BEFORE THE
ILLINOIS COMMERCE COMMISSION
RAILROAD SUPPLIER DIVERSITY MEETING
Tuesday, September 21, 2021
Chicago, Illinois

Met pursuant to notice via videoconference at
9:00 a.m.

PRESENT:

CARRIE ZALEWSKI, Chairwoman
MARIA S. BOCANEGRA, Commissioner
D. ETHAN KIMBREL, Commissioner
MICHAEL T. CARRIGAN, Commissioner

BRIDGES COURT REPORTING
CHAIRWOMAN ZALEWSKI: Hi. I have 10:30 and we are still in open meetings. So we are just going to pivot now to our railroad supplier diversity portion of the meeting. And I'm going to turn it over to Jeanine Robinson, who is the director of Diversity and Community Affairs.

Jeanine, are you there?

MS. ROBINSON: Yes, I am. Can you hear me?

CHAIRWOMAN ZALEWSKI: We can hear you.

MS. ROBINSON: Okay. Thank you, Chairman.

Good morning, everyone, and thank you for joining the Illinois Commerce Commission for our annual rail supplier diversity policy session.

My name is Jeanine Robinson. I am the director of Diversity and Community Affairs. I am excited to host and moderate my second rail supplier diversity policy session.

Section 5-117 of our Public Utilities Act requires regulated entities to report their diverse supplier goals and respective actual diverse supplier spending in the previous calendar
Section 10 of the Railroad Supplier Diversity Act, Public Act 100-0423, effective January 1, 2018, states that Class 1 railroads may submit to the Commission an annual report on supplier diversity and requires the Commission to hold an annual workshop to hear from the railroad and/or advocates about solutions to improve supplier diversity.

In other words, Class 1 railroads are not required to submit annual supplier diversity reports to the Commission. These railroads are invited to do so on a voluntary basis.

We thank the railroads for taking time to share the work that your company has done or is doing in support of yours and the State's supplier diversity initiative.

During this session, representatives from Class 1 railroad companies will share their company's highlights on overall diverse spending. We will also hear about their best practices, challenges, plans going forward, and adjustments, if
any, they have had to make during this pandemic era.

The ICC continues to collaborate with Class 1 railroad companies to come up with various strategies to improve with their respective supplier diversity initiative. Over the course of the past year, I've moderated roundtables to introduce and reintroduce some of the assist agencies with the railroad companies. Building relationships is the key component to identifying and promoting Illinois-based resources as they seek diverse vendors for their projects.

Another resource the railroads use to help with their supplier diversity initiative is the CREATE Program. This program is a partnership with the United States Department of Transportation, Illinois Department of Transportation, State of Illinois, Cook County, City of Chicago, Metra, Amtrak and the nation's freight railroad.

This program is of national significance and will invest billions in
critically-needed improvements to increase the efficiency of the region's passenger and freight rail infrastructure and enhance the quality of life for Chicago-area residents.

This program also strongly encourages diversity regarding opportunities for individuals and potential vendors. This year, CREATE held a virtual workshop over a four-day period. It was a chance to learn more about the opportunities and requirements for upcoming CREATE Program projects. It also provided networking opportunities, panels and workshops.

Of the seven rail supplier diversity reports submitted this year, which you can find on our website, the collective diverse spending has increased to approximately one and a half billion dollars, which is great. However, there is still more work to do. As it appears, this may only represent approximately ten percent of the total spent.

We continue to collaborate with Class 1 rail companies to assist with resources to
help increase their Illinois diverse spend.

And now we will begin with the presentations. Each representative will have approximately five minutes to present. That will be followed by a question-and-answer session.

As always, the Chairman and the Commissioners are welcome to ask questions throughout the session. If time permits, we will address questions submitted via email from the public. The email address is icc.diversity@illinois.gov. That's icc.diversity@illinois.gov.

For the participants, if you are not presenting, please mute your devices. You can turn on your videos if you'd like.

Today, we have Union Pacific's Andrea Oswald, general director of procurement, operations and supplier of diversity supply chain. We have Norfolk Southern's Valerie Nesbitt, group manager of supplier diversity and sustainability. We have CSX's Tom Livingston, head of state government and community affairs. We have Kansas City Southern's
Melissa Smith, director of indirect purchasing.

Let us begin.

Andrea, I'll turn it over to you.

MS. OSWALD: Hi there. Good morning.

MS. ROBINSON: Good morning.

MS. OSWALD: I'll get my slides pulled up here. Can you see my screen?

MS. ROBINSON: Not yet.

MS. OSWALD: Okay. How about now?

MS. ROBINSON: Not yet.

MS. OSWALD: Okay. One second.

MS. ROBINSON: Go to the bottom, share.

MS. OSWALD: Let me -- there we go.

How about now?

MS. ROBINSON: Yes.

MS. OSWALD: All right. So I'll give you a brief update today about our supplier diversity program: what we did in 2020, what we're doing here in 2021, and how we're approaching the future.

And so our first slide gives you a picture of where we were at year over year. So the number that we reported to you, we showed
$423 million in diverse spending in 2020. That was only with our Tier 1 suppliers. That was a $148 million increase from 2019, or 54 percent.

That spend represented about 7.6 percent of our total spending was with diverse suppliers. We've spent dollars with 275 suppliers in 35 states, including 28 Illinois-based suppliers.

Our 2021 goal is pretty aggressive; it's another 25 percent increase in spending year over year. You know, we know it's aggressive, and we've got plans to work towards it. I'm not sure if we're going to get all the way there, but we are trying.

Just to give you some highlights. When I -- last year's presentation I think I was three weeks onto the job and was transitioning with my predecessor. So here's some of the things that we've accomplished over the last year.

So first of all, we created -- last September we created a dedicated supplier diversity team. So myself and then we've got two other folks
who are full-time dedicated to supplier diversity.

We've done a lot of work on our external web page, if you go out to that -- if you go to UP, go to the suppliers' page, right -- right underneath that you can see supplier diversity. You can see our statement from our CEO, and we've got a statement from our department head, Clark Ponthier, as well. And we've done a lot of work on our web page. So anybody who wants to come out and learn more about Union Pacific can do so.

We've got great support from our senior leadership. We've had conversations with basically all of our executives to get our message out and have everybody driving towards our goal.

Something else that we did was establish KPIs. We've got six KPIs, including some leading KPIs about supplier onboarding, bid inclusion percentages, and bid award percentages. We track these every month. We've got Gemba boards throughout our department that show where we're at, and we report out on our progress to the team and
track where we're progressing.

And, finally, we enhanced our program
to really be geared more towards outreach and new
supplier development, and I'll talk more about that
on the next slide.

We joined four new supplier diversity
councils. So we joined four regional councils,
including the ChicagoMSDC.

One of the other things that we did
was really work closely with our procurement
managers here within the department to understand
what bids are coming up and where we may have gaps
in our process, where we need to identify some new
diverse suppliers to get onto those bids prior to
bid issuance. So that's been really successful for
us, and we've been seeing a pretty good increase in
our bid inclusion metric.

One of the other exciting things that
we've done recently, we added disability-owned
business enterprise as one of our recognized
classifications. That was a month or two ago, so
we're actively looking to expand that program as
well.

So I mentioned a little bit of our focus on supplier development. I refer to this as a funnel. So at the end of the day, we're hoping that all of our efforts result in dollars flowing down through the funnel to diverse suppliers.

So right now we've got about 238 suppliers that we're talking to, that we've met either through the councils, through outreach, that we have made referrals to us, searches that we've done so that my team and I are actively having conversations with.

We've onboarded 90 suppliers so far. So these suppliers are officially registered in our systems and available to be included on bids.

The bids metric tracks lags about 30 to 60 days behind that onboarding metric, since, again, we want to try to get those suppliers registered in our system before the bid is out there. So that metric will always be a little bit behind.

So we've got 32 new suppliers that
have been included on bids so far this year. And
the number -- probably the most exciting number
here is that we've got 18 new suppliers that have
won bids, been awarded contracts, totaling about
$60 million in annual spending. So we're very
excited about that.

Finally, I wanted to show you a
little bit about our communication strategy. So
first of all, I wanted to highlight three new
Illinois suppliers that we've onboarded this year.
And these are three that are included in that
number of suppliers who've won bids.

So first -- the first one is Trinidad
Construction. They won a construction bid in our
Proviso facility near Melrose Park. And that
project should be starting here pretty soon, if it
hasn't started already.

Twin Fuel Logistics does fuel
delivery within the Chicago area and some
truck-based fuel delivery to our facilities.

And then Learning Designs, LLC, is a
training provider for us that developed some really
great content regarding empowering our differences.

Some of the other outreach efforts that I wanted to highlight. Jeanine mentioned the CREATE Get On Board event. We participated in that. I mentioned that we joined the ChicagoMSDC and are getting involved with them and starting to attend some of the events that they have offered. We met with the folks from HACIA -- Jacqueline Gomez and her team at HACIA -- a month or two ago and are looking to expand our partnership there.

And, finally, we're really developing our digital communication strategy. So you can see a couple screenshots here. So we're doing a monthly supplier spotlight where we're highlighting one of our diverse suppliers. You can see August's example there. Today, we are supposed to have that September example come out, which is Serve West, which is an engineering firm. Check our social media channels later today; hopefully that'll be out there.

And I also did a blog post that went on our internal website and also our external
website. You can see a screenshot of that there. And that was actually also picked up by Railway Age magazine, so that was pretty exciting.

With that, I'll turn it back over to Jeanine.

MS. ROBINSON: Thank you so much, Andrea. Thank you for that information. And now we will turn it over to Valerie Nesbitt from Norfolk Southern.

Valerie?

MS. NESBITT: Yes. Good morning. Can you hear me?

MS. ROBINSON: Yes.


Good morning. I'm Valerie Nesbitt. I joined Norfolk Southern sourcing department two weeks ago as the new group manager of supplier diversity and sustainability.

Previously, I was responsible for leading the business diversity program at Hartsfield-Jackson Atlanta International Airport.

My background is in supplier
diversity and supply chain management. I've held a
number of leadership assignments with companies
such as The Coca-Cola Company, Delta Air Lines,
Martin Marietta, and General Electric. So I guess I
would sum it up to say I'm new to the rail
industry, but not new to supplier diversity.

Norfolk Southern is one of the
nation's premier transportation companies
headquartered here in Atlanta, Georgia. The
company operates in 22 states and the District of
Columbia.

In 2020, Norfolk Southern increased
network-wide diversity spend by 34 percent over the
previous year for a total of -- total diversity
spend of $166 million. Also in 2020, Norfolk
Southern added 16 new diverse suppliers, including
two that are headquartered in Illinois.

Lastly, in 2020, Norfolk Southern's
diversity spend on professional services increased
by 54 percent over 2019 to the tune of
$126 million.

Now moving on to 2021 successes, in
2021, as I mentioned earlier, my position was created and it is the group manager of supplier diversity and sustainability. Now, this new role was created to enhance our focus on building a robust supplier diversity and sustainability program.

To elevate the importance of this position, it reports directly to our assistant vice president of sourcing.

Now, this exemplified Norfolk Southern's commitment, dedication and support of our work in the work -- in the area of supplier diversity and sustainability.

One recent success I'd like to share that occurred in 2021 in Illinois was when Norfolk Southern onboarded several minority- and women-owned business enterprises as subcontractors to the construction expansion of the company's 63rd Street intermodal facility truck-trailer parking lot.

Now, these subcontractors, representing approximately one third of the total
project contracts value, came from locations in Illinois. They are to sustain the prime contractor with providing services such as hauling aggregates, hauling asphalt, fencing, providing electrical supplies, pavement striping, as well as nuisance control.

In the coming months, professional services opportunities within Illinois will be publicly advertised for requests for quotation for several CREATE projects which are being led by the Norfolk Southern Design and Construction Department.

Now, these projects are, and I'll give you -- there's three of them: CREATE EW3A, which is a construction management services; EW3B, which is a final track engineering design; and, lastly, EW2, the final --

CHAIRWOMAN ZALEWSKI: Ms. Nesbitt? I'm sorry --

MS. NESBITT: Yes?

CHAIRWOMAN ZALEWSKI: -- I'm going to -- excuse me. I'm sorry.
Can you name those projects again?

You cut out for a second.

And then another thing I was going to
ask, you cut out a couple times, but an important
number that I think that we may have missed is the
percentage increase. I'm not sure if you said 34
percent. So if you could repeat that.

And then if you kind of can repeat
the last projects you just named for the benefit of
the public and the court reporter.

Thanks.

MS. NESBITT: No problem. My apologies for
that.

Let me go back to -- I think you were
referring to -- okay, this was 2020. It may have
been in 2020.

So in 2020, Norfolk Southern
increased network-wide diversity spend by
34 percent over the previous year, for a total
spend of $166 million.

Also in that time frame in 2020, we
added 16 new diverse suppliers, two of which are
headquartered in Illinois.

And then the last point for 2020 was that our spend on professional services increased 54 percent to a tune of $126 million.

And going back to the three projects --

CHAIRWOMAN ZALEWSKI: That's right. That's great. Thanks for that information.

Yes, if you could just name off the projects that you were referring to last before I cut you off.


So the three projects are:

CREATE EW3A, which is the construction management services. And then EW3B, final track engineering design. And then the third was EW2, final bridge engineering design.

Now, all three of these opportunities will be advertised through the CREATE Program's procurement services email and press release. You can sign up to receive email notifications by visiting www.createprogram.org and then clicking
on "get involved," and then select "doing business
with CREATE."

Now, DBE participation will be a component of all three of these advertisements, which may possibly lead to DBE opportunities in the areas of, for example, geotechnical work, survey staking, utility coordination, and perhaps construction permitting.

In early 2022, DBEs will have an opportunity to participate as subcontractors for the next expansion phase of the company's 47th Street intermodal facility project for a new truck-trailer parking lot in Chicago. Now, this work will be very similar to the successful DBE participation that we had at the 63rd Street intermodal facility project that is now underway.

For those interested in more information on this project, please feel free to contact me. My email address is Valerie, V-A-L-E-R-I-E, dot Nesbitt, N-E-S-B, as in "boy," -I-T-T at NScorp, C-O-R-P, dot com.

Thank you for this opportunity to
speak with you today about this important subject,
and I really appreciate that. Thank you so much.

Jeanine?

MS. ROBINSON: Thank you for that information,
Valerie. I greatly appreciate it.

And now we will have Tom Livingston
with the CSX.

Tom?

MR. LIVINGSTON: Well, good morning, Jeanine.

And I'm going to turn it right over to Evan Bell, who
is the head of procurement at CSX. And good
morning to the Chairwoman and the members of the
Commission. We really do appreciate our
partnership with the Commission, with Brian
Vercruysse, and everything throughout the year.

But why don't we jump right to our
head of procurement, Evan Bell, who is on the line.

Evan?

(No response.)

MR. LIVINGSTON: I'm not hearing Evan, unless
somebody else is.

MR. BELL: Sorry. Can you hear me now?
MR. LIVINGSTON: There we go.

MS. ROBINSON: Yes.

MR. LIVINGSTON: Go ahead, Evan.

MR. BELL: Thank you very much, everybody, Madam Chairman, members of the Commission. My name is Evan Bell. I got the opportunity to speak to you briefly last year. Very excited about what we've done this year so far, as well as 2020, even with the challenging environment.

But I'd like to kind of walk through with you some of what we've done. As you've seen, going by Tom Livingston, head of State Government and Community Affairs at CSX. In terms of Illinois, CSX operates with many terminals in Illinois, Bedford Park, Chicago, Danville, East St. Louis, Ottawa, Riverdale. We have over 700 direct employees in the State of Illinois. We also link across Chicago and the broader Illinois to other supply chains in -- both globally as well as across the rest of the U.S.

I'm really happy, like I said, to be able to testify to our diversity report we
submitted earlier this year. From last year to this year, our spend in Illinois went from 875,000 in 2019, to 2.2 million in 2020. That is a 150 percent increase.

In 2019, we had 10 Illinois contractors. In 2020, we had 18. So our strategy on really trying to build the base has been very effective.

This is alongside a 64 percent female and minority workforce in Chicago and 40 percent downstate for our company. And despite the pandemic in 2020, we did attend virtual conferences, which I think is one thing that has been much different than prior years. With both unlocking Tier 2 opportunities, which was held last November in partnership with Coca-Cola and several other companies. And then, as mentioned earlier, the Get On Board event that was held.

We'd also like to share, through 2020, Operation Gratitude and Pride in Service initiative. We work with shipping partners and customers to donate several large containers to
Chicago area first responders and frontline healthcare workers. And additionally, on the environmental front, we're actively engaged with our suppliers to reduce emissions across the supply chain to drive meaningful progress on climate change.

We're already recognized as a member of the Global A-List for environmental transparency action, and we were named to the 2020 CDP Supplier Engagement Board.

CDP is a global environmental not-for-profit -- announced CSX as the top 7 percent of companies for supplier engagement on climate change. So in addition to the other things we're trying to do with suppliers and build that base, we're continually looking to add significant value to our constituent base.

Finally, very specific to Chicago, we've continued to focus on specialized training for the Chicago Region Environmental -- I'll shorten it -- CREATE Program. And with that, we're an official partner with the State of Illinois and
others on that program. And in 2020 and 2021, we've worked with our engineering firms to establish training with the Dawson Institute -- Technical Institute of City Colleges. And we've already onboarded new employees as a result.

And then construction for the 75th Street flyover project as part of CREATE will be underway next year, and we'll continue to work with the State of Illinois to make sure our DBE goals are met throughout that.

And so once again, I think we're very excited with, you know, the progress that has been made, and I look forward to any questions.

MS. ROBINSON: Thank you, Evan.

Is Evan the only one participating -- I mean talking, right, Tom?

So now we will go to Kansas City Southern, Melissa Smith.

Melissa?

MS. SMITH: Good morning. Can everybody hear me okay?

MS. ROBINSON: Sorry. Yes.

Good morning. We have -- I'm with Kansas City Southern. We have a very small presence in Illinois, and so we don't have a lot of spend data relative to the states, but we saw actually a little bit of a decrease in our supplier-diversity spend in 2020. We're noticing that same trend a little bit in 2021.

And we're a little different. We don't have a supplier diversity manager here today. We used to, but it's one of the many hats that we wear here at Kansas City Southern. So we are normally active in our community to try to go to local colleges, we participate with the Kansas City Chamber of Commerce in vendor connection events on a quarterly basis. But all of that has ceased with the pandemic. And so we've been struggling to get a little bit of traction there. We do try to include a diverse supplier in the bids that we have coming up, but because of our merger activity, I'm sure you all have seen in the news, we've seen a lot of projects come off the board. We've seen a
lot of work be pushed. And so spend for us this year overall is going to be down, which I know is going to affect our supplier diversity numbers.

We're also currently in a large ERP project to upgrade our SAP environment and stabilize an AREVA environment. And so we hope with that that we'll be able to reach more diverse suppliers, we'll have access to the searches that those tools can bring us to include more people. So I expect that this number will go up.

We're also looking at a partnership with our dynamic discounting partner, C2FO, in order to provide alternative payment acceleration options for diverse suppliers. So they would open a marketplace specific to them and give them better rates than just our normal suppliers to try to help them increase their cash flow, if that's something that would be useful to them. And so that's a project we've been working on over the last several months.

We have renewed our focus on diversity. I know that there have been a lot of
questions lately, especially as we plan to work on our environmental sustainability report, and along with the merger. So I would imagine this will be a different conversation next year, different numbers, perhaps some pooled spend, but hopefully, for Kansas City Southern, anyway, this is a low watermark in terms of what we're spending, and we can continue to increase it from here.

I welcome any questions.

MS. ROBINSON: Thank you, Melissa. Thank you, everyone, for this information.

And now we will turn it over to the -- our questions to our -- we'll turn it over to our answers -- questions portion.

Madam Chair, Commissioners, would anybody like to go ahead?

CHAIRWOMAN ZALEWSKI: Yes. This is Carrie Zalewski.

Jeanine, thank you for your efforts today and throughout the year to continue to make these important connections with the different diverse suppliers and for trying to get a better
understanding of how we can insure that there is a level playing field for diverse suppliers. It's important work, and we appreciate your leadership.

I want to thank all of the railroad representatives for taking the time to present today. The fact that you are present today shows your commitment to this important topic.

So my question is kind of a general question. Ms. Smith mentioned a little bit about COVID concerns and how that may have impacted the numbers. And so I wonder if the representatives can speak to just different challenges and concerns of how to attract and maintain these diverse suppliers.

MS. OSWALD: This is Andrea with Union Pacific, and I can go ahead and start.

I would say, first of all, you know, when you look at our spending in 2020, just with the nature of the pandemic, our total spending was down year over year. I don't have the specific number, but our total spending was down. The good news is that we had already started some efforts on
supplier diversity, so our percent of supplier --
of diverse spend as a percent of total, actually
went up from 2019 to 2020. So that's exciting
news.

And candidly, we haven't -- we
haven't really -- I haven't heard a lot of
specifics from our suppliers about the way the
pandemic has impacted them. You know, we're
hearing -- right now what -- and I'm sure you're
hearing this across the board, everybody is just
having challenges with hiring. And the labor
market being so tight, you know, that's really our
number one concern across our supplier base at this
point in time.

MR. LIVINGSTON: Yeah, I would agree.

This is Tom from CSX.

Our intermodal traffic is about ready
to enter its peak season. I'm sitting here in
Bedford Park at our terminal. Usually, the peak
season starts in the middle of October and runs
through the end of the year. And really we never
experienced a dip in our volumes this year on the
intermodal side to experience a peak later. So everything's very heavy, heavy congestion.

We continued with the CREATE projects at CSX through the pandemic, which was mostly on the engineering and planning side. So I think if we were to experience another round of a pandemic, you would see more of a fall off. But I think there was just enough in the pipeline, as I think Andrea or Valerie might have said, that has kept the industry viable here, particularly in Illinois.

CHAIRWOMAN ZALEWSKI: Does anyone else want to add anything else?

MR. BELL: Yes. I'd say the one thing that I think has been challenging is the ability to get out into the different communities for procurement managers.

I know in years past both Tom and myself have done various things to bring many different suppliers of different types in, just kind of meet and greet, where you can, you know, exchange information, have a longer conversation.

And I think that's been a little bit more
challenging to do online than in person, especially when we want to do things community- and region-specific.

So I think that has been one of the challenges, and we've leaned on some of our -- our tools on websites as well as our procurement managers really trying to reach out and, you know, use the internet to try to find people in areas. But I think that's been a challenge versus history, but I think we've come up with some creative things to overcome that.

MS. NESBITT: Yes. This is Valerie.

I would just echo what Evan just shared. I think that, you know, when you think about the world of supplier diversity, it's all about making those connections, and it's all about relationships. And as good as having virtual meetings is, and having this as a tool, it's nothing like making that face-to-face contact and building those relationships.

So I would just agree that I think that is a challenge, but I think that, you know, of
course, you know, having the virtual platforms is
our best option.

So -- but I would also just agree,
too, again, with what Andrea said earlier. Of
course, I came from the airline industry, so I
can't really speak for the railroad, but definitely
from a standpoint of manpower and resources, that
is something that is being faced as well, I see,
around the world in terms of getting those
individuals there.

And I don't know the impact, though,
from a construction standpoint, and that would be
an interesting thing to kind of pursue, you know,
that workforce, where that -- how that was impacted
by COVID.

Thank you.

MS. ROBINSON: Thank you.

Do Commissioners have other
questions?

COMMISSIONER BOCANEGRA: Yes. I have one
question at this time. It's for -- this is
Commissioner Bocanegra, by the way, for the record.
This question's for Andrea. First, I want to thank you for putting together what I consider an easy to follow presentation. I'm not a numbers person, but...

I have a question about one of your slides. You had a graph identifying how many new suppliers, you were able to do some outreach, leading all the way through registration, bidding, and a final award.

My question is, is what do you think might be the barriers from starting with such a high number and then kind of getting down to that 18, if any, and what might be some of those solutions?

MS. OSWALD: And so I would say one of our barriers is timing. Just the timing from when we -- you know, when we first make contact with a supplier, we might think somebody's great, but if we don't have an opportunity for them at that time, we're kind of keeping them -- you know, we'll get them registered in the system, but then we kind of -- we're still figuring out the best way to keep
in touch with them and keep them interested until we have, you know, the right opportunity come forward.

So some of it is that nature of timing and being aware of what opportunity is going to be the right fit versus, you know, our bid schedule and our contract schedule. So that's -- that's one of those.

And then, again, when I think about kind of our bid process in general, you know, the time for us to -- typically, you know, bids are open for a couple weeks, maybe a little bit longer if we do a second round bid, but getting through that process and then getting the award issued, the contract issued, you know, that's -- that's at least a 60-day process.

So just to kind of the -- from that whole time to -- you know, it's at least kind of three months, essentially, to get through the pipeline from that very first, you know, handshake to getting a contract signed. It could be shorter, but, on average, it feels like it's about in that
three-month time frame.

So -- but the -- again, the bigger issue, and something that my team and I have talked about quite a bit is, okay, how do we make sure we're keeping these suppliers on our radar so that when we have the right opportunity come up, we can get them in, get them in fast, and get moving forward.

COMMISSIONER BOCANEGRA: Thank you. That's all I have. And certainly if any of the other folks would like to answer that, if they're -- you know, have similar experiences, feel free to do so. But otherwise, I don't have anything else at this time.

MS. ROBINSON: Do any other of the Commissioners have any questions?

COMMISSIONER KIMBREL: Yes, I do, Jeanine.

Thank you.

Andrea, I'd just like to say that it's great that your department has increased. I think you said you have two folks working with you now, and so we appreciate your -- how serious
you're taking this issue.

And for --

MS. OSWALD: Thank you.

COMMISSIONER KIMBREL: -- for Valerie, we realize you were hired two weeks ago, and thank you for joining us. We note that you did identify professional service spend for us. So I was curious to know, what are the categories in which you include under professional services? Valerie, if you could share that with us, we'd appreciate it.

MS. NESBITT: Certainly. So as I mentioned, I've been here two weeks, so I can't give you a solid answer for that, but I can certainly get a response and get that information back to you, if that's okay.

COMMISSIONER KIMBREL: Yeah, no, that would be great. Yeah, if you could -- you could share that with us, and we could understand what you're classifying as professional services.

So, yeah, thank you.

MS. NESBITT: Certainly.
COMMISSIONER KIMBREL: And then for Ms. Smith, Melissa, I understand you don't have a supplier diversity director; is that right?

MS. SMITH: That's correct.

COMMISSIONER KIMBREL: Yeah. Do you -- and I understand you mentioned the merger. Do you have plans to address that, where you'll have someone, a contact person who will address supplier diversity in the future?

MS. SMITH: I am always very hopeful that we are going to address that, but I'm increasingly optimistic with the merger. I'm hopeful that the CP has it figured out and has a better -- better-run program than we do with a fully dedicated brain to it, and we can do nothing but learn and grow our program from there.

It's still early and so I don't know that for certain, but that's my hope, and that's what I'll be pushing for on my side.

COMMISSIONER KIMBREL: Okay. Great. Thanks, Melissa.

And I think Tom and Evan had
mentioned the Illinois CREATE Program. Are the other folks on the call, are you aware of this program? It seems to be pretty effective for CSX, so I'm just wondering if you're aware and maybe have plans to participate in it as well.

MS. OSWALD: This is Andrea with Union Pacific. Yeah, we have typically participated in CREATE. As far as -- and I'm definitely not the subject matter expert here, but I believe that the current CREATE projects that are going on right now, UP is not the lead on. So we aren't leading the sourcing efforts there. I believe that there is one that's coming up, WA1, Western Avenue 1, I believe, is that quarter -- I'm not a hundred percent certain, but I believe that's the project name. And I believe that that's scheduled upcoming, I believe, in 2022. So that's one that we'll be actively involved in and potentially leading the sourcing on.

MR. LIVINGSTON: Yeah, Commissioner, thank you for the question. I should have mentioned that this particular CREATE project that Andrea's
referencing is really national in attention as it relates to the freight railroads. We just hosted Secretary Buttigieg here at CSX about this project. But, basically, Union Pacific, Norfolk Southern, BNSF, Metra, and the Belt Railway are all financial contributors to the 75th Street project. And this is an opportunity we see along the supplier diversity front and hiring front. The project will be under construction from 2022 to 2024. But as Evan mentioned, we've already begun with the Dawson Technical Institute and others to be intentional about outreach and hiring even before the project's really got going.

COMMISSIONER KIMBREL: Thanks, Tom. I think I need to educate myself a little bit more on the program, but, yeah, thanks for explaining that for us.

MR. LIVINGSTON: We would also invite any Commissioner out to the -- any one of our yards for a tour. We've done that in the past, but it's been a while. And I know, you know, weather and COVID has slowed us down on that front, but we can now
host tours and would love to have you at any one of our yards.

And Michelle Kelm from the Railroad Association can help make that happen too.

COMMISSIONER KIMBREL: Yeah, Tom, I think we'd be -- I have been at the Commission for a little while now, I don't think I've ever taken that tour. So I think we'd be interested in that. So thank you for that invitation.

And just to echo the Chair, I'd like to thank everybody for attending and participating today.

And hopefully, Jeanine, you can track down those folks who didn't participate today.

Okay, Madam Chair. That's all I have.

CHAIRWOMAN ZALEWSKI: Any other questions from Commissioners?

Jeanine, do you have questions or are there questions from the public?

MS. ROBINSON: There are currently no questions from the public, but I have a question
for CSX.

Tom and Evan, I know that you mentioned the outreach that you guys are doing, specifically with the project you have happening here in Illinois.

I wanted to know if there were any specific challenges or concerns regarding diverse suppliers based in Illinois. Specifically, in Illinois, if there's anything particular that you keep seeing that's not happening, that's not allowing that vendor to be able to have an opportunity, like with licensing or insurance or, you know, just typical things that help them.

MR. LIVINGSTON: Evan, do you want to speak to that and then I can follow up, we -- you know, as it relates to CREATE.

Well, I'll just jump in.

You know, Jeanine, we used to see it more. I think vendors -- you know, we didn't mention outreach meetings. I think Andrea had mentioned them nicely in the report. We all -- you know, we're members of HACIA, et cetera.
In the beginning, it was more of an insurance issue. A lot of companies couldn't get enough insurance. Or there were some technical aspect. And what's happened is, especially through the CREATE program, we have consultants that assist us in MBE/DBE interaction. And so we get a little bit more of a head start. We have a long way to go, but it's gotten better is all I can say. You know, we see more ability to jump right in, and usually as a subcontractor to a larger entity.

MS. ROBINSON: Thank you, Tom.

MR. BELL: And, Tom, to follow up on that, I think -- I think things have been improving on those things. I mean, you know, it's very interesting. And one of the things we're doing with our general contractors across our network is having them go through the process, but we also get all of the companies that are doing business for us today.

So if any of those issues exist, such as insurance or -- we just -- they have not done work for us on equality, things like that, we're
able to learn a lot more about them through our
general contractors and transition them to be
current suppliers.

And so I think that has been
something that's been very effective not just in
Illinois, but across our network.

And the other thing I would say is, is
we've also seen other things, wiring companies,
things like that, be very -- that we've been able
to onboard. Once again, not just Illinois, but
across the system as well. So it's very positive
from that perspective, but I think to Tom's point,
historically there -- it was more difficult to
identify those suppliers.

MS. ROBINSON: Okay. Thank you.

So I think that if nobody else has any
other questions or comments, I think that will wrap
up our session.

I really appreciate the participants
today. I appreciate the continued work and
partnership that is taking place so that we -- each
year overall, we're having continued growth and
increases and to continue and to find ways to build relationships so that we can continue to support the supplier diversity initiative from both ends.

Right now we can close it out, and I will turn it over to Chairman Zalewski.

CHAIRWOMAN ZALEWSKI: Thank you, Jeanine.

And also thank you to Shauna Kelley, our bureau chief in transportation. We appreciate both your leaderships. Without both of your work on today's policy session, it wouldn't have been such a success. So we really appreciate you.

As everyone knows, rail is an important part of Illinois' rich history of commitment to safety and building a robust economy for all Illinois residents and also equity and inclusion. And we touched on all of these points today at our policy session.

Thank you again to all the presenters for your participation and commitment to enhancing rail in Illinois.

And without any other comments or
objection, this concludes our Transportation Rail

Safety Policy Session. The meeting is now

adjourned.

Thank you.

(Whereupon, the above-entitled

matter was adjourned.)