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SERVICE DATE - AUGUST 31, 1998

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33648]

Norfolk Southern Railway Company--Merger Exemption--Norfolk and Western Railway Company

Norfolk Southern Railway Company (NSR),¹ has filed a notice of exemption to merge Norfolk and Western Railway Company (NWR)² into NSR.

The transaction is expected to be consummated on or shortly after September 1, 1998. The transaction will simplify NSR's corporate structure and eliminate costs associated with separate accounting, tax, bookkeeping and reporting functions.

Because the parties are members of the same corporate family, and the merger will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers operating outside the corporate family, the transaction qualifies for the class exemption at 49 CFR 1180.2(d)(3).

As a condition to the use of this exemption, any employees adversely affected by the transaction will be protected by the conditions set forth in New York Dock Ry.--Control--Brooklyn Eastern Dist., 360 I.C.C. 60, 84-90 (1979).

¹ NSR is a Class I rail carrier, which is controlled through stock ownership by Norfolk Southern Corporation, a noncarrier holding company.

² NW is Class I rail carrier, and is a wholly owned direct subsidiary of NSR. Once NW is merged into NSR, its separate corporate existence will cease.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33648, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on James A. Squires, Three Commercial Place, Norfolk, VA 23510-9241.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: August 24, 1998.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary