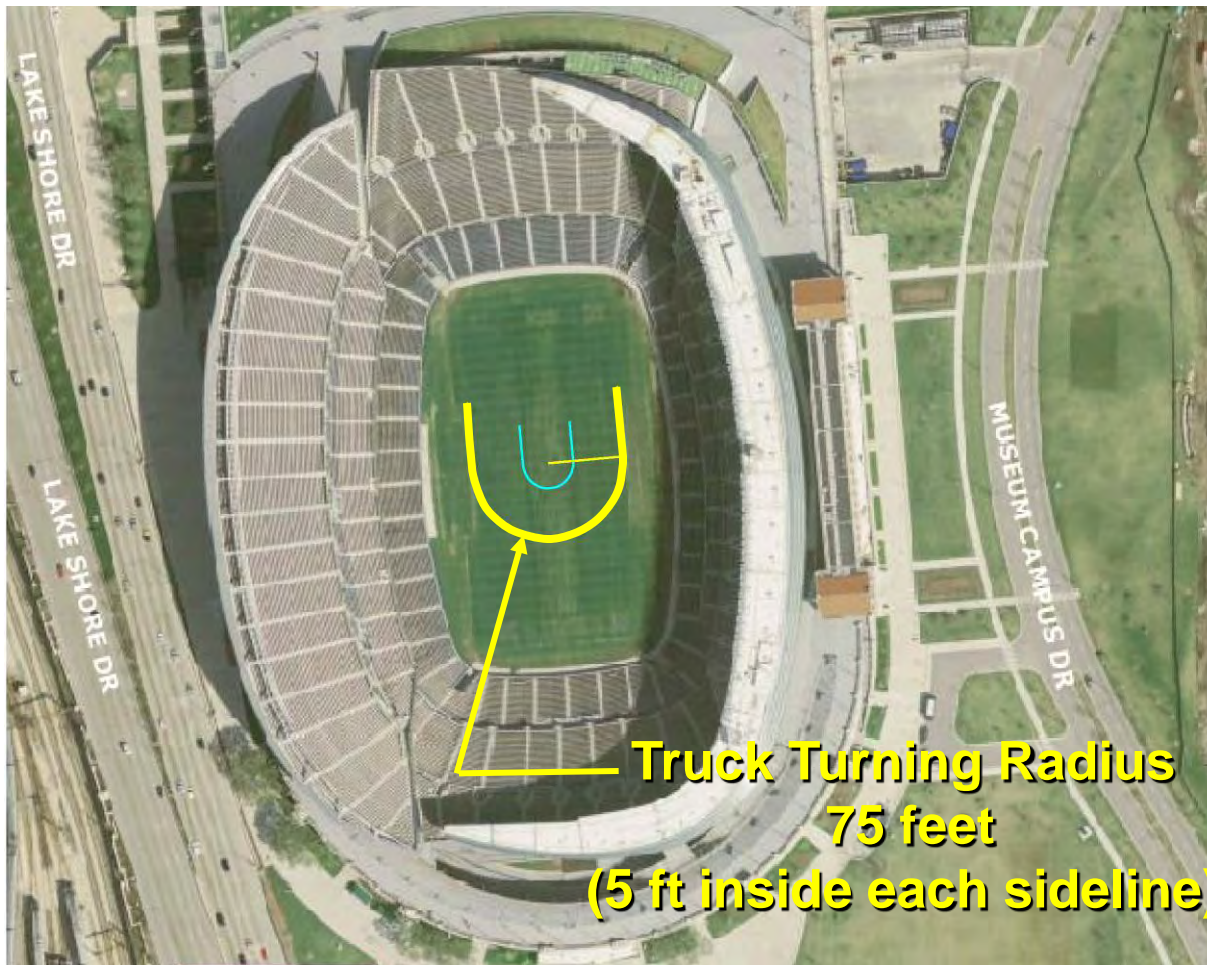
# The importance of planning for rail

## Restrictive Horizontal Alignments



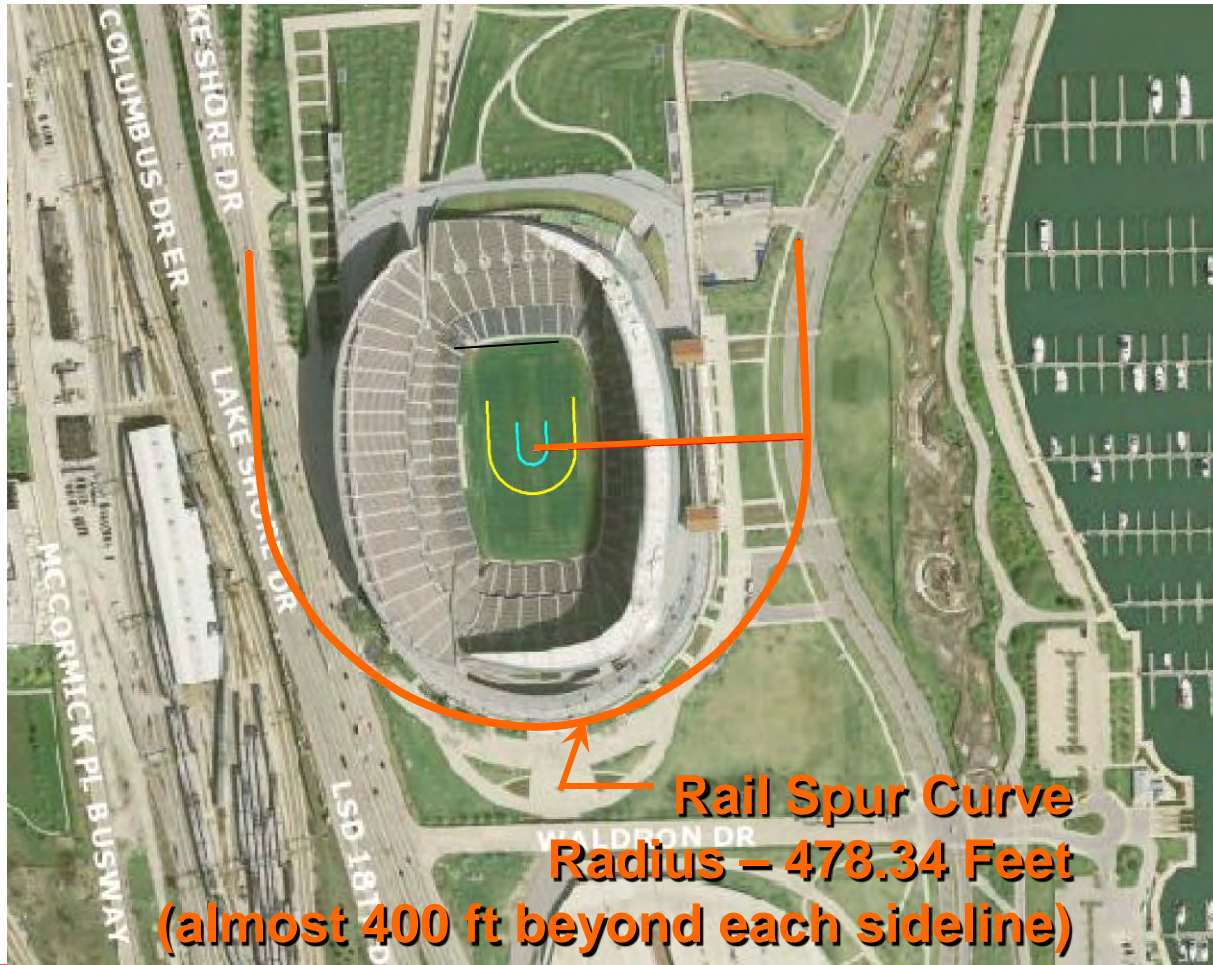
# Planning for trucks is pretty easy

## Restrictive Horizontal Alignments



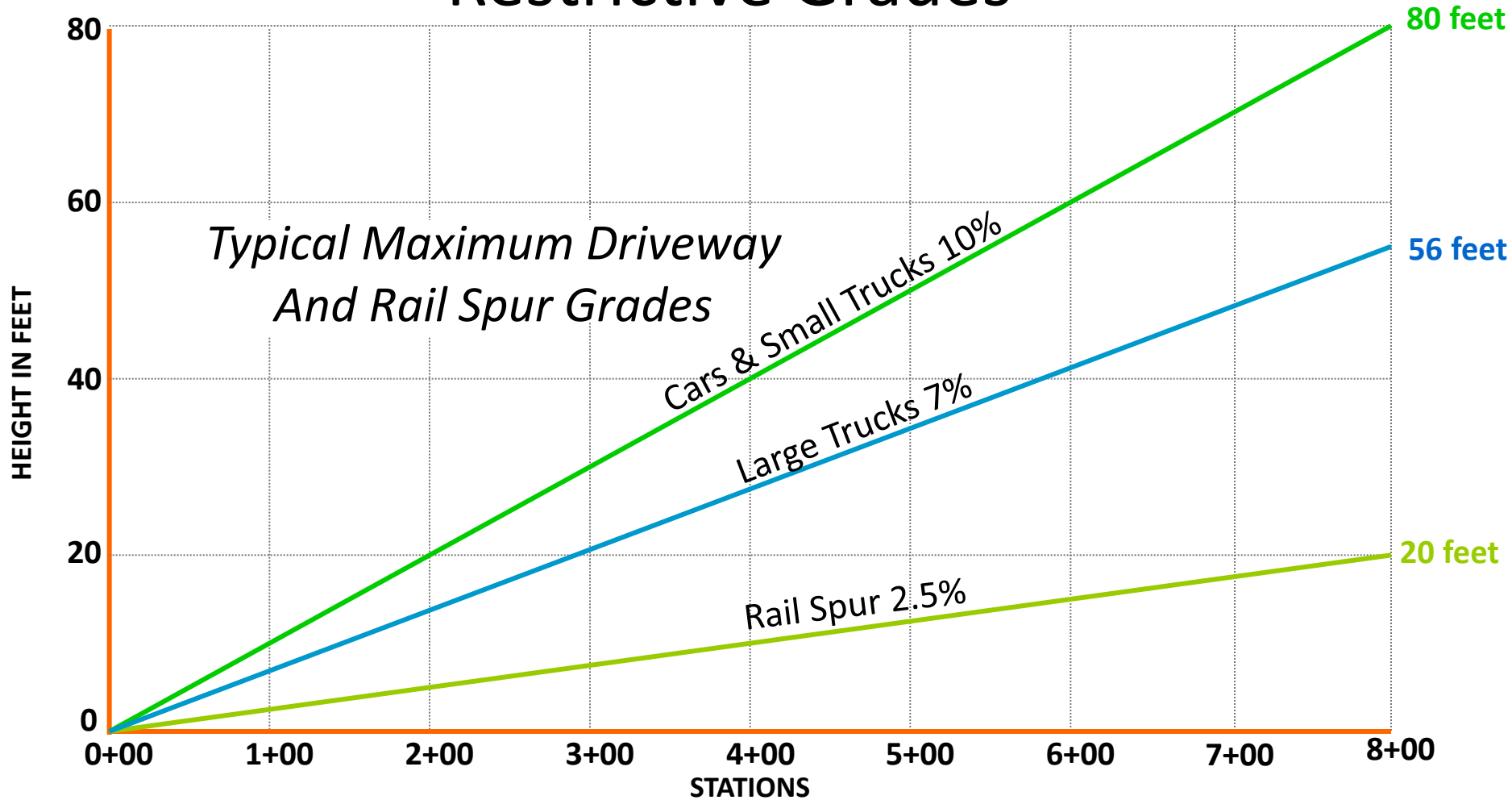
*To have rail, the site must be right*

## Restrictive Horizontal Alignments



# And don't forget the grade

## Restrictive Grades

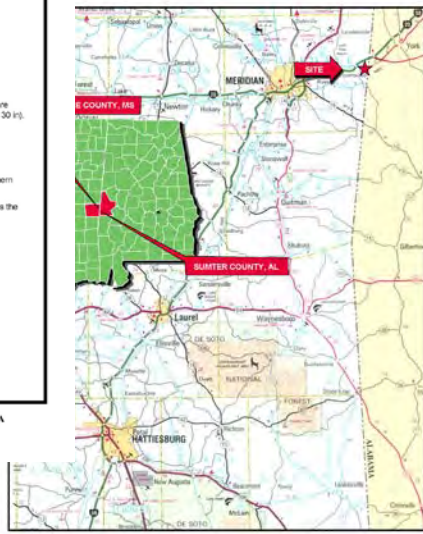


(Distance in Hundreds of Feet)

# Sites are key

## NS Standard Site Description

KEWANEE-STATE LINE SITE MS-LAUDERDALE-5			
<b>PHYSICAL CHARACTERISTICS</b>			
<b>SIZE:</b>	1,129.1 hectares (2,730 acres). Subdivision would be a matter of negotiation.		
<b>LOCATION:</b>	32 kilometers (20 miles) east of the city limits of Meridian, in Lauderdale County.		
<b>TOPOGRAPHY:</b>	Elevation between 73.2 and 99.1 meters MSL (240 - 325 ft).		
<b>ZONING:</b>	Not Zoned		
<b>OWNERSHIP:</b>	Multiple owners.		
<b>UTILITIES</b>			
<b>WATER:</b>	No municipal water service near the site.		
<b>SEWERAGE:</b>	No municipal sewer service near the site.		
<b>GAS:</b>	Southern Natural Gas. Line size is 76.2 cm (30 in). Three transmission lines are located 12.9 kilometers (8 miles) south of site: 45.7, 61.0 & 76.2 cm (18, 24 & 30 in).		
<b>ELECTRICITY:</b>	Mississippi Power Company.		
<b>TRANSPORTATION</b>			
<b>RAIL:</b>	Norfolk Southern Railway, parallels US-1180 to the south. Kansas City Southern afforded access to Automotive Traffic.		
<b>HIGHWAY:</b>	Frontage along I-2050, 0.5 kilometer (0.3 mile) to interchange. US-1180 forms the sites southern boundary and provides access to I-2050.		
<b>AIR:</b>	43 km (27 mi) from Meridian Municipal Airport.		
<p>For additional information, please contact Norfolk Southern</p> <table border="0"> <tr> <td>Michael T. Grim, Manager Industrial Development Department 1400 Norfolk Southern Drive, Suite 211 Birmingham, AL 35210 (205) 451-4749 FAX (205) 451-4751 Email: mtgrim@nscorp.com</td> <td>Robert A. Bowling, Director Industrial Development Department 1300 Peachtree St., 52nd floor Atlanta, GA 30309 (404) 529-2245 FAX (404) 529-1067 Email: rbowling@nscorp.com</td> </tr> </table>		Michael T. Grim, Manager Industrial Development Department 1400 Norfolk Southern Drive, Suite 211 Birmingham, AL 35210 (205) 451-4749 FAX (205) 451-4751 Email: mtgrim@nscorp.com	Robert A. Bowling, Director Industrial Development Department 1300 Peachtree St., 52nd floor Atlanta, GA 30309 (404) 529-2245 FAX (404) 529-1067 Email: rbowling@nscorp.com
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LOCATION MAP



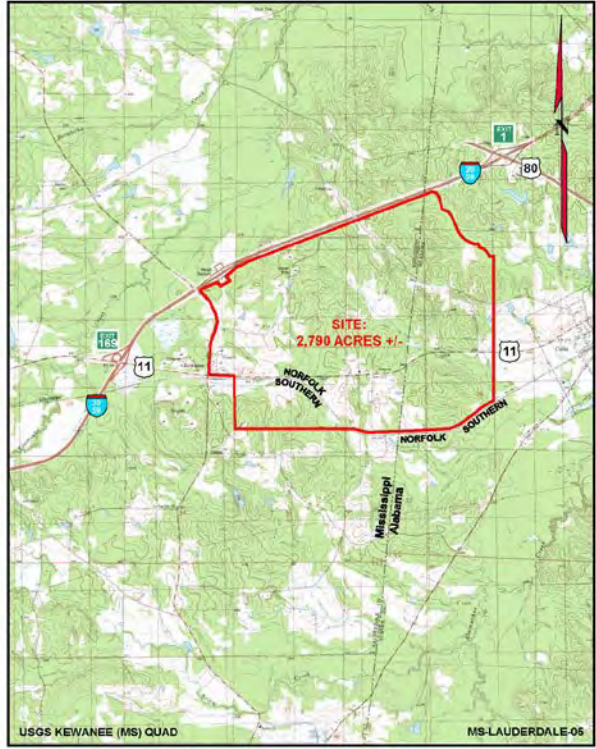
MS-LAUDERDALE-05



AERIAL PHOTOGRAPH



Provided by GOOGLE EARTH  
Image Date: 06/07/2007



TOPOGRAPHIC MAP SECTION



SCALE 1 INCH = 4000 FEET  
CONTOUR INTERVAL 20 FEET

# *Things to remember the next time*

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- Please don't leave *transportation and logistics* to an after-thought.
- As a State or Local Economic Developer, get in the game, but get your site ready—and that includes talking to your rail partner.
- Remember that Railroads are incredibly capital intensive. It will take them time and money.

*Thank you.*

