

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 JUNE 30, 1996

() 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 CORPORATION

(Exact name of registrant as specified in its charter)

Virginia

52-1188014

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

Three Commercial Place
Norfolk, Virginia

23510-2191

(Address of principal executive offices)

Zip Code

Registrant's telephone number, including area code (804) 629-2680

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. (X) Yes () No

The number of shares outstanding of each of the registrant's classes of
Common Stock, as of the last practicable date:

Class	Outstanding as of July 31, 1996
-----	-----
Common Stock (par value \$1.00)	126,040,258 shares (excluding 7,252,634 shares held by registrant's consolidated subsidiaries)

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES (NS)

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Three Months and Six Months Ended
June 30, 1996 and 1995

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES Consolidated Statements of Income (In millions of dollars except per share amounts) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
TRANSPORTATION OPERATING REVENUES:				
Railway (Note 6):				
Coal	\$ 328.5	\$ 318.0	\$ 652.3	\$ 624.9
Merchandise	593.1	578.7	1,167.2	1,156.3
Intermodal	116.4	119.7	235.2	234.4
Total railway	1,038.0	1,016.4	2,054.7	2,015.6
Motor carrier	179.3	173.8	324.1	313.3
Total operating revenues	1,217.3	1,190.2	2,378.8	2,328.9
TRANSPORTATION OPERATING EXPENSES:				
Railway:				
Compensation and benefits	351.3	356.6	728.6	731.9
Materials, services and rents	158.4	162.7	310.3	325.8
Depreciation	101.6	96.7	201.9	191.1
Diesel fuel	56.7	47.0	112.1	95.7
Casualties and other claims	30.9	28.8	65.6	61.0
Other	39.1	40.9	74.3	76.4
Total railway	738.0	732.7	1,492.8	1,481.9
Motor carrier	168.8	167.4	314.5	307.8
Total operating expenses	906.8	900.1	1,807.3	1,789.7
Income from operations	310.5	290.1	571.5	539.2
Other income (expense):				
Interest income	5.1	8.6	10.9	14.8
Interest expense on debt	(28.0)	(28.6)	(55.6)	(56.9)
Other - net	18.8	21.0	46.4	70.5

Total other income	(4.1)	1.0	1.7	28.4
	-----	-----	-----	-----
Income before income taxes	306.4	291.1	573.2	567.6
Provision for income taxes	106.9	109.9	205.6	215.7
	-----	-----	-----	-----
NET INCOME	\$ 199.5	\$ 181.2	\$ 367.6	\$ 351.9
	=====	=====	=====	=====
Per share amounts (Note 5):				
Net income	\$ 1.57	\$ 1.38	\$ 2.88	\$ 2.67
Dividends	0.56	0.52	1.12	1.04

See accompanying notes to consolidated financial statements.

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Item 1. Financial Statements. (continued)

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(In millions of dollars)
(Unaudited)

	June 30, 1996	December 31, 1995
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 52.7	\$ 67.7
Short-term investments	184.8	261.3
Accounts receivable - net	736.0	703.5
Materials and supplies	62.5	61.7
Deferred income taxes	150.4	144.7
Other current assets	94.2	103.9
	-----	-----
Total current assets	1,280.6	1,342.8
Investments	261.7	231.7
Properties less accumulated depreciation	9,441.1	9,258.8
Other assets	70.0	71.5
	-----	-----
TOTAL ASSETS	\$11,053.4	\$10,904.8
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 45.2	\$ 45.2
Accounts payable	747.8	732.8
Income and other taxes	204.1	190.8
Other current liabilities	151.3	151.3
Current maturities of long-term debt (Note 3)	82.2	85.7
	-----	-----
Total current liabilities	1,230.6	1,205.8
Long-term debt (Note 3)	1,637.8	1,553.3
Other liabilities	985.6	965.5
Minority interests	49.8	52.2
Deferred income taxes	2,313.6	2,299.0
	-----	-----
TOTAL LIABILITIES	6,217.4	6,075.8
	-----	-----
Stockholders' equity:		
Common stock \$1.00 per share par value	133.7	136.3
Other capital	452.0	430.9
Retained income	4,270.9	4,282.4
Less treasury stock at cost, 7,252,634 shares	(20.6)	(20.6)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	4,836.0	4,829.0
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$11,053.4	\$10,904.8

See accompanying notes to consolidated financial statements.

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Item 1. Financial Statements. (continued)

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES		
Consolidated Statements of Cash Flows		
(In millions of dollars)		
(Unaudited)		
	Six Months Ended	
	June 30,	
	1996	1995
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 367.6	\$ 351.9
Reconciliation of net income to net cash		
provided by operating activities:		
Special charge payments	(9.0)	(7.0)
Depreciation	212.8	203.6
Deferred income taxes	9.1	35.2
Nonoperating gains and losses on properties		
and investments	(24.3)	(49.0)
Changes in assets and liabilities		
affecting operations:		
Accounts receivable	(32.5)	(3.9)
Materials and supplies	(0.8)	(7.8)
Other current assets	27.6	17.5
Current liabilities other than debt	51.8	70.4
Other - net	8.1	12.8
	-----	-----
Net cash provided by operating activities	610.4	623.7
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions (Note 3)	(337.4)	(332.7)
Property sales and other transactions	55.9	53.6
Investments and loans	(41.6)	(39.6)
Investment sales and other transactions	14.4	24.2
Short-term investments - net	74.1	33.4
	-----	-----
Net cash used for investing activities	(234.6)	(261.1)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends	(143.1)	(137.7)
Common stock issued - net	16.0	4.7
Purchase and retirement of common stock (Note 4)	(246.0)	(153.7)
Proceeds from long-term borrowings (Note 3)	9.6	7.6
Debt repayments	(27.3)	(36.5)
	-----	-----
Net cash used for financing activities	(390.8)	(315.6)
	-----	-----
Net increase (decrease) in cash		
and cash equivalents	(15.0)	47.0
CASH AND CASH EQUIVALENTS:*		
At beginning of year	67.7	57.0
	-----	-----
At end of period	\$ 52.7	\$ 104.0
	=====	=====

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the period for:

Interest (net of amounts capitalized)	\$ 67.4	\$ 56.6
Income taxes	\$ 161.1	\$ 127.5

* Cash equivalents are highly liquid investments purchased three months or less from maturity.

See accompanying notes to consolidated financial statements.

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Item 1. Financial Statements. (continued)

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NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

1. In the opinion of Management, the accompanying unaudited interim financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of June 30, 1996, and the results of operations and cash flows for the six months ended June 30, 1996, and 1995.

While Management believes that the disclosures presented are adequate to make the information not misleading, these consolidated financial statements should be read in conjunction with the financial statements and notes included in the Corporation's latest Annual Report on Form 10-K.

2. Contingencies

There have been no significant changes since year-end 1995 in the matters as discussed in NOTE 17, CONTINGENCIES, appearing in the NS Annual Report on Form 10-K for 1995, Notes to Consolidated Financial Statements, beginning on page 74.

3. Capital Lease Obligations

During the first half of 1996 and 1995, an NS rail subsidiary entered into capital leases covering new locomotives. The related capital lease obligations totaling \$107.8 million in 1996 and \$104.5 million in 1995 were reflected in the Consolidated Balance Sheets as debt and, because they were non-cash transactions, were excluded from the Consolidated Statements of Cash Flows. The lease obligations carry stated interest rates between 6.20 percent and 6.75 percent for those entered into in 1996, and between 8.23 percent and 8.60 percent for those entered into in 1995. All were converted to variable rate obligations using interest rate swap agreements. The interest rates on these obligations are based on the six-month London Interbank Offered Rate and are reset every six months with realized gains or losses accounted for as an adjustment of interest expense over the terms of the leases. As a result, NS is exposed to the market risk associated with fluctuations in interest rates. To date, the effects of the rate fluctuations have been favorable. Counterparties to the interest rate swap agreements are major financial institutions believed by Management to be credit-worthy. NS' use of interest rate swaps has been limited to those discussed above.

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Item 1. Financial Statements. (continued)

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NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements

4. Stock Purchase Programs

In January 1996, the Board of Directors authorized the purchase and retirement of up to 30 million shares of common stock. NS completed its purchases (45 million shares) under a 1989 authorization on March 8, 1996. Combined with the initial program for 20 million shares which began in 1987 and was completed in 1989, total shares purchased and retired under the closed programs totaled 65 million shares. The new program is expected to be completed by the end of the year 2000. Since the first purchases in December 1987 through June 30, 1996, NS has purchased and retired 66,921,200 shares of its common stock at a cost of \$3.1 billion. Future purchases are dependent on market conditions, the economy, cash needs and alternative investment opportunities.

5. Earnings Per Share

"Earnings per share" is computed by dividing net income by the weighted average number of common shares outstanding as follows:

Three Months Ended		Six Months Ended	
June 30,		June 30,	
1996	1995	1996	1995
----	----	----	----

(In thousands)

Average number of shares outstanding	126,915	131,525	127,565	132,009
---	---------	---------	---------	---------

Recent decreases in the average number of outstanding shares of NS common stock are the result of the stock purchase program described in Note 4.

6. Reclassification of Railway Revenues

Beginning in 1996, revenues previously reported as "Other railway revenues" (principally switching and demurrage) are included in each of the respective commodity groups. 1995 revenues have been reclassified to conform with the current presentation.

7. Lease Commitments

On July 29, 1996, implementation of the Lease Extension Agreement between Norfolk Southern Railway Company (NS Rail) and North Carolina Railroad Company (NCRR) was enjoined by a federal court, which ruled that a quorum of private stockholders was not present at the NCRR stockholders' meeting at which the Agreement was approved. While the parties seek to resolve this matter, NS Rail continues to discharge its common carrier obligations by operating over the lines of NCRR. As reported in the past, final resolution is not expected to have a material effect on NS' consolidated financial position.

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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

RESULTS OF OPERATIONS

Net Income -----

"Net income" for the second quarter of 1996 was a record \$199.5 million, up \$18.3 million, or 10 percent, compared with \$181.2 million in last year's second quarter. "Net income" for the six months ended June 30, 1996, was also a record \$367.6 million, a \$15.7 million, or 4 percent, increase. Increased "Income from operations," up 7 percent for the second quarter and 6 percent for the first six months, and a lower effective income tax rate (see "Income Taxes") were responsible for the improvements.

Railway Operating Revenues -----

Second-quarter "Railway operating revenues" were a record \$1.04 billion, a \$21.6 million, or 2 percent, increase over the same period last year. "Railway operating revenues" for the first six months were \$2.05 billion, up \$39.1 million, or 2 percent, compared with the same period last year. The increases in operating revenues were due to:

Second Quarter	First Six Months
1996 vs. 1995	1996 vs. 1995
Increase (Decrease)	Increase (Decrease)

(In millions of dollars)

Traffic volume (carloads)	\$ 16.6	\$ --
Revenue per unit	5.0	39.1
	-----	-----
	\$ 21.6	\$ 39.1
	=====	=====

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

and Results of Operations. (continued)

The principal revenue commodity groups were as follows (see Note 6 on page 7 for a discussion of revenue reclassifications):

	Revenues			
	Second Quarter		Six Months	
	1996	1995	1996	1995
	-----	-----	-----	-----
	(\$ in millions)			
Coal	\$ 328.5	\$ 318.0	\$ 652.3	\$ 624.9
Paper/forest	128.7	138.3	258.4	271.8
Chemicals	138.9	134.0	279.3	274.6
Automotive	133.7	118.8	252.0	238.5
Agriculture	97.1	97.5	198.7	194.7
Metals/construction	94.7	90.1	178.8	176.7
	-----	-----	-----	-----
General merchandise	593.1	578.7	1,167.2	1,156.3
Intermodal	116.4	119.7	235.2	234.4
	-----	-----	-----	-----
Total	\$1,038.0	\$1,016.4	\$2,054.7	\$2,015.6
	=====	=====	=====	=====

The principal revenue commodity carloads were as follows:

	Carloads			
	Second Quarter		Six Months	
	1996	1995	1996	1995
	-----	-----	-----	-----
	(in thousands)			
Coal	334.5	313.6	654.1	632.0
Paper/forest	108.4	117.9	218.2	233.9
Chemicals	91.4	92.0	186.9	187.3
Automotive	95.8	87.7	179.6	174.4
Agriculture	90.8	96.6	183.9	195.1
Metals/construction	97.7	97.7	181.5	187.7
	-----	-----	-----	-----
General merchandise	484.1	491.9	950.1	978.4
Intermodal	323.2	317.3	642.4	624.2
	-----	-----	-----	-----
Total	1,141.8	1,122.8	2,246.6	2,234.6
	=====	=====	=====	=====

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

and Results of Operations. (continued)

Coal

- ----

Second-quarter coal revenues were \$10.5 million, or 3 percent, above second quarter 1995, and were \$27.4 million, or 4 percent, higher for the first six months. Increased traffic volume was principally responsible for the improvements, as carloads were 7 percent and 3 percent ahead of last year's second quarter and first six months, respectively. Lower average revenue per car, largely the result of an increased proportion of utility traffic, offset some of the revenue increase generated by improved second-quarter traffic volume. Domestic utility coal led the volume gains, as customers rebuilt depleted stockpiles. Second-quarter export and industrial coal traffic volumes were also strong, continuing the first quarter's favorable trend.

Additional gains in domestic utility coal traffic are expected in the second half of 1996, as customers continue to rebuild stockpiles and demand increases during the customary peak electricity-generating months of July and August. NS' export coal volume is projected to fluctuate in the coming months, but is expected to trend upward overall for the remainder of the year.

General Merchandise

- -----

Second-quarter general merchandise revenues increased \$14.4 million, or 2 percent, over last year and were \$10.9 million, or 1 percent, above the first six months of 1995. Higher revenue yields in all five major merchandise commodity groups produced the improvements.

Automotive, which was the only commodity group also to report increased traffic volume, led the growth, climbing \$14.9 million, or 13 percent, for the quarter and \$13.5 million, or 6 percent, for the first six months. NS' automotive revenues benefited from a combination of increased production at selected plants that produce popular cars and trucks, production at the GM assembly plant in Wentzville, Mo., which was down two years for retooling, and new BMW production at Greer, S.C. Automotive revenues for 1996 are expected to surpass 1995's levels, barring disruptions which could result from the expiration in September of the current labor contract between the Big Three automakers and the United Auto Workers' Union.

Revenues in the chemicals group were up \$4.9 million, or 4 percent, for the quarter and \$4.7 million, or 2 percent, for the first six months. Higher average revenues more than offset small declines in traffic volume for both the second quarter and first six months. Chemical revenues are expected to remain ahead of last year, benefiting from increasing demand. Revenues from metals/construction traffic were up \$4.6 million, or 5 percent, for the quarter and \$2.1 million, or 1 percent, for the first six months. Traffic volume, which was down 7 percent in the first quarter, began improving in the second quarter and is expected to continue to pick up in the third quarter as a result of higher overall construction activity and increased metals production,

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

- -----

and Results of Operations. (continued)

including the new SDI steel mini-mill located on NS' line in Butler, Ind. Revenues in the agriculture group were flat in the second quarter and were \$4.0 million, or 2 percent, higher for the first six months. Higher average revenues due to longer hauls and a profitability improvement program more than offset volume declines in grain, soybeans and feed traffic for the first six months. Paper/forest revenues decreased \$9.6 million, or 7 percent, for the quarter and were \$13.4 million, or 5 percent, lower for the first six months. Declines in NS' paper/forest traffic reflected the overall softness in the U.S. paper industry during the first half of the year. Some recovery in this market is projected for the second half of 1996, although revenues in this group are expected to continue to lag last year's performance.

Intermodal

- -----

Second-quarter intermodal revenues declined \$3.3 million, or 3 percent, compared with last year, but were \$0.8 million higher for the first six months. Traffic volume was up 2 percent and 3 percent for the quarter and six months, respectively; however, these volume gains were more than offset by lower average revenue per unit. The decline in average revenues was largely due to a change in traffic mix from trailers to containers which have lower average revenues but generally produce higher margins. NS' intermodal traffic is expected to continue the first half's positive growth trend into the third quarter.

Railway Operating Expenses

"Railway operating expenses" increased \$5.3 million, or 1 percent, in the second quarter of 1996, and \$10.9 million, or 1 percent, for the first six months, compared with the same periods last year.

The largest increase was in "Diesel fuel," which was up \$9.7 million, or 21 percent, for the quarter and \$16.4 million, or 17 percent, for the first six months. The increases were primarily due to higher price per gallon, up 16 percent and 14 percent for the quarter and six months, respectively. The price of diesel fuel, which peaked in April of this year at the highest level since the Persian Gulf crisis in 1991, began to decline during the second quarter.

"Depreciation" increased \$4.9 million, or 5 percent, for the quarter and \$10.8 million, or 6 percent, for the first six months due to a combination of investment in additional depreciable assets and higher overall depreciation rates.

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

"Casualties and other claims" were up \$2.1 million, or 7 percent, in the second quarter and \$4.6 million, or 8 percent, for the first six months. These increases were largely due to the effect of a \$3.0 million favorable adjustment made to the personal injury reserve in June of 1995. Absent this adjustment, 1996's casualties and other claims expenses were comparable with last year, as increases in environmental-related accruals offset reductions in personal injury costs.

The largest decrease was in expenses for "Materials, services and rents" which were \$4.3 million, or 3 percent, and \$15.5 million, or 5 percent, below last year's second quarter and first six months, respectively. The reductions were primarily attributable to: (1) lower locomotive maintenance costs, largely resulting from the replacement of older locomotives with new units and (2) lower freight car maintenance costs, reflecting favorable results from ongoing programs both to reduce the number of cars in the fleet and to reengineer freight car maintenance practices. "Other" expense declined \$1.8 million, or 4 percent, for the quarter and \$2.1 million, or 3 percent, for the first six months. The favorable comparisons were due to relocation costs related to last year's shop closings which are reflected in 1995's expenses.

Motor Carrier Operating Revenues

"Motor carrier operating revenues" of \$179.3 million for the second quarter and \$324.1 million for the first six months were \$5.5 million and \$10.8 million, or 3 percent, ahead of the same periods last year. The High Value Products (HVP) Division was responsible for these improvements, as increased revenues were recorded in the Division's logistics, European operations and trucking operations.

Motor Carrier Operating Expenses

"Motor carrier operating expenses" were \$1.4 million, or 1 percent, higher for the second quarter and were \$6.7 million, or 2 percent, higher for the six months. Both variances were principally a result of increased volume, with lower claims costs in both HVP and RS partially

mitigating the volume-related increases.

Other Income (Expense)

"Interest income" was \$3.5 million, or 41 percent, lower for the quarter and \$3.9 million, or 26 percent, lower for the six months. The declines were principally due to a combination of: (1) last year's \$1.7 million of interest related to a settlement in June 1995 between the major railroads and the Internal Revenue Service regarding a Supplemental Annuity Tax (man-hour) issue, and (2) lower interest rates in 1996 on invested balances.

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

and Results of Operations. (continued)

"Other-net" declined \$2.2 million, or 10 percent, for the quarter and \$24.1 million, or 34 percent, for the first six months. The unfavorable comparison for the quarter was largely attributable to lower income from corporate-owned life insurance, while the unfavorable first six months' variance was due to a \$30.5 million (\$18.8 million after-tax) gain recorded in first-quarter 1995 resulting from the partial redemption of a real estate partnership interest.

Income Taxes

The effective income tax rate for the second quarter was 34.9 percent, compared with second-quarter 1995's effective rate of 37.8 percent. For the first six months, the effective rate was 35.9 percent versus 38.0 percent for the first six months of 1995. The lower effective rate in 1996 results from investments in coal-seam gas properties, favorable adjustments for settlement of federal income tax years 1990 through 1992 and reductions in state income tax accruals.

FINANCIAL CONDITION AND LIQUIDITY

	June 30, 1996	December 31, 1995
	-----	-----
	(Dollars in millions)	
Cash and short-term investments	\$237.5	\$329.0
Working capital	\$ 50.0	\$137.0
Current assets to current liabilities	1.0	1.1
Debt to total capitalization	26.7%	25.9%

CASH PROVIDED BY OPERATING ACTIVITIES is NS' principal source of liquidity and was sufficient to cover cash outflows for dividends, debt repayments and capital spending (see Consolidated Statements of Cash Flows on page 5). The decline in cash provided by operations, compared with the first six months of 1995, was attributable to tax and interest payments made as a result of the federal income tax settlement in 1996 (see "Income Taxes"). The greater use of cash in accounts receivable was primarily attributable to higher rail freight receivables commensurate with increased railway operating revenues.

CASH USED FOR INVESTING ACTIVITIES was affected principally by capital spending for property additions, which included \$33 million and \$30 million in 1996 and 1995, respectively, related to locomotives under capital leases (see Note 3). "Investments and loans" consists primarily of premium payments related to corporate-owned life insurance (COLI), while "Investment sales and other transactions" principally reflects borrowing on COLI.

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

and Results of Operations. (continued)

CASH USED FOR FINANCING ACTIVITIES primarily reflects uses of cash with the largest amount having been spent on the stock purchase program (see Note 4). "Common stock issued" in the first half of 1996 reflects substantially higher-than-usual stock option exercises. "Proceeds from long-term borrowings" represents amounts received in connection with capital lease transactions (see Note 3).

NEW ACCOUNTING PRONOUNCEMENT

Effective January 1, 1996, NS adopted Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" (SFAS 121). This standard establishes the accounting and reporting requirements for recognizing and measuring impairment of long-lived assets to be either held and used or held for disposal. SFAS 121 did not have a material effect on NS' financial statements.

ENVIRONMENTAL MATTERS

During 1995, the EPA alleged that The Alabama Great Southern Railroad Company ("AGS"), a subsidiary of NS' rail subsidiary, was responsible, along with several other entities believed to be financially solvent, for past and future clean-up and monitoring costs at the Bayou Bonfouca NPL Superfund site located in Slidell, Louisiana. The site was owned by the parent of an AGS predecessor from 1882 until 1902. Some of the bridge timbers used in the 1882 construction of the predecessor's bridge across Lake Pontchartrain were treated at the site. The United States and the State of Louisiana filed suit to recover all costs incurred (estimated in the complaint at around \$100 million) and unspecified amounts to be incurred. Defendants in that suit include AGS and all other entities the EPA earlier identified as potentially responsible parties. AGS believes it never owned, operated or had any other culpable connection to the site and denies responsibility; however, because the amount of liability, if any, that ultimately may be assessed against NS or AGS cannot be estimated reliably at this time, the materiality of such amount to NS' financial position, results of operation or liquidity in a particular quarter or year cannot be evaluated.

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PART II. OTHER INFORMATION

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES

Item 4. Submission of Matters to a Vote of Security Holders

Registrant's annual meeting of stockholders was held on May 9, 1996, at which meeting three directors were elected to the class whose term will expire in 1999, and one director was elected to the class whose term will expire in 1997; and the appointment of independent public accountants was ratified.

The four nominees for directors, who were uncontested, were elected by the following vote:

THREE-YEAR TERM		
	FOR	AUTHORITY WITHHELD
	---	-----
Gerald L. Baliles	105,698,370 votes	1,637,256 votes
Gene R. Carter	101,341,682 votes	5,993,944 votes
E. B. Leisenring, Jr.	106,101,823 votes	1,233,803 votes

ONE-YEAR TERM

	FOR ---	AUTHORITY WITHHELD -----
Arnold B. McKinnon	105,716,116 votes	1,619,510 votes

The appointment of KPMG Peat Marwick, LLP, independent public accountants, was ratified by the following vote:

FOR: 106,484,425 shares AGAINST: 382,499 shares
 ABSTAINED: 468,702 shares

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PART II. OTHER INFORMATION

 NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:

Bylaws as amended effective May 9, 1996

Material Contracts:

The Directors' Deferred Fee Plan
 Form of Certain Change-in-Control Agreements
 Supplemental Benefit Plan
 Directors' Charitable Award Program
 Directors' Pension Plan
 Outside Directors' Deferred Stock Unit Program

Computation of Per Share Earnings

Financial Data Schedule

(b) Reports on Form 8-K:

A report on Form 8-K dated May 9, 1996, was filed electronically on May 17, 1996, reporting that the Board of Directors amended the Corporation's Bylaws to require advance written notice to the Corporate Secretary by stockholders wishing, at any stockholders' meeting, (a) to offer for stockholder vote a proposal otherwise appropriate for stockholder action or (b) to nominate one or more persons for election to the Board of Directors.

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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: August 9, 1996	/s/ Dezora M. Martin
-----	-----
	Dezora M. Martin
	Corporate Secretary (Signature)

Date: August 9, 1996 /s/ John P. Rathbone

John P. Rathbone
Vice President and Controller
(Principal Accounting Officer) (Signature)

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NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES

INDEX TO EXHIBITS

Electronic
Submission
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10	Material Contracts -	
(f)	The Directors' Deferred Fee Plan of Norfolk Southern Corporation, effective June 1, 1982, as amended effective May 9, 1996	27-32
(h)	Form of Change-in-Control Agreement, dated as of June 1, 1996, between the Corporation and certain executive officers, including those named in the Summary Compensation Table in the Proxy Statement for the Corporation's 1996 Annual Meeting of Stockholders, which was filed electronically on March 27, 1996	33-66
(i)	The Norfolk Southern Corporation Supplemental (formerly, Excess) Benefit Plan, as amended effective May 9, 1996	67-71
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(l)	The Norfolk Southern Corporation Outside Directors' Deferred Stock Unit Program, effective May 9, 1996	77-79
11	Statement re Computation of Per Share Earnings	80-81
27	Financial Data Schedule (This exhibit is required to be submitted electronically pursuant to the rules and regulations of the Securities and Exchange Commission and shall not be deemed filed for purposes of Section 11 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934).	82

EXHIBIT 3(ii) TITLE PAGE

B Y L A W S

OF

NORFOLK SOUTHERN CORPORATION

AS AMENDED

MAY 9, 1996

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BYLAWS

OF

NORFOLK SOUTHERN CORPORATION

ARTICLE I

Stockholders' Meetings

SECTION 1. Annual Meeting. The annual meeting of the stockholders of the corporation shall be held on such date in March, April, May or June as the board of directors may designate. If the date of the annual meeting shall be a legal holiday, the meeting shall be held on the next succeeding day not a legal holiday.

SECTION 2. Special Meetings. Special meetings of the stockholders shall be held whenever called by the chief executive officer or by a majority of the directors.

SECTION 3. Time and Place. All meetings of the stockholders shall be held at the time and place stated in the notice of meeting.

SECTION 4. Quorum. The holders of a majority of the outstanding shares of capital stock entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of the stockholders. If less than a quorum is present at an annual or special meeting, then a majority in interest of the stockholders present in person or by proxy may from time to time adjourn the meeting to a fixed time and place, no further notice of any adjourned meeting being required. Each stockholder shall be entitled to one vote in person or by proxy for each share entitled to vote then outstanding in his name on the books of the corporation.

SECTION 5. Record Date. The board of directors may fix in advance a date as the record date for a determination of stockholders for any purpose, such date to be not more than seventy days before the meeting or action requiring a determination of stockholders.

SECTION 6. Conduct of Meetings. The chief executive officer,

or any officer or director he may designate, shall preside over all meetings of the stockholders. The secretary of the corporation, or an assistant secretary, shall act as secretary of all the meetings, if present. If the secretary or an assistant secretary is not present, the chairman of the meeting shall appoint a secretary.

The board of directors, prior to the annual meeting of the stockholders each year, shall appoint one or more inspectors of election to act at such annual meeting and at all other meetings of stockholders held during the ensuing year. In the event of the failure of the board to make such appointment or if any inspector of election shall for any reason fail to attend and to act at such meeting, an inspector or inspectors of election, as the case may be, may be appointed by the chairman of the meeting. The inspectors of election shall determine the qualification of voters, the validity of proxies and the results of ballots.

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BYLAWS OF NORFOLK SOUTHERN CORPORATION
AS AMENDED MAY 9, 1996

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SECTION 7. Proposals by Stockholders. No business may be transacted at an annual or special meeting of stockholders other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors, (b) otherwise properly brought before the meeting by or at the direction of the board of directors or (c) otherwise properly brought before the meeting by a stockholder (i) who is a stockholder on the date of the giving of the notice provided for in this Section 7 and on the record date for the determination of stockholders entitled to vote at such meeting and (ii) who gives to the corporation notice in writing of the proposal, provided that such written notice is received at the principal executive office of the corporation, addressed to the Corporate Secretary, (A) in the case of an annual meeting, not less than ninety (90) nor more than one hundred sixty (160) calendar days prior to the anniversary date of the immediately preceding annual meeting and, (B) in the case of a special meeting, not later than the tenth calendar day next following the date on which notice of the holding of the special meeting is mailed to stockholders or public disclosure of the date of the special meeting was made, whichever first occurs. The written notice given to the corporation shall include (i) the specific language on which stockholders will be asked to vote, (ii) the name and address of such stockholder, (iii) the class or series and number of shares of the capital stock of the corporation which are owned beneficially and/or of record by such stockholder, (iv) a representation as to the existence and nature of any agreement or understanding between the proposing stockholder and any other person or persons (including their identities) in connection with bringing the proposal, and (v) a representation as to any material interest of the proposing stockholder (and the other person or persons) in the subject matter of the proposal. The requirements of this Section 7 are in addition to any other applicable requirements.

ARTICLE II

Board of Directors

SECTION 1. Election, Number and Term. The board of directors shall be chosen at the annual meeting of the stockholders. The number of the directors shall be ten, and the directors shall be classified and shall hold office for terms as provided in the articles of incorporation. This number may be increased or decreased at any time by amendment of these bylaws, but shall always be a number of not less than three. Directors need not be stockholders. Directors shall hold office until their successors are elected.

SECTION 2. Quorum. A majority of the number of directors fixed by these bylaws shall constitute a quorum. If less than a quorum is present at a meeting, then a majority of those present may adjourn the meeting to a fixed time and place, no further notice of any adjourned meeting being required.

SECTION 3. Vacancies. Any vacancy arising among the directors, including a vacancy resulting from an increase by not more than thirty percent in the number of directors last elected by the stockholders, may be filled by a majority vote of the remaining directors though less than a quorum unless sooner filled by the stockholders.

SECTION 4. Meetings. Meetings of the board of directors shall be held at times fixed by resolution of the board or upon the call of the chief executive officer or of one-third of the members of the board. Notice of any meeting not held at a time fixed by a resolution of the board shall be given to each director at least two days before the meeting at his residence or business address or by delivering such notice to him or by telephoning or telegraphing it to him at least one day before the meeting. Any such notice shall contain the time and place of the meeting. Meetings may be held without notice if all the directors are present or those not present waive notice before or after the meeting. The chief executive officer, or any director he may designate, shall preside over all meetings.

SECTION 5. Committees. The board of directors may by resolution designate an executive committee and one or more other committees, each of which shall consist of two or more directors. Any such committee, to the extent provided in the resolution of the board of directors and except as otherwise provided by law, shall have and may exercise the powers and authority of the board of directors in the management of the business and affairs of the corporation.

SECTION 6. Nominations of Directors. Except as otherwise provided in the Articles of Incorporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the board of directors may be made at any annual meeting of the stockholders (a) by or at the direction of the board of directors or (b) by any stockholder (i) who is a stockholder on the date of the giving of the notice provided for in this Section 6 and on the record date for the determination of stockholders entitled to vote at such meeting and (ii) who gives to the corporation notice in writing of the nomination, provided that such written notice is received at the principal executive office of the corporation, addressed to the Corporate Secretary, not less than ninety (90) nor more than one hundred sixty (160) calendar days prior to the anniversary date of the immediately preceding annual meeting. The written notice given to the corporation shall include all the information about the nominee that would be required by applicable rules and regulations of the Securities and Exchange Commission to be included for nominees listed in the proxy statement for such meeting and shall include (i) the name and address of such stockholder and (ii) the class or series and number of shares of the capital stock of the corporation which are owned beneficially and/or of record by such stockholder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

ARTICLE III

Officers

SECTION 1. Election, Number and Term. The board of directors, promptly after its election in each year, may elect a chairman of the board and shall elect a president (one of whom shall be designated chief executive officer), a secretary and a treasurer, and may elect one or more vice chairmen and vice presidents and may appoint such other

officers as it may deem proper. Any officer may hold more than one office except that the same person shall not be president and secretary. Each officer shall hold office until his successor is elected or until his death or until he resigns or is removed in the manner hereinafter provided.

SECTION 2. Removal. Any officer may be removed at any time by the vote of the board of directors and any officer or agent appointed otherwise than by the board of directors may be removed by any officer having authority to appoint that officer or agent.

SECTION 3. Vacancies. Vacancies among the officers elected by the board of directors shall be filled by the directors.

SECTION 4. The Chief Executive Officer. The chief executive officer, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the corporation. All officers and agents, other than officers or agents elected or appointed by the board of directors, shall be appointed by the chief executive officer or by the heads of departments, subject to the approval of the chief executive officer. Unless otherwise specifically provided in these bylaws or by direction of the board of directors, the chief executive officer or, at his direction, any officer, employee or agent of the corporation designated by him, may sign and execute all representations, securities, conveyances of real and personal property, leases, licenses, releases, contracts and other obligations and instruments in the name of the corporation.

SECTION 5. The Vice Chairmen and Vice Presidents. The vice chairmen and the vice presidents shall perform such duties as from time to time may be assigned to them by the chief executive officer or by the board of directors. In the absence of the chief executive officer, or in the event of his death, inability or refusal to act, the officer designated by the chief executive officer or the board of directors shall perform the duties of the chief executive officer, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the chief executive officer. Any vice chairman or vice president may sign, with the secretary or an assistant secretary, certificates for shares of the corporation.

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BYLAWS OF NORFOLK SOUTHERN CORPORATION
AS AMENDED MAY 9, 1996

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SECTION 6. The Secretary. The secretary shall: (a) keep the minutes of the meetings of the stockholders and the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholders; (e) sign with the chairman of the board, a vice chairman, the president, or a vice president, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the board of directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the chief executive officer or by the board of directors.

SECTION 7. The Treasurer. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board of directors shall determine. He shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article IV of these

bylaws; (b) when duly authorized, disperse all moneys belonging or coming to the corporation; and (c) in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the chief executive officer or by the board of directors.

SECTION 8. Assistant Secretaries and Assistant Treasurers. The assistant secretaries, when authorized by the board of directors, may sign with the chairman of the board, a vice chairman, the president or a vice president certificates for shares of the corporation the issuance of which shall have been authorized by a resolution of the board of directors. The assistant treasurers shall respectively, if required by the board of directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the chief executive officer or the board of directors.

SECTION 9. Salaries. The salaries of the officers elected by the board of directors shall be fixed by the board of directors. The salaries of all other officers shall be fixed by the chief executive officer or by the heads of departments, subject to the approval of the chief executive officer.

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AS AMENDED MAY 9, 1996

ARTICLE IV

Checks and Deposits

SECTION 1. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

SECTION 2. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as may be selected in a manner authorized by the board of directors.

ARTICLE V

Certificate of Stock

Each stockholder shall be entitled to a certificate or certificates of stock in such form as may be approved by the board of directors signed by the chairman of the board, a vice chairman, the president or a vice president and by the secretary or an assistant secretary or the treasurer or any assistant treasurer.

All transfers of stock of the corporation shall be made upon its books by surrender of the certificate for the shares transferred accompanied by an assignment in writing by the holder and may be accomplished either by the holder in person or by a duly authorized attorney in fact.

In case of the loss, mutilation or destruction of a certificate of stock, a duplicate certificate may be issued upon such terms not in conflict with law as the board of directors may prescribe.

The board of directors may also appoint one or more transfer agents and registrars and may require stock certificates to be countersigned by a transfer agent or registered by a registrar or may require stock certificates to be both countersigned by a transfer agent and registered by a registrar. If certificates of capital stock of the corporation are signed by a transfer agent or by a registrar (other than

the corporation itself or one of its employees), the signature thereon of the officers of the corporation and the seal of the corporation thereon may be facsimiles, engraved or printed. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation, whether because of death, resignation or otherwise, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers of the corporation.

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BYLAWS OF NORFOLK SOUTHERN CORPORATION
AS AMENDED MAY 9, 1996

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ARTICLE VI

Seal

The seal of the corporation shall be a flat-faced circular die, of which there may be any number of counterparts, with the word "SEAL" and the name of the corporation and the state and year of incorporation engraved thereon.

ARTICLE VII

Fiscal Year

The fiscal year of the corporation shall begin on the first day of January and end on the thirty-first day of December in each year.

ARTICLE VIII

Voting of Stock Held

Unless otherwise ordered by the board of directors, the chief executive officer, or his designee, shall have full power and authority in behalf of the corporation to attend and to act and to vote at any meetings of stockholders of any corporation in which the corporation may hold stock, and at any such meeting shall possess and may exercise any and all the rights and powers incident to the ownership of such stock, which, as the owner thereof, the corporation might have possessed and exercised if present, and may sign proxies on behalf of the corporation with respect to any such meeting or sign consents on behalf of the corporation with respect to corporate actions permitted without a meeting of stockholders. The board of directors, by resolution, from time to time, may confer like powers upon any other person or persons.

ARTICLE IX

Amendments

These bylaws may be altered, amended or repealed and new bylaws may be adopted by the board of directors at any regular or special meeting of the board of directors.

DIRECTORS' DEFERRED FEE PLAN
OF
NORFOLK SOUTHERN CORPORATION

(Effective June 1, 1982)
Last Amended May 9, 1996

PURPOSE

The Directors' Deferred Fee Plan (the "Plan") as adopted and approved by the Board of Directors (the "Board") of Norfolk Southern Corporation ("NS"), effective June 1, 1982, and as last amended effective May 9, 1996, makes available to NS directors a deferral election with respect to the directors' annual compensation and fees to provide for retirement and death benefits and thereby facilitate individual financial planning.

SECTION 1. ADMINISTRATION

The Plan shall be administered by the Board. The Board shall from time to time adopt rules and regulations determined to be necessary to ensure the effective implementation of the Plan. The Board shall have the power to interpret the Plan, to supervise the maintenance of the deferred memorandum accounts of participants in the Plan and the method of distribution of those amounts credited to the deferred memorandum accounts pursuant to Section 4.

SECTION 2. ELIGIBILITY

Each NS director shall be eligible to be a participant in the Plan.

SECTION 3. DEFERRED COMPENSATION

An NS director may elect to have all or a specified part of the annual compensation and fees credited to a deferred memorandum account established pursuant to Section 4. The director making such an election (the "Participant") shall do so by filing with the Board by the last day of March, June, September or December of any year, beginning in 1982, an election on a form prescribed by the Board for the purpose of specifying the percent of compensation and fees to be deferred for the succeeding quarters of the election year and for succeeding years. An election so made by a Participant shall continue from year to year, unless the Participant terminates it for succeeding years by written request to the Board prior to December 31 of any year. In the event of such termination, the specified part of the Participant's compensation and fees for the balance of the calendar year following termination and

previously deferred amounts shall continue to be deferred under the Plan. Until an election is made by a director during any year, the director shall be deemed to have elected to receive the entire compensation and fees for that and the succeeding years in cash.

A person elected to fill a vacancy on the Board and who was not a director on the last day of the quarter preceding that person's election, may elect, by filing one of the aforesaid forms with the Board prior to the beginning of that director's term, to defer all or a specified part of annual compensation and fees for the balance of the calendar year

following election and for succeeding years.

SECTION 4. DEFERRED MEMORANDUM ACCOUNT

The amount of a Participant's annual compensation and fees which, pursuant to Section 3, the Participant has elected to receive on a deferred basis shall by appropriate bookkeeping entries be credited to that Participant's deferred memorandum account (the "Account"). Unless otherwise stated herein or determined by the Board, each Participant's Account shall also be credited at the end of each quarter by appropriate bookkeeping entries with an amount equivalent to interest ("Interest") on the amount credited to the Participant's Account at the beginning of the quarter at a rate determined by the Participant's age at the time the deferral is made. For purposes of determining the appropriate rates, a deferral is deemed to occur when the compensation and fees would otherwise have been paid. Amounts deferred on or after January 1, 1994, shall accrue Interest based on the Participant's age at the time of deferral at the rates set forth below:

Age	Rate
Under 45	7%
45-54	10%
55-60	11%
Over 60	12%

Amounts deferred on or after January 1, 1992, and prior to January 1, 1994, shall accrue Interest based on the Participant's age at the time of deferral at the rates set forth below:

Age	Rate
Under 45	13%
45-54	14%
55-60	15%
Over 60	16%

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DIRECTORS' DEFERRED FEE PLAN OF
NORFOLK SOUTHERN CORPORATION
(Effective June 1, 1982)
Last Amended May 9, 1996

EXHIBIT 10(f), Page 3 of 6

Amounts deferred on or after January 1, 1987, and prior to January 1, 1992, shall accrue Interest based on the Participant's age at the time of deferral at the rates set forth below:

Age	Rate
Under 45	15%
45-54	16%
55-60	17%
Over 60	18%

Amounts deferred under the Plan prior to January 1, 1987, shall accrue Interest at a rate determined by the Participant's age on January 1, 1987, as if such amounts had been deferred on January 1, 1987. Interest on each deferral shall continue to accrue at the rate determined by the Participant's age at the time the deferral is made until all benefits payable hereunder have been distributed to, or with respect to, the Participant.

The Board shall have the right to delegate to NS's chief financial officer the responsibility for supervising the maintenance of the Participants' respective Accounts and, subject to Section 6, the method of distribution of the amounts credited to the Accounts.

SECTION 5. RESTRICTIONS

The Participants shall have only those rights in respect of the

amounts credited to their Accounts specifically set forth herein.

No Participant may, prior to the distribution of funds pursuant to Section 6, sell, assign, transfer (except to a death beneficiary or beneficiaries by will or descent), distribute, pledge as collateral for a loan or as security for the performance of any obligation, exchange or otherwise dispose of any interest in the amounts credited to that Participant's Account.

The amounts credited to the Accounts shall remain assets of NS until distributed to Participants pursuant to Section 6.

SECTION 6. DISTRIBUTION

Except as otherwise provided in Section 7, distributions of the amounts credited to a Participant's Account shall be made in ten annual cash installments beginning with the first day of the calendar year immediately following the year when a Participant ceases to be an NS director by retirement or otherwise. Upon the death of a Participant prior to the expiration of the period during which the deferred amounts

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DIRECTORS' DEFERRED FEE PLAN OF
NORFOLK SOUTHERN CORPORATION
(Effective June 1, 1982)
Last Amended May 9, 1996

EXHIBIT 10(f), Page 4 of 6

are payable, the balance of the deferred fees and interest credited to his Account shall be payable to his death beneficiary or beneficiaries in full on the first day of the calendar year following the year in which the Participant dies.

SECTION 7. CHANGE IN CONTROL

If, on the date of a Change in Control, a Participant who was serving as a director of NS on the day immediately preceding the date of a Change in Control has not been nominated and elected a director of the publicly owned entity that owns directly or indirectly all or substantially all the assets owned directly or indirectly by NS prior to the Change in Control (provided, however, that continued service as a director of NS after any circumstance or event constituting a Change in Control shall not constitute a waiver of the rights provided in this Section 7 with respect to any subsequent circumstance or event constituting a Change in Control), then, notwithstanding the provisions of Section 6, such Participant shall receive a lump-sum cash payment equal to the present value on the Participant's last day of service as a director, using a discount rate of 4.5 percent, of the stream of annual installment payments that the Participant would have received had the Participant served as a director until the latest date permitted under the Retirement Policy for NS directors as in effect on the day before the Change in Control. This payment will be in full satisfaction of all amounts credited to the Participant's Account.

A Change in Control shall occur upon any of the following circumstances or events:

- (i) NS consummates a merger or other similar control-type transaction or transactions (however denominated or effectuated) with another corporation or other entity (Combination), and immediately thereafter less than eighty percent (80%) of the combined voting power of the then-outstanding securities of such corporation or entity is held in the aggregate by the holders of securities entitled, immediately prior to such Combination, to vote generally in the election of NS directors (Voting Stock);
- (ii) NS consummates any stockholder-approved consolidation or dissolution (however denominated or effectuated) pursuant to a recommendation of the Board;
- (iii) At any time, Continuing Directors (as herein defined)

shall not constitute a majority of the members of the Board ("Continuing Director" means (i) each individual who has been a director of NS for at least twenty-four (24) consecutive months before such time and (ii) each individual who was nominated or elected to be a director of NS by at least two-thirds (2/3) of the Continuing Directors at the time of such nomination or election); or

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DIRECTORS' DEFERRED FEE PLAN OF
NORFOLK SOUTHERN CORPORATION
(Effective June 1, 1982)
Last Amended May 9, 1996

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- (iv) NS sells all or substantially all of its assets to any other corporation or other entity, and less than eighty percent (80%) of the combined voting power of the then-outstanding securities of such corporation or entity immediately after such transaction is held in the aggregate by the holders of Voting Stock immediately prior to such sale.

SECTION 8. RECALCULATION EVENTS

NS's commitment to accrue and pay Interest as provided in Section 4 is facilitated by the purchase of corporate-owned life insurance purchased on the lives of eligible Participants. If the Board, in its sole discretion, determines that any change whatsoever in Federal, State or local law, or in its application or interpretation, has materially affected, or will materially affect, the ability of NS to recover the cost of providing the benefits otherwise payable under the Plan, then, if the Board so elects, a Recalculation Event shall be deemed to have occurred. If a Recalculation Event occurs, then Interest shall be recalculated and restated using a lower rate of Interest determined by the Board, but which shall be not less than one-half (1/2) the rate of Interest provided in Section 4.

SECTION 9. AMENDMENTS

The Board in its sole discretion may at any time modify or amend any provisions of the Plan, or suspend or terminate the Plan. However, except as otherwise provided in Section 8, no modification, amendment, suspension or termination of the Plan may, without the Participant's consent, apply to or affect the rights of a Participant in respect of amounts credited to the Participant's Account for any month ended prior to the effective date of that modification, amendment, suspension or termination.

SECTION 10. NATURE AND SOURCE OF PAYMENTS

The obligation to make payments hereunder with respect to each Participant shall constitute a liability of NS to the Participant and any death beneficiaries in accordance with the terms of the Plan. All payments hereunder shall be made from the general funds of NS, and nothing herein shall be deemed to create a trust of any kind or a fiduciary relationship between NS and any Participant or other person. No special or separate fund need be established or other segregation of assets made to assure payments hereunder, and no Participant or other beneficiary shall have any interest in any particular asset of NS by virtue of the existence of the Plan. Participants and beneficiaries shall stand in the position of unsecured creditors of NS, and all rights hereunder are subject to the claims of creditors of NS.

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DIRECTORS' DEFERRED FEE PLAN OF
NORFOLK SOUTHERN CORPORATION
(Effective June 1, 1982)
Last Amended May 9, 1996

EXHIBIT 10(f), Page 6 of 6

SECTION 11. EXPENSES OF ADMINISTERING PLAN

All expenses of administering the Plan shall be borne by NS, and no part thereof shall be charged against the benefit of any Participant.

SECTION 12. FACILITY OF PAYMENT

If the Board shall find that any individual to whom any amount is payable under the Plan is unable to care for his or her affairs because of illness or accident or is a minor or other person under legal disability, any payment due such individual (unless a prior claim therefor shall have been made by a duly appointed guardian, committee, or other legal representative) may be paid to the spouse, a child, a parent, or a brother or sister of such individual, or to any other person deemed by the Board to have incurred expenses of such individual, in such manner and proportions as the Board may determine. Any such payment shall be a complete discharge of the liabilities of NS with respect thereto under the Plan.

SECTION 13. CONTINUED SERVICE

Nothing contained herein or in a deferral agreement shall be construed as conferring upon any Participant the right nor imposing upon the Participant the obligation to continue in the service of NS in any capacity.

SECTION 14. DISPUTED QUESTIONS

Any disputed question arising under the Plan, including questions of construction and interpretation, shall be determined conclusively and finally by the Board.

SECTION 15. EFFECTIVE DATE

The Plan became effective on June 1, 1982, and was last amended effective May 9, 1996.

NORFOLK SOUTHERN CORPORATION
CHANGE-IN-CONTROL AGREEMENT
FOR OFFICERS
Effective June 1, 1996

EXHIBIT 10(h), Page 1 of 34

AGREEMENT

This agreement, dated as of June 1, 1996 (Agreement), between Norfolk Southern Corporation (Corporation) and _____ (1) memorializes your entitlement to certain rights and benefits hereinafter detailed that mature upon, and only upon, your Termination (this and other terms not defined in the text are defined in Attachment A hereto) following a Change in Control and your commitment not to engage in Competing Employment for certain periods; (2) absent such Termination, is not intended to affect, and shall not be construed as affecting, the compensation and benefits you are entitled to receive; and (3) is not under any circumstances a contract or guarantee of employment with the Corporation. Moreover, upon the happening of such conditions, your rights under any and all employee retirement income or welfare benefit policies, plans, programs or arrangements of the Corporation in which you participate shall be governed by the terms thereof and, except as herein expressly provided, shall not be enlarged hereunder or otherwise affected hereby.

The Agreement's terms and protections reflect the Corporation's beliefs that, in the event of a potential Change in Control, (1) the best interests of its stockholders require management focus and continuity; and (2) such focus and continuity will be enhanced by providing economic protection to officers and other key employees whose employment is most likely to be affected adversely by such a change. At the recommendation of its Compensation and Nominating Committee (Committee), which is composed entirely of non-employee directors, the Board of Directors of the Corporation (Board) has directed the Corporation to offer this Agreement to you.

As consideration for the Corporation's offer of this Agreement, and by your acceptance of it, you hereby covenant and agree as follows:

- (i) for the three-year period that begins on the date of this Agreement, you will engage in no Competing Employment (provided, however, that if (a) prior to a Change in Control your employment with the Corporation is terminated for Cause or because of your inadequate performance of assigned duties or for other similar reasons - each as determined by the Corporation's chief legal officer serving at the time - or (b) your Termination Date is within such three-year period, the restriction imposed by this subparagraph (i) shall cease to apply as of your Termination Date), and your undertaking in this respect may be enforced by appropriate court orders and decrees, including without limitation those calling for injunctions and specific performance;

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- (ii) in the event you (a) are Terminated following a Change in Control and (b) accept any benefits provided for in Article III or Article IV of this Agreement, you will engage in no Competing Employment for the one-year period that begins on your Termination Date;
- (iii) you waive, forego and otherwise renounce, on your behalf and that of any individual or organization that does or may

claim through you, any and all benefits (including without limitation any prior notice of agreement termination therein provided) to which you may or would be entitled under and by virtue of any other agreement, including amendments and supplements thereto, as in effect on the date hereof between you and the Corporation affording you benefits in the event of your Termination, with the result that all and any such agreements, from and after the date hereof, shall have no force and effect; and

- (iv) if, prior to a Change in Control, a modification in the nature of your responsibilities with the Corporation (Reassignment) results in a change in the maximum percentage of your salary that may be earned as incentive compensation (Participation Level), upon the effective date of your Reassignment (Reassignment Date), you will become and be eligible to receive only those benefits following a Change in Control as are other individuals at the Participation Level applicable to your new position, provided, however, that the three-year period provided for in subparagraph (i) above shall not be extended because of your Reassignment; the Corporation hereby undertakes to furnish you a new agreement or to furnish an amendment or supplement to this Agreement, to reflect your changed benefits, but its failure or omission to do so shall not affect the benefits to which, under this subparagraph (iv), you are entitled upon and after such Reassignment Date.

I. Effective Date and Term

The Agreement is effective and its term (Term) begins on the date hereof; its Term ends (provided, however, that the three-year prohibition on engaging in Competing Employment that begins on the date of this Agreement, including the exceptions, set out in subparagraph (i) of the third paragraph of the preamble shall continue to apply) on the earliest of:

- (i) the date, prior to a Change in Control, you cease to be an employee of the Corporation;

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- (ii) the date, prior to a Change in Control, you cease to be eligible to participate in the Corporation's Executive Management Incentive Plan or Management Incentive Plan, or any successor plan[s] or program[s]; and
- (iii) the date, prior to a Change in Control, that is twenty-four (24) months after you or the Corporation gives notice to the other of the termination of this Agreement, provided, however, that if a Change in Control occurs during the Term hereof, this Agreement shall terminate after a period of twenty-four (24) months, beginning on the first day of the month next following the month in which the Change in Control occurs (such period - plus the portion of the month, following the Change in Control, in which the Change in Control occurs - the Change in Control Period).

II. Binding on Successors

The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization, share exchange or otherwise) to all or substantially all of the business and/or assets of the Corporation (Successor; and such result, Succession) by agreement, in form and substance satisfactory to the Corporation's chief legal officer or his designee(s), serving immediately prior to the Change in Control, expressly to assume and agree to perform this Agreement in the same

manner and to the same extent the Corporation would have been required to perform it had no such Succession occurred. This Agreement shall be binding upon and inure to the benefit of the Corporation and any Successor (and, from and after any such Succession, that Successor shall be deemed the "Corporation" for purposes of this Agreement), but otherwise the Corporation shall not assign or transfer any of its rights, or delegate any of its duties or obligations, hereunder.

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III. Protection Afforded by the Agreement During the Change in Control Period

Except as limited by subparagraph (ix) concerning retirement, in the event of your Termination during the Change in Control Period, the Corporation shall (1) pay you within ten (10) business days after your Termination Date the amounts indicated in subparagraphs (i), (ii), (iii), (iv) and (vii); (2) continue to provide the Additional Benefits detailed in subparagraph (v); (3) timely pay, afford or deliver the other amounts, credits or instruments called for in subparagraphs (vi) and (viii); and (4) pay and provide the Tax Assistance Payments and other benefits defined and called for herein:

- (i) Severance Pay. In lieu of, and in full satisfaction of any and all claims you have or may have thereafter to receive cash compensation or awards under or otherwise to participate in or under any feature of any compensation policy, plan, program or arrangement of the Corporation, you shall receive a lump-sum payment (Severance Pay) equal to three (3) times the sum of:
 - (a) an amount equal to your Base Pay (determined in accordance with Item (D)(ii) in Attachment A); and
 - (b) an amount equal to your Incentive Pay (determined in accordance with Item (L) in Attachment A).
- (ii) Long-Term Compensation
 - (a) Performance Share Unit Equivalent. In lieu of your having any entitlement (which entitlement, upon your receipt of the benefit herein provided, hereby is waived in full) to receive unearned Performance Share Units (as that term is defined in the Norfolk Southern Corporation Long-Term Incentive Plan, or successor plan[s] or program[s]) that you have been awarded and as to which a performance cycle has not been completed on your Termination Date, you shall receive for each incomplete cycle a cash payment equal to the Performance Share Unit Equivalent (determined in accordance with Item N in Attachment A).
 - (b) Option Equivalent. Except in the case of persons at the time subject to Section 16 of the Securities Exchange Act of 1934 (Officers), for each option granted to you by the Corporation which on your Termination Date is exercisable but remains unexercised (and by its terms, no longer can be exercised), you shall receive a cash payment equal to the Option Equivalent (determined in accordance

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with Item M in Attachment A). To protect and assure to the full extent practicable the intended value of options

exercisable at the time by Officers, effective on the date Notice of Termination (for reasons other than Cause) is given, any requirement contained in any agreement(s) between such Officer and the Corporation that such Officer exercise an option only during a specified period (other than any provision concerning the date on which the option first is or becomes exercisable) hereby is waived.

- (c) Accelerated Dividend Equivalent. As to each option, performance share unit or other instrument you hold on the date Notice of Termination (for reasons other than Cause) is given as to which the right to receive dividend equivalents then exists, you shall receive an amount equal to the Accelerated Dividend Equivalent (determined in accordance with Item A in Attachment A), provided, however, that the Corporation's obligation to make the payment herein provided for shall mature on your Termination Date.
- (iii) Deferred Compensation Equivalent. In lieu of your having any entitlement to receive payments under the terms of the Officers' Deferred Compensation Plan (or any successor plan[s] or program[s]), which entitlement, upon your receipt of the benefit herein provided, hereby is waived in full, you shall receive an amount equal to the Deferred Compensation Equivalent (determined in accordance with Item J in Attachment A).
- (iv) Vacation Equivalent. In lieu of your having any entitlement to receive payments or other compensation for vacation to which you would have been or might have become entitled in and following the year that includes your Termination Date, which entitlement, upon your receipt of the benefit herein provided, hereby is waived in full, you shall receive an amount equal to the Vacation Equivalent (determined in accordance with Item T in Attachment A).

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- (v) Additional Benefits. For the thirty-six (36) months next following your Termination Date, the Corporation shall arrange to provide you with Additional Benefits substantially similar to those you were entitled to receive immediately prior to your Termination Date (and if and to the extent that such benefits shall not or cannot be paid or provided under any policy, plan, program or arrangements of the Corporation for whatever reason, the Corporation shall itself pay or provide for the payment of such Additional Benefits to you, your dependents and your beneficiaries). Without otherwise limiting the purposes or effects of the provisions under the caption "No Mitigation Obligation," infra, Additional Benefits to which you are entitled pursuant to the first sentence of this subparagraph (v) shall be reduced to the extent you actually receive comparable Additional Benefits from another employer during such period following your Termination Date, and you shall report to the Corporation any such benefits actually received.
- (vi) Post-Retirement Life Insurance Benefit. If on your Termination Date you are not eligible - or, if eligible, you have elected not to - retire pursuant to subparagraph (ix) of this Article III, in lieu of your entitlement at retirement to receive benefits of any kind under the Corporation's Executive Life Insurance Plan, which entitlement, upon your receipt of the benefit herein provided, hereby is waived in full, you shall receive, as soon as practicable after your Termination Date, a fully paid policy in the face amount and determined in accordance with Item P in Attachment A, and the Corporation shall pay to or on your behalf the cash benefit, also

determined in accordance with Item P in Attachment A.

If on your Termination Date you are eligible, and elect, to retire pursuant to subparagraph (ix) of this Article III, you shall receive the policy and cash benefit determined in accordance with Item P of Attachment A, provided, however, that such policy and the related cash payment shall not be distributed or made until such policy would have been distributed under the terms of the Executive Life Insurance Plan or its successor(s), as in effect on the day immediately preceding the date of the Change in Control.

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(vii) Prorata Incentive Pay. In lieu of your having any entitlement (which entitlement, upon your receipt of the benefit herein provided, hereby is waived in full) to receive payments or other compensation under the terms of the Executive Management Incentive Plan or the Management Incentive Plan (or successor plan[s] or program[s]) in respect of your employment during the year that includes your Termination Date, you shall receive an amount equal to Prorata Incentive Pay (determined in accordance with Item Q in Attachment A).

(viii) (a) Creditable Service for Retirement. For purposes of determining your creditable service under the Corporation's various retirement plans, including without limitation any agreement(s) with you providing retirement income, you shall receive additional creditable service, based on your age on your Termination Date, as follows:

- (1) Age 50 - 54: as if you had been employed until you were 60;
- (2) Age 55 - 59: as if you had been employed until you were 62; and
- (3) All others: three (3) additional years,

provided, however, that such creditable service shall not be greater than the number that is equal to the number of months (calculated in accordance with the terms of the applicable plan) between (i) your Termination Date and (ii) the date on which you would attain the mandatory retirement age in effect at the time of the Change in Control. Your rights under such programs and plans shall be governed by the terms thereof and, except as herein expressly provided, shall not be enlarged hereunder or otherwise affected hereby.

(b) Final Average Compensation for Retirement. For purposes of determining your final average compensation under the Corporation's various plans (including without limitation any agreement(s) with you) providing retirement income, the amount of Severance Pay provided for in subparagraph (i) of this Article III shall be included, and the payments made pursuant to subparagraph (i) shall be deemed to have been made over the number of annual periods equal to the multiple used to determine the gross amount of your Severance Pay, provided, however, that your final average compensation shall not include amounts paid or payable pursuant to subparagraph (iv) (to the extent they are an Additional Vacation Equivalent) and subparagraph (vii) of this Article III.

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- (ix) Special Proviso for Those Eligible to Retire. If on your Termination Date you are eligible to retire under the provisions of any of the Corporation's retirement plans (excluding any special, temporary early retirement amendment[s]), as in effect either on the day immediately preceding the Change in Control or on your Termination Date, you may elect to retire on your Termination Date by giving the Corporation written notice as provided in this subparagraph (ix). Not later than two (2) business days following, but not including, the date on which Notice of Termination is given (whether by you or by the Corporation), the Corporation shall advise you in writing of your right herein provided to elect to retire. If you wish to exercise that right, you must so advise the Corporation prior to your Termination Date on an election form it provides and in the manner prescribed under Article X.

If and only if you make this election, your retirement will be deemed to have occurred simultaneously with your Termination Date (provided, however, that the "effective date" of such retirement for purposes of such retirement plans shall be as provided under such plans), and, instead of your having the rights provided in this Article III, your rights shall be governed by the retiree (or any specific change in control) provisions of the respective, applicable plans (as to each, on the terms most favorable to you under such plan [excluding any special, temporary early retirement amendment(s)] as in effect either immediately preceding the Change in Control or on your Termination Date), provided, however, that if you make the election herein afforded, you shall still receive the payments called for in subparagraphs (i) and (ii)(a), (ii)(c) and (iii), and the benefits described in subparagraph (viii).

There shall be no right of setoff or counterclaim in respect of any claim, debt or obligation against any payment to, or benefit for, you provided for in this Agreement, except as expressly provided in subsection (v).

Without limiting your rights to arbitration, at law or in equity, if the Corporation fails on a timely basis to make any payment required to be made pursuant to provisions under this Article III, the Corporation shall pay interest on the amount thereof at an annualized rate of interest equal to three percent (3%) above the then-applicable Prime Rate ("Prime Rate" means the rate of interest publicly announced by Morgan Guaranty Trust Company of New York in New York City from time to time as its prime rate).

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IV. Certain Tax Payments by the Corporation

Notwithstanding anything in the Agreement to the contrary, in the event of (a) your Termination during the Change in Control Period and (b) the determination (as hereinafter provided) that any required payment by the Corporation to or for your benefit, whether paid or payable pursuant to the terms of the Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right, or similar right, or the lapse or termination of any restriction on the vesting or exercisability of any of the foregoing including without limitation acceleration of the termination of Share Retention Agreements under the Corporation's Long-Term Incentive Plan (individually and collectively, Payment), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (Code) or any successor provision thereto by reason of the Payment's being considered "contingent on a change in ownership or control" of the Corporation within the

meaning of Section 280G of the Code (or any successor provision thereto), or any interest or penalties with respect to such excise tax (collectively, Excise Tax), then you shall be entitled to receive an additional payment or payments (individually or collectively, Tax Assistance Payment), which shall include an amount such that, after you pay (1) all taxes (including any interest or penalties imposed with respect to such taxes) and (2) any Excise Tax imposed upon the Tax Assistance Payment, you retain so much of the Tax Assistance Payment as is equal to the Excise Tax imposed on the Payment.

Subject to the provisions hereinafter concerning your providing notice of a claim by the Internal Revenue Service, all determinations required to be made under these provisions, including whether an Excise Tax is payable by you, the amount of such Excise Tax and whether the Corporation is required to pay you a Tax Assistance Payment and the amount of such Tax Assistance Payment, if any, shall be made by a nationally recognized accounting firm you, in your sole discretion, select (Accounting Firm). You shall direct the Accounting Firm to submit its determination and detailed supporting calculations to both you and the Corporation within thirty (30) days after the Termination Date, if applicable, and any such other time or times as you or the Corporation may request. If the Accounting Firm determines that any Excise Tax is payable by you, the Corporation shall pay the required Tax Assistance Payment to you within ten (10) business days after the Corporation receives such determination and calculations with respect to any Payment to you.

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Any federal tax returns you file shall be prepared and filed on a basis consistent with the determination of the Accounting Firm with respect to the Excise Tax payable by you. If the Accounting Firm determines that you are required to pay no Excise Tax, it shall (at the same time it makes such determination) furnish you and the Corporation an opinion that you have substantial authority not to report any Excise Tax on your federal income tax return. However, in view of uncertainty concerning application of Section 4999 of the Code (or any successor provision thereto) at the time of any determination made hereunder by the Accounting Firm, it is possible that a Tax Assistance Payment that should have been made by the Corporation will not have been made (Underpayment), consistent with the calculations required to be made hereunder. In the event the Corporation exhausts or fails to pursue its remedies pursuant to the provisions concerning notice of a claim by the Internal Revenue Service, and you thereafter are required to make a payment of any Excise Tax, you shall direct the Accounting Firm to determine the amount of the Underpayment and to submit its determination and detailed supporting calculations as promptly as possible both to you and to the Corporation, which shall pay the amount of such Underpayment to you or for your benefit within ten (10) business days following the Corporation's receipt of such determination and calculations.

Each of you and the Corporation shall provide the Accounting Firm access to and copies of any books, records and documents in your or its possession, as the case may be, reasonably requested by the Accounting Firm, and shall otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determination and calculations required or contemplated hereunder.

The Corporation shall bear the fees and expenses of the Accounting Firm for services hereunder. If, for any reason, you initially pay such fees and expenses, the Corporation shall reimburse you the full amount of the same within ten (10) business days following receipt from you of a statement and reasonable evidence of your payment thereof.

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You shall notify the Corporation in writing of any claim by the Internal Revenue Service that, if successful, would require the Corporation to pay a Tax Assistance Payment. You shall give such notification as promptly as practicable, but in no event later than the tenth (10th) business day next following your receipt of such claim, and you further shall apprise the Corporation of the nature of such claim and the date on which it is required to be paid (in each case, to the extent known to you). You shall not pay or otherwise satisfy such claim prior to the earlier of (a) the expiration of the thirty (30)-calendar-day period next following the date on which you give notice to the Corporation or (b) the date any payment of the amount with respect to such claim is due. If the Corporation notifies you in writing prior to the expiration of such period that it desires to contest such claim, you shall:

- (1) provide the Corporation any written records or documents in your possession relating to such claim and reasonably requested by the Corporation;
- (2) take such action in connection with contesting such claim as the Corporation reasonably shall request in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Corporation;
- (3) cooperate with the Corporation in good faith in order effectively to contest such claim; and
- (4) permit the Corporation to participate in any proceedings relating to such claim, provided, however, that the Corporation directly shall bear and pay all costs and expenses (including without limitation, interest and penalties) incurred in connection with such contest and shall indemnify you and hold you harmless, on an after-tax basis, from and against any and all Excise Tax or income tax (including without limitation, interest and penalties with respect thereto), imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing, the Corporation shall control all proceedings taken in connection with the contest of any claim contemplated by these provisions and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided, however, that you may participate therein at your own cost and expense) and may, at its option, either direct you to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and you agree to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Corporation shall determine; provided, however, that if the Corporation directs you to pay the tax claimed and to sue for a refund, the Corporation shall advance the amount of such payment

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to you, and pay on a current basis all costs of litigation, including without limitation attorneys' fees, on an interest-free basis and shall agree to and shall indemnify you and hold you harmless, on an after-tax basis, from any Excise Tax or income tax, including without limitation, interest and penalties with respect thereto, imposed with respect to such advance; and provided further, however, that any extension of the statute of limitations relating to payment of taxes for your taxable year with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Corporation's control of any such contested claim shall be limited to issues with respect to which a Tax Assistance Payment would be payable hereunder, and you shall be entitled to settle or to contest, as the case may be, any other issue(s)

raised by the Internal Revenue Service or any other taxing authority.

If, after you receive an amount advanced by the Corporation pursuant to provisions of the last full paragraph, you receive any refund with respect to such claim, you shall (subject to the Corporation's complying with any applicable provisions of the same paragraph) promptly pay to the Corporation the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after you receive such an amount advanced by the Corporation, a determination is made that you shall not be entitled to any refund with respect to such claim and the Corporation does not notify you in writing of its intent to contest such denial or refund prior to expiration of thirty (30) calendar days after such determination, then such advance shall be forgiven and shall not be required to be repaid, and the amount of such advance shall offset, to the extent thereof, the amount of the Tax Assistance Payment the Corporation is required to pay you hereunder.

V. No Mitigation Obligation

You and the Corporation agree that payments made by the Corporation pursuant to this Agreement will be liquidated damages (and in lieu of any claim for any breach whatsoever of this Agreement by the Corporation) and that you will not be required to mitigate the amount of any such payment by seeking other employment or otherwise, nor shall any profits, income, earnings or other benefits from any source whatsoever, other than from Competing Employment, create any mitigation, offset reduction or other obligation on your part hereunder or otherwise, except as expressly provided in the materials, supra, concerning Additional Benefits.

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VI. Arbitration

Except as otherwise expressly provided under the caption "Certain Tax Payments by the Corporation," any controversy or claim between you and the Corporation arising out of or relating to the existence, enforceability, terms or application of this Agreement or any breach or alleged breach thereof, shall be settled by three (3) arbitrators, one of whom shall be appointed by the Corporation, one by you and the third of whom shall be appointed by the first two arbitrators. If the first two arbitrators cannot agree on the third arbitrator required to be appointed hereunder, then such arbitrator shall be appointed by the Chief Judge of the United States District Court for the district having jurisdiction of the city or other municipality in which the arbitration is to be held. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, except with respect to the selection of arbitrators, which shall be as hereinbefore provided. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The arbitrators shall have no authority to award punitive, incidental or consequential damages, and they shall apply the substantive law of the Commonwealth of Virginia in reaching a decision.

If you determine in good faith to retain legal counsel and/or to incur other reasonable costs or expenses in connection with any such arbitration or to enforce any or all of your rights under this Agreement or under any arbitration award, the Corporation shall pay all such attorneys' fees, costs and expenses you incur in connection with non-frivolous applications to interpret or enforce your rights, including enforcement of any arbitration award in court, regardless of the final outcome. In addition, during the pendency of such arbitration, the Corporation will continue to pay you, with the customary frequency, the greater of your Base Pay as in effect immediately prior to the Change in Control or immediately prior to your Termination and to provide Benefits until the controversy or claim finally is resolved in accordance herewith. These payments and the provision of Benefits hereunder shall

be in addition to, and not in derogation or mitigation of any other payment or benefit due you under this Agreement.

Notwithstanding any other provision hereof, the parties' respective rights and obligations under this Caption will survive a termination or expiration of this Agreement or the Termination of your employment for any reason whatsoever.

VII. Employment Rights

Nothing expressed or implied in this Agreement shall create any right or duty on your part or that of the Corporation to have you remain in the employment of the Corporation prior to or following any Change in Control.

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VIII. Withholding of Taxes

The Corporation may withhold from any amounts payable under this Agreement all federal, state, city, local or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

IX. Personal Nature of Agreement

This Agreement is personal in nature, and neither you nor the Corporation (except as provided under the caption "Binding on Successors"), without the prior written consent of the other, shall assign or transfer any of its rights, or delegate any of its duties or obligations, except as expressly provided under this caption. Without limiting the generality and effect of the foregoing, your right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than by a transfer by will or by the laws of descent and distribution; in no event shall the Corporation have any obligation or liability to recognize or honor any attempted assignment or transfer that is contrary hereto.

X. Notice

For all purposes of this Agreement, except as otherwise expressly provided in subparagraph (ix) of Article III, all communications, including without limitation, notices, consents, requests and approvals, provided for herein shall be in writing and shall be deemed to have been duly given when (1) actually delivered or (2) if mailed, five (5) business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid,

(i) if to the Corporation, to the attention of its Corporate Secretary at its principal executive office at the time, and

(ii) if to you, at the address at the time on file with the Corporation as your principal residence address, or

(iii) in either case, to such other address as either the Corporation or you shall have furnished the other in writing and in accordance herewith, provided, however, that notices of change of address hereunder shall be effective only upon actual receipt.

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XI. Governing Law

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Virginia, without giving effect to the Commonwealth's principles of conflicts of law, save those permitting the parties to an agreement to stipulate the substantive law applicable to the agreement and the procedural law applicable to suits, actions or proceedings relating to it.

XII. Validity/Severability

If any provision of this Agreement or the application of any provision hereof to any person (including a Person) or circumstance is held invalid, illegal or unenforceable, the remainder of this Agreement and the application of such provision to any other person (including a Person) shall not be affected, and the provision(s) so held to be invalid, illegal or unenforceable shall be reformed or excised in good faith by the Corporation, without the necessity of your agreeing thereto, to the extent (and only to the extent) necessary to make it or them valid, legal or enforceable.

XIII. Miscellaneous

No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, modification, waiver or discharge is agreed to in a writing signed by you and the Corporation. No waiver by either party hereto at any time of any breach or of compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

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XIV. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Board of Directors of the Corporation has directed that this Agreement be executed and delivered on its behalf by one or more officers of the Corporation thereunto duly authorized, as of the day and year first above written, and you have indicated your acceptance of and intent to be bound by this Agreement in the space provided below.

NORFOLK SOUTHERN CORPORATION

By _____

Name: _____

Title: _____

ATTEST

{SEAL}

Corporate Secretary

Accepted:

By _____
Name: _____
(Please print full name)

Being the same individual named
in the preamble hereto and re-
ferred to as "You" in the text.

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CERTAIN DEFINITIONS

For purposes of this Agreement:

- (A) Accelerated Dividend Equivalent means the lump-sum cash payment equal to the sum of
- (i) the total of all dividend equivalents that, but for your Termination, you would have received (whether in cash or on a deferred basis) after your Termination Date on grants outstanding on your Termination Date; and
 - (ii) the fair market value of all units, including fractions thereof, credited or creditable on your Termination Date to your memorandum account in respect of dividend equivalents you were not entitled to receive in cash. For this purpose, "fair market value" shall be determined in accordance with the methodology identified in Item (N)(i) of this Attachment A, so that you will receive in exchange for such units a cash amount calculated with respect to the mean of the high and low trading prices of the security from which the unit (on any date required to be used under Item (N)(i)) derives its value.

In return for this payment, you will be deemed to have waived any and all rights you otherwise might have to receive payments, in any form (post-Termination dividend equivalents that would have been converted to units, will be paid in cash instead) in respect of such dividend equivalents or such units.

For purposes of (A)(i), the dividend rate per share shall be the greater of the rate established pursuant to the authority of the Board of Directors:

- (a) on the most recent dividend declaration date preceding your Termination Date; or
- (b) on the dividend declaration date that immediately precedes the date of the Change in Control.

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Example: On your Termination Date, you hold options to acquire a total of 6,000 shares of the Corporation's common stock. Dividend equivalents were awarded with each option grant, payable (whether in cash or on a deferred basis) during the first five (5) years next following the date of grant, on options unexercised on the dividend record date. The dividend declared immediately prior to the Change in Control was \$0.56 per share; the most recent dividend declared is \$0.60 per share.

Also, on your Termination Date, 116.916 units have been credited to your memorandum account, and the Fair Market Value of the Corporation's common stock is determined to be \$85.00.

Accordingly, you will receive a lump-sum cash payment on all outstanding options - as to each such option, for the entire remaining period during which you would have been entitled to receive dividend equivalents on that option - at the rate per share (option) of \$0.60, plus the fair market value of your units.

For instance, if 4,000 of your options called for payment of dividend equivalents (whether in cash or to be converted into units) for the six (6) quarters next following your Termination Date, and the other 2,000 called for such payments (whether in cash or to be converted into units) over the next ten (10) quarters, you would receive in a lump sum:

4,000, times \$0.60, times 6 dividend dates =	\$ 14,400.00
2,000, times \$0.60, times 10 dividend dates =	12,000.00

	\$ 26,400.00

AND

116.916 units @ \$85.00 per share (unit) =	9,937.86

TOTAL	\$ 36,337.86

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- (B) Actual Incentive Pay Percentage means, in any given year, the percentage actually earned, as determined pursuant to the authority of the Board of Directors, of the maximum potential bonus amount potentially payable to participants in the Corporation's Executive Management Incentive Plan and its Management Incentive Plan, or any successor plan[s] or program[s] to either or both (respectively,

EMIP and MIP).

- (C) Additional Benefits refers to, as to each plan listed herein, the greater of all those benefits associated with or accruing as a result of your continued participation in the following plans, or portions of plans, of the Corporation in which you are participating or are eligible to participate (whether funded by actual insurance or self-insured by the Corporation) immediately prior to (a) the Change in Control or (b) your Termination:

1. Norfolk Southern Corporation Comprehensive Benefits Plan
[Only Paragraphs E, F and H of Article III, "ChoicePlus," providing medical, dental and life insurance benefits],
2. Norfolk Southern Corporation Executive Accident Plan,

The term "Additional Benefits" shall not include benefits of any type under any other plans, policies or programs.

- (D) Base Pay means

- (i) in determining whether a Termination has occurred, the gross amount of your annual salary in effect on the date of a Change in Control (the gross amount you actually were paid in the pay period coinciding with or immediately preceding the date of the Change in Control, multiplied by the number of pay periods in the year or otherwise determined and expressed as an annual amount).
- (ii) in calculating the amount of Severance Pay, the larger of
 - (a) the amount calculated under Item (D)(i); or
 - (b) the amount calculated as provided in Item (D)(i), but substituting "Termination Date" for "date of a Change in Control" wherever the latter term appears.

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- (E) Beneficial Owner means any Person who, under Rule 13d-3 (or successor rules or regulations thereto) promulgated under the Securities Exchange Act of 1934, would be deemed beneficially to own Voting Stock.
- (F) Benefits means any of the perquisites, benefits and service credit for benefits provided under any and all employee retirement income or welfare benefit policies, plans, programs or arrangements in which you participate immediately prior to the Change in Control, including without limitation any stock option, stock purchase, stock appreciation, savings, pension, supplemental executive retirement or other retirement income or welfare benefit, deferred compensation, incentive compensation, group and/or executive life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by the Corporation), disability, salary continuance, severance pay plan, expense or tuition reimbursement or other employee benefit policies, plans, programs or arrangements that now exist, or any equivalent successor policies, plans, programs or arrangements that may be adopted hereafter by the Corporation providing perquisites, benefits and service credit for benefits at least as great as are payable thereunder prior to a Change in Control, provided, however, that your rights under such policies, plans, programs or arrangements shall be governed by the terms thereof and shall not be enlarged hereunder or otherwise

affected hereby.

- (G) Cause refers to your having engaged in any of the following if the result of the same is materially harmful to the Corporation:
- (i) an intentional act of fraud, embezzlement or theft in connection with your duties or in the course of your employment with the Corporation;
 - (ii) intentional wrongful damage to property of the Corporation;
 - (iii) intentional wrongful disclosure of secret processes or of confidential information of the Corporation; or
 - (iv) intentional violation of the Corporation's Code of Conduct/Ethics (or any successor[s]) as in effect immediately prior to a Change in Control.

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For these purposes, an act or failure to act on your part shall be deemed "intentional" only if you acted or omitted to act otherwise than in accordance with your good faith business judgment of the best interests of the Corporation; in determining whether this standard has been satisfied, you shall be afforded all the presumptions and be entitled to all the protections available to directors under Section 13.1-690 of the Virginia Stock Corporation Act.

- (H) A Change in Control occurs upon any of the following circumstances or events:
- (i) The Corporation consummates a merger or other similar control-type transaction or transactions (however denominated or effectuated) with another corporation or other Person (Combination), and immediately thereafter less than eighty percent (80%) of the combined voting power of the then-outstanding securities of such corporation or Person is held in the aggregate by the holders of securities entitled, immediately prior to such Combination, to vote generally in the election of directors of the Corporation (Voting Stock);
 - (ii) The Corporation consummates any stockholder-approved consolidation or dissolution (however denominated or effectuated) pursuant to a recommendation of the Board;
 - (iii) At any time, Continuing Directors (as herein defined) shall not constitute a majority of the members of the Board ("Continuing Director" means (i) each individual who has been a director of the Corporation for at least twenty-four (24) consecutive months before such time and (ii) each individual who was nominated or elected to be a director of the Corporation by at least two thirds of the Continuing Directors at the time of such nomination or election);
 - (iv) The Corporation sells all or substantially all of its assets to any other corporation or other Person, and less than eighty percent (80%) of the combined voting power of the then-outstanding securities of such corporation or Person immediately after such transaction is held in the aggregate by the holders of Voting Stock immediately prior to such sale;
 - (v) A report is filed on Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report), pursuant to the Securities Exchange Act of 1934, as amended (Exchange Act), disclosing

that any Person has become the Beneficial Owner of twenty (20) or more percent of the voting power of Voting Stock; or

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- (vi) The Board determines by a majority vote that, because of the occurrence, or the threat or imminence of the occurrence, of another event or situation with import or effects similar to the foregoing, those who have accepted an agreement of this type are entitled to its protections.

Notwithstanding the provisions of the foregoing subparagraph (v), unless otherwise determined in a specific case by majority vote of the Board, a Change in Control for purposes of this Agreement shall not be deemed to have occurred solely because (a) the Corporation, (b) an entity of which the Corporation is the direct or indirect Beneficial Owner of 50 or more percent of the voting securities or (c) any Corporation-sponsored employee stock ownership plan or any other employee benefit plan of the Corporation either files or becomes obligated to file a report or a proxy statement under or in response to Schedule 13D, Schedule 14D-1, Form 8-K, or Schedule 14A (or any successor schedule, form or report or item therein) under the Exchange Act, disclosing beneficial ownership by it of shares of Voting Stock, whether in excess of 20 percent or otherwise, or because the Corporation reports that a change in control of the Corporation has or may have occurred or will or may occur in the future by reason of such beneficial ownership.

- (I) Competing Employment means the provision of services of any type, kind or nature and in any capacity (whether as a director, partner, officer, employee, independent contractor, consultant or otherwise), whether or not for compensation or other remuneration of any type, kind or nature (current or deferred and whether or not paid or payable to you, or at your direction), to any organization or person
 - (i) that is, or
 - (ii) that controls, or
 - (iii) that is controlled by, or
 - (iv) one of whose customers or clients which accounted for 5% or more of the organization's or person's gross revenues in the immediately preceding fiscal year or is likely to account for 5% or more of such gross revenues in the current or next succeeding fiscal year is:
 - (a) a Class I railroad operating in the United States, Canada or Mexico; or

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- (b) an interstate trucking company operating in the United States, Canada or Mexico; or

- (c) a provider or arranger (as to either - one incorporated under the laws of the United States or of any state or political subdivision of either or both) of intermodal services of any kind or nature, any portion of which services is provided or arranged in the United States,

provided however, that the provision of services otherwise prohibited by the foregoing may be permitted if, in the sole judgment of the Corporation's chief legal officer at the time, in providing such services, you do not draw or rely extensively on, or use for a purpose contrary to the Corporation's business interests, the experience and expertise you acquired during and as a result of your employment with, or that you used or employed for the benefit of, the Corporation.

- (J) Deferred Compensation Equivalent means, in respect of all amounts you have deferred or elected to defer as of your Termination Date under the terms of the Officers' Deferred Compensation Plan or successor plan(s) or program(s) (ODCP), as in effect on the day immediately preceding the Change in Control, a lump-sum cash payment equal to the present value on your Termination Date, using a discount rate of 4.5%, of the stream of annual installment payments that you would have received (a) had you worked until normal retirement at age 65, or (b) if greater, had you retired on your Termination Date. In return for this payment, you will have, and will be deemed to have, waived any and all rights you otherwise might have to receive payments in respect of such deferrals under the terms of the ODCP.

Example: You have deferred \$70,000 - portions of several bonuses. It is determined, on the actuarial basis noted above, that the present value of the stream of annual installment payments you would have received on \$70,000 of deferrals (at the interest rate in effect for each such deferral immediately preceding the date of the Change in Control), had you worked to normal retirement at age 65, is \$175,000.

Accordingly, you would receive immediately and in cash a Deferred Compensation Equivalent of \$175,000.

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The actual amount any ODCP participant receives under this provision will depend on that participant's age on the Termination Date and the interest rate applicable to each pre-Termination deferral the participant has made.

In all cases, however, that amount will exceed your account balance (the sum of all your deferrals, plus interest credited to the Termination Date).

- (K) Incentive Opportunity means the percentage of your salary or other fixed compensation that, in accordance with all applicable provisions of the EMIP and MIP - including without limitation earnings and return targets - in effect immediately prior to the Change in Control, could be earned as incentive pay.
- (L) Incentive Pay means the product of (i) and (ii), where:
- (i) is 100% of the larger of your Incentive Opportunity
- (a) on your Termination Date; or

(b) immediately preceding the date of the Change in Control;
and

(ii) is your Base Pay.

Example: On your Termination Date, your Incentive Opportunity is 30% of your base salary; immediately prior to the date of the Change in Control, your Incentive Opportunity was 45% of your base salary.

Accordingly, your Incentive Pay will be calculated on the basis of a 45% Incentive Opportunity - and that percentage will be applied to your Base Pay. The resulting dollar amount is the Incentive Pay that will be used in the calculation of your Severance Pay.

For instance, if your Base Pay is \$100,000 and your Incentive Opportunity is 45%, your Incentive Pay is \$45,000. The sum (\$145,000) of your Base Pay and Incentive Pay will be multiplied by the factor indicated in the Severance Pay section of your Agreement to determine the amount of your Severance Pay.

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(M) Option Equivalent means that positive number that is the product of (i) and (ii) where

(i) is the total number of shares of the type of Norfolk Southern or successor security (Security) that the option entitles you to acquire; and

(ii) is the number that is equal to the difference between

(a) the Fair Market Value of the type of Security (the mean of the high and low prices at which shares of that Security trade on the Applicable Date (as hereinafter defined) as reported in the Composite Transactions for such date by The Wall Street Journal) for which the option is exercisable on your Termination Date, less

(b) the option exercise or strike price on your Termination Date.

"Applicable Date" means the later of (i) your Termination Date, if at least 100,000 shares of the Security trade on that date on the New York Stock Exchange (Exchange) or (ii) the immediately preceding day on which at least 100,000 shares trade on the Exchange, provided, however, that if, at the time of the Change in Control or during the Change in Control Period, the Norfolk Southern security for which the option could be exercised ceases to be listed on the Exchange (Cessation Date) and the option is not exercisable for the number of shares of a successor security into which the Norfolk Southern security could have been converted, for which it could have been exchanged or to which it otherwise is equal, then "Applicable Date" shall be defined (and Fair Market Value determined) with reference to the Cessation Date rather than "your Termination Date."

(N) Performance Share Unit Equivalent means the number that is equal to the product of (i) and (ii) where:

(i) is Fair Market Value which means,

(a) if on your Termination Date the security that could be earned out as Performance Shares (Performance Security) is

listed on the Exchange, the Fair Market Value of each such unearned Performance Share Unit shall be the larger of the value of a share of such Performance Security (x) on the date of the Change in Control or (y) your Termination

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Date; if fewer than 100,000 shares of such Performance Security were traded on the Exchange on your Termination Date, then on the next succeeding day on which at least 100,000 shares trade on the Exchange. On any date, "Value" is the mean of the high and low prices at which shares of the Performance Security trade on such date as reported in the Composite Transactions for such date by The Wall Street Journal; or

- (b) if at the time of the Change in Control or during the Change in Control Period, the Performance Security ceases to be listed on the Exchange (Cessation Date), Fair Market Value shall be computed as provided under (i)(a) hereof, but substituting Cessation Date for Termination Date; and

- (ii) is the number of your Equivalent Shares which means the total number of Performance Share Units granted to you for which the full performance cycle has not been completed (In-Cycle Units), multiplied by the mean of the overall earnout percentages for the two most recently completed performance cycles.

In return for this payment, you will have, and will be deemed to have, waived any and all rights you otherwise might have to receive payments, in any form, in respect of such Performance Share Units.

Example: On your Termination Date, you have 7,500 In-Cycle Units (2,500 granted in each of the prior three years); in the two most recently completed cycles preceding your Termination Date, the overall earnout percentages were 88.30% and 75.80%, respectively - equal to a mean overall earnout of 82.05%.

To determine the number of Equivalent Shares used to compute your Performance Share Equivalent, 7,500 In-Cycle Units are multiplied by 82.05%, giving a deemed earnout of 6,153.75 (Equivalent Shares).

The 6,153.75 Equivalent Shares are multiplied by the Fair Market Value of the common stock to determine the amount of your lump-sum cash payment.

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Accordingly, if the Fair Market Value of the common stock is \$85 per share, your Performance Share Equivalent would be \$523,068.75 (6,153.75 shares, multiplied by \$85).

- (0) Person means any

- (i) "person" as that term is used and defined in the attached copy of Section 14(d)(2) of the Exchange Act as in effect on the effective date of this Agreement, and
 - (ii) "affiliate" or "associate" of any person (as defined in Item (O)(i)) as those terms are used and defined in the attached copy of Rule 12b-2 of the General Rules and Regulations under the Exchange Act as in effect on the effective date of this Agreement.
- (P) Post-Retirement Life Insurance Benefit means a fully paid life insurance policy (Policy), of which you are the sole owner and in which the Corporation shall have no interest. The Policy shall be in a face amount equal to the greater of the amount of the post-retirement life insurance benefit to which you would have been entitled on your retirement under the Corporation's retirement policy as in effect for you (a) on your Termination Date or (b) immediately preceding the date of the Change in Control, provided, however, that the face amount of such Policy shall be reduced as and to the extent required under the terms of (i) Appendix L (relating to Retiree Group Life Insurance) of the Corporation's Comprehensive Benefits Plan or (ii) the Death Benefit Plan of Norfolk Southern Corporation and Participating Subsidiary Companies, each as in effect on May 9, 1996. The Corporation also shall make a cash payment, either directly to you or on your behalf, in an amount estimated to be equal (after taking into account any Federal and states taxes estimated to be applicable to such cash payment) to any additional Federal and state income taxes that are imposed upon you as a result of the issuance to you and your receipt of the Policy. In determining the amount to be paid pursuant to the foregoing sentence, the Corporation shall not be required to examine the individual tax liability of any person entitled to receive such cash payment or on whose behalf it is required to be made.

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- (Q) Prorata Incentive Pay means the amount of pay to which, had you been employed on December 31 of the year that includes your Termination Date, you would have been entitled to receive under the terms of the EMIP or the MIP, or the successor plan(s) or program(s) as in effect for that year, calculated as the product of (i) and (ii), where
- (i) is the maximum amount of bonus or incentive pay you would have been entitled to receive for the full year, using the larger of (a) your Incentive Opportunity or (b) the percentage of your base salary that could be earned as bonus or incentive pay during the year that includes your Termination Date, and
 - (ii) is the percentage (carried to three decimal places) that results from multiplying (a) and (b), where
 - (a) is the number of calendar days in that year which immediately precedes, but includes, your Termination Date, divided by 365; and
 - (b) is the mean of the last two Actual Incentive Pay Percentages.

Example: A Change in Control occurs in 1997, and you are Terminated effective the 183rd day of 1998. Your base salary for 1998 is \$100,000, and the percentage of your base salary that could be earned as 1998 bonus or incentive pay is 30%; the percentage of your base salary that could have been earned as bonus or incentive pay in 1997 was 45%. Consequently, for

purposes of this calculation, the 45% opportunity is used.

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In January 1997, the Actual Incentive Pay Percentage (attributable to 1996 performance) was determined to be 100%; in January 1998, that percentage (attributable to 1997 performance) was determined to be 90%. Thus, the mean of the last two Actual Incentive Pay Percentages is 95%.

the amount calculated under (i) is \$45,000 (45% of \$100,000).

the percentage calculated under (ii) is 47.630% (183/365, multiplied by 95% - the portion of the full year for which you worked, times the mean of the last two Actual Incentive Pay Percentages).

Accordingly, your Prorata Incentive Pay would be \$21,433.50 (\$45,000, times 47.630%)

Under the terms of the Agreement, this amount will not be used to calculate your final average compensation for pension benefit purposes.

(R) Termination means:

- (i) Your decision to leave the employ of the Corporation if, following a Change in Control and during the Change in Control Period, any of the following occurs, provided, however, that your continued employment after the occurrence of one or more of the following shall not constitute consent to, or a waiver of rights with respect to, circumstances that empower you to leave the employ of the Corporation:
 - (a) You are not elected or reelected to the office of the Corporation you held immediately prior to the Change in Control, or - if you were serving as a director of the Corporation immediately prior to the Change in Control - you are removed as a director;
 - (b) Your Base Pay is, or when annualized will be, less than the amount determined in accordance with (D)(i) herein;
 - (c) Your Incentive Opportunity is less than that provided for under (K) herein;

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- (d) Without your prior written consent, the Corporation, except to meet the requirements of applicable federal or state law, (i) terminates, or (ii) reduces the value or scope of your rights to any Benefits to which you are entitled, and the Corporation does not remedy any such termination or reduction, as the case may be, within ten

(10) calendar days after its receipt of written notice from you;

- (e) You determine in good faith that following a Change in Control, you have been rendered substantially unable to carry out or have suffered a substantial reduction in any of the substantial authorities, powers, functions, responsibilities or duties attached to the position you held immediately prior to the Change in Control, which situation is not remedied within ten (10) calendar days after receipt by the Corporation of written notice from you that you have made such a determination;
- (f) The liquidation, dissolution, merger, consolidation or reorganization of the Corporation or the transfer of all or a significant portion of its business and/or assets, unless the successor or successors (by liquidation, merger, consolidation, reorganization or otherwise) to which all or a significant portion of its business and/or assets have been transferred (directly or by operation of law) shall have assumed all the duties and obligations of the Corporation under this Agreement either by operation of law or pursuant to the provisions under the Agreement caption "Binding on Successors";
- (g) The Corporation requires you to relocate your principal location of work outside a circle having (i) as its center your principal location of work immediately prior to the Change in Control and (ii) a radius of thirty-five (35) miles, or requires you to travel away from your office in the course of discharging your responsibilities or duties hereunder significantly more (in terms either of consecutive days or of aggregate days in any calendar year) than was required of you immediately prior to the Change in Control, without (in either case) your prior written consent; or

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- (h) Without limiting the generality or the effect of the foregoing, any material breach of this Agreement by the Corporation or any successor thereto.

OR

- (ii) The termination of your employment by the Corporation, during the twenty-four months next succeeding a Change in Control, for any reason except:
 - (a) Your death;
 - (b) Your Total Disability, as defined in the Long Term Disability Plan of Norfolk Southern Corporation and Participating Subsidiary Companies (or any plan that is successor or in addition thereto), as then in effect, and you begin to receive disability benefits pursuant to that plan;
 - (c) Your retirement pursuant to any Board-approved policy or plan, on the terms in effect immediately prior to the Change in Control, providing for mandatory retirement of certain personnel; or
 - (d) Cause.

- (S) Termination Date means the date specified in the Notice of Termination (hereinafter defined), provided, however, that if, prior to the Termination Date, the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the Termination, then the Termination Date shall be the date on which the dispute finally is determined, either by mutual written agreement of the parties, by a binding arbitration award or by a final judgment, order or decree of a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); and provided, further, that the Termination Date shall be extended by a notice of dispute only if such notice is given in good faith and the party giving such notice pursues the resolution of such dispute with reasonable diligence.

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For these purposes, any purported termination of your employment by the Corporation or by you shall be communicated by written Notice of Termination to the other party hereto, delivered in accordance with the caption concerning "Notice" in the Agreement. The Notice of Termination shall

- (i) indicate the specific Termination provision relied upon;
 - (ii) set forth in reasonable detail the facts and circumstances claimed to provide a basis for Termination under the provision(s) so indicated; and
 - (iii) shall specify the Termination Date, which:
 - (a) if the Termination is for Cause, shall be a date not less than thirty (30) days from the date the Notice of Termination is given; and
 - (b) if the Termination is not for Cause, shall be a date not less than fifteen (15) nor more than sixty (60) days after such Notice of Termination is given.
- (T) Vacation Equivalent is intended to compensate you for your unused vacation in the year of Termination and for one year of additional vacation; for these purposes, the term means the cash value attributable to the sum of
- (i) Your Current Vacation Equivalent - the number of full days of vacation for which you are eligible in the year that includes your Termination Date, determined using the more generous of the vacation policy as in effect (a) on your Termination Date or (b) on the day immediately preceding the date of the Change in Control, the number of such full days to be reduced by the number of full days of vacation you have taken prior to your Termination Date in the year that includes your Termination Date, multiplied by your Base Pay expressed as a daily rate on the basis of 261 business days per year; and
 - (ii) Your Additional Vacation Equivalent - the larger of the number of weeks, determined as of your Termination Date or as of January 1 of the year next following the year that includes your Termination Date (or, if greater, for which you would have been eligible on either date had the Corporation's vacation policy, as in effect on the day immediately preceding the date of the Change in Control, been in effect on either date) multiplied by your Base Pay expressed as a weekly rate.

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In return for this payment, you will have, and will be deemed to have, waived any and all rights you otherwise might have to receive payments in respect of vacation to which you would or may have been entitled in any years or years including or following that which includes your Termination Date.

Example:

Current Vacation Equivalent - In the year of your Termination, you are eligible for three (3) weeks' vacation; had the Corporation's vacation policy as in effect on the day prior to the Change in Control been continued, in the year that includes your Termination Date, you would have been eligible for five (5) weeks' vacation.

For purposes of determining the Current Vacation Equivalent, you are deemed to be eligible for five week's (25 business days') vacation.

If your Base Pay (the amount used to compute your Severance Pay) is \$100,000, it would be equivalent to \$383.14 per business day (\$100,000, divided by 261 business days).

If you have 17 business days of vacation remaining in the year that includes your Termination Date, your Current Vacation Equivalent would be \$6,513.38, in return for which you will be deemed to have waived any and all rights you otherwise might have to receive payments in respect of unused vacation to which you were entitled in the year that includes your Termination Date.

Additional Vacation Equivalent - Under the vacation policy in effect in the year of your Termination, you are eligible for three (3) weeks' vacation, and you would be eligible for four (4) weeks' vacation had you been employed on the following January 1; had the Corporation's vacation policy as in effect on the day prior to the Change in Control been continued, in the year that includes your Termination Date, you would have been eligible for five (5) weeks' vacation, and you would be eligible for five (5) weeks' vacation had you been employed on the following January 1.

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For purposes of determining the Additional Vacation Equivalent, you are deemed to be eligible for five weeks' vacation.

If your Base Pay (the amount used to compute your Severance Pay) is \$104,000, it would be equivalent to \$2,000.00 per week (\$100,000, divided by 52).

Accordingly, your Additional Vacation Equivalent would be \$10,000.00 (\$2,000.00, multiplied by five (5) weeks), in return for which you will be deemed to have waived any and all rights you otherwise might have to receive payments in respect of vacation to which you would have been entitled.

In this example, your Vacation Equivalent would be \$16,513.38 (the sum of your Current Vacation Equivalent and your Additional Vacation Equivalent).

Under the terms of the Agreement, only the portion of this payment that represents the value of your Current Vacation Equivalent will be used to calculate your final average compensation for pension benefit purposes.

SUPPLEMENTAL BENEFIT PLAN
OF
NORFOLK SOUTHERN CORPORATION
AND
PARTICIPATING SUBSIDIARY COMPANIES
(as last amended May 9, 1996)

ARTICLE I. INTRODUCTION

This Supplemental Benefit Plan ("Plan"), formerly the Excess Benefit Plan, was established by Norfolk Southern Corporation effective June 1, 1982, ("Effective Date") to provide retirement benefits to eligible employees in excess of those provided for by the Retirement Plan of Norfolk Southern Corporation and Participating Subsidiary Companies. This Plan is the successor to and supersedes, as of the Effective Date, the following plans:

Excess Benefit Plan of Norfolk and Western Railway Company
Southern Railway System Supplemental Retirement Plan
Norfolk and Western Railway Company Executives Contingent
Compensation Plan Pension Resolution

ARTICLE II. DEFINITIONS:

NSC	Norfolk Southern Corporation, a Virginia corporation.
Pension Committee	The Pension Committee of the Board of Directors of NSC.
Retirement Plan	Retirement Plan of Norfolk Southern Corporation and Participating Subsidiary Companies.
Member	A person entitled to participate in the Retirement Plan.
Participating Subsidiary	Each subsidiary or affiliated company of NSC which is a Participating Subsidiary in the Retirement Plan shall automatically participate in the Plan.
Participant	A Member of the Retirement Plan who is eligible to participate under Article III.
Deferred Compensation	Amounts the receipt of which a Participant elects to defer under the: <div style="padding-left: 40px;">Deferred Compensation Plan of Norfolk and Western Railway Company</div> <div style="padding-left: 40px;">Southern Railway System Executive, General or Middle Management Incentive Plan</div> <div style="padding-left: 40px;">Norfolk Southern Corporation Management Incentive Plan</div>

Norfolk Southern Corporation Officers' Deferred
Compensation Plan

NW Pension Resolutions Resolutions adopted by the Board of Directors of Norfolk and Western Railway Company at its meetings held on January 23, 1968, June 24, 1969, November 25, 1969, January 26, 1971, and April 23, 1974, authorizing the respective payments of additional pension benefits to five Members.

Average Final Compensation Compensation as defined in Article II of the Retirement Plan.

ARTICLE III. ELIGIBILITY

1. The following Members of the Retirement Plan shall be eligible to participate in the Plan on or after the Effective Date:
 - (a) Any Member of the Retirement Plan whose benefit computed under Article VI of the Retirement Plan without regard to the maximum limitation on benefits imposed by Section 415 of the Internal Revenue Code exceeds such maximum limitation on benefits;
 - (b) Any Member of the Retirement Plan whose benefit computed under Article VI of the Retirement Plan disregards amounts of Deferred Compensation in the computation of his Average Final Compensation;
 - (c) Any Member of the Retirement Plan entitled to receive a pension benefit, in excess of the benefit computed under the provisions of the Retirement Plan, pursuant to an NW Pension Resolution;
 - (d) Any Member of the Retirement Plan entitled to receive a pension benefit, in excess of the benefit computed under the provisions of the Retirement Plan, pursuant to a resolution adopted by the Board of Directors of NSC;
 - (e) Any Member of the Retirement Plan whose Compensation exceeds the limitation contained in Section 401(a)(17) of the Internal Revenue Code;
 - (f) Any Member protected by the Pension Benefits Standard Act of Canada whose benefit computed under Article VI of the Retirement Plan exceeds \$60,000; or

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SUPPLEMENTAL BENEFIT PLAN OF
NORFOLK SOUTHERN CORPORATION AND
PARTICIPATING SUBSIDIARY COMPANIES
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- (g) Any Member of the Retirement Plan entitled to receive a pension benefit in excess of the benefit computed under the provisions of the Retirement Plan, pursuant to the provisions of any agreement between a Participant and NSC providing benefits upon "Termination" of a Participant's employment following a "Change in Control" (as the terms "Termination" and "Change in Control" are defined in any such agreement).
2. Any participant of the Excess Benefit Plan of Norfolk and Western Railway Company or the Southern Railway System Supplemental Retirement Plan or any individual covered by the Norfolk and Western Railway Company Executives Contingent Compensation Plan Pension Resolution, dated September 24, 1968, shall become a Participant on the Effective Date.

ARTICLE IV. SUPPLEMENTAL BENEFIT

1. A Participant shall, upon retirement under the Retirement Plan, be entitled to receive a monthly benefit equal to the excess of

- (a) the monthly benefit under Article VI of the Retirement Plan if such benefit had been computed
 - (i) without regard to the limitation imposed by Section 415 of the Internal Revenue Code and provided for in Section 1 of Article VII of the Retirement Plan;
 - (ii) without regard to the limitation of Compensation imposed by Section 401(a)(17) of the Internal Revenue Code;
 - (iii) without regard to the \$60,000 limitation on benefits payable to Members protected by the Pension Benefits Standard Act of Canada;
 - (iv) by including in the calculation of Average Monthly Final Compensation amounts of Deferred Compensation, if any;
 - (v) by including service credits and applying any offsets provided for under any NW Pension Resolution, if any; and
 - (vi) by including the service credits and compensation to which a Participant is entitled pursuant to the provisions of any agreement providing the benefits described in Article III, Section 1(g), hereof, over
- (b) the monthly benefit actually payable under the Retirement Plan.

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SUPPLEMENTAL BENEFIT PLAN OF
NORFOLK SOUTHERN CORPORATION AND
PARTICIPATING SUBSIDIARY COMPANIES
(as last amended May 9, 1996)

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- 2. A Participant shall, upon retirement under the Retirement Plan, be entitled to receive a monthly benefit, in excess of the benefit otherwise payable under the Retirement Plan and in addition to any amount payable pursuant to Section 1 of this Article IV, in an amount so provided by a resolution adopted by the Board of Directors of NSC, if any.
- 3. Any survivorship option which has been elected or is in force under Article VIII of the Retirement Plan at the time of a Participant's death shall be deemed to have been elected or be in force under this Plan.
- 4. The payment of excess benefits under the Plan shall be made in a manner consistent with the provisions of the Retirement Plan, and shall continue for the same period of time.

ARTICLE V. FUNDING

The benefits under the Plan shall be paid in cash from the general funds of NSC or its Participating Subsidiary, and no special or separate fund shall be established or other segregation of assets made to assure such payments. Nothing contained in the Plan shall create or be construed to create a trust of any kind. To the extent that any person acquires a right to receive payments under the terms of the Plan, such right shall be no greater than the right of an unsecured creditor of NSC or its Participating Subsidiary.

ARTICLE VI. ADMINISTRATION

- 1. The Plan shall be administered by the Pension Committee, which is composed of three or more NSC directors appointed by the NSC Board who are not eligible to participate in the Plan and who shall serve at the pleasure of the Board. Each member of the Pension Committee,

while serving as such, shall be considered to be acting in his capacity as a director of NSC.

2. The Pension Committee shall from time to time adopt rules and regulations determined to be necessary to ensure the effective implementation of the Plan.
3. The Pension Committee shall have the power to interpret the Plan. Any disputed question arising under the Plan, including questions of construction and interpretation, shall be determined conclusively and finally by the Pension Committee.

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SUPPLEMENTAL BENEFIT PLAN OF
NORFOLK SOUTHERN CORPORATION AND
PARTICIPATING SUBSIDIARY COMPANIES
(as last amended May 9, 1996)

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ARTICLE VII. RIGHTS AND RESTRICTIONS

1. Participants in the Plan shall have only those rights in respect of the Plan specifically set forth herein.
2. This Plan shall not be deemed to constitute a contract between NSC or any Participating Company and any Participant or surviving spouse of a deceased Participant, nor shall it be construed to be consideration for or an inducement or condition of the employment of any Participant. Nothing contained herein shall be deemed to give any Participant the right to continued employment.
3. Benefits payable hereunder shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to accomplish any of these mentioned acts shall be void. Benefits shall not be subjected to attachment or other legal process or debts of the retired Participant or surviving spouse.

ARTICLE VIII. AMENDMENTS AND TERMINATIONS

The Plan may be amended at any time, and retroactively, if deemed necessary or appropriate, by any proper officer of NSC to effect changes which are, in his or her sole 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 NSC.

The Board or Directors of NSC, in its sole discretion, may at any time modify or amend any provisions of the Plan or may suspend or terminate the Plan, in whole or in part, but no such action shall retroactively impair or otherwise adversely affect the rights of any person to benefits under the Plan which have accrued prior to the date of such action, as determined by the Pension Committee.

/s/ Paul N. Austin

P. N. Austin
Vice President Personnel

NORFOLK SOUTHERN CORPORATION
DIRECTORS' CHARITABLE AWARD PROGRAM

Purpose	To promote the interests of Norfolk Southern Corporation and its Directors in supporting charitable and educational organizations, and to provide an additional source of funding for the Norfolk Southern Foundation (Foundation).
Eligibility	All Directors serving on, or elected after, February 1, 1996.
Contribution Amount	Directors serving on February 1, 1996: \$500,000; Directors elected after February 1, 1996: vest in 20% increments over a 5-year period in accordance with the attached table.
Eligible Organizations	<p>Educational, scientific, literary, cultural and other organizations with similar non-religious purposes, contributions to which are deductible for Federal income tax purposes (excluding a private foundation founded, maintained or operated by a Director or a member of the Director's immediate family).</p> <p>The Corporation reserves the right to decline to make a contribution to any organization, if (1) the contribution will not be deductible for Federal income tax purposes at the time it will be made, or (2) the Corporation in its sole discretion, exercised in good faith by persons other than Directors, determines that making a contribution to such organization will not be in the Corporation's best interest.</p>
Number of Charities	Each Director may nominate, on forms provided by the Corporation or its agent, up to five (5) Eligible Organizations to receive an aggregate amount up to the Contribution Amount following that Director's death. The Director may revoke any such nomination(s), make a new nomination or nominations, or modify the amount designated for any nominee at any time.
Payments	Following a Director's death, the Corporation will make ratable payments, in an aggregate annual amount not to exceed one fifth of the Contribution Amount, to each of the Eligible Organizations that, according to records maintained by the Corporation or its agent, were the deceased Director's nominees immediately prior to death. Amounts unpaid for reason of ineligibility will be paid prorata to the Director's other nominees, or if there are no other qualified nominees, then to the Foundation.

Funding	The Corporation will be the beneficiary of a \$1 million, corporate-owned joint-life insurance policy on each Director. Death benefits will be paid to the Corporation, and the Corporation will
---------	--

donate up to the Contribution Amount to no more than five Eligible Organizations nominated by the Director and the balance to the Foundation.

Termination The Corporation reserves the right, in its sole discretion, to alter, amend, modify or terminate the program at any time. However, in the event of a Change in Control of the Corporation (as defined on Attachment A), the Corporation immediately will donate in a lump sum the Contribution Amount in accordance with the then current nominations of each living Director and the amount of any unpaid Contribution Amount to eligible nominees of a deceased Director.

Administration The program will be administered by the Corporation's Corporate Secretary (or designated agent) whose interpretations and decisions will be final and binding on the Corporation and the Director.

[Table Annexed to Program Description]

DIRECTORS ELECTED
AFTER 2/1/96

Full Month of Service - - - - -	Contribution Amount -----
Less than 12	\$ 0
12-23	100,000
24-35	200,000
36-47	300,000
48-59	400,000
60 or more	500,000

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NORFOLK SOUTHERN CORPORATION
DIRECTORS' CHARITABLE AWARD PROGRAM
Effective February 1, 1996

EXHIBIT 10(j), Page 3 of 3

Attachment A
[to Directors' Charitable
Award Program]

For purposes of the Directors' Charitable Award Program, a Change in Control shall occur if:

- (i) any person, other than the Corporation or a Subsidiary Company* or any employee benefit plan sponsored by the Corporation or a Subsidiary Company, shall become the beneficial owner of, or obtain voting control over, 20% or more of the Corporation's outstanding Common Stock;
- (ii) the stockholders of the Corporation shall approve (A) any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of Common Stock

would be converted into cash, securities, or other property, other than a merger of the Corporation in which holders of Common Stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger as immediately before, or (B) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Corporation; or

- (iii) there shall have been a change in the composition of the Board of Directors such that within any period of two (2) consecutive years or less individuals who at the beginning of such period constituted such Board, together with any new directors whose election, or nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the directors then in office who were directors at the beginning of such period, shall for any reason no longer constitute a majority of the directors of the Corporation.

* "Subsidiary Company" means a corporation of which at least eighty percent (80%) of the total combined voting power of all classes of stock entitled to vote is owned, directly or indirectly, by the Corporation.

NORFOLK SOUTHERN CORPORATION

Directors' Pension Plan

- I. Effective Date: June 1, 1982, as last amended January 23, 1996,
----- to be effective June 1, 1996.
- II. Eligible Directors: -----
- (1) Each outside director of the Corporation who has served (i) in such capacity or (ii) in such capacity and as a director of Norfolk and Western Railway Company (NW) or Southern Railway Company (SR), while not also serving as an officer of NW or SR, for a total of at least five years, and retires on or after June 1, 1982, but before June 1, 1996, either
 - (a) at or after age 70, or
 - (b) because of sickness, disability or other inability to serve,
 shall be eligible to receive a retirement benefit ("Retirement Benefit") under this Plan as described in Section III (1) below.
 - (2) For the purposes of this Plan, an "outside director" shall be defined as a director of the Corporation who is not also an officer of the Corporation.
- III. Benefits: -----
- (1) Each Eligible Director who retires pursuant to Section II(1)(a) above shall receive annually for life a Retirement Benefit equal to the annual retainer in effect for outside directors at the time of retirement.
 - (2) Each Eligible Director who retires because of sickness, disability or other inability to serve shall receive annually for life a Retirement Benefit equal to a percentage of the annual retainer in effect for outside directors at the time of retirement, in accordance with the following schedule:

At least 5 but less than 6 years of service -	50%
At least 6 but less than 7 years of service -	60%
At least 7 but less than 8 years of service -	70%
At least 8 but less than 9 years of service -	80%
At least 9 but less than 10 years of service -	90%
10 or more years -	100%

- (3) The Retirement Benefit under this Plan shall be payable quarterly on or about the last day of the last month of each calendar quarter commencing with the quarter in which the director retires, and shall terminate with the payment for the quarter in which the retired director shall die.
- (4) Each Eligible Director may elect in writing at any time up to six months prior to retirement

hereunder to receive a Retirement Benefit under this Plan in the form of a joint and survivor annuity payable as a reduced Retirement Benefit to the director during life and after death to the surviving spouse during life in an amount, at the option of the director, equal to 50% or 100% of the reduced Retirement Benefit payable to the director. A director electing this option shall have the Retirement Benefit actuarially reduced to reflect the cost of this protection.

- IV. Director Each outside director of the Corporation serving on
Serving on June 1, 1996, shall have credited to an individual
June 1, 1996: memorandum account maintained pursuant to the Outside
----- Directors' Deferred Stock Unit Program the present
 value of his or her Retirement Benefit under the Plan
 as of May 31, 1996, calculated as if the director had
 retired on the expected retirement date and discounted
 to his or her present age using the PBGC plan
 termination rate of 4.5 percent, assuming the
 director did not elect a joint-and-survivor annuity
 and further assuming an annual pension benefit equal
 to the 1996 retainer of \$32,000. The present value
 of each such director's Retirement Benefit will be
 converted into stock units and fractions thereof
 (carried out to four decimal places) based on the
 mean of the high and low prices at which NS Common
 Stock traded May 9, 1996, as reported in the
 Composite Transactions for such date by THE WALL
 STREET JOURNAL. Thereafter, such outside director
 shall have no further benefit under this Plan.
- V. Miscellaneous: This Plan may be amended or terminated by the Board
----- of Directors of the Corporation.

NORFOLK SOUTHERN CORPORATION

Outside Directors' Deferred Stock Unit Program

- I. Effective Date: May 9, 1996 (effective at the Organization Meeting of the Board of Directors).
- II. Purpose: To align further each outside director's ownership interest in Norfolk Southern Corporation ("Corporation") with that of stockholders generally.
- III. Eligibility: Each outside director of the Corporation serving on the Effective Date and any such outside director whose term as director begins after the Effective Date ("Eligible Director"). For purposes of this Program, an "outside director" is a director who is not an officer of the Corporation or any of its subsidiaries.
- IV. Benefits: (1) Each Eligible Director shall be granted from time to time such deferred stock units (each such stock unit representing at the time of grant the value of one share of Norfolk Southern Corporation Common Stock) ("Stock Units"), as the Board of Directors may authorize. Each Eligible Director's Stock Units will be recorded in an individual memorandum account ("Account") maintained by the Corporate Secretary or designated agent. On each dividend payment date, an amount equivalent to the dividend paid on the Common Stock ("Dividend Equivalent") will be credited for each Stock Unit and each fraction thereof in the Account and converted into additional Stock Units and fractions thereof (rounded to four decimal places) based on the Fair Market Value of the Common Stock on the dividend payment date.
- For purposes of this Program, "Fair Market Value" on a particular date is the mean of the high and low prices at which the Common Stock is traded on such date as reported in the Composite Transactions for such date by The Wall Street Journal or, if Common Stock was not traded on such date, on the next preceding day on which the Common Stock was traded.

- (2) Each outside director of the Corporation serving on June 1, 1996, also shall have credited to the Account the number of Stock Units, including fractions thereof to which such director is entitled under the Norfolk Southern Corporation Directors' Pension Plan. Such Stock Units will be accounted for separately from any Stock Units credited under paragraph (1) above but will be treated the same in all other respects.

(3) Each Eligible Director will have a one-time irrevocable election for 60 days after the Effective Date, or, if later, 60 days after first becoming an Eligible Director to receive in cash any Stock Units in the Account either in a lump sum or in 10 annual installments upon leaving the Board of Directors for any reason. Failure to make a valid election will result in the Account being distributed in a lump sum. Separate elections will be made for Stock Units credited under paragraphs (1) and (2) above. A lump-sum payment will be valued based on the Fair Market Value of Common Stock on the last market day of the month following a director's termination of service and will be paid to an Eligible Director or beneficiary as soon as practicable thereafter. The first distribution under an election to receive installment payments will be made in January following the year in which the Eligible Director terminates service; Stock Units at any time remaining in the Account will be credited with Dividend Equivalents until the final installment has been paid. Each annual distribution will be valued based on the Fair Market Value of the Common Stock on the third business day after the date in January that the Corporation first makes publicly available its most recent regular annual financial statements. The first such installment will be an amount equal to one tenth of the total value of the Stock Units in the Account at that time; the second installment, one ninth of the remaining total value; the third installment, one eighth; and so forth, until the Account is depleted with payment of the tenth installment.

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NORFOLK SOUTHERN CORPORATION
Outside Directors' Deferred
Stock Unit Program

EXHIBIT 10(1), Page 3 of 3

(4) The Board of Directors may make such adjustments in the number of Stock Units as may be required by any change in the corporate structure or shares of the Corporation, including but not limited to, recapitalization, stock splits, stock dividends, combination or exchange of shares, mergers, consolidations, rights offerings, separations, reorganizations and liquidations.

V. Miscellaneous:

(1) Each Eligible Director may designate in writing the person or persons ("Beneficiary") who shall acquire the rights of the Eligible Director to the Account in the event of the Eligible Director's death before final distribution. In order to be effective, an Eligible Director's designation of a Beneficiary must be on file with the Corporate Secretary before the Eligible Director's death. Any such designation may be revoked and a new designation substituted therefor by the Eligible Director at any time before death.

If the named Beneficiary does not survive the Eligible Director, or if there is no named Beneficiary, then the rights with respect to an Eligible Director's Account shall be acquired by the person or persons who shall acquire the Eligible Director's rights to the Account by

bequest or inheritance in accordance with the applicable laws of descent and distribution.

(2) This Program may be amended or terminated by the Board of Directors of the Corporation at any time; however, no such amendment or termination shall deprive an Eligible Director of any Stock Units previously credited to his or her Account.

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
COMPUTATION OF PER SHARE EARNINGS
(In millions except per share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1996	1995	1996	1995
	-----	-----	-----	-----
Computation for Statements of Income				

Net income per statements of income	\$ 199.5	\$ 181.2	\$ 367.6	\$ 351.9
	-----	-----	-----	-----
Weighted average number of shares outstanding	126.9	131.5	127.6	132.0
	-----	-----	-----	-----
Primary earnings per share	\$ 1.57	\$ 1.38	\$ 2.88	\$ 2.67
	=====	=====	=====	=====
Additional Primary Computation				

Net income per statements of income	\$ 199.5	\$ 181.2	\$ 367.6	\$ 351.9
	-----	-----	-----	-----
Adjustment to weighted average number of shares outstanding:				
Weighted average number of shares outstanding per primary computation above	126.9	131.5	127.6	132.0
Dilutive effect of outstanding options, stock appreciation rights (SARs) and performance share units (PSUs) (as determined by the application of the treasury stock method) (1)	1.5	1.2	1.4	1.2
	-----	-----	-----	-----
Weighted average number of shares outstanding, as adjusted	128.4	132.7	129.0	133.2
	=====	=====	=====	=====
Primary earnings per share, as adjusted (2):				
Net income	\$ 1.55	\$ 1.37	\$ 2.85	\$ 2.64
	=====	=====	=====	=====

(1) See Note 12 of Notes to Consolidated Financial Statements in Norfolk Southern's 1995 Annual Report on Form 10-K for a description of the Long-Term Incentive Plan.

(2) These calculations

are submitted in accordance with Regulation S-K item 601(b)(11) although not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because they result in dilution of less than 3 percent.

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
COMPUTATION OF PER SHARE EARNINGS
(In millions except per share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1996	1995	1996	1995
	-----	-----	-----	-----
Fully Diluted Computation				

Net income per statements of income	\$ 199.5	\$ 181.2	\$ 367.6	\$ 351.9
Adjustment to increase earnings to requisite level to earn maximum PSUs, net of tax effect	20.8	13.1	38.4	25.4
	-----	-----	-----	-----
Net income, as adjusted	\$ 220.3	\$ 194.3	\$ 406.0	\$ 377.3
	=====	=====	=====	=====
Adjustment to weighted average number of shares outstanding, as adjusted for additional primary calculation:				
Weighted average number of shares outstanding, as adjusted per additional primary computation on page 1	128.4	132.7	129.0	133.2
Additional dilutive effect of outstanding options and SARs (as determined by the application of the treasury stock method using period end market price)	--	0.1	0.1	0.1
Additional shares issuable at maximum level for PSUs	--	0.1	--	0.1
	-----	-----	-----	-----
Weighted average number of shares, as adjusted	128.4	132.9	129.1	133.4
	=====	=====	=====	=====
Fully diluted earnings per share (3):	\$ 1.72	\$ 1.46	\$ 3.14	\$ 2.83
	=====	=====	=====	=====

- (3) These calculations are submitted in accordance with Regulation S-K item 601(b)(11) although they are contrary to paragraph 40 of APB Opinion No. 15 because they produce an anti-dilutive result.

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