

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)
of the Securities Act of 1934

Date of Report (Date of earliest event reported):

July 7, 1999 (July 2, 1999)

NORFOLK SOUTHERN CORPORATION
(exact name of registrant as specified in its charter)

Virginia	1-8339	52-1188014
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Three Commercial Place, Norfolk, Virginia 23510-2191
(Address of principal executive offices)

Registrant's telephone number, including area code (757) 629-2680

No Change
(Former name or former address, if changed since last report.)

Item 5. Other Events.

On July 2, 1999, in connection with the integration of the Conrail properties allocated to Pennsylvania Lines LLC (PRR) and being operated under agreement with PRR by Norfolk Southern Railway Company, the registrant announced that incentives -- more particularly described in the Bulletin and in the press release annexed hereto as, respectively, Exhibit 99.1 and Exhibit 99.2 -- are being made available to employees covered by collective bargaining agreements. The primary purposes of the incentives are to encourage all participating employees to "continue to concentrate on improving the quality of service to our customers, while maintaining our focus on safety."

The maximum incentive amount for which each of 30,000 potentially eligible participating employees will be able to qualify is \$3,000 -- \$600 for each of five specified periods. It is not possible to estimate reliably either (1) the total number of employees who actually will receive incentives or (2) the actual amount any one employee will receive, or, consequently, the aggregate amount that, at the conclusion of the last of the five specified periods, actually will be payable.

To the fullest extent possible, incentives are expected to be satisfied with new-issue Norfolk Southern common stock contributed (on the basis of the market price at the time) to the 401(k) accounts of the recipient employees. Some incentives may be satisfied in cash.

The expense of these incentives will be recorded in the third quarter and is in addition to expenses incurred in the second quarter for contractual service commitments, equipment rents, and increased labor costs that have been mentioned in registrant's earlier announcements concerning the higher-than-anticipated expenses it has incurred in connection with the integration of Conrail properties.

Item 7(c). Exhibits.

- No. 99.1 Copy of the "Bulletin" issued July 2, 1999, outlining certain incentives available to agreement employees between July 3, 1999, and early September 1999.
- No. 99.2 Copy of the press release issued July 7, 1999, announcing that certain incentives have been offered to agreement employees for service between July 3, 1999, and early September 1999.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NORFOLK SOUTHERN CORPORATION
(Registrant)

By: /s/ Dezora M. Martin
Dezora M. Martin
Corporate Secretary

Date: July 7, 1999

EXHIBIT INDEX

Exhibit Number System	Description
99.1	Copy of the "Bulletin" issued July 2, 1999, outlining certain incentives available to agreement employees between July 3, 1999, and early September 1999.
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ATTENTION: All Agreement Employees

Special Availability Bonus Program

The month of June was particularly demanding for all of us. I sincerely appreciate all of your efforts to make the new NS work. July and August will also be challenging months. We must continue to concentrate on improving the quality of service to our customers, while maintaining our focus on safety. In recognition of the level of dedication that will be required to successfully complete the tasks at hand, the Special Availability Bonus Program, as outlined below, is being placed in effect.

Effective 12:01 a.m., Saturday July 3, all agreement employees paid on a bi-weekly basis who remain marked up and available for service throughout the payroll period will receive a special bonus of \$600 for each two-week period to be contributed to the employee's 401(k) account as an employer contribution (to be invested in Norfolk Southern stock or otherwise, as provided by the terms of the applicable plan). Agreement employees paid on a weekly basis who remain marked up and available for service throughout two-week consecutive payroll periods paired below also will receive \$600 for each two-week period to be contributed to the employee's 401(k) account in the same manner. NS will establish a 401(k) account for those employees who qualify for the bonus and do not have an established 401(k) account. In each case, the contributions to the plan will be made after the close of the last bonus period and upon completion of corporate formalities. This program will remain in effect for the following payroll periods:

Bi-Weekly	July 3 - July 16 July 17 - July 30 July 31 - August 13	August 14 - August 27 August 28 - September 10
Weekly	June 30 - July 6 July 7 - July 13	July 14 - July 20 July 21 - July 27
	July 28 - August 3 August 4 - August 10	August 11 - August 17 August 18 - August 24
	August 25 - August 31 September 1 - September 7	
Weekly NY	July 3 - July 9 July 10 - July 16	July 17 - July 23 July 24 - July 30
	July 31 - August 6 August 7 - August 13	August 14 - August 20 August 21 - August 27
	August 28 - September 3 September 4 - September 10	

Being marked off prior to 12:01 a.m., July 3 will not disqualify an employee from the bonus as long as the employee marks back up for service by 12:01 a.m. on July 3. An employee scheduled to be on vacation during this period may, with the concurrence of their supervisor, receive pay for and be charged for vacation, make himself or herself available for work in lieu of vacation, and participate in this special bonus program. Employees working assignments with designated off days must be available for service on their off days in order to be eligible for this bonus.

/s/ David R. Goode

D. R. Goode

FOR IMMEDIATE RELEASE
July 7, 1999

NORFOLK SOUTHERN ANNOUNCES SPECIAL INCENTIVE PROGRAM

NORFOLK, VA. - Norfolk Southern Corporation (NYSE: NSC) today announced that it has made a special incentive program available to its employees who are represented by labor unions.

In a letter to employees describing the program, Norfolk Southern Chairman, President and CEO David R. Goode said employees who make themselves available for service in specified periods through early September will receive a special incentive of \$600 for each such period. It is anticipated that the payment will be contributed to the employee's 401(k) account as an employer contribution and invested in Norfolk Southern common stock. Norfolk Southern will establish a 401(k) account for those employees who qualify for the incentive and do not have an existing account.

The program is open to 30,000 employees, each of whom will be able to qualify for a total incentive of \$3,000. The expense of these incentives -- the total amount of which cannot be estimated reliably at this time -- will be reflected in the third quarter.

"We must continue to concentrate on improving the quality of service to our customers, while maintaining our focus on safety," Goode said. "In recognition of the level of dedication that will be required to successfully complete the tasks at hand, the special availability bonus program is being placed in effect."

Norfolk Southern Corporation, a Virginia-based holding company with headquarters in Norfolk, owns a major freight railroad, Norfolk Southern Railway Company, which operates approximately 21,600 miles of road in 22 states, the District of Columbia and the Province of Ontario.

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World Wide Web Site - www.nscorp.com