FILE NAME: NS

DATE: 2000 NS003

DOC#: NS003

DOCUMENT DESCRIPTION: Company History from NS Website

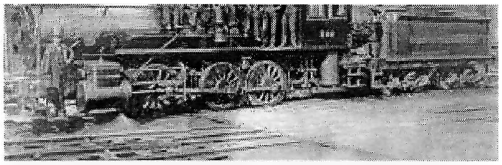
FILE NAME: Norfolk & Southern (NS)

DATE: 2000

DOC#: NS003

DOCUMENT DESCRIPTION: Company History from NS Website

Quincy, Mass., in 1826 to carry granite blocks for the Bunker Hill Monument near Boston.



A Class H6a locomotive from the 1800s (click for larger image)

Perhaps Conrail's best-known predecessor, however, was the Pennsylvania Railroad (PRR), incorporated in 1846. The PRR began as a line from Philadelphia to Pittsburgh, with its first train pulled by a wood-burning "Mifflin" locomotive.

In 1854, PRR completed a marvel in rail construction - Horseshoe Curve near Altoona, Pa. Accomplished via a 12-mile track through the Allegheny Mountains, this landmark was the first linking of the East Coast and the Midwest.

The importance of PRR's passenger business continued to grow when, in 1910, the railroad opened Pennsylvania Station to facilitate efficient rail transportation from the island of Manhattan to outlying points. In the 1930s, PRR continued to modernize by electrifying most of its mainline trackage east of Harrisburg, Pa.

During WWII, PRR's freight traffic doubled, passenger traffic tripled, and few would quarrel with the line's moniker "The Standard Railroad of the World." But after the war, PRR began a slow decline resulting from decreased passenger traffic and other economic strains. In the mid-1960s, PRR served some 13 states on 9,500 miles of railroad.

PRR locomotive built in 1918 (click for larger image)

In 1968, PRR tried to halt its deterioration by merging with rival New York Central to form Penn Central. But there was no stopping the effect of soaring costs and declining traffic. Penn Central declared bankruptcy in 1970.

Competition from trucks, shifts in the economy and the effects of a regulated rail industry ultimately took their toll on all the northeastern railroads. One by one, they fell into bankruptcy. First it was Central Railroad of New Jersey, followed by Penn Central, Lehigh Valley, Reading, Erie Lackawanna and, finally, Lehigh & Hudson River.

In 1976, Congress stepped in to create Consolidated Rail Corporation - Conrail - out of the remains of those six railroads.

In 1980, relief in the competitive arena was on the way with passage of the Staggers Rail Act, which cleared the way for railroads to compete in the marketplace like other businesses. In 1981, Conrail had the first profitable year in its history.

The Northeast Rail Service Act mandated that Conrail be returned to the private sector when profitability was restored. By 1985, 14 potential buyers had submitted bids for Conrail, and the Department of Transportation endorsed Norfolk Southern as the winning bidder.

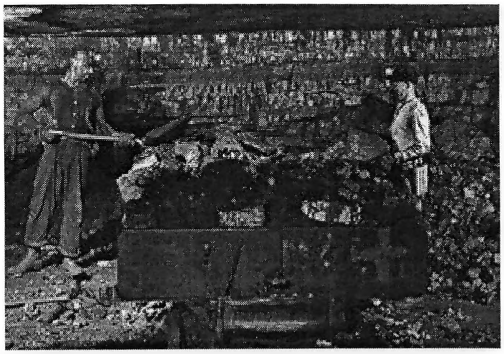
The government ultimately opted to sell the railroad through a public offering, however, and in 1987 did so through what at the time was the largest initial public stock offering in the nation's history, totaling more than $1.8 billion.

Conrail's prosperity continued as did its appeal to the major railroads in the East because of its access to the populous Northeast and its busy ports.

On June 23, 1997, Norfolk Southern and CSX Corp. filed a joint application with the Surface Transportation Board (STB) for authority to operate the routes and assets of Conrail. In mid-1998, the STB approved the Norfolk Southern-CSX application and set Aug. 22, 1998, as the effective date of its decision.

As a result of the transaction, Norfolk Southern's rail operations grew to include some 7,200 miles of the Conrail system (predominately the former PRR), creating balanced rail transportation in the East to benefit customers and communities alike.

Pocahontas Land Corporation



Loading coal in a mine near Premier, W.Va., in 1944 (click for larger image)

Norfolk Southern traces its roots as a coal carrier and developer of natural resources to 1883, when Norfolk and Western Railway carried the second shipment of coal from the Pocahontas coalfields to the mayor of Norfolk, Va.

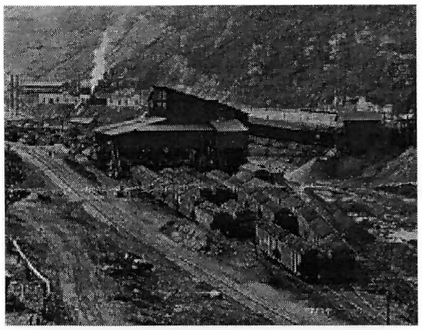
As the availability and fame of high-quality Pocahontas coal increased, economic forces escorted King Coal to its throne. Land begat coal, coal begat money and money begat people. Coal operators and their minions settled dozens of towns in southern West Virginia, and in the next few years, as coal demand swelled, some of them amassed fortunes.

The countryside was soon sprinkled with tipples, coke ovens, houses for workers, company stores and churches. In the four decades before the Crash of 1929 and subsequent Depression, these coal towns flourished. One example was the small community of Bramwell, W.Va., which in its heyday boasted the highest per capita concentration of millionaires in the country.

In 1885, several small mining companies representing about 400,000 acres of coal reserves grouped together to form the coalfields' largest landowner, the Philadelphia-based Flat-Top Coal Land Association. Norfolk and Western Railway bought the Association and reorganized it as the Pocahontas Coal and Coke Co., which it later renamed Pocahontas Land Corp.

Today, Norfolk Southern's natural resources subsidiary owns or manages some 1.2 million acres of coal, natural gas and timber resources in Alabama, Tennessee, Illinois, Kentucky, Virginia and West Virginia. Pocahontas Land monitors mining operations to ensure maximum recovery of its reserves, which are high-quality, low-sulfur coal.

The company is a national leader in promoting safe, efficient and environmentally sound resource management practices.



A Pocahontas Fuel Co. mine at Yukon, W.Va., in November 1932 (click for larger image)

Investors | Doing Business | Employees | Journalists | Help Desk | About NS | What's New | Search | Home

A perennial leader in operating efficiency, NW aimed to provide "Precision Transportation" and justifiably asserted the promotional slogan, "There's No Stopping Us."

Southern Railway

Southern Railway is the product of nearly 150 predecessor lines that were combined, reorganized and recombined since the 1830s.

The nine-mile South Carolina Canal & Rail Road Co., Southern's earliest predecessor line, was chartered in December 1827 and ran the nation's first regularly scheduled passenger train - the wood-burning "Best Friend of Charleston" - out of Charleston, S.C., on Christmas Day 1830. By 1833, its 136-mile line to Hamburg, S.C., was the longest in the world.

As railroad fever struck other Southern states, networks gradually spread across the South and even across the Allegheny Mountains. Charleston and Memphis, Tenn., were linked by 1857, although rail expansion halted with the start of the Civil War.

Known as the "first railroad war," the Civil War left the South's railroads and economy devastated. Most of the railroads, however, were repaired, reorganized and operated again. In the area along the Ohio and Mississippi rivers, construction of new railroads continued throughout Reconstruction.

Southern Railway, as it came into existence in 1894, was combination of the Richmond & Danville system and the East Tennessee, Virginia & Georgia Railroad. The company owned two-thirds of the 4,400 miles of line it operated, and the rest was held through leases, operating agreements and stock ownership.

Southern also controlled the Alabama Great Southern and the Georgia Southern and Florida, which operated separately, and it had an interest in the Central of Georgia.

Sameul Spencer

Southern's first president, Samuel Spencer, drew more lines into Southern's core system. During his 12-year term, the railway built new shops at Knoxville, Tenn., and Atlanta, and purchased more equipment. He moved the company's service away from an agricultural dependence on tobacco and cotton and centered its efforts on diversifying traffic and industrial development.

By the time the line from Meridian, Miss., to New Orleans was acquired in 1916 under Southern's president Fairfax Harrison, the railroad had attained the 8,000-mile, 13-state system that marked its territorial limits for almost half a century.

The Central of Georgia became part of the system in 1963, and the former Norfolk Southern Railway Co. was acquired in 1974.

Southern and its predecessors were responsible for many firsts in the industry. Its predecessor, the South Carolina Canal & Rail Road Co., was the first to carry passengers, U.S. troops and mail on steam-powered trains, and it was the first to operate at night. In 1953, Southern Railway became the first major railroad in the United States to convert totally to diesel-powered locomotives, ending its rich history in the golden age of steam.

From dieselization and shop and yard modernization, to computers and the development of special cars and the unit coal train, Southern often was on the cutting edge of change, earning the company its catch phrase, "The Railway System that Gives a Green Light to Innovations."

Conrail

Conrail traces its history back to the Granite Railway Co., the first commercial railroad in America. It was built in Quincy, Mass., in 1826 to carry granite blocks for the