UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended **MARCH 31, 2012**

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from ___________ to___________

Commission file number 1-8339

NORFOLK SOUTHERN®

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

Virginia (State or other jurisdiction of incorporation)	**52-1188014** (IRS Employer Identification No.)
Three Commercial Place **Norfolk, Virginia** (Address of principal executive offices)	**23510-2191** (Zip Code)

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

No Change
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for

such shorter period that the registrant was required to submit and post such files).
Yes [X] No [   ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer [X] Accelerated filer [   ] Non-accelerated filer [   ] Smaller reporting company [   ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [   ] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 31, 2012
Common Stock ($1.00 par value per share)	325,763,164 (excluding 20,320,777 shares held by the registrant's consolidated subsidiaries)

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NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES (NS)

PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
	($ in millions, except per share amounts)	
Railway operating revenues	$ 2,789	$ 2,620
Railway operating expenses:		
Compensation and benefits	786	765
Purchased services and rents	391	383
Fuel	413	389
Depreciation	224	211
Materials and other	230	272
Total railway operating expenses	2,044	2,020
Income from railway operations	745	600
Other income - net	29	27
Interest expense on debt	120	112
Income before income taxes	654	515
Provision for income taxes	244	190
Net income	$ 410	$ 325
Per share amounts:		
Net income:		
Basic	$ 1.24	$ 0.91
Diluted	1.23	0.90
Dividends	0.47	0.40

See accompanying notes to consolidated financial statements.

Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
	($ in millions)	
Net income	$ 410	$ 325
Other comprehensive income, before tax:		
Pension and other postretirement benefits	32	28
Other comprehensive loss of equity investees	(4)	--
Other comprehensive income, before tax	28	28
Income tax expense related to items of other comprehensive income	(12)	(9)
Other comprehensive income, net of tax	16	19
Total comprehensive income	$ 426	$ 344

See accompanying notes to consolidated financial statements.

Norfolk Southern Corporation and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	March 31, 2012	December 31, 2011
	($ in millions)	
Assets		
Current assets:		
Cash and cash equivalents	$ 829	$ 276
Short-term investments	2	25
Accounts receivable - net	1,056	1,022
Materials and supplies	228	209
Deferred income taxes	146	143
Other current assets	71	76
Total current assets	2,332	1,751
Investments	2,263	2,234
Properties less accumulated depreciation of $9,596 and $9,464, respectively	24,703	24,469
Other assets	77	84
Total assets	$ 29,375	$ 28,538
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,243	$ 1,092
Short-term debt	--	100
Income and other taxes	320	207
Other current liabilities	337	252
Current maturities of long-term debt	32	50
Total current liabilities	1,932	1,701
Long-term debt	7,985	7,390
Other liabilities	2,053	2,050
Deferred income taxes	7,590	7,486
Total liabilities	19,560	18,627
Stockholders' equity:		
Common stock $1.00 per share par value, 1,350,000,000 shares authorized; outstanding 325,763,164 and 330,386,089 shares, respectively, net of treasury shares	327	332
Additional paid-in capital	1,917	1,912
Accumulated other comprehensive loss	(1,010)	(1,026)
Retained income	8,581	8,693
Total stockholders' equity	9,815	9,911
Total liabilities and stockholders' equity	$ 29,375	$ 28,538

See accompanying notes to consolidated financial statements.

Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
	($ in millions)	
Cash flows from operating activities		
Net income	$ 410	$ 325
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	226	213
Deferred income taxes	88	112
Gains and losses on properties	(1)	--
Changes in assets and liabilities affecting operations:		
Accounts receivable	(34)	(127)
Materials and supplies	(19)	(21)
Other current assets	5	19
Current liabilities other than debt	316	27
Other - net	44	104
Net cash provided by operating activities	1,035	652
Cash flows from investing activities		
Property additions	(461)	(423)
Property sales and other transactions	2	(10)
Investments, including short-term	(4)	(4)
Investment sales and other transactions	27	55
Net cash used in investing activities	(436)	(382)
Cash flows from financing activities		
Dividends	(155)	(142)
Common stock issued - net	31	32
Purchase and retirement of common stock	(400)	(343)
Proceeds from borrowings - net	696	--
Debt repayments	(218)	(408)
Net cash used in financing activities	(46)	(861)
Net increase (decrease) in cash and cash equivalents	553	(591)
Cash and cash equivalents		
At beginning of year	276	827
At end of period	$ 829	$ 236
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest (net of amounts capitalized)	$ 60	$ 72

Income taxes (net of refunds)	2	3

See accompanying notes to consolidated financial statements.

Norfolk Southern Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly Norfolk Southern Corporation (Norfolk Southern) and subsidiaries' (collectively, NS) financial condition as of March 31, 2012, and December 31, 2011, and its results of operations, comprehensive income, and cash flows for the three months ended March 31, 2012 and 2011, in conformity with U.S. generally accepted accounting principles.

These Consolidated Financial Statements should be read in conjunction with the consolidated financial statements and notes included in NS' latest Annual Report on Form 10-K.

1. Stock-Based Compensation

During the first quarter of 2012, a committee of non-employee directors of Norfolk Southern's Board of Directors granted stock options, restricted stock units (RSUs) and performance share units (PSUs) pursuant to the Long-Term Incentive Plan (LTIP) and granted stock options pursuant to the Thoroughbred Stock Option Plan (TSOP) as discussed below. Stock-based compensation expense was $34 million during the first quarter of 2012 and $42 million during the same period of 2011. The total tax effects recognized in income in relation to stock-based compensation were net benefits of $11 million and $14 million for the quarters ended March 31, 2012 and 2011, respectively.

Stock Options

In the first quarter of 2012, 567,300 options were granted under the LTIP and 210,300 options were granted under the TSOP. In each case, the grant price was $75.14, which was the greater of the average fair market value of Norfolk Southern common stock (Common Stock) or the closing price of the Common Stock on the effective date of the grant, and the options have a term of ten years. The options granted under the LTIP and TSOP in 2012 may not be exercised prior to the fourth and third anniversaries of the date of grant, respectively. Holders of the 2012 options granted under the LTIP who remain actively employed receive cash dividend equivalent payments for four years in an amount equal to the regular quarterly dividends paid on Common Stock. Dividend equivalent payments are not made on TSOP options.

The fair value of each option award in 2012 was measured on the date of grant using a lattice-based option valuation model. Expected volatilities are based on implied volatilities from traded options on Common Stock and historical volatility of Common Stock. NS uses historical data to estimate option exercises and employee terminations within the valuation model. The average expected option life is derived from the output of the valuation model and represents the period of time that options granted are expected to be outstanding. The average risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. For options granted that include dividend equivalent payments, a dividend yield of zero was used. A dividend yield of 2.3% was used for LTIP options for periods where no dividend equivalent payments are made as well as for TSOP options, which do not receive dividend equivalents. The assumptions for the 2012 LTIP and TSOP grants are shown in the following table:

Expected volatility range	27% - 29%
Average expected volatility	27%
LTIP average expected option life	8.9 years
TSOP average expected option life	8.8 years
Average risk-free interest rate	1.96%
LTIP per-share grant-date fair value	$23.84
TSOP per-share grant-date fair value	$19.55

For the first three months of 2012, options relating to 376,357 shares were exercised, yielding $11 million of cash proceeds and $6 million of tax benefit recognized as additional paid-in capital. For the first three months of 2011, options relating to 759,193 shares were exercised yielding $20 million of cash proceeds and $10 million of tax benefit recognized as additional paid-in capital.

Restricted Stock Units

There were 140,000 RSUs granted in 2012, with an average grant-date fair value of \$75.14 and a five-year restriction period. The restricted stock units granted in 2012 will be settled through the issuance of shares of Common Stock.

During the first quarter of 2012, 281,900 RSUs were earned and paid out. The total related tax benefit recognized as additional paid-in capital was \$3 million in the first quarter of 2012.

During the first quarter of 2011, no RSUs were earned and paid out. The total related tax benefit recognized as additional paid-in capital was less than \$1 million in the first quarter of 2011.

Performance Share Units

PSUs provide for awards based on achievement of certain predetermined corporate performance goals (total shareholder return, return on average invested capital and operating ratio) at the end of a three-year cycle and are paid in the form of shares of Common Stock. During the first quarter of 2012, there were 468,850 PSUs granted with a grant-date fair value of \$75.14.

During the first quarter of 2012, 782,889 PSUs were earned and paid out in shares of Common Stock. The total related tax benefit recognized as additional paid-in capital was \$11 million for the first quarter of 2012.

During the first quarter of 2011, 850,595 PSUs were earned and paid out, one-half in shares of Common Stock and one-half in cash. These PSUs had a grant-date fair value of \$50.47 per unit and a fair value at payout of \$62.75 per unit. The total related tax benefit recognized as additional paid-in capital was \$2 million for the first quarter of 2011.

2. Income Taxes

There have been no material changes to the balance of unrecognized tax benefits reported at December 31, 2011. NS anticipates that the Internal Revenue Service (IRS) will complete its examination of NS' 2009 and 2010 federal income tax returns by the end of 2012. NS does not expect that the resolution of the examination will have a material effect on its financial position, results of operations, or liquidity.

3. Earnings Per Share

	Basic		Diluted	
	Three months ended March 31,			
	2012	2011	2012	2011

	($ in millions except per share, shares in millions)			
Net income	$ 410	$ 325	$ 410	$ 325
Dividend equivalent payments	(3)	(2)	(2)	(2)
Income available to common stockholders	407	323	408	323
Weighted-average shares outstanding	328.3	355.2	328.3	355.2
Dilutive effect of outstanding options and share-settled awards			4.6	5.3
Adjusted weighted-average shares outstanding			332.9	360.5
Earnings per share	$ 1.24	$ 0.91	$ 1.23	$ 0.90

During the first quarters of 2012 and 2011, dividend equivalent payments were made to holders of stock options and RSUs. For purposes of computing basic earnings per share, the total amount of dividend equivalent payments made to holders of stock options and RSUs were deducted from net income to determine income available to common stockholders. For purposes of computing diluted earnings per share, NS evaluates on a grant-by-grant basis those stock options and RSUs receiving dividend equivalent payments under the two-class and treasury stock methods to determine which method is the more dilutive for each award. For those grants for which the two-class method was more dilutive, net income was reduced by the amount of dividend equivalent payments on these awards to determine income available to common stockholders. The diluted calculations exclude options having exercise prices exceeding the average market price of Common Stock as follows: 0.8 million in 2012 and zero in 2011.

4. Stockholders' Equity

Common stock is reported net of shares held by consolidated subsidiaries (Treasury Shares) of Norfolk Southern. Treasury Shares at March 31, 2012 and December 31, 2011, amounted to 20,320,777 shares, with a cost of $19 million as of the end of both periods.

5. Stock Repurchase Program

NS repurchased and retired 5.7 million shares of Common Stock in the first quarter of 2012, at a cost of $400 million. NS repurchased and retired 5.3 million shares of Common Stock in the first quarter of 2011, at a cost of $343 million. The timing and volume of purchases is guided by management's assessment of market conditions and other pertinent factors. Any near-term share repurchases are expected to be made with internally generated cash, cash on hand, or proceeds from borrowings. Since the beginning of 2006, NS has repurchased and retired 115.3 million shares at a total cost of
$6.6 billion.

6. Investment in Conrail

Through a limited liability company, Norfolk Southern and CSX Corporation (CSX) jointly own Conrail Inc. (Conrail), whose primary subsidiary is Consolidated Rail Corporation (CRC). NS has a 58% economic and 50% voting interest in the jointly owned entity, and CSX has the remainder of the economic and voting interests. NS' investment in Conrail was $975 million at March 31, 2012, and $969 million at December 31, 2011.

CRC owns and operates certain properties (the Shared Assets Areas) for the joint and exclusive benefit of Norfolk Southern Railway Company (NSR) and CSX Transportation, Inc. (CSXT). The costs of operating the Shared Assets Areas are borne by NSR and

CSXT based on usage. In addition, NSR and CSXT pay CRC a fee for access to the Shared Assets Areas. “Purchased services and rents” and “Fuel” include expenses for the use of the Shared Assets Areas totaling
$36 million for the first quarter of 2012 and $33 million for the first quarter of 2011. NS’ equity in the earnings of Conrail, net of amortization, included in “Other income – net” was $6 million for both the first quarter of 2012 and 2011.

“Accounts payable” includes $161 million at March 31, 2012, and $160 million at December 31, 2011, due to Conrail for the operation of the Shared Assets Areas. In addition, “Other liabilities” includes $133 million at both March 31, 2012 and December 31, 2011, for long-term advances from Conrail, maturing 2035, that bear interest at an average rate of 4.4%.

7. Debt

In the first quarter of 2012, NS borrowed $100 million and repaid $200 million under its accounts receivable securitization facility. At March 31, 2012, and December 31, 2011, the amounts outstanding under the facility were $100 million (at an average variable interest rate of 1.29%) and $200 million (at an average variable interest rate of 1.35%), respectively. In October 2011, NS renewed its account receivable securitization facility with a 364-day term to run until October 2012.

During the first quarter of 2012, NS issued $600 million of 3.0% senior notes due 2022.

NS has authority from its Board of Directors to issue an additional $400 million of debt or equity securities through public or private sale.

8. Pensions and Other Postretirement Benefits

Norfolk Southern and certain subsidiaries have both funded and unfunded defined benefit pension plans covering principally salaried employees. Norfolk Southern and certain subsidiaries also provide specified health care and death benefits to eligible retired employees and their dependents. Under the present plans, which may be amended or terminated at NS' option, a defined percentage of health care expenses are covered, reduced by any deductibles, co-payments, Medicare payments, and in some cases, coverage provided under other group insurance policies.

	Three months ended March 31,			
	2012	2011	2012	2011
	Pension Benefits		Other Postretirement Benefits	
	($ in millions)			
Service cost	$ 8	$ 7	$ 4	$ 4
Interest cost	22	23	14	15
Expected return on plan assets	(34)	(35)	(4)	(4)
Amortization of net losses	19	17	13	11
Net cost	$ 15	$ 12	$ 27	$ 26

9. Fair Value

Fair Value Measurements

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10, *"Fair Value Measurements,"* established a framework for measuring fair value and a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that NS has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At March 31, 2012 and December 31, 2011, for assets measured at fair value on a recurring basis, there were $2 million and zero of available-for-sale securities valued under level 2 of the fair value hierarchy, respectively. There were no available-for-sale securities valued under level 1 or level 3 valuation techniques.

Fair Values of Financial Instruments

NS has evaluated the fair values of financial instruments and methods used to determine those fair values. The fair values of "Cash and cash equivalents," "Short-term investments," "Accounts receivable," "Accounts payable," and "Short-term debt" approximate carrying values because of the short maturity of these financial instruments. The carrying value of corporate-owned life insurance is recorded at cash surrender value and, accordingly, approximates fair value. The carrying amounts and estimated fair values for the remaining financial instruments excluding investments accounted for under the equity method consisted of the following:

	March 31, 2012		December 31, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	($ in millions)			
Long-term investments	$ 118	$ 153	$ 151	$ 186
Long-term debt, including current maturities	(8,017)	(9,960)	(7,440)	(9,469)

Underlying net assets were used to estimate the fair value of investments with the exception of notes receivable, which are based on future discounted cash flows. The fair values of long-term debt were estimated based on quoted market prices or discounted cash flows using current interest rates for debt with similar terms, company rating, and remaining maturity.

The following table sets forth the fair value of long-term investment and long-term debt balances disclosed above by valuation technique level, within the fair value hierarchy (there were no level 3 valued assets or liabilities).

	March 31, 2012		
	Level 1	Level 2	Total
	($ in millions)		
Long-term investments	$ 5	$ 148	$ 153
Long-term debt, including current maturities	(9,642)	(318)	(9,960)

Carrying amounts of available-for-sale securities reflect immaterial unrealized holding gains on March 31, 2012 and December 31, 2011. Sales of available-for-sale securities were zero and $55 million (which included maturities) for the three months ended March 31, 2012 and 2011, respectively.

10. Commitments and Contingencies

Lawsuits

Norfolk Southern and/or certain subsidiaries are defendants in numerous lawsuits and other claims relating principally to railroad operations. When management concludes that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, it is accrued through a charge to earnings. While the ultimate amount of liability incurred in any of these lawsuits and claims is dependent on future developments, in management's opinion, the recorded liability is adequate to cover the future payment of such liability and claims. However, the final outcome of any of these lawsuits and claims cannot be predicted with certainty, and unfavorable or unexpected outcomes could result in additional accruals that could be significant to results of operations in a particular year or quarter. Any adjustments to the recorded liability will be reflected in earnings in the periods in which such adjustments are known.

One of NS' customers, DuPont, has a rate reasonableness complaint pending before the Surface Transportation Board (STB) alleging that the NS tariff rates for transportation of regulated movements are unreasonable. NS disputes these allegations. Since June 1, 2009, NS has been billing and collecting from DuPont amounts based on the challenged tariff rates. Management presently expects resolution of the case to occur in 2013 and believes the estimate of reasonably possible loss will not have a material effect on NS' financial position, results of operations, or liquidity. With regard to rate cases, management records adjustments to revenues in the periods, if and when, such adjustments are probable and estimable.

On November 6, 2007, various antitrust class actions filed against NS and other Class 1 railroads in various Federal district courts regarding fuel surcharges were consolidated in the District of Columbia by the Judicial Panel on Multidistrict Litigation. NS believes the allegations in the complaints are without merit and intends to vigorously defend the cases. NS does not believe that the outcome of these proceedings will have a material effect on its financial position, results of operations, or liquidity. A lawsuit containing similar allegations against NS and four other major railroads that was filed on March 25, 2008, in the U.S. District Court for the District of Minnesota was voluntarily dismissed by the plaintiff subject to a tolling agreement entered into in August 2008.

Casualty Claims

Casualty claims include employee personal injury and occupational claims as well as third-party claims, all exclusive of legal costs. To aid in valuing its personal injury liability and determining the amount to accrue with respect to such claims during the year, NS' management utilizes studies prepared by an independent consulting actuarial firm. Job-related accidental injury and occupational claims are subject to the Federal Employers' Liability Act (FELA), which is applicable only to railroads. FELA's fault-based system produces results that are unpredictable and inconsistent as compared with a no-fault workers' compensation system. The variability inherent in this system could result in actual costs being different from the liability recorded. While the ultimate amount of claims incurred is dependent on future developments, in management's opinion, the recorded liability is adequate to cover the future payments of claims and is supported by the most recent actuarial study. In all cases, NS records a liability when the expected loss for the claim is both probable and estimable.

The Consolidated Balance Sheets reflect long-term receivables for estimated recoveries from NS' insurance carriers for claims associated with the January 6, 2005, derailment in Graniteville, S.C. In the first quarter of 2011, NS received an unfavorable ruling for an arbitration claim with an insurance carrier, and was denied recovery of the contested portion
($43 million) of the claim. As a result, NS recorded a $43 million charge during the first quarter of 2011 for the receivables associated with the contested portion of the claim and a $15 million charge for other receivables affected by the ruling for which recovery was no longer probable.

Employee personal injury claims – The largest component of casualties and other claims expense is employee personal injury costs. The independent actuarial firm engaged by NS provides quarterly studies to aid in valuing its employee personal injury liability and estimating its employee personal injury expense. The actuarial firm studies NS' historical patterns of reserving for claims and subsequent settlements, taking into account relevant outside influences. The actuary uses the results of these analyses to estimate the ultimate amount of liability, which includes amounts for incurred but unasserted claims. NS adjusts its liability quarterly based upon management's assessment and the results of the study. The estimate of loss liabilities is subject to inherent limitation given the difficulty of predicting future events such as jury decisions, court interpretations, or legislative changes and as such the actual loss may vary from the estimated liability recorded.

Occupational claims – Occupational claims (including asbestosis and other respiratory diseases, as well as conditions allegedly related to repetitive motion) are often not caused by a specific accident or event but rather allegedly result from a claimed exposure over time. Many such claims are being asserted by former or retired employees, some of whom have not been employed in the rail industry for decades. The independent actuarial firm provides an estimate of the occupational claims liability based upon NS' history of claim filings, severity, payments, and other pertinent facts. The liability is dependent upon management's judgments made as to the specific case reserves as well as judgments of the consulting independent actuarial firm in the periodic studies. The actuarial firm's estimate of ultimate loss includes a provision for those claims that have been incurred but not reported. This provision is derived by analyzing industry data and projecting NS' experience into the future as far as can be reasonably determined. NS adjusts its liability quarterly based upon management's assessment and the results of the study. However, it is possible that the recorded liability may not be adequate to cover the future payment of claims. Adjustments to the recorded liability are reflected in operating expenses in the periods in which such adjustments become known.

Third-party claims – NS records a liability for third-party claims including those for highway crossing accidents, trespasser and other injuries, automobile liability, property damage, and lading damage. The independent actuarial firm assists with the calculation of potential liability for third-party claims, except lading damage, based upon NS' experience including number and timing of incidents, amount of payments, settlement rates, number of open claims, and legal defenses. The actuarial estimate includes a provision for claims that have been incurred but have not yet been reported. Each quarter NS adjusts its liability based upon management's assessment and the results of the study. Given the inherent uncertainty in regard to the ultimate outcome of third-party claims, it is possible that the actual loss may differ from the estimated liability recorded.

Environmental Matters

NS is subject to various jurisdictions' environmental laws and regulations. It is NS' policy to record a liability where such liability or loss is probable and its amount can be estimated reasonably. Claims, if any, against third parties for recovery of cleanup costs incurred by NS are reflected as receivables (when collection is probable) in the Consolidated Balance Sheets and are not netted against the associated NS liability. Environmental engineers regularly participate in ongoing evaluations of all known sites and in determining any necessary adjustments to liability estimates. NS also has an Environmental Policy Council, composed of senior managers, to oversee and interpret its environmental policy.

NS' Consolidated Balance Sheets include liabilities for environmental exposures of $38 million at March 31, 2012, and $35 million at December 31, 2011 (of which $12 million is classified as a current liability at the end of each period). At March 31, 2012, the liability represents NS' estimate of the probable cleanup and remediation costs based on available information at 143 known locations and projects. As of that date, seven sites accounted for approximately $18 million of the liability, and no individual site was considered to be material. NS anticipates that much of this liability will be paid out over five years; however, some costs will be paid out over a longer period.

At 26 locations, one or more Norfolk Southern subsidiaries in conjunction with a number of other parties, have been identified as potentially responsible parties under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or comparable state statutes that impose joint and several liability for cleanup costs. NS calculates its estimated liability for these sites based on facts and legal defenses applicable to each site and not solely on the basis of the potential joint liability.

With respect to known environmental sites (whether identified by NS, the EPA or comparable state authorities), estimates of NS' ultimate potential financial exposure for a given site or in the aggregate for all such sites are necessarily imprecise because of the widely varying costs of currently available cleanup techniques, the likely development of new cleanup technologies, unpredictable contaminant recovery and reduction rates associated with available clean-up technologies, the difficulty of determining in advance the nature and full extent of contamination and each potential participant's share of any estimated loss (and that participant's ability to bear it), and evolving statutory and regulatory standards governing liability.

The risk of incurring environmental liability – for acts and omissions, past, present, and future – is inherent in the railroad business. Some of the commodities in NS' traffic mix, particularly those classified as hazardous materials, pose special risks that NS and its subsidiaries work diligently to minimize. In addition, several NS subsidiaries own, or have owned, land used as operating property, or which is leased and operated by others, or held for sale. Because environmental problems may exist on these properties that are latent or undisclosed, there can be no assurance that NS will not incur environmental liabilities or costs with respect to one or more of them, the amount and materiality of which cannot be estimated reliably at this time. Moreover, lawsuits and claims involving these and potentially other unidentified environmental sites and matters are likely to arise from time to time. The resulting liabilities could have a significant effect on financial position, results of operations, or liquidity in a particular year or quarter.

Based on its assessment of the facts and circumstances now known, management believes that it has recorded the probable and reasonably estimable costs for dealing with those environmental matters of which NS is aware. Further, management believes that it is unlikely that any known matters, either individually or in the aggregate, will have a material adverse effect on NS' financial position, results of operations, or liquidity.

Insurance

Norfolk Southern obtains on behalf of itself and its subsidiaries insurance for potential losses for third-party liability and first-party property damages. NS is currently self-insured up to $50 million and above $1 billion per occurrence for bodily injury and property damage to third parties and up to $25 million and above $175 million per occurrence for property owned by NS or in NS' care, custody, or control.

Purchase Commitments

At March 31, 2012, NS had outstanding purchase commitments totaling approximately $481 million for long-term service contracts through 2019 as well as locomotives, track material, and freight cars, in connection with its capital programs through 2014.

11. New Accounting Pronouncements

In the first quarter of 2012, NS adopted Accounting Standards Update (ASU) No. 2011-05, *"Comprehensive Income (Topic 220): Presentation of Comprehensive Income."* This update requires that the total of comprehensive income, the components of net income, and the components of other comprehensive income be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. This update does not change what items are reported in other comprehensive income or the requirement to report reclassification of items from other comprehensive income to net income.

In the first quarter of 2012, NS adopted ASU No. 2011-04, *"Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs."* This update provides clarification about the application of existing fair value measurements and disclosure requirements, and expands certain other disclosures requirements.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Norfolk Southern Corporation:

We have reviewed the accompanying consolidated balance sheet of Norfolk Southern Corporation and subsidiaries as of March 31, 2012, and the related consolidated statements of income, comprehensive income and cash flows for the three-month periods ended March 31, 2012 and 2011. These consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Norfolk Southern Corporation and subsidiaries as of December 31, 2011, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the year then ended (not presented herein); and in our report dated February 15, 2012, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2011, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/KPMG LLP
KPMG LLP
Norfolk, Virginia
April 27, 2012

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Norfolk Southern Corporation and Subsidiaries
Management's Discussion and Analysis of
Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes.

OVERVIEW

Improved economic conditions helped generate continued growth in NS' general merchandise and intermodal traffic volumes. Mild winter weather resulted in above normal utility coal stockpiles which, in addition to weakened export demand, drove declines in NS' coal business. NS' first quarter net income rose from $325 million in 2011 to $410 million in 2012 as operating revenue growth more than offset the increases in operating expenses and income taxes. The railway operating ratio (a measure of the amount of operating revenues consumed by operating expenses) improved to 73.3%, compared with 77.1% for the first quarter of 2011.

Cash provided by operating activities for the first quarter of 2012 was $1 billion which, along with cash on hand and proceeds from borrowings allowed for property additions, share repurchases, debt repayments, and dividends. In the first quarter of 2012, 5.7 million shares of Norfolk Southern Corporation common stock (Common Stock) were repurchased at a total cost of $400 million. Since the beginning of 2006, NS has repurchased and retired 115.3 million shares of Common Stock at a total cost of $6.6 billion. At March 31, 2012, cash, cash equivalents, and short-term investments totaled $831 million.

SUMMARIZED RESULTS OF OPERATIONS

First quarter 2012 net income was $410 million, up $85 million, or 26%, compared with the same period last year. The increase was primarily the result of a $145 million, or 24%, increase in income from railway operations (which reflects the absence of the prior year's $58 million unfavorable insurance arbitration ruling), offset in part by increased income tax expense.

Oil prices affect NS' results of operations in a variety of ways and may have an overall favorable or unfavorable impact in any particular period. In addition to the impact of oil prices on general economic conditions, traffic volume, and supplier costs, oil prices directly affect NS' revenues through market-based fuel surcharges and contract escalators (see "Railway Operating Revenues") and also affect fuel costs (see "Railway Operating Expenses"). For the first quarter 2012, excluding the impact of decreased consumption, the increase in fuel surcharge revenue was greater than the increase in fuel expense. Future changes in oil prices may cause volatility in operating results that could be material to a particular year or quarter.

DETAILED RESULTS OF OPERATIONS

Railway Operating Revenues

First quarter railway operating revenues were $2.8 billion in 2012, up $169 million, or 6%, compared with the first quarter of 2011. As shown in the following table, the increase was the result of higher average revenue per unit (which includes the effect of $325 million in fuel surcharges, which were up $76 million), and higher traffic volume:

	First Quarter 2012 vs. 2011 Increase ($ in millions)
Revenue per unit	$ 139
Traffic volume (units)	30
Total	$ 169

Many of NS' negotiated fuel surcharges for coal and general merchandise traffic are based on the monthly average price of West Texas Intermediate Crude Oil (WTI Average Price). These surcharges are reset the first day of each calendar month based on the WTI Average Price for the second preceding calendar month. This two-month lag in applying WTI Average Price coupled with the change in fuel prices decreased fuel surcharge revenue by approximately $26 million in the first quarter.

One of NS' customers, DuPont, has a rate reasonableness complaint pending before the Surface Transportation Board (STB) alleging that the NS tariff rates for transportation of regulated movements are unreasonable. NS disputes these allegations. Since June 1, 2009, NS has been billing and collecting from DuPont amounts based on the challenged tariff rates. Management presently expects resolution of the case to occur in 2013 and believes the estimate of reasonably possible loss will not have a material effect on NS' financial position, results of operations, or liquidity. With regard to rate cases, management records adjustments to revenues in the periods, if and when, such adjustments are probable and estimable.

Revenues, units and average revenue per unit for NS' market groups were as follows:

	First Quarter					
	Revenues		Units		Revenue per Unit	
	2012	2011	2012	2011	2012	2011
	($ in millions)		(in thousands)		($ per unit)	
Coal	$ 766	$ 816	359.0	406.1	$ 2,134	$ 2,009

General merchandise:						
Agriculture/consumer/gov't	370	351	152.3	155.6	2,429	2,257
Chemicals	362	338	96.0	95.7	3,772	3,532
Metals and construction	342	269	165.5	148.4	2,068	1,810
Automotive	226	177	96.3	78.6	2,345	2,258
Paper/clay/forest	196	184	76.7	79.9	2,552	2,303
General merchandise	1,496	1,319	586.8	558.2	2,549	2,364
Intermodal	527	485	785.0	746.9	671	649
Total	$ 2,789	$ 2,620	1,730.8	1,711.2	$ 1,611	$ 1,531

Coal

Coal revenues decreased $50 million, or 6%, in the first quarter, compared with the same period last year, reflecting a 12% decrease in traffic volume, offset in part by a 6% improvement in average revenue per unit. Coal tonnage by market was as follows:

	First Quarter	
	2012	**2011**
	(tons in thousands)	
Utility	26,261	31,510
Export	6,724	7,438
Domestic metallurgical	4,572	3,774
Industrial	1,921	1,825
Total	39,478	44,547

Utility coal tonnage decreased 17% in the first quarter, reflecting reduced electrical demand in NS-served regions and competition from low natural gas prices. Export coal tonnage decreased 10% in the first quarter, reflecting the return of Australian supply and weaker global demand for steel production. Domestic metallurgical coal tonnage was up 21% in the first quarter, as domestic steel production remained high and a softening export coal market increased coking coal availability for the domestic market. Industrial coal tonnage was up 5% in the first quarter as a result of new business.

Coal revenues for the remainder of the year are expected to decrease compared to last year due to lower average revenue per unit and lower traffic volumes.

General Merchandise

General merchandise revenues increased $177 million, or 13%, in the first quarter, compared with the same period last year, reflecting a 8% rise in average revenue per unit and a 5% increase in traffic volumes.

Agriculture, consumer products, and government volume decreased 2% for the first quarter, reflecting fewer shipments of fertilizer due to certain network classification changes. Metals and construction volume increased 12%, reflecting more shipments of iron and steel, coil steel, and scrap metal driven by increased steel and automotive production, as well as higher shipments of fractionating sand for natural gas drilling. Automotive volume grew 23%, primarily a result of increased North American light vehicle production at NS-served plants, in addition to new business. Paper, clay, and forest products volume was down 4%, reflecting fewer shipments of newsprint, pulp, and kaolin due to declining consumption, as well as lower pulpboard and wood chip volumes resulting from pricing pressures in the market.

General merchandise revenues for the remainder of the year are expected to increase compared to last year due to improved average revenue per unit and higher traffic volumes.

Intermodal

Intermodal revenues increased $42 million, or 9%, in the first quarter, compared with the same period last year, reflecting a 5% growth in volumes and a 3% improvement in average revenue per unit. Domestic (which includes truckload and intermodal marketing companies' volumes) and Triple Crown Services, a service with rail-to-highway trailers, volumes grew 13% and 4%, respectively, reflecting continued highway conversions to rail and stronger market demand. International traffic volume decreased 3% reflecting the loss of business from a shipping line.

Intermodal revenues for the remainder of the year are expected to increase, reflecting higher traffic volumes and improved average revenue per unit.

Railway Operating Expenses

Railway operating expenses were $2 billion, up $24 million, or 1%, in the first quarter of 2012, compared to the same period last year, reflecting higher fuel prices, compensation and benefits, and maintenance costs. These increases were partially offset by the absence of the prior year's $58 million unfavorable arbitration ruling, in addition to improved network fluidity in the first quarter of 2012 which tempered the effects of increased volume-related expenses.

Compensation and benefits expenses increased $21 million, or 3%. The increase was primarily the result of higher:

- pay rates (up $11 million),
- health and welfare benefit costs for employees (up $6 million),
- payroll taxes (up $6 million),
- employee activity levels (up $5 million), and
- pension costs (up $3 million).

These increased costs were partially offset by lower stock-based compensation (down $8 million).

Purchased services and rents includes the costs of services provided by outside contractors, the net costs of operating joint (or leased) facilities with other railroads and the net cost of equipment rentals. This category of expenses increased $8 million, or 2%, reflecting increased costs associated with intermodal operations, repairs and maintenance, advertising, and professional services and consulting fees. These increased costs were partially offset by lower equipment rents.

Fuel expense, which includes the cost of locomotive fuel as well as other fuel used in railway operations, increased $24 million, or 6%. The increase was principally the result of higher fuel prices (locomotive fuel price rose 10%) which had an impact of $37 million, partially offset by decreased consumption (locomotive fuel consumption decreased 2%), which had an impact of $13 million.

Materials and other expenses (including the estimates of costs related to personal injury, property damage, and environmental matters) decreased $42 million, or 15%, reflecting the absence of the prior year's unfavorable Graniteville-related arbitration ruling, partially offset by higher costs associated with materials used for equipment and roadway repairs.

The following table shows the components of materials and other expenses:

First Quarter

	2012	2011
	($ in millions)	
Materials	$ 112	$ 94
Casualties and other claims	38	99
Other	80	79
Total	$ 230	$ 272

The Consolidated Balance Sheets reflect long-term receivables for estimated recoveries from NS' insurance carriers for claims associated with the January 6, 2005, derailment in Graniteville, S.C. In the first quarter of 2011, NS received an unfavorable ruling for an arbitration claim with an insurance carrier, and was denied recovery of the contested portion
($43 million) of the claim. As a result, NS recorded a $43 million charge during the first quarter of 2011 for the receivables associated with the contested portion of the claim and a $15 million charge for other receivables affected by the ruling for which recovery was no longer probable.

Other Income – Net

Other income – net was $29 million, up $2 million from the first quarter of last year, primarily reflecting higher interest expense on uncertain tax positions (up $3 million) offset completely by higher net returns from corporate-owned life insurance (up $2 million) and other miscellaneous items (up $3 million).

Provision for Income Taxes

The effective income tax rate for the first quarter of 2012 was 37.3%, compared with 36.9% for the same period last year. The increase was primarily due to the absence of favorable reductions to unrecognized tax benefits.

In December 2010, the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act increased bonus depreciation to 100 percent for the period September 2010 through the end of 2011 and allows 50 percent bonus depreciation in 2012. Bonus depreciation does not affect NS' total provision for income taxes or effective tax rate, but does significantly lower current tax expense and the related cash outflows for income taxes paid.

NS' consolidated income tax returns for 2009 and 2010 are being audited by the Internal Revenue Service (IRS) and NS expects the examinations to be completed by the end of 2012. NS does not expect that the results of the examinations will have a material effect on income tax expense.

FINANCIAL CONDITION AND LIQUIDITY

Cash provided by operating activities, NS' principal source of liquidity, was $1 billion for the first quarter of 2012, compared with $652 million for the same period of 2011, reflecting an increase in accounts payable and improved operating results. NS had working capital of $400 million at March 31, 2012, compared with $50 million at December 31, 2011; the increase is largely the result of an increase in cash and cash equivalents, reflecting higher borrowings net of repayments during the first three months of 2012. Cash, cash equivalents, and short-term investment balances totaled $831 million at March 31, 2012, and were invested in accordance with NS' corporate investment policy as approved by the Board of Directors. The portfolio contains securities that are subject to market risk. There are no limits or restrictions on NS' access to the assets. NS expects that cash on hand combined with cash flows from operations will be sufficient to meet its ongoing obligations. During the first quarter of 2012, NS issued $600 million of 3.0% senior notes due 2022. Other than this item, there have been no other material changes to the information on NS' future obligations contained in NS' Form 10-K for the year ended December 31, 2011.

Cash used in investing activities was $436 million for the first quarter of 2012, compared with $382 million for the same period last year, primarily reflecting increased property additions.

The Crescent Corridor consists of a program of projects for infrastructure and other facility improvements geared toward creating a seamless, high-capacity intermodal route spanning 11 states from New Jersey to Louisiana and offering truck-competitive service along several major interstate highway corridors, including I-81, I-85, I-20, I-40, I-59, I-

78, and
I-75. Based on the public benefits that stand to be derived in the form of highway congestion relief, NS plans to implement certain elements of the Crescent Corridor through a series of public-private partnerships. Currently, the Crescent Corridor has received or expects to receive a total of $267 million in public capital funding commitments from the Commonwealths of Pennsylvania and Virginia, the State of Tennessee, the federal TIGER Stimulus Program and other federal funding sources related to projects in Alabama, Pennsylvania, Tennessee, and North Carolina. With respect to the private funding component, NS currently anticipates spending up to $351 million for the substantial completion of work on these projects, which is expected in 2014, including planned investments for the remainder of 2012 of approximately $127 million.

Cash used in financing activities was $46 million for the first quarter of 2012 compared with $861 million for the first quarter of 2011. The change reflected the issuance of $600 million of senior notes in the first quarter of 2012 and lower debt repayments and maturities, offset in part by increased share repurchases. Share repurchases were 5.7 million, totaling
$400 million in the first quarter of 2012, compared to $343 million in the same period last year. The timing and volume of future share repurchases will be guided by management's assessment of market conditions and other pertinent factors. Any near-term purchases under the program are expected to be made with internally generated cash, cash on hand, or proceeds from borrowings. NS' total debt-to-total capitalization ratio was 45.0% at March 31, 2012, compared with 43.2% at December 31, 2011.

As of March 31, 2012, NS has authority from its Board of Directors to issue an additional $400 million of debt or equity securities through public or private sale. NS has on file with the Securities and Exchange Commission a Form S-3 automatic shelf registration statement for well-known seasoned issuers under which securities may be issued pursuant to this authority.

NS also has in place and available a $750 million, five-year credit agreement expiring in 2016, which provides for borrowings at prevailing rates and includes covenants. NS had no amounts outstanding under this facility at
March 31, 2012, and NS is in compliance with all of its covenants. In October 2011, NS renewed its $350 million accounts receivable securitization program with a 364-day term to run until October 2012. There was $100 million and $200 million outstanding under this program at March 31, 2012 and December 31, 2011, respectively.

APPLICATION OF CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions may require significant judgment about matters that are inherently uncertain, and future events are likely to occur that may require management to make changes to these estimates and assumptions. Accordingly, management regularly reviews these estimates and assumptions based on historical experience, changes in the business environment, and other factors that management believes to be reasonable under the circumstances. Management regularly discusses the development, selection, and disclosures concerning critical accounting estimates with the Audit Committee of its Board of Directors. There have been no significant changes to the Application of Critical Accounting Estimates disclosure contained in NS' Form 10-K as of December 31, 2011.

OTHER MATTERS

Labor Agreements

More than 80% of NS' railroad employees are covered by collective bargaining agreements with various labor unions. These agreements remain in effect until changed pursuant to the Railway Labor Act. NS largely bargains nationally in concert with other major railroads, represented by the National Carriers Conference Committee (NCCC). Moratorium provisions in the labor agreements govern when the railroads and the unions may propose changes.

[The NCCC has concluded the round of bargaining that began in November 2009 and reached national agreements with all applicable labor unions. Although NS previously concluded separate agreements with each of the Brotherhood of Locomotive Engineers and Trainmen (BLET) and the American Train Dispatchers Association (ATDA) that extend through December 31, 2014, the health and welfare provisions from the national agreements apply to the BLET and ATDA. NS bargains separately with longshoremen at its Ashtabula (Ohio) Docks, who are represented by the International Longshoremen's Association (ILA) and do not participate in national bargaining. The present agreement remains in effect and no negotiations are in progress with ILA.]

Market Risks

NS manages its overall exposure to fluctuations in interest rates by issuing both fixed- and floating-rate debt instruments. At March 31, 2012, NS' debt subject to interest rate fluctuations totaled $100 million. A 1% point increase in interest rates would increase NS' total annual interest expense related to all its variable debt by $1 million. Management considers it unlikely that interest rate fluctuations applicable to these instruments will have a material adverse affect on NS' financial position, results of operations, or liquidity.

Environmental Matters

NS is subject to various jurisdictions' environmental laws and regulations. It is NS' policy to record a liability where such liability or loss is probable and its amount can be estimated reasonably. Claims, if any, against third parties for recovery of cleanup costs incurred by NS are reflected as receivables (when collection is probable) in the Consolidated Balance Sheets and are not netted against the associated NS liability. Environmental engineers regularly participate in ongoing evaluations of all known sites and in determining any necessary adjustments to liability estimates. NS also has established an Environmental Policy Council, composed of senior managers, to oversee and interpret its environmental policy.

NS' Consolidated Balance Sheets included liabilities for environmental exposures in the amount of $38 million at
March 31, 2012, and $35 million at December 31, 2011 (of which $12 million is classified as a current liability at the end of each period). At March 31, 2012, the liability represents NS' estimate of the probable cleanup and remediation costs based on available information at 143 known locations and projects. As of that date, seven sites accounted for $18 million of the liability, and no individual site was considered to be material. NS anticipates that much of this liability will be paid out over five years; however, some costs will be paid out over a longer period.

At 26 locations, one or more NS subsidiaries in conjunction with a number of other parties, have been identified as potentially responsible parties under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, or comparable state statues that impose joint and several liability for cleanup costs. NS calculates its estimated liability for these sites based on facts and legal defenses applicable to each site and not solely on the basis of the potential joint liability.

With respect to known environmental sites (whether identified by NS or by the EPA or comparable state authorities), estimates of NS' ultimate potential financial exposure for a given site or in the aggregate for all such sites are necessarily imprecise because of the widely varying costs of currently available cleanup techniques, the likely development of new cleanup technologies, unpredictable contaminant recovery and reduction rates associated with available clean-up technologies, the difficulty of determining in advance the nature and full extent of contamination and each potential participant's share of any estimated loss (and that participant's ability to bear it), and evolving statutory and regulatory standards governing liability. NS estimates its environmental remediation liability on a site-by-site basis, using assumptions and judgments that management deems appropriate for each site. As a result, it is not practical to quantitatively describe the effects of changes in these many assumptions and judgments. NS has consistently applied its methodology of estimating its environmental liabilities.

Based on its assessment of the facts and circumstances now known, management believes that it has recorded the probable and reasonably estimable costs for dealing with those environmental matters of which NS is aware. Further, management believes that it is unlikely that any known matters, either individually or in the aggregate, will have a material adverse effect on NS' financial position, results of operations, or liquidity.

Inflation

In preparing financial statements, U.S. generally accepted accounting principles require the use of historical cost that disregards the effects of inflation on the replacement cost of property. NS, a capital-intensive company, has most of its capital invested in such property. The replacement cost of these assets, as well as the related depreciation expense, would be substantially greater than the amounts reported on the basis of historical cost.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that may be identified by the use of words like "believe," "expect," "anticipate," "estimate," "unlikely," and "project." Forward-looking statements reflect management's good-faith evaluation of information currently available.

However, such statements are dependent on and, therefore, can be influenced by, a number of external variables over which management has little or no control, including: transportation of hazardous materials as a common carrier by rail; acts of terrorism or war; general economic conditions; competition and consolidation within the transportation industry; the operations of carriers with which NS interchanges; disruptions to NS' technology infrastructure, including computer systems; labor difficulties, including strikes and work stoppages; commercial, operating, environmental, and climate change legislative and regulatory developments; results of litigation; natural events such as severe weather, hurricanes, and floods; unavailability of qualified personnel due to unpredictability of demand for rail services; fluctuation in supplies and prices of key materials, in particular diesel fuel; and changes in securities and capital markets. For a discussion of significant risk factors applicable to NS, see Part II, Item 1A "Risk Factors." Forward-looking statements are not, and should not be relied upon as, a guarantee of future performance or results, nor will they necessarily prove to be accurate indications of the times at or by which any such performance or results will be achieved. As a result, actual outcomes and results may differ materially from those expressed in forward-looking statements. NS undertakes no obligation to update or revise forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The information required by this item is included in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Market Risks."

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Norfolk Southern's Chief Executive Officer and Chief Financial Officer, with the assistance of management, evaluated the effectiveness of NS' disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of March 31, 2012. Based on such evaluation, such officers have concluded that, as of March 31, 2012, NS' disclosure controls and procedures were effective to ensure that information required to be disclosed in NS' reports under the Exchange Act is recorded, processed, summarized, and reported, within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting

During the first quarter of 2012, management did not identify any changes in NS' internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, NS' internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On November 6, 2007, various antitrust class actions filed against NS and other Class 1 railroads in various Federal district courts regarding fuel surcharges were consolidated in the District of Columbia by the Judicial Panel on Multidistrict Litigation. NS believes the allegations in the complaints are without merit and intends to vigorously defend the cases. NS does not believe that the outcome of these proceedings will have a material effect on its financial position, results of operations, or liquidity. A lawsuit containing similar allegations against NS and four other major railroads that was filed on March 25, 2008, in the U.S. District Court for the District of Minnesota was voluntarily dismissed by the plaintiff subject to a tolling agreement entered into in August 2008.

NS received a Notice of Violation (NOV) issued by the Tennessee Department of Environmental Conservation concerning soil runoff in connection with construction of an intermodal facility near Memphis, TN. Although NS will contest liability and the imposition of any penalties, this matter is described here consistent with SEC rules and requirements concerning governmental proceedings with respect to environmental laws and regulations. NS does not believe that the outcome of this proceeding will have a material effect on its financial position, results of operations, or liquidity.

Item 1A. Risk Factors

The risk factors included in NS' 2011 Form 10-K remain unchanged and are incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Period	(a) Total Number of Shares (or Units) Purchased[1]	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs[2]	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may yet be Purchased Under the Plans or Programs[2]
January 1-31, 2012	1,173,300	$73.56	1,173,300	14,224,645
February 1-29, 2012	3,683,100	$70.21	3,683,100	10,541,545
March 1-31, 2012	806,374	$68.35	806,374	9,735,171
Total	5,662,774		5,662,774	

(1) Of this amount, no shares were tendered by employees in connection with the exercise of stock options under the Long-Term Incentive Plan.

(2) On November 22, 2005, the Board of Directors authorized a share repurchase program, pursuant to which up to 50 million shares of Common Stock could be purchased through December 31, 2015. On March 27, 2007, the Board of Directors amended the program and increased the number of shares that may be repurchased to 75 million, and shortened the repurchase term by five years to December 31, 2010. On July 27, 2010, NS' Board of Directors authorized the repurchase of up to an additional 50 million shares of Common Stock through December 31, 2014.

Item 6. Exhibits

See Exhibit Index beginning on page 27 for a description of the exhibits filed as part of this report.

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 thereunto duly authorized.

NORFOLK SOUTHERN CORPORATION
Registrant

Date:	April 27, 2012	/s/Howard D. McFadden Howard D. McFadden Corporate Secretary (Signature)
Date:	April 27, 2012	/s/C. H. Allison, Jr. C. H. Allison, Jr. Vice President and Controller (Principal Accounting Officer) (Signature)

EXHIBIT INDEX

3(ii)	The Bylaws of Norfolk Southern Corporation, as amended February 27, 2012, are incorporated herein by reference to Exhibit 3(ii) to Norfolk Southern Corporation's Form 8-K filed on February 28, 2012.
4.1	Indenture, dated as of March 15, 2012, between the Registrant and U.S. Bank Trust National Association, as Trustee, is incorporated herein by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on March 15, 2012.
4.2	First Supplemental Indenture, dated as of March 15, 2012, between the Registrant and U.S. Bank Trust National Association, as Trustee, is incorporated herein by reference to Exhibit 4.2 to Norfolk Southern Corporation's Form 8-K filed on March 15, 2012.
10.1*	Omnibus Amendment, dated as of January 17, 2011, to Pan Am Transaction Agreement dated as of May 15, 2008, and Limited Liability Company Agreement of Pan Am Southern LLC dated as of April 9, 2009.
10.2*	Norfolk Southern Corporation Executive Management Incentive Plan, as approved by shareholders May 13, 2010, and as further amended September 27, 2011 and April 26, 2012.
15*	Letter regarding unaudited interim financial information.
31*	Rule 13a-14(a)/15d-14(a) Certifications.
32*	Section 1350 Certifications.
101*	The following financial information from Norfolk Southern Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, formatted in Extensible Business Reporting Language (XBRL) includes (i) the Consolidated Statements of Income for each of the three-month periods ended March 31, 2012 and 2011; (ii) the Consolidated Statements of Comprehensive Income for each of the three-month periods ended March 31, 2012

and 2011; (iii) the Consolidated Balance Sheets as of March 31, 2012, and December 31, 2011; (iv) the Consolidated Statements of Cash Flows for each of the three-month periods ended March 31, 2012 and 2011; and (v) the Notes to Consolidated Financial Statements.

* Filed herewith.

Exhibit 10.1

OMNIBUS AMENDMENT

THIS OMNIBUS AMENDMENT (this "***Amendment***") is made and entered into as of the 17th day of January 2011 (the "***Effective Date***"), by and among NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation ("***NSR***"); BOSTON AND MAINE CORPORATION, a Delaware corporation ("***B&M***"); PAN AM RAILWAYS, INC., a Delaware corporation ("***Pan Am***"), on behalf of itself and its Subsidiaries (as defined in the Transaction Agreement); SPRINGFIELD TERMINAL RAILWAY COMPANY,a Vermont corporation ("***STRC***"); and PAN AM SOUTHERN, LLC, a Delaware limited liability company ("**PAS**").

WHEREAS, NSR, Pan Am, B&M and STRC are parties to that certain Transaction Agreement dated as of May 15, 2008 (the "***Transaction Agreement***");

WHEREAS, NSR and B&M, as the members of PAS, are parties to that certain Limited Liability Company Agreement of PAS dated as of April 9, 2009 (the "***LLC Agreement***");

WHEREAS, the respective parties to the Transaction Agreement and the LLC Agreement desire to amend such documents as set forth herein;

NOW THEREFORE, for and in consideration of the benefits and detriments arising hereunder, the receipt and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Section 1.1 of the Transaction Agreement is hereby amended by adding thereto the following definitions:

"NSR Supplemental Contribution" shall have the meaning given to that term in Section 2.2(c).

"Sanvel Automotive Improvements" shall have the meaning contemplated in Schedule 2.5.

"Sanvel Costs" shall have the meaning given to that term in Schedule 2.2(c).

2. The Transaction Agreement is hereby amended by deleting Section 2.2 thereof in its entirety and inserting in its place the following:

"2.2 Capital Contribution for NSR Interest; Additional Contribution

(a) At the Closing, NSR and B&M shall cause the Company to issue to NSR, in exchange for an assignment of the Option Agreement and cash and commitments to contribute cash in the amounts and on the dates set forth in Schedule 2.2(a) (the "NSR Contribution"), the NS Member's Membership Interests (as defined and otherwise described in the form of Company Agreement attached). The commitments to contribute cash shall be reflected by one or more demand notes that permit prepayment with no penalty.

(b) The Parties acknowledge that NSR's initial capital account in the Company immediately after the Closing shall be the amount reflected in Exhibit 2.2 of the form of Company Agreement attached.

(c) In addition to the NSR Contribution, NSR shall contribute to the Company cash in the amounts and subject to the terms and conditions set forth in Schedule 2.2(c) (the "NSR Supplemental Contribution")."

3. The Transaction Agreement is hereby amended by deleting Section 2.3 thereof in its entirety and inserting in its place the following:

"2.3 Capital Contribution for Pan Am Interest; Additional Contribution.

(a) At the Closing, NSR and B&M shall cause the Company to issue to B&M, in exchange for contribution by it of the remaining undivided interest in the Assets (other than the To-Be-Constructed Assets, as defined in the Option Agreement) that is not subject to the Option Agreement, (the "Pan Am Contribution"), the Pan Am Member's Membership Interests (as defined and otherwise described in the form of Company Agreement attached). The Pan Am System Parties shall cause the Assets to reside in B&M before its contribution in part to the Company, and its sale in part to the Company under the Option Agreement, of the Assets free and clear of all Liens other than Permitted Liens and judgment liens of record with respect to which Pan Am shall execute and deliver an indemnification agreement in the form of the attached Appendix M. The Parties acknowledge that, at Closing, Springfield Terminal will have an inventory of track material physically on the property to be contributed. It is the intention that this track material will remain the property of Springfield Terminal. Such track material shall be collected and removed by Springfield Terminal from the Company's property after Closing. Any such track material remaining on the Company's property ninety (90) days after the Closing shall become the property of the Company.

(b) The Parties acknowledge that the Pan Am Member's initial capital account in the Company will be as reflected in Exhibit 2.2 of the form of Company Agreement attached."

4. The Transaction Agreement is hereby amended by deleting Section 2.5 thereof in its entirety and inserting in its

place the following:

"2.5 Use of Proceeds.

NSR and Pan Am shall cause the Company to use $87,500,000 of the proceeds from the NSR Contribution plus any interest earned thereon from time to time for the capital expenditures anticipated to be made over a three (3) year period commencing on the Closing Date in accordance with Schedule 2.5, provided that, notwithstanding anything in Schedule 2.5 to the contrary, on and after December 1, 2010, no proceeds from the NSR Contribution shall be used for the Sanvel Automotive Improvements. Provided, however, that the $6,438,485.91 of the NSR Contribution utilized to fund the Original Facility Buildout (as defined in Schedule 2.2(c)) shall be replenished in accordance with Schedule 2.2(c) to ensure that the entire NSR Contribution is utilized for projects other than the Original Facility Buildout and/or the Expansion Facility Buildout (as defined in Schedule 2.2(c))."

5. The Transaction Agreement is hereby amended by adding thereto Schedule 2.2(c) as follows:

"Schedule 2.2(c) - NSR Supplemental Contribution

NSR shall make the NSR Supplemental Contribution on the following terms and conditions:

1. The Company shall use the NSR Supplemental Contribution as reimbursement of costs used to pay the costs necessary to complete the Sanvel Automotive Improvements, as such costs are determined as of December 1, 2010 (the "Sanvel Costs"), and for no other purpose. The Sanvel Costs include $6,438,485.91 for work performed on the initial buildout of the Sanvel Facility ("Original Facility Buildout"), which represents the infrastructure expenses related to the construction and design of the Original Facility Buildout. The Sanvel Costs also include the expansion of the Sanvel Facility (the "Expansion Facility Buildout"), with regard to which the parties hereto have agreed to a budget of the following: (a) $174,706.56 for preparation of engineering plans and a SWPPP; (b) $5,224,526.00, which represents the estimated cost of the contractor-built facility expansion; (c) $329,512.00, which represents the estimated cost of the additional trackage; (d) $100,000.00, which represents the estimated cost of construction engineering; and (e) a built-in budget contingency of $132,769.53. The cost of the Expansion Facility Buildout, consisting of the aforementioned elements is $5,961,514.09 (the "Expansion Facility Buildout Expense").

2. For the Expansion Facility Buildout Expense, NSR shall make the NSR Supplemental Contribution as the Sanvel Costs are incurred by the Company, to wit: the Company shall submit to NSR one or more invoices for Sanvel Costs actually incurred, and upon verification thereof, NSR shall contribute to the Company the amount of such Sanvel Costs. For the Original Facility Buildout expenses of $6,438,485.91 and the cost of engineering plans and the SWPPP for the Expansion Facility Buildout of $174,706.56, NSR shall make that amount of the NSR Supplemental Contribution within thirty (30) days of the execution of the Amendment. Such other costs related to the Expansion Facility Buildout will be paid within thirty (30) days of invoice until the Expansion Facility Buildout is complete provided that the total amount of the NSR Supplemental Contribution for the Original Facility Buildout and the Expansion Facility Buildout shall not, in any case other than is provided in Sections 5, 6 or 8, exceed Twelve Million Four Hundred Thousand Dollars ($12,400,000) and the total amount of the Expansion Facility Buildout Expense shall not, in any case other than is provided in Sections 5, 6 or 8 of the Amendment, exceed $5,961,514.09.

3. NSR and Pan Am shall, in cooperation and at the earliest opportunity, finalize the 60-day informational submittal to the Town of Ayer relative to the Expansion Facility Buildout ("Submittal"). The Submittal shall be completed in conformance with applicable legal obligations.

4. After the filing of the Submittal with the Town of Ayer, Pan Am shall, during the sixty (60) day period, finalize detailed construction and procurement plans for the Expansion Facility Buildout ("Plans"), and seek and procure NSR Engineering Department approval of the same. The Plans shall provide that all materials and construction methods for the Expansion Facility Buildout will be consistent with Phase I, except for the substitution of Water Quality Inlets for the Stormceptor units.

5. If, at any time after NSR Engineering Department approval of the Plans, NSR requires a change order to the Plans, including, without limitation, change orders that occur as a result of request by a federal, state or local agency that is not mandated by applicable law, then NSR and Pan Am shall meet in good faith to determine whether the costs directly associated with the change order shall be borne by NSR whether the Plans shall be modified so as to reduce the total cost or scope of the Expansion Facility Buildout (and so also the Sanvel Automotive Improvements) to at least accommodate the change order, or whether some other mutually agreeable funding arrangement for the change order is appropriate. Such change order shall be reflected in an adjustment to the Plans and, if necessary, the NSR Supplemental Contribution, as mutually agreed upon.

6. If, at any time after NSR Engineering Department approval of the Plans, a regulatory agency having appropriate jurisdiction requires a change order to the Plans that is mandated by applicable law, then NSR and Pan Am shall meet in good faith to determine whether the costs directly associated with the change order shall be borne by PAS, whether the Plans shall be modified so as to reduce the total cost or scope of the Expansion Facility Buildout (and so also the Sanvel Automotive Improvements) to at least accommodate the change order, or whether some other mutually agreeable funding arrangement for the change order is appropriate. Such change order shall be reflected in an adjustment to the Plans and, if

necessary, the NSR Supplemental Contribution, as mutually agreed upon.

7. If, at any time after NSR Engineering Department approval of the Plans, costs of the Sanvel Automotive Improvements increase due to a force majeure event including Act of God, war, civil disturbance, governmental action, labor dispute unrelated to the party claiming the force majeure event, or any other event beyond the reasonable control of the claiming party, then NSR and Pan Am shall meet in good faith to determine whether the costs directly associated with the change order shall be borne by PAS, whether the Plans shall be modified so as to reduce the total cost or scope of the Expansion Facility Buildout (and so also the Sanvel Automotive Improvements) to at least accommodate the change order, or whether some other mutually agreeable funding arrangement for the change order is appropriate. Such change order shall be reflected in an adjustment to the Plans and, if necessary, the NSR Supplemental Contribution, as mutually agreed upon.

8. If, at any time after NSR Engineering Department approval of the Plans, costs of the Sanvel Automotive Improvements increase due to material increases in the costs of materials or components, then NSR and Pan Am shall meet in good faith to determine whether the Plans shall be modified so as to reduce the total cost of the Expansion Facility Buildout (and so also the Sanvel Automotive Improvements) to at least accommodate the change order, or whether some other mutually agreeable funding arrangement for the change order is appropriate. Any modifications shall be reflected in an adjustment to the Plans and, if necessary, the NSR Supplemental Contribution, as mutually agreed upon.

9. PAS shall construct the Sanvel Automotive Improvements in conformance with the Plans approved by the NSR Engineering Department, as such Plans may be modified by a change order or otherwise by consensus agreement of the parties, expressly acknowledging that PAS, in engaging contractors, shall provide in such engagement that, should at any time after NSR Engineering Department approval of the Plans, costs of the Sanvel Automotive Improvements increase due to the error or negligence of the contractor hired to construct the Sanvel Automotive Improvements, the contractor shall bear such increased costs."

6. The "Definitions" section of the LLC Agreement is hereby amended by adding thereto the following definitions:

"NSR Supplemental Contribution" shall have the meaning given to that term in Section 2.2(c) of the Transaction Agreement.

"Sanvel Costs" shall have the meaning given to that term in Schedule 2.2(c) to the Transaction Agreement.

7. The "Definitions" section of the LLC Agreement is hereby amended by deleting the defined terms identified below and inserting the respective definitions as follows:

"**Capital Recovery Purchased Book Items**" means (i) Depreciation attributable to the Assets purchased by the Company as described in Section 3 of the Transaction Agreement and attributable to the first $87,500,000 of Capital Projects to the extent such $87,500,000 is not allowed as a deductible expense for federal income-tax purposes, (ii) expenses (including any and all deductions associated with Rev. Proc. 2002-65) attributable to the first $87,500,000 of Capital Projects allowed as a deductible expense for federal income-tax purposes, (iii) Depreciation attributable to the Sanvel Costs funded by the NSR Supplemental Contribution to the extent such amount is not allowed as a deductible expense for federal income-tax purposes, and (iv) expenses (including any and all deductions associated with Rev. Proc. 2002-65) attributable to the Sanvel Costs funded by the NSR Supplemental Contribution allowed as a deductible expense for federal income-tax purposes.

"**Capital Recovery Purchased Tax Deductions**" means expenses, depreciation, amortization, and other cost recovery deductions (including any and all deductions associated with Rev. Proc. 2002-65) that are allowed as a deduction for federal income-tax purposes and that relate solely (i) to the Assets purchased by the Company as described in Section 3 of the Transaction Agreement, (ii) to the first $87,500,000 of Capital Projects, (iii) Depreciation attributable to the Sanvel Costs funded by the NSR Supplemental Contribution to the extent such amount is not allowed as a deductible expense for federal income-tax purposes, and (iv) expenses (including any and all deductions associated with Rev. Proc. 2002-65) attributable to the Sanvel Costs funded by the NSR Supplemental Contribution allowed as a deductible expense for federal income-tax purposes.

"Transaction Agreement" shall have the meaning set forth in the Recitals, provided that references to the Transaction Agreement in this Agreement shall mean the Transaction Agreement as it may be amended from time-to-time.

8. The LLC Agreement is hereby amended by deleting Section 2.3 thereof in its entirety and inserting in its place the following:

"2.3 <u>Subsequent Capital Contributions</u> (a) The NS Member shall make the NSR Supplemental Contribution as defined in and pursuant to Section 2.2 and Schedule 2.2(c) of the Transaction Agreement."

9. Except as herein amended, the Transaction Agreement and the LLC Agreement shall continue in full force and effect.

10. This Amendment and all of the provisions hereof shall inure to the benefit of and shall be binding upon the successors in interest of the parties to the Transaction Agreement and the LLC Agreement.

11. This Amendment and the rights hereunder shall be interpreted in accordance with the laws of the State of Delaware, and all rights and

remedies shall be governed by such laws without regard to principles of conflict of laws.

12. The invalidity or unenforceability of any particular provision of this Amendment shall not affect the other provisions hereof, and this Amendment shall be construed in all respects as if such invalid or unenforceable provision were omitted.

13. This Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument binding upon all of the parties notwithstanding the fact that all parties are not signatory to the original or the same counterpart. For purposes of this Amendment, facsimile and .PDF signatures shall be deemed originals, and the parties agree to exchange original signatures as promptly as possible.

[Remainder of page intentionally left blank-signature page follows]

IN WITNESS WHEREOF, THE PARTIES HERETO have executed this Amendment in multiple parts, with each part to be an original, as of the date and year first written above.

NORFOLK SOUTHERN RAILWAY COMPANY

By: /s/ M. R. McClellan
Name: M. R. McClellan
Title: Vice President

PAN AM RAILWAYS, INC.

By: /s/ Robert Culliford
Name: Robert Culliford
Title: Senior Vice President

BOSTON AND MAINE CORPORATION

By: /s/ David A. Fink
Name: David A. Fink
Title: President

SPRINGFIELD TERMINAL RAILWAY COMPANY

By: /s/ David A. Fink
Name: David A. Fink
Title: President

PAN AM SOUTHERN, LLC

By: /s/ David A. Fink
Name: David A. Fink
Title: President

Exhibit 10.2

NORFOLK SOUTHERN CORPORATION
EXECUTIVE MANAGEMENT INCENTIVE PLAN
AS APPROVED BY SHAREHOLDERS MAY 13, 2010
AND AS AMENDED SEPTEMBER 27, 2011 AND APRIL 26, 2012

The terms of this amended Plan, as set forth below, were approved by the separate vote of the holders of a majority of the shares of Common Stock present or represented and entitled to vote at a meeting of the stockholders of the Corporation at which a quorum was present for the proposal on May 13, 2010. The Board of Directors of the Corporation amended Sections IV, V and VIII of the Plan on September 27, 2011 effective as of such date, and further amended Section V of the Plan on April 26, 2012 effective as of January 1, 2012, and such amendments are reflected herein.

Section I. PURPOSE OF THE PLAN

It is the purpose of the Norfolk Southern Corporation Executive Management Incentive Plan ("Plan") to enhance increased profitability for Norfolk Southern Corporation ("Corporation") by rewarding certain officers elected by the Board of Directors of Norfolk Southern Corporation and its affiliates with a bonus for collectively striving to attain and surpass financial objectives. The Corporation intends that the Plan comply with the requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended ("Code") and intends that compensation paid under the Plan qualify as performance-based compensation under Code Section 162(m).

Section II. ADMINISTRATION OF THE PLAN

The Compensation Committee, the Performance-Based Compensation Committee or any other committee of the Board of Directors of Norfolk Southern Corporation which is authorized to determine bonus awards under the Plan ("Committee") shall administer and interpret this Plan and, from time to time, adopt such rules and regulations and make such recommendations to the Board of Directors concerning Plan changes as are deemed necessary to insure effective implementation of this Plan. The Performance-Based Compensation Committee shall be comprised solely of two or more Outside Directors (as defined in Treasury Regulation § 1.162-27(e)(3)).

No executive may simultaneously participate in more than one Norfolk Southern Corporation Incentive Group. An executive must reside in the United States or Canada in order to participate in the Plan.

Section III. ESTABLISHMENT OF PERFORMANCE STANDARDS

Within the first 90 days of an incentive year, the Committee shall establish:

A. The Incentive Groups for the incentive year, which Groups shall consist of Board-elected officers at the level of Vice President and above,

B. The bonus level for each Incentive Group for the incentive year, and

C. The performance standard or standards for the Corporation for the incentive year. The performance standards shall be based on one or more, or any combination, of the following business criteria, selected by the Committee, which may be applied on a corporate, department or division level: earnings measures (including net income, earnings per share, income from continuing operations, income before income taxes, income from railway operations); return measures (including net income divided by total assets, return on shareholder equity, return on average invested capital); cash flow measures (including operating cash flow, free cash flow); productivity measures (including total operating expense per thousand gross ton miles or revenue ton miles, total operating revenue per employee, total operating expense per employee, gross ton miles or revenue ton miles per employee, carloads per employee, revenue ton miles per mile of road operated, total operating expense per carload, revenue ton miles per carload, gross ton miles or revenue ton miles per train hour, percent of loaded-to-total car miles); fair market value of shares of the Corporation's Common Stock; revenue measures; expense measures; operating ratio measures; customer satisfaction measures; working capital measures; cost control measures; economic value added measures; and safety measures. If the Committee establishes performance standards using more than one of the aforesaid business criteria, the Committee shall assign a weighting percentage to each business criterion or combination thereof; the sum of the weighting percentages shall equal 100%.

The Committee may establish performance standards solely with respect to the Corporation's performance without regard to the performance of other Corporations or indices, or by comparison of the Corporation's performance to the performance of a published or special index deemed applicable by the Committee including but not limited to, the Standard & Poor's 500 Stock Index or an index based on a group of comparative companies.

Section IV. TYPE OF INCENTIVE BONUS

On or before a date which shall not be later than the date that is six months prior to the last day of the incentive year to which the performance standards established pursuant to Section III apply for any incentive bonus that is performance-based compensation, as defined in Code Section 409A, and which shall not be later than the last day of the year prior to the incentive year to which the performance standards established pursuant to Section III apply for any incentive bonus that is not performance-based compensation, as defined in Code Section 409A, each participant must elect to receive any incentive bonus which may be awarded to him or her for the incentive year either 100% cash or deferred in whole or in part. If the participant elects to receive 100% cash, the entire amount of the bonus for the incentive year shall be distributed to the participant, or to his or her estate in the event of the participant's death, on or before March 1 of the year following the incentive year. If deferred in whole or in part, the amount deferred shall be allocated to the Norfolk Southern Corporation Executives' Deferred Compensation Plan (and such deferrals will be governed by the provisions of that plan) on or before March 1 of the year following the incentive year and the remainder, if any, shall be distributed in cash to the participant, or to his or her estate in the event of the participant's death, on or before March 2 of the year following the incentive year.

Failure on the part of the participant to elect a deferral by the date specified, either in whole or in part for the incentive year, shall be deemed to constitute an election by such participant to receive the entire incentive bonus for the incentive year as a cash bonus.

Section V. BONUS AWARDS

At the end of the incentive year, the Committee shall certify in writing to what extent the performance standards established pursuant to Section III have been achieved during the incentive year and shall determine the Corporate Performance Factor based on such achievement. In determining the Corporate Performance Factor, special charges and restructuring charges, and unusual or infrequent accounting adjustments which are significant, and restatements or reclassifications, all as determined in accordance with Generally Accepted Accounting Principles, which would have the effect of reducing the Corporate Performance Factor shall be excluded, and which would have the effect of increasing the Corporate Performance Factor shall be included, unless the Committee shall determine otherwise.

A participant's bonus award shall be determined by multiplying the Corporate Performance Factor by the participant's bonus level, with the result multiplied by the participant's total salary paid during the incentive year. The bonus award payable to a participant for an incentive year shall not exceed the lesser of: (1) three tenths of one percent (0.3%) of the Corporation's income from railway operations for the incentive year; or (2) $10,000,000. The Committee may review the performance of any of the Corporation's Covered Employees, as defined in Code Section 162(m), and may, at its discretion, reduce the bonus award of any such Covered Employee between 0% and 100%. The Corporation's chief executive officer may review the performance of any participant who is not a Covered Employee and may, at his discretion, adjust the bonus award of any such participant between 0% and 125%.

If the employment of a participant who is employed by Norfolk Southern Corporation or its affiliates during the incentive year terminates prior to the end of such year by reason of (1) death, or (2) normal retirement, early retirement or total disability under applicable Norfolk Southern Corporation plans and policies, then the phrase "total salary paid during the incentive year" means base salary paid to the participant during that portion of such year of employment prior to his or her termination and through the end of the calendar month or payroll period in which employment terminates but excludes any cash paid with respect to such participant's unused vacation. No incentive bonus for any incentive year shall be awarded or paid to any participant whose employment with Norfolk Southern Corporation and all its affiliates terminates before the end of such incentive year for a reason other than one of those specifically stated in the preceding sentence.

If a participant becomes eligible for the Plan during the year or becomes eligible for a different Incentive Group, then the amount of the award shall be adjusted proportionally to reflect such changes.

Section VI. REIMBURSEMENT OF EXCESS BONUS TO CORPORATION

The Board of Directors may require reimbursement of all or any portion of an excess bonus paid under the Plan if (a) financial results are restated due to the material noncompliance of the Corporation with any financial reporting requirement under the securities laws, and (b) an excess bonus was distributed within the three-year period prior to the date the applicable restatement was disclosed. For this purpose, "excess bonus" means the positive difference, if any, between (i) the bonus paid to the participant and (ii) the bonus that would have been paid to the participant had the bonus been calculated on the correct Corporate Performance Factor using the restated financial results. The Corporation will not be required to award an additional bonus to a participant if a restated Corporate Performance Factor would result in a higher bonus payment.

Any bonus to a participant under this Plan is subject to reduction, forfeiture, or recoupment to the extent provided under Section 304 of the Sarbanes-Oxley Act of 2002 or as may be provided under any other applicable law.

Section VII. NO GUARANTEE OF CONTINUANCE OF EMPLOYMENT

Nothing contained in this Plan or in any designation of a participant hereunder shall constitute or be deemed to constitute any evidence of an agreement or obligation on the part of Norfolk Southern Corporation or its affiliates to continue to employ any such participant for any period whatsoever.

Section VIII. AMENDMENT TO AND TERMINATION OF PLAN

This Plan may be amended by written action of the chief executive officer of the Corporation to effect changes which are, in his or her sole judgment and discretion, ministerial, substantively administrative, or necessary to comply with statutory or other legally mandated requirements, and the implementation of which does not result in a material cost to the Corporation. All other amendments to this Plan shall be made by resolution duly adopted by the Board of Directors. This Plan may be amended in any manner or terminated at any time, except that no such amendment or termination shall deprive a participant of any rights hereunder theretofore legally accrued, and no such termination shall be effective for the year in which the Board of Directors adopts a resolution terminating this Plan.

Section IX. FUNDING SOURCE

All amounts that are payable under this Plan shall be paid for from the general assets of the Corporation. There is no trust or other fund from which amounts under this Plan shall be paid.

Section X. GOVERNING LAW

This Plan shall be construed, administered and enforced according to the laws of the Commonwealth of Virginia, to the extent not superseded by the Code or other federal law.

Section XI. NON-ASSIGNABILITY OF BENEFITS

A participant's right to receive a payment hereunder is not subject in any manner to anticipation, allocation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to accomplish any of these acts shall be void.

Exhibit 15

The Board of Directors
Norfolk Southern Corporation:

Re: Registration Statement Nos. 33-52031, 333-71321, 333-60722, 333-100936,
333-109069 and 333-168414 on Form S-8 and 333-179569 on Form S-3.

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated April 27, 2012 related to our review of interim financial information.

Pursuant to Rule 436(c) under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

/s/KPMG LLP
KPGM LLP
Norfolk, Virginia
April 27, 2012

CERTIFICATIONS

I, Charles W. Moorman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Norfolk Southern Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 27, 2012

/s/ Charles W. Moorman

Charles W. Moorman

Chairman, President and Chief Executive Officer

Exhibit 31-B

CERTIFICATIONS

I, James A. Squires, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Norfolk Southern Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 27, 2012

/s/ James A. Squires

James A. Squires

Executive Vice President Finance and Chief Financial Officer

Exhibit 32

CERTIFICATIONS OF CEO AND CFO REQUIRED BY RULE 13A-14(b) OR RULE 15d-14(b) AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE U.S. CODE

I certify, to the best of my knowledge, that the Quarterly Report on Form 10-Q for the period ended March 31, 2012, of Norfolk Southern Corporation fully complies with the requirements of Section 13(a) or
15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Norfolk Southern Corporation.

Signed: /s/ Charles W. Moorman
Charles W. Moorman
Chairman, President and Chief Executive Officer
Norfolk Southern Corporation

Dated: April 27, 2012

I certify, to the best of my knowledge, that the Quarterly Report on Form 10-Q for the period ended March 31, 2012, of Norfolk Southern Corporation fully complies with the requirements of Section 13(a) or
15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Norfolk Southern Corporation.

Signed: /s/ James A. Squires
James A. Squires
Executive Vice President Finance and Chief Financial Officer
Norfolk Southern Corporation

Dated: April 27, 2012