

The Crescent Corridor Intermodal Freight Project

Improving Lives and Livelihoods in and around Washington, DC

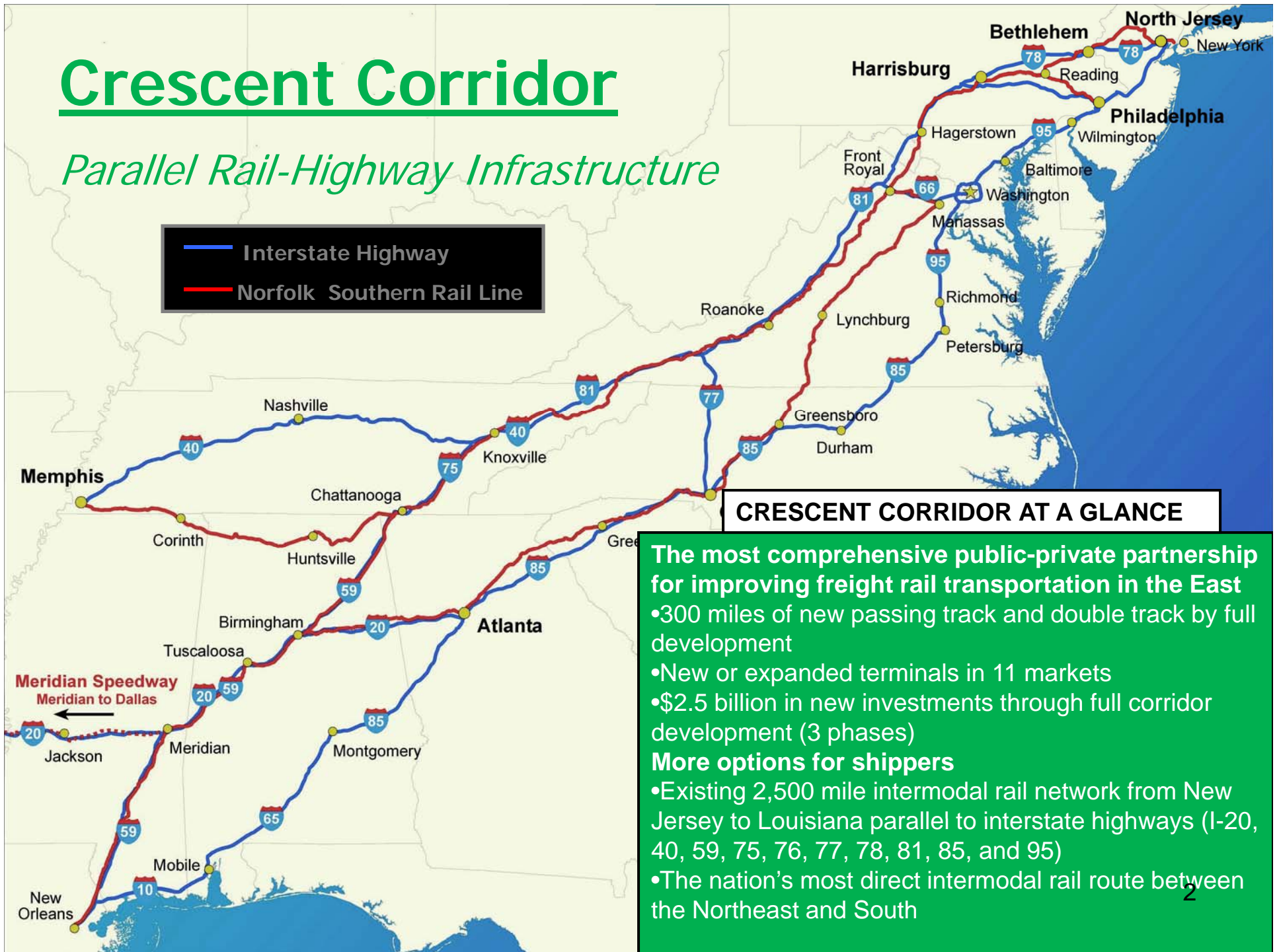
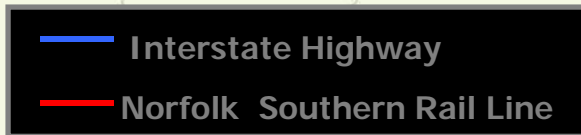


Washington, DC
November 6, 2009



Crescent Corridor

Parallel Rail-Highway Infrastructure



CRESCENT CORRIDOR AT A GLANCE

The most comprehensive public-private partnership for improving freight rail transportation in the East

- 300 miles of new passing track and double track by full development
- New or expanded terminals in 11 markets
- \$2.5 billion in new investments through full corridor development (3 phases)

More options for shippers

- Existing 2,500 mile intermodal rail network from New Jersey to Louisiana parallel to interstate highways (I-20, 40, 59, 75, 76, 77, 78, 81, 85, and 95)
- The nation's most direct intermodal rail route between the Northeast and South

Growth Plan – Three Phases

Full Development Projections

- 1.3 million annual divertible truckloads
- 28 dedicated Crescent trains
- 1,100 mile average length of haul



- Phase I Terminals
- Phase II Terminals
- Phase III Terminal

- Norfolk Southern Railway and its Railroad Operating Subsidiaries
- NS Trackage & Haulage Rights
- Crescent Corridor

Crescent Corridor

A Better Way to Transport Freight

- 2,500 mile network to link the supply chain from the South to the Northeast
- Significant highway congestion exists and will worsen
- Over 1 million divertible truckloads possible – trailers and domestic containers
- Motor carriers need high-quality rail services
- Proposed as a public-private partnership
- Changes in the motor carrier business
 - Driver Shortages
 - Increased costs: fuel, equipment, insurance and wages
 - Transition to “bi-modal” providers
 - Credit Difficulties



Crescent Corridor at a Glance



- Phase I project components include intermodal terminal development in Greencastle, Harrisburg, Philadelphia, Birmingham, and Memphis as well rail route enhancements in Alabama, Mississippi, Pennsylvania, Tennessee, and Virginia including replacing rail and ties, straightening curves, adding passing and double tracks, and new signals in order to support truck competitive transit times.

Funding Partners:

- *The Commonwealth of Pennsylvania has committed \$45 million over three years.
- *The Commonwealth of Virginia has invested \$43 million since 2007 and has pledged an additional \$60 million.
- *Norfolk Southern has outlined a \$264 million commitment by 2013.

\$25 in public benefits for every \$1 of public funds invested from 2011-2040*

\$16 in public benefits for every \$1 of public funds invested from 2011-2030*

*Monetized public benefits at a 3% discount rate, derived from Cambridge Systematics analysis

Crescent Corridor at a Glance

Crescent will attract more than 1.3 million long-haul trucks per year from interstates by full development, ANNUALLY delivering*:

\$1 billion in Logistics Savings

\$575 million in Congestion Savings

\$146 million in Safety Savings

170 million gallons in Fuel Savings

1.9 million tons of CO2 Eliminated

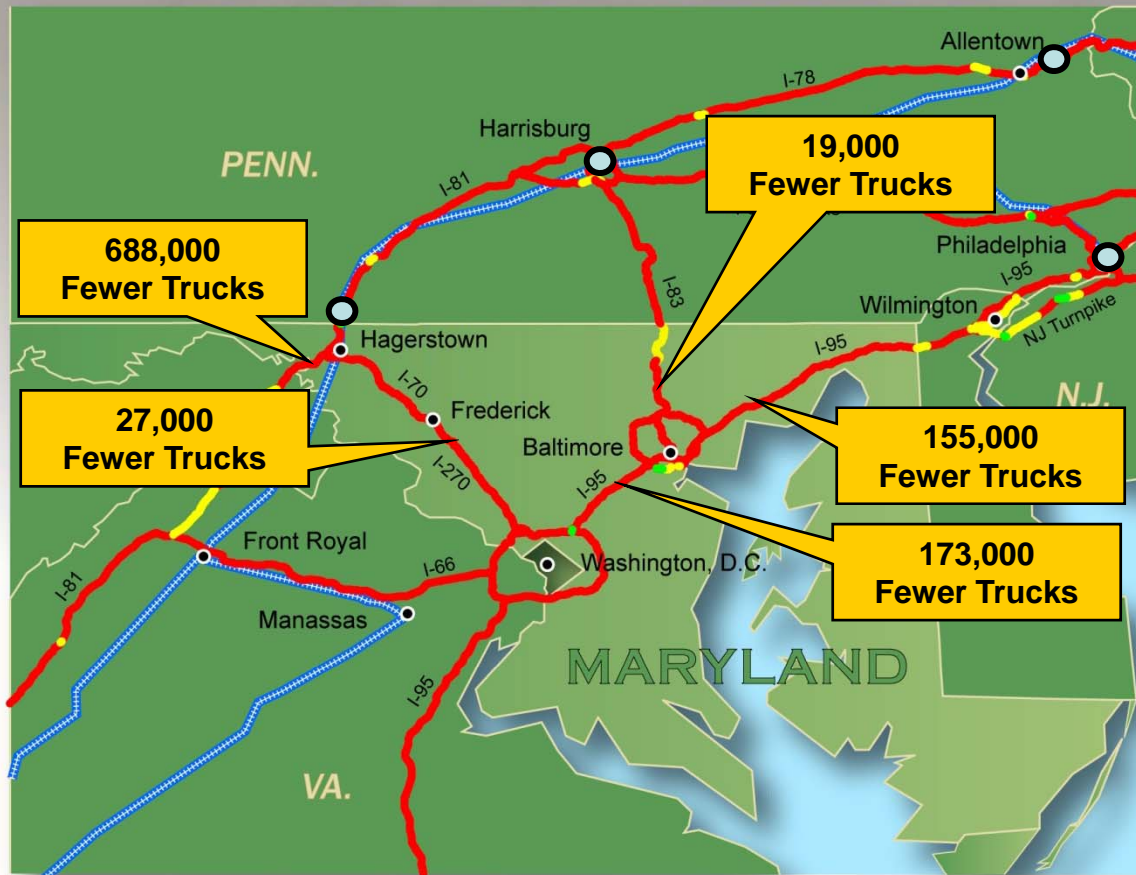
\$90 million in Highway Maintenance Savings

\$2 billion in Total Monetized Public Benefits

*Monetized public benefits derived from Cambridge Systematics analysis



Clean, Green Relief for Congested Roads



Projected 2020 Interstate Highway Congestion
 (Source U.S. Department of Transportation) *

- Not Congested (LOS A, B)
- Approaching Congestion (LOS C)
- Congested (LOS D, E, F)
- - - - Norfolk Southern Crescent Corridor

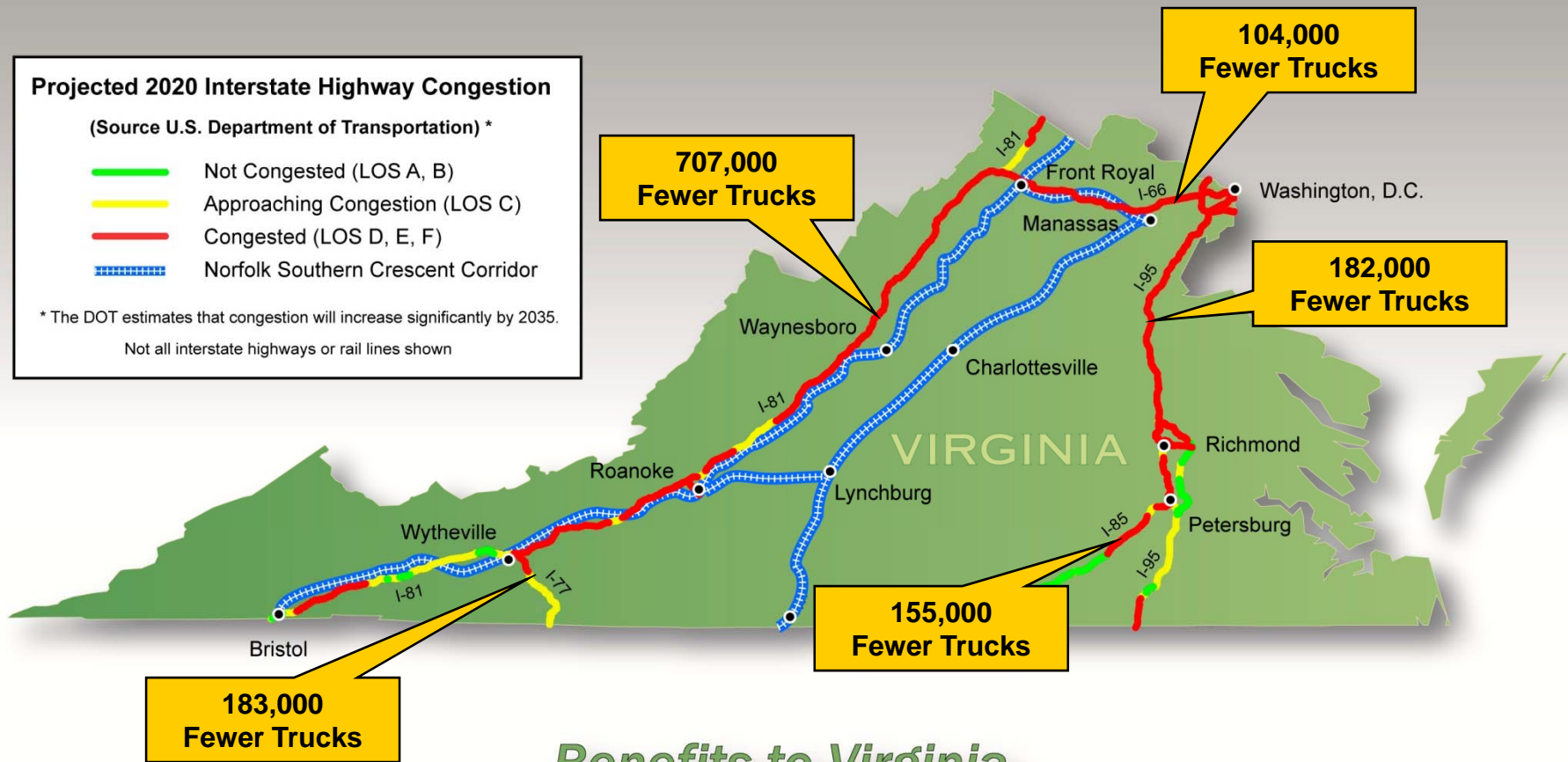
* The DOT estimates that congestion will increase significantly by 2035.
 Not all interstate highways or rail lines shown

○ Crescent Corridor Terminals

Benefits to Maryland

<p>884,000 4 Million 46,000 \$ 2 Million \$26 Million \$ 4 Million</p>	<p>Annual Trucks Diverted Gallons of Fuel Saved Reduced Tons of CO₂ Pavement Savings Congestion Savings Safety Savings</p>
---	--

Clean, Green Relief for Congested Roads



Benefits to Virginia

- | | |
|---------------------|---------------------------------------|
| 878,000 | Annual Trucks Diverted to Rail |
| 35 Million | Gallons of Fuel Saved |
| 385,000 Tons | Reduced Tons of CO₂ |
| \$19 Million | Pavement Savings |
| \$99 Million | Congestion Savings |
| \$30 Million | Safety Savings |

Crescent Corridor Virginia Improvement Projects Funded and Complete or Underway

I-81 / Crescent Corridor:
NS Shenandoah Line
NS Piedmont Line
Other Norfolk Southern Line
Interstate Highway

Riverton

Traffic Control (Manassas-Riverton)

Front Royal

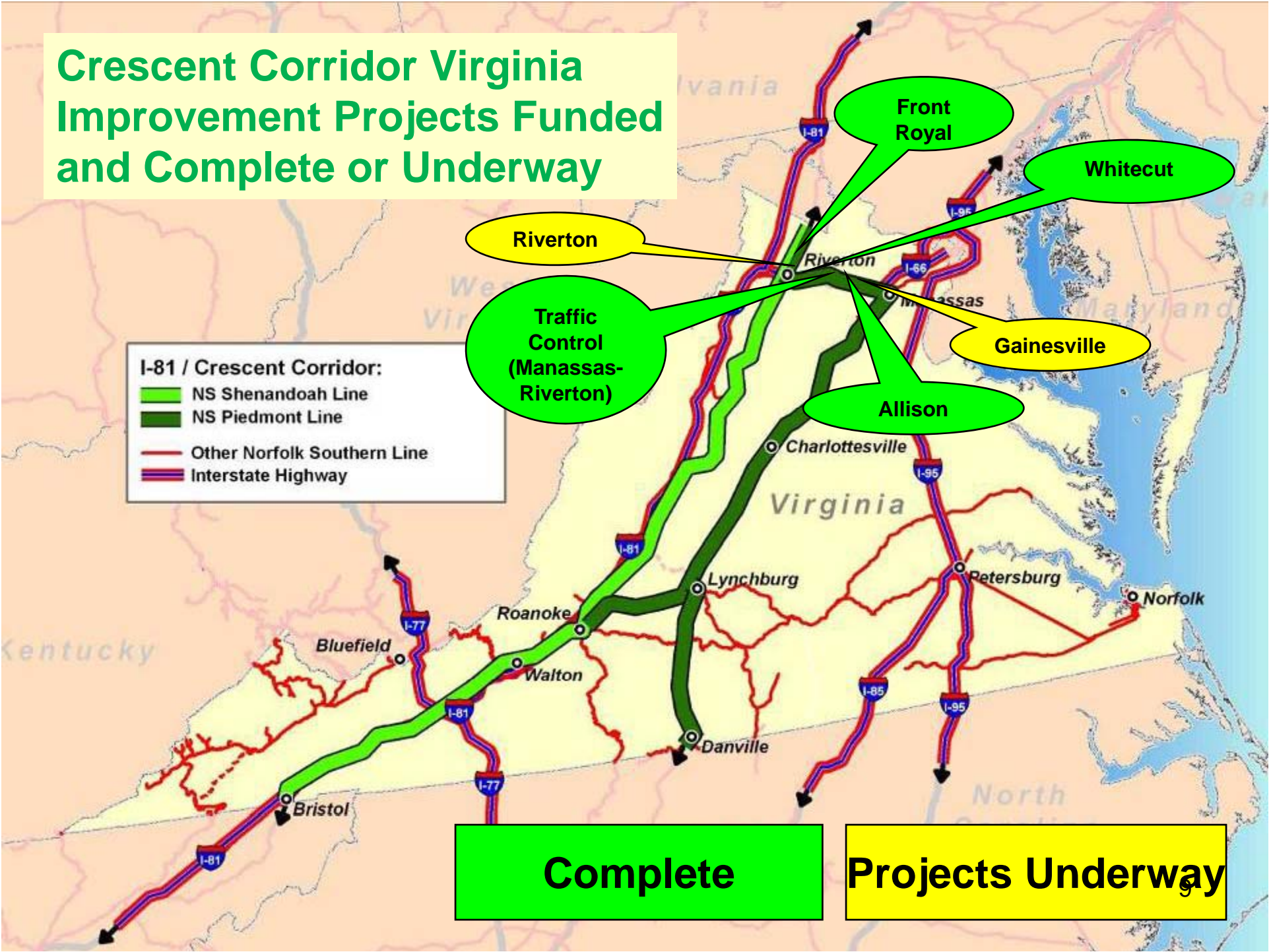
Whitecut

Gainesville

Allison

Complete

Projects Underway



Gainesville Passing Track

- Construction of a new, 11,000-foot passing track
 - Will benefit VRE extension to Haymarket
 - Construction began April 2009
 - Will open for service by end of 2009
- Distance from Manassas – 7 Miles

Future Location of the West End of the Gainesville Passing Track Between Manassas and Gainesville



**Approximate Location of New Passing Track
(currently under construction)**

**Operative Signals
at “Wellington”,
Future East End
of the Gainesville
Passing Track
between
Manassas and
Gainesville**

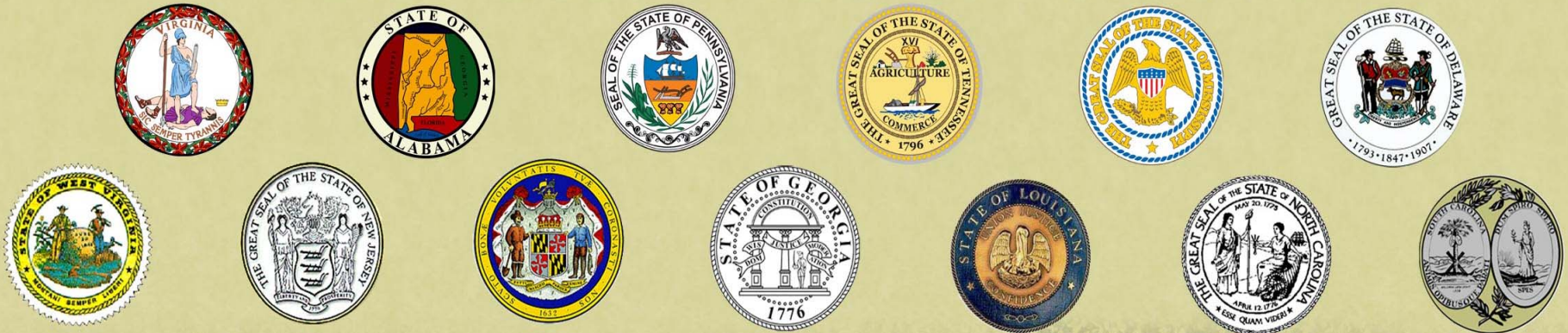


**Approximate Location of New Passing
Track
(currently under construction)**



For further information about the Crescent Corridor not included in this presentation, please visit:

TheFutureNeedsUs.com



Norfolk Southern Contacts

Darrell Wilson
Assistant Vice President
Government Relations
One Constitution Avenue, N.E.
Suite 300
Washington, DC 20002
202-675-8203
Darrell.wilson@nscorp.com

Rick Crawford
Special Assistant – Public
Projects
Government Relations
One Constitution Avenue, N.E.
Suite 300
Washington, DC 20002
202-675-8221
Rick.crawford@nscorp.com

Scott Muir
Assistant Vice President
Government Relations
One Constitution Avenue, N.E.
Suite 300
Washington, DC 20002
202-675-8207
Scott.Muir@nscorp.com

Herbert Smith
Government Relations
One Constitution Avenue, N.E.
Suite 300
Washington, DC 20002
202-675-8220
Herbert.smith@nscorp.com

