

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14D-1
(Amendment No. 23)
Tender Offer Statement Pursuant to Section 14(d)(1)
of the Securities Exchange Act of 1934

Conrail Inc.
(Name of Subject Company)

Norfolk Southern Corporation
Atlantic Acquisition Corporation
(Bidders)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(INCLUDING THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)
(Title of Class of Securities)

208368 10 0
(CUSIP Number of Class of Securities)

SERIES A ESOP CONVERTIBLE JUNIOR
PREFERRED STOCK, WITHOUT PAR VALUE
(INCLUDING THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)
(Title of Class of Securities)

NOT AVAILABLE
(CUSIP Number of Class of Securities)

JAMES C. BISHOP, JR.
EXECUTIVE VICE PRESIDENT-LAW
NORFOLK SOUTHERN CORPORATION
THREE COMMERCIAL PLACE
NORFOLK, VIRGINIA 23510-2191
TELEPHONE: (757) 629-2750
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications on Behalf of Bidder)

with a copy to:
RANDALL H. DOUD, ESQ.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
919 THIRD AVENUE
NEW YORK, NEW YORK 10022
TELEPHONE: (212) 735-3000

This Amendment No. 23 amends the Tender Offer Statement on Schedule 14D-1 filed on October 24, 1996, as amended (the "Schedule 14D-1"), by Norfolk Southern Corporation, a Virginia corporation ("Parent"), and its wholly owned subsidiary, Atlantic Acquisition Corporation, a Pennsylvania corporation ("Purchaser"), relating to Purchaser's offer to purchase all outstanding shares of (i) Common Stock, par value \$1.00 per share (the "Common Shares"), and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares" and, together with the Common Shares, the "Shares"), of Conrail Inc. (the "Company"), including, in each case, the associated Common Stock Purchase Rights, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 24, 1996 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto, dated November 8, 1996 (the "Supplement"), and in the revised Letter of Transmittal (which, together with any amendments or supplements thereto, constitute the "Offer"). Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings given such terms in the Offer to Purchase, the Supplement or the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION.

Item 10 is hereby amended and supplemented by the following:

- (e) On December 16, 1996, the District Court ordered that a hearing

be held at 11:00 a.m., Philadelphia time, on December 17, 1996 to hear arguments concerning Plaintiffs' Motion for a Preliminary Injunction to enjoin Defendants from postponing the vote of the Company's shareholders scheduled for December 23, 1996.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

Item 11 is hereby amended and supplemented by the following:

- (a) (62) Text of letter sent to the Company's shareholders commencing December 14, 1996.
- (a) (63) Text of Advertisement appearing in newspapers commencing December 16, 1996.

SIGNATURE

After due inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: December 16, 1996

NORFOLK SOUTHERN CORPORATION

By: /s/ JAMES C. BISHOP, JR.

Name: James C. Bishop, Jr.
Title: Executive Vice President-Law

ATLANTIC ACQUISITION CORPORATION

By: /s/ JAMES C. BISHOP, JR.

Name: James C. Bishop, Jr.
Title: Vice President and General Counsel

EXHIBIT INDEX

Exhibit Number	Description
(a) (62)	Text of letter sent to the Company's shareholders commencing December 14, 1996.
(a) (63)	Text of Advertisement appearing in newspapers commencing December 16, 1996.

[NORFOLK SOUTHERN LOGO]

December 14, 1996

Dear Conrail Shareholder:

TIME IS RUNNING OUT FOR YOU TO
PRESERVE THE VALUE OF YOUR CONRAIL INVESTMENT!

VOTE AGAINST CONRAIL'S PROPOSALS TODAY!

As you know, Conrail has scheduled its Special Meeting of Shareholders for December 23rd. Conrail wants you to give up your valuable shareholder rights and "opt out" of Pennsylvania's Fair Value Statute. Don't be coerced by Conrail -- You have nothing to gain by voting for Conrail's proposals.

Consider both sides of the equation:

CSX = INFERIOR VALUE. By voting for Conrail's "opt out" amendment, you will be helping CSX gain control of your Company at an inferior price (currently valued at \$89.80* per share for the remaining Conrail shares).

NORFOLK SOUTHERN = \$1.4 BILLION MORE. Under Norfolk Southern's \$110 all-cash, all-shares offer, with prompt payment through use of a voting trust, Conrail shareholders (other than CSX) would receive \$1.4* billion more in their pockets than under the CSX proposal.

CSX = CONTINUED RISKS. 75% of CSX's remaining consideration consists of CSX stock. Conrail shareholders would continue to be subject to substantial risks--including equity risk and regulatory risk. Conrail itself has stated that it doesn't expect to receive regulatory approval, if it comes, until early 1998. That's a long time to have your investment subject to these substantial risks.

NORFOLK SOUTHERN = NEAR TERM VALUE. Norfolk Southern has committed to establish a voting trust mechanism so that Conrail shareholders can receive 100% of their cash consideration in the near term. THERE'S NO EQUITY OR REGULATORY RISK FOR SHAREHOLDERS UNDER NORFOLK SOUTHERN'S PROPOSAL.

The logic is inescapable: the Norfolk Southern offer is SUPERIOR in every respect. But you must act now to preserve the opportunity to receive its benefits. VOTE AGAINST CONRAIL'S PROPOSALS TODAY.

You, the shareholders, are the true owners of Conrail. Tell the Conrail directors in terms they can't ignore that you want them to deliver the superior value represented by Norfolk Southern's \$110 all-cash, all-shares offer NOW.

SEND THE CONRAIL BOARD THE VOTE THAT WON'T GO AWAY:

[X] AGAINST Amending its Charter

AND

[X] AGAINST Adjourning the Meeting if Conrail doesn't have enough votes to pass the Amendment Proposal.

Time is short, so vote AGAINST on the enclosed GOLD proxy card today (or green instruction card if you are an ESOP participant).

Sincerely,

/s/David R. Goode

David R. Goode
Chairman, President and
Chief Executive Officer

IMPORTANT INFORMATION

If your Conrail shares are held in the name of a bank or broker, only your bank or broker can vote your shares and only upon receipt of your specific instructions. Please instruct your bank or broker to vote AGAINST Conrail's proposals by executing the GOLD proxy card today. If you have any questions or require any assistance in voting your shares, please call:

[GEORGESON & COMPANY INC. LOGO]

Wall Street Plaza
New York, New York 10005

CALL TOLL FREE: 800-223-2064

Banks and Brokers call: 212-440-9800

* Based on the closing price of CSX shares on December 12, 1996.

[Advertisement]

TO CONRAIL SHAREHOLDERS

SEND THE CONRAIL BOARD A CLEAR SIGNAL

[Graphic: railroad crossing signal]

PROTECT THE VALUE OF YOUR SHARES BY
VOTING AGAINST CONRAIL'S PROPOSALS

Conrail wants shareholders to think it's too late to stop CSX's coercive, inferior offer for your shares. Don't believe them.

Norfolk Southern is determined to keep its superior, \$110 per share offer on the table. It's worth 22% more than the CSX offer.* It's all cash. And it doesn't involve the regulatory delays or market risks that CSX wants you to bear.

It's an easy choice to make. But it's going to take a strong shareholder vote to make Conrail understand that.

[Graphic: box with checkmark above the words "VOTE AGAINST"]

Vote AGAINST Conrail's proposal to "opt out" of Pennsylvania's Fair Value Statute.

Vote AGAINST Conrail's proposal to adjourn the special meeting if the vote isn't going Conrail's way.

PROTECT YOUR INVESTMENT.

VOTE NOW ON NORFOLK SOUTHERN'S GOLD PROXY CARD AGAINST CONRAIL'S PROPOSALS TO "OPT OUT" OF PENNSYLVANIA'S FAIR VALUE STATUTE AND TO ADJOURN THE SPECIAL MEETING. BE SURE NORFOLK SOUTHERN RECEIVES YOUR PROXY BEFORE DECEMBER 23.

[Norfolk Southern Logo]

Important: If you have any questions, please call our solicitor, Georgeson & Company Inc. toll free at 1-800-223-2064. Banks and brokers call 212-440-9800.

* Based on the closing price of CSX common stock on December 12, 1996.
December 16, 1996