

The Crescent Corridor Intermodal Freight Project

Improving Lives and Livelihoods IN & AROUND DC

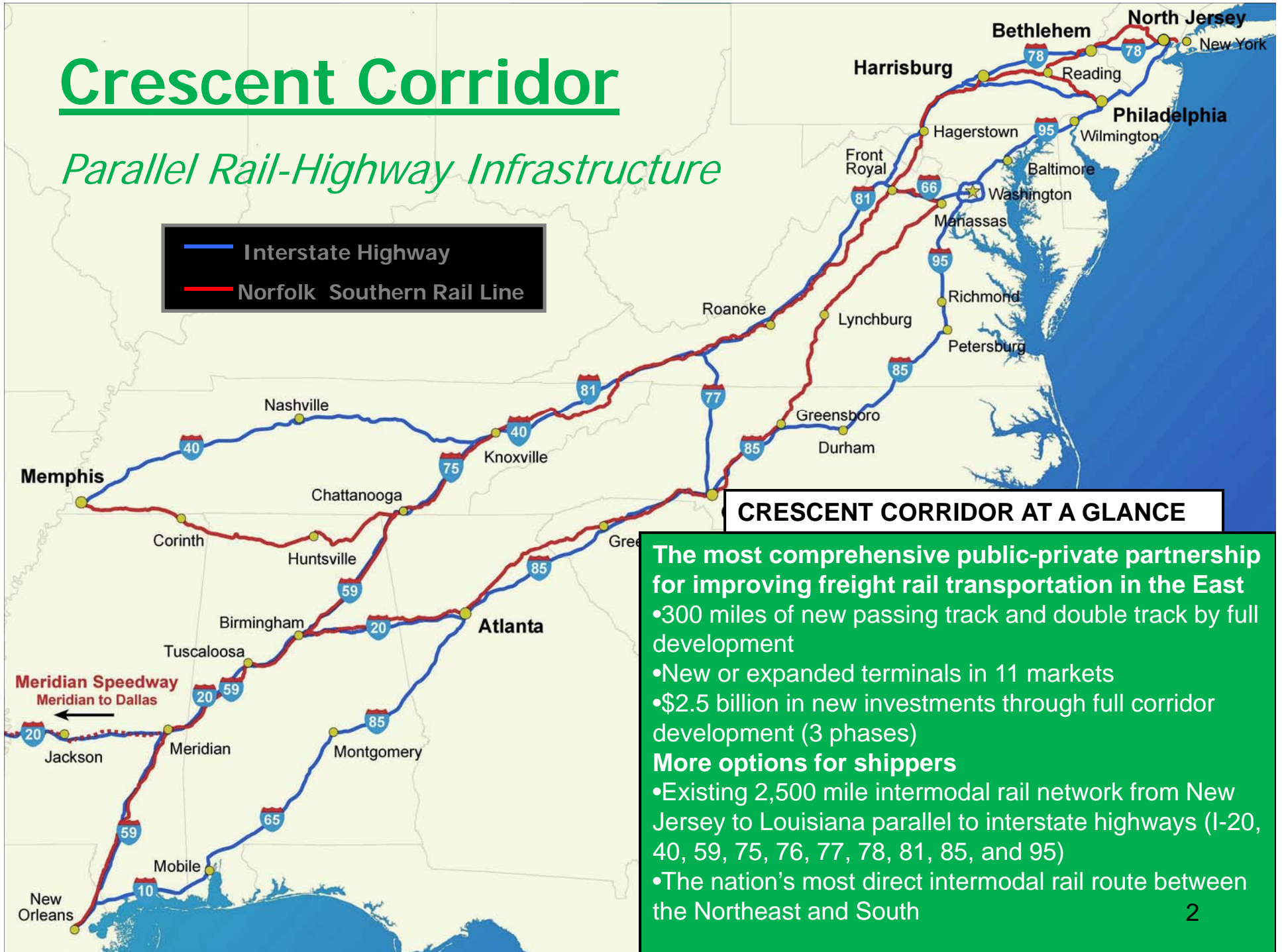


Washington, DC
December 16, 2009



Crescent Corridor

Parallel Rail-Highway Infrastructure



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

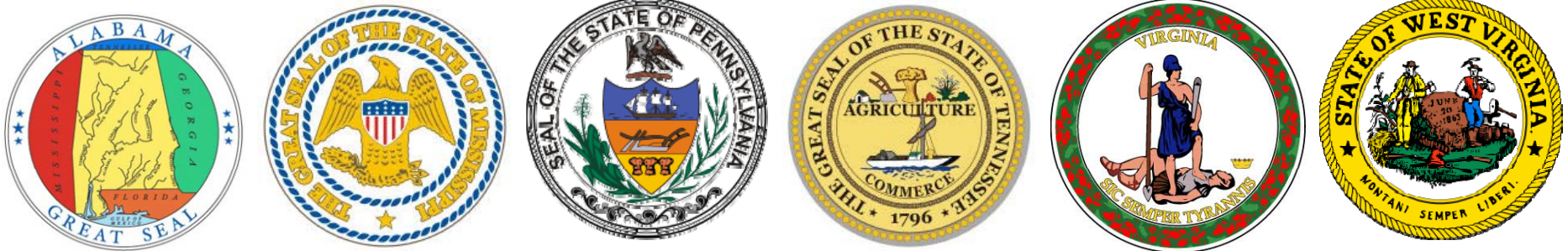
Crescent Corridor

A Better Way to Transport Freight

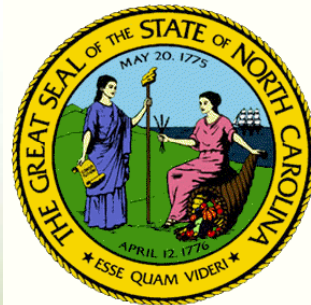
- 2,500 mile network to link the supply chain from the South to the Northeast
- Significant highway congestion exists and will worsen
- Over 1 million divertible truckloads possible – trailers and domestic containers
- Motor carriers need high-quality rail services
- Proposed as a public-private partnership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



A Nationally Supported Public-Private Partnership That's Growing Every Day



- 8 States
- 16 Senators
- 38 Representatives
- 13 Planning Organizations
- 7 National Trucking/Logistics Companies
- 150 + State and locally elected officials, nonprofits & businesses



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 pledged \$264 million in capital improvements 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

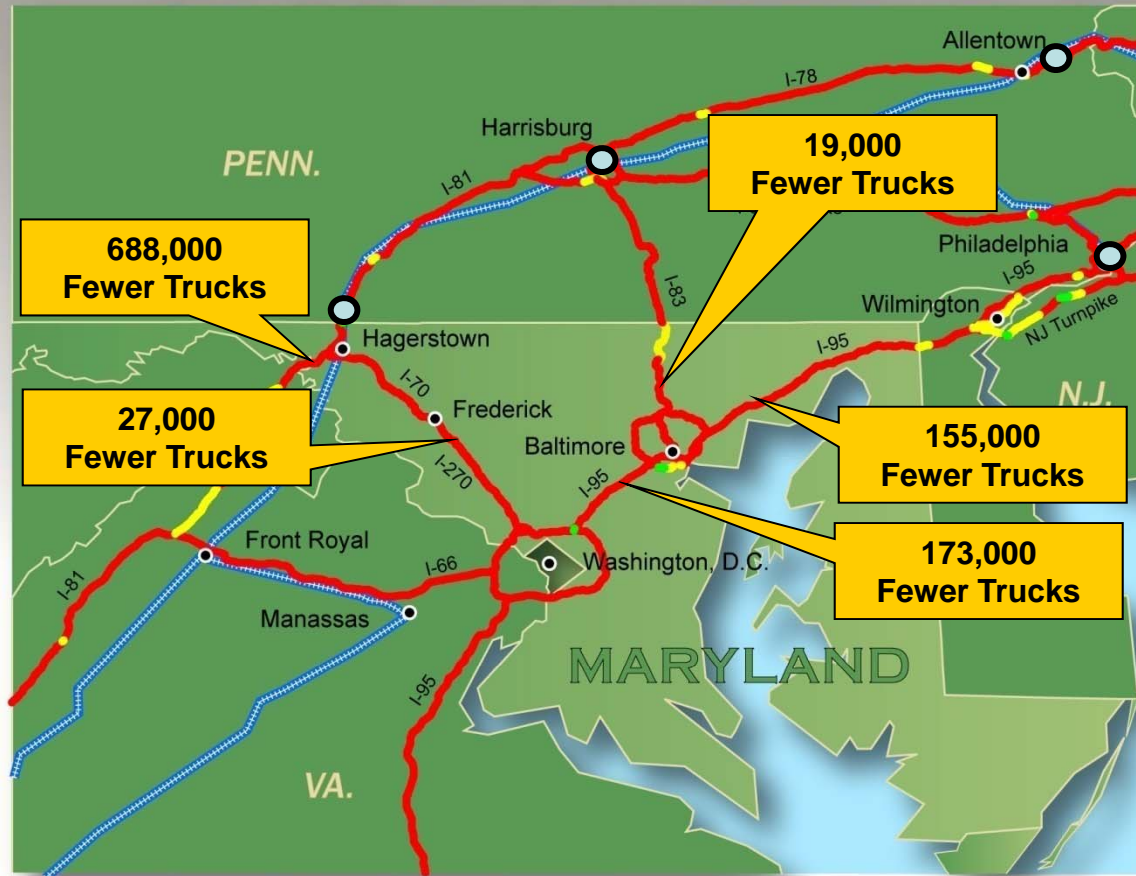
\$90 million in Highway Maintenance Savings

\$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

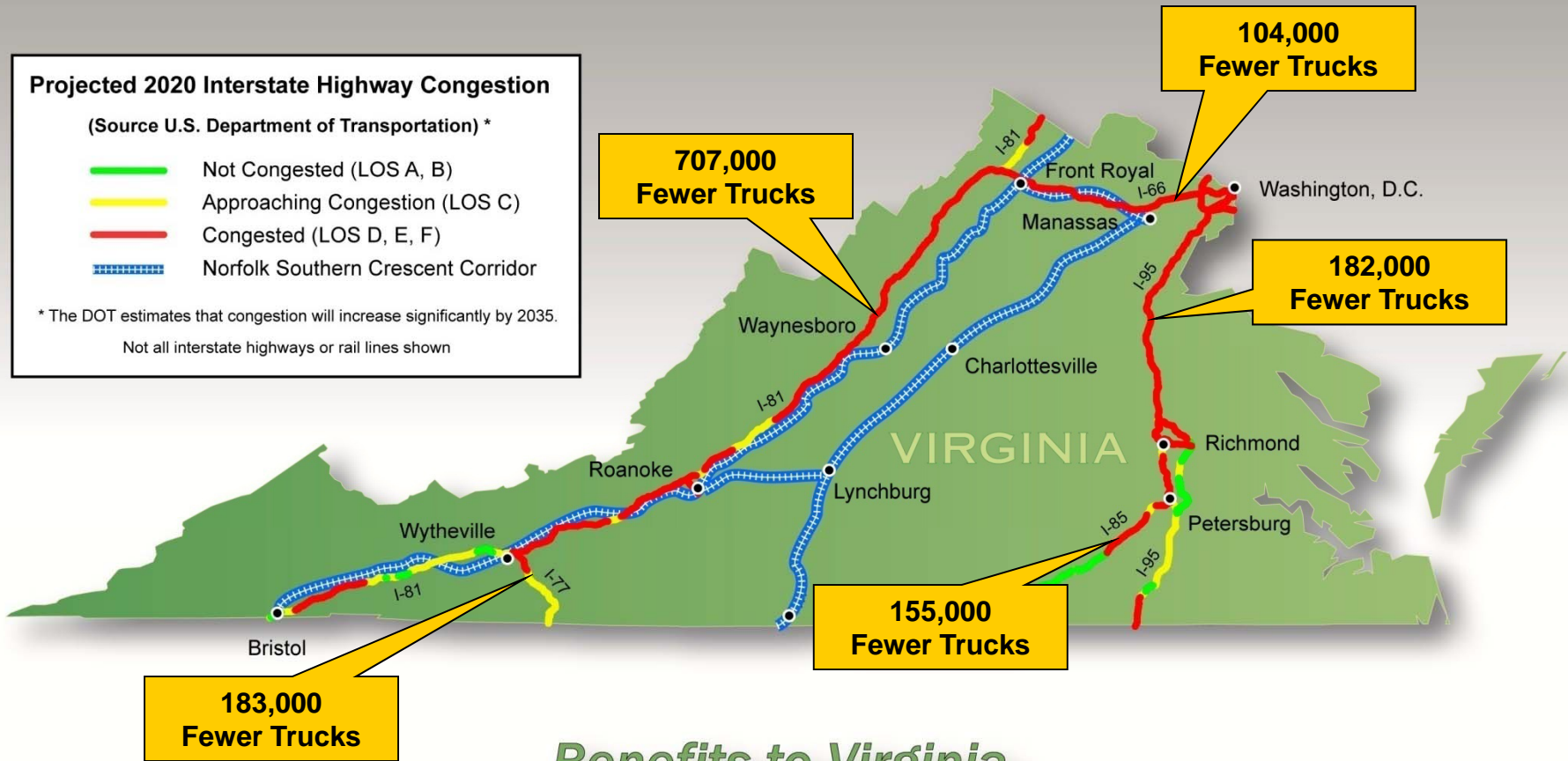
○ Crescent Corridor Terminals

Benefits to Maryland

884,000
 4 Million
 46,000
 \$ 2 Million
 \$26 Million
 \$ 4 Million

Annual Trucks Diverted
 Gallons of Fuel Saved
 Reduced Tons of CO₂
 Pavement Savings
 Congestion Savings
 Safety Savings

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 |

Current Passenger Rail Operations on Norfolk Southern's Mainline Track

- VRE currently offers service between Manassas and Alexandria on NS's double mainline track.
- Amtrak operates its *Cardinal* and *Crescent* trains on NS' Crescent Corridor route.
- On October 1, 2009 Amtrak additionally launched a pilot regional train service operating from Lynchburg, Virginia to New York and Boston. NS, in partnership with Amtrak, upgraded the Lynchburg passenger station to accommodate this new service.
- On average, 20 passenger trains and 6 - 8 freight trains travel on NS' mainline between Manassas to Alexandria daily. Notably, NS still maintains both mainlines at a passenger rail service level which could accommodate up to 80 mph trains even though we are not required to.



Future Passenger Rail Benefits on NS' Crescent Corridor

- VRE is likely within the coming year to perform a feasibility study for offering passenger rail service to Gainesville and beyond to Haymarket. NS, in partnership with VDRPT, is currently upgrading signals and adding an 11,000 ft. passing track in Gainesville as part of the Crescent Corridor's rail enhancements which will benefit this new service, if and when it comes on-line.
- Meanwhile, Amtrak's recently launched Lynchburg regional service has been so successful that they are in discussions with VDRPT and NS to potentially extend service to Roanoke.
- Speed, signal, and capacity improvements in northern Virginia currently underway and planned for the Crescent Corridor will continue to support what is already a close partnership between NS, VRE and Amtrak.





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

TheFutureNeedsUs.com



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