

NS Capacity in the Northeast

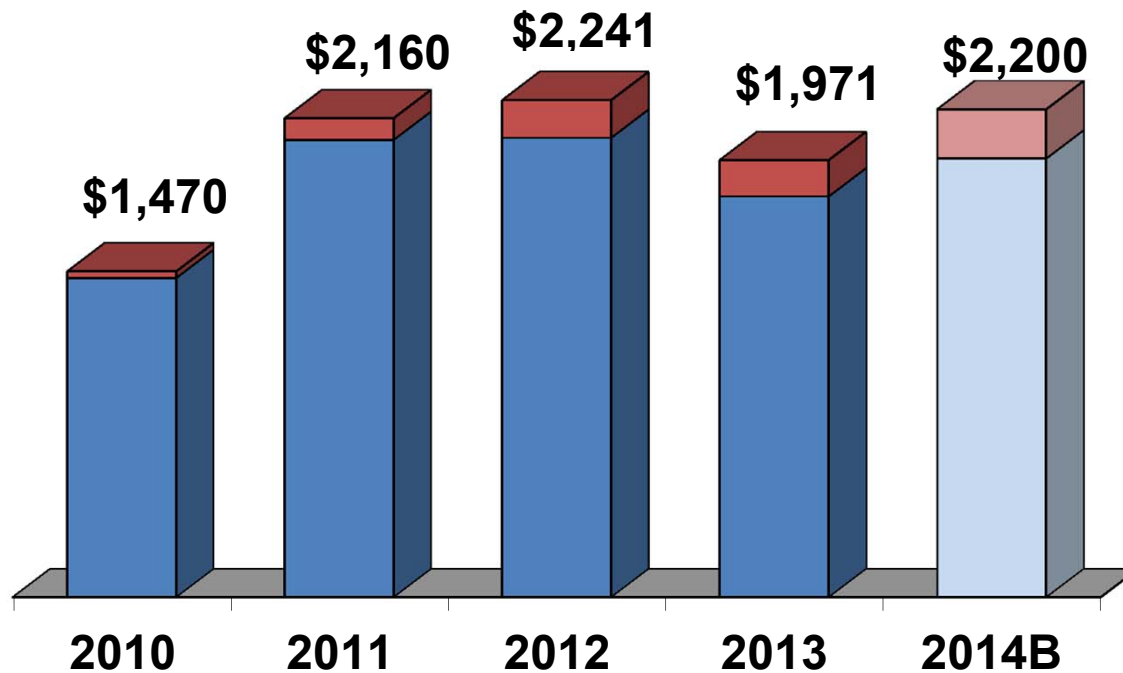
NEARS Fall Meeting
October 2, 2014
State College, Pennsylvania



2014 Capital Expenditures

(\$ millions)

Robust Capital Plan - \$2.2 billion.



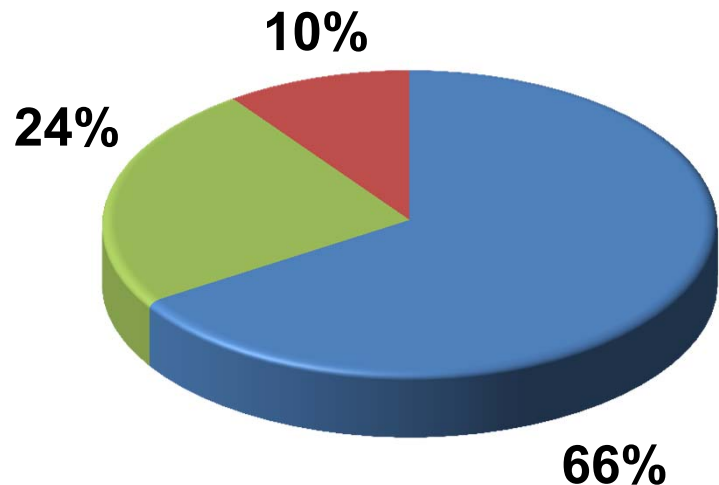
■ Positive Train Control

- 2013 spending came in slightly under our initial budget
- 2014 is budgeted to be 12% higher than 2013
- PTC spending expected to be \$220 million

2014 Capital Improvement Budget

Core vs. Growth vs. PTC

Maintain the franchise, invest in business growth.



Core/Replacement Investments

- Rail, Tie, Ballast programs
- Locomotive rebuild program
- Coal car replacements

Growth/Productivity Investments

- New locomotives
- Yard expansions
- Technology
- Infrastructure improvements

Positive Train Control

2014 Capital Improvement Budget

(\$ millions)

Total budget = \$2.2 billion.

- Roadway \$910
- Locomotives \$300
- Freight Cars \$250
- PTC \$220
- Facilities/Terminals \$210
- Technology \$70
- Infrastructure \$50
- Other Projects \$190



Bellevue: A Game Changer

- **\$161.7 million project, to be complete 4Q14/1Q15**
 - **38.5 miles of new track**
 - **149 turnouts**
 - **162 new power switches**
 - **3 new buildings (11,340 square feet)**
 - **10.4 miles of new service roads**
- **Creates additional capacity at Elkhart and Conway**
- **When complete, Bellevue will be the second largest production yard in the United States**

Pennsylvania Capacity Investments

- **Conway Yard Expansion**
 - **\$6.6 million**
- **West Harbor Siding Extension**
 - **\$4.5 million**
- **Eddystone Siding**
 - **\$2.5 million**
- **Abrams Power Crossover**
 - **\$1.2 million**
- **West Falls Track Realignment**
 - **\$2.9 million**

New Jersey Capacity Investments

- **Royce Runner**
 - **\$13.4 million**
- **West Siding**
 - **\$2.4 million**
- **Tremley Siding**
 - **\$2.1 million**
- **Westville Siding (Conrail)**
 - **\$3.9 million**
- **Thorofare Crossover (Conrail)**
 - **\$0.3 million**

Delaware Capacity Investments

- **Tasker Siding I, II and III**
 - **\$10.7 million**
- **Porter Diamond**
 - **\$2.8 million**
- **New Castle Secondary Track and Signal Upgrade**
 - **\$9.4 million**

T&E Hiring

- 2014 YTD 1,100
- 2014 Total 1,600
- 2015 Projected 1,600
- <http://www.nscorp.com/content/nscorp/en/careers-at-norfolk-southern/job-openings.html>



**KEEP
CALM
WE ARE ALL
IN THIS
TOGETHER**



**NS NORFOLK
SOUTHERN**
One line, infinite possibilities.



THANK YOU

