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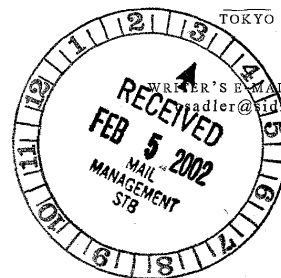
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February 5, 2002



Via Hand Delivery - Original and 10 Copies

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: STB Finance Docket No. 33928, *Norfolk Southern Corporation and Norfolk Southern Railway Company* - Construction and Operation - In Indiana County, PA: Norfolk Southern Reply to Comments on Application

Dear Secretary Williams:

On behalf of Applicants Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") in the above-referenced docket, I am submitting an original and ten copies of Norfolk Southern's "Reply to Comments on Application" pursuant to 49 C.F.R. §1150.10(h) and in accordance with the Surface Transportation Board's notice of filing of application and request for public comments, service date January 22, 2002, in this docket.

Please contact me if you have any questions.

Respectfully submitted,

Constance A. Sadler

cc: Joseph Dettmar
Victoria Rutson
Phillis Johnson-Ball

ENTERED
Office of the Secretary

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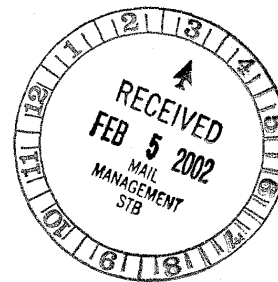
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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 33928

**NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONSTRUCTION AND OPERATION --
IN INDIANA COUNTY, PA**

REPLY TO COMMENTS ON APPLICATION



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The only comment filed in this docket in response to the December 27, 2001 application for construction and operation of a rail line ("Application") by Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern" or "NS") is a January 29, 2002 letter from Francis L. Olliver, a landowner along the route of the proposed rail line. Mr. Olliver focuses his comments on the private benefits that will accrue to NS from completion of the project, but he ignores the substantial public benefits in expanded capacity and competition, safety, environmental and operational efficiency that are the hallmarks of the proposal.

As a preliminary matter, Mr. Olliver's comments are premised on the misunderstanding that the existing route, referred to as the "Northern Route", can be upgraded and expanded in an economically efficient manner. It cannot. NS does not own much of the existing Northern Route that it currently uses to serve the Keystone Generating Plant ("Keystone Plant") at Shelocta, Pennsylvania, and thus does not control the improvements that would be required to be made to that route. Indeed, the Northern Route is comprised of portions of rail lines owned or operated

by several railroads and which NS accesses through various contractual arrangements. Even if NS did own and control the whole of the Northern Route, however, NS explains in the Application that the existing route simply cannot be expanded to accommodate the substantial increase in rail traffic capacity required to satisfy the needs of the Keystone Plant for rail-delivered coal. That rail traffic volume can only be handled through the construction of the Southern Route. Moreover, as described in the Application, NS evaluated the existing Northern Route and other potential new routes and determined that the environmental, engineering and operating efficiency aspects of the Southern Route are superior to other options.

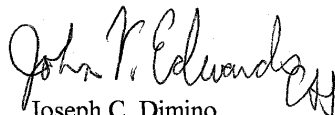
Mr. Olliver objects to the project in part because of the potential loss of trucking jobs in the local community that may occur as a result of the diversion of a substantial amount of truck-delivered coal in favor of the increased rail transport of coal to the Keystone Plant. As is set forth in the Application, each trainload of coal operated over the Southern Route in excess of current rail shipments replaces nearly 600 truckloads required to transport the same quantity of coal to the Keystone Plant. The adverse safety and environmental impacts of these trucks operating daily on the streets of the local community would be avoided. Even without the diversion, operations at current traffic levels over the Southern Route would have a significant safety and environmental beneficial effect when compared to operations over the Northern Route. Compared to the Northern Route, the Southern Route would allow for more efficient rail operations, requiring fewer trains, each requiring less locomotive power to haul 30% more carloads, operating over fewer route miles and lower grades and crossing substantially fewer at-grade crossings. In addition, the added coal transport capacity that makes greater truck/rail competition possible

(which is not present on the existing Northern Route due to the capacity constraints on the line) and further opens new coal markets available to the Keystone Plant is an added public benefit that Mr. Olliver ignores by painting this proposal as only to the private benefit of Norfolk Southern.

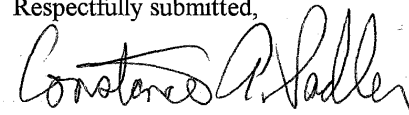
Mr. Olliver further complains that NS had available to it rights under state law to exercise eminent domain over portions of his property. The eminent domain rights, however, arise under Pennsylvania state law, not Federal law. Similar rights have long been an integral part of nearly every state's basic legal foundation and are fundamental to the historical development of rail lines throughout the United States. Although Pennsylvania's eminent domain statute provides a mechanism that would have permitted NS to acquire a portion of the Olliver property, the Olliver property was not in fact acquired by eminent domain. After Mr. and Mrs. Olliver negotiated a sales price with NS, they executed a deed for the property, and an initial declaration of taking filed by NS was withdrawn. Even if NS had exercised its rights under Pennsylvania law for the acquisition of land, that right is not subject to review by the STB in this proceeding and the existence of such right under state law would not provide any basis for denying the Application.

CONCLUSION

The comments of Francis L. Olliver do not provide a basis for the Board to deny authorization pursuant to 49 U.S.C. 10901(b) for the construction and operation by Norfolk Southern of a new line of railroad as requested in the Application. Moreover, the issues raised by Mr. Olliver in his comments do not warrant imposition by the Board of conditions to approval of the Application.


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Respectfully submitted,


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Attorneys for Norfolk Southern Corporation
and Norfolk Southern Railway Company

Dated: February 5, 2002

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of February, 2002, I have caused to be served a true and correct copy of the foregoing "Reply to Comments on Application" filed by Norfolk Southern Corporation and Norfolk Southern Railway Company in Finance Docket No. 33928 to the persons on the attached list by first-class mail or more expedient service.

A handwritten signature in black ink, appearing to read "Constance A. Sadler", written over a horizontal line.

Constance A. Sadler

Dated: February 5, 2002

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