



August 1, 2003

Dear Customer:

Norfolk Southern Railway Company (NS) has modified its credit policy to include a finance charge for freight bills which remain unpaid and undisputed beyond credit terms. Your credit period of 15 days remains unchanged; however, commencing October 1, 2003, daily finance charges will begin to accrue on bills that are unpaid and undisputed beyond terms.

The date a freight bill is due is calculated as the invoice date plus credit terms or 15 days. The first bill for finance charges will be issued November 3, 2003 and will cover finance charges accruing during October. The finance charge will be assessed at an annual rate of 12% (1% per month), or 0.0329% per day for each day a bill remains unpaid and undisputed beyond credit terms.

To allow customers accruing finance charges time to prepare for this change and to give them an opportunity to review their account, a sample Finance Charge Statement will be issued in September. The sample statement, which will be mailed to the customer's freight payment location, will detail any freight bills that were unpaid and undisputed beyond credit terms for the prior month along with the finance charge amount that would have been assessed.

There are ways to prevent finance charges. First, confirm that your current payment procedure allows for payment in 15 days. Second, promptly dispute any bill that you believe to be in error and NS will suspend the charge while we investigate the dispute. Finally, if you have not already done so, implement electronic billing and electronic payment (Electronic Funds Transfer) or join our ACH (Automated Clearing House) draft plan. Customers paying via the ACH draft plan will be exempted from finance charges.

For your convenience, we are posting the attached list of Frequently Asked Questions regarding the finance charge and additional information about electronic billing, electronic payment, and the ACH draft on our website at www.nscorp.com. If you have any questions regarding the finance charge or our billing or payment options, please contact your NS Customer Account Representative whose name, telephone number and email address are shown on your freight bill.

Thank you for choosing the Thoroughbred for your transportation needs.

A handwritten signature in black ink that reads "J. K. Sublett". The signature is written in a cursive, flowing style.

Judy Sublett
Assistant Treasurer and Credit Manager