



Norfolk Southern Corporation
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Michael R. McClellan
Vice President
Industrial Products

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Dear NS Customer:

In a separate notification, you will receive details on changes that NS will be making to various Demurrage, Accessorial and Switching Tariffs. I would like to take this opportunity to summarize the changes and the reasoning for each.

Regarding NS' Demurrage and Storage Rules and Charges Tariff, NS 6004-D, the primary change will be to gradually reduce Empty Private Car Storage (EPCS) credits from five credits to two over the course of the next 10 months. These changes are effective December 1, 2017 and full implementation to two free days will occur on June 1, 2018.

Offsetting this reduction in free time will be expanded flexibility with regard to our administration and credit calculations for storage. First, our dispute for monthly storage charges will move from five days from the actual dispute date to five days after the close of the month. Second, credit days for loading and unloading of private cars will be combined. We believe that both of these changes better reflect the operational and administrative realities in most of our customer operations, while providing customers with an opportunity for offsetting savings on their monthly private car storage charges.

NS is making these changes to sharpen our focus on ways to reduce excessive dwell time on our tracks and in our terminals, to improve network fluidity, and to improve customer operational and administrative efficiency. Even after these changes go into effect, NS will remain among the most competitive storage providers in the industry.

The second area of changes that we will be making involves Accessorial Services Tariff, NS 8002-A. Specifically, we will be consolidating the multiple charges currently incurred for overloads and improperly loaded cars into a single charge. The instances of these events are minimal, and this will reduce the administrative burden in the event that they do occur.

Finally, we will be making some minor changes to our Conditions of Carriage Tariff and our Switching Tariff (NS 8001-A) that are intended to clarify and update these documents.

We have given these changes careful consideration and believe that all of them will provide a more efficient interface between NS and our customers, while making some progress in reducing the administrative burden associated with accessorial charges. We believe that these changes will also positively impact our ultimate goal of improving the level of service that we provide to all of our customers.

The details of these changes are attached. Please contact your NS representative with questions and discuss any ideas for changes that can be implemented in advance of the new policy.

Sincerely,

Mike McClellan
Vice President Industrial Products
Norfolk Southern Corporation