

NORFOLK SOUTHERN COMPLETES ACQUISITION OF DELAWARE & HUDSON SOUTH LINE— POSITIVE NEWS FOR RAIL SHIPPERS AND COMMUNITIES

Norfolk, Va. (September 18, 2015)—Norfolk Southern Corporation today completed the acquisition of [282 miles](#) of the Delaware & Hudson Railway Co.'s (D&H) line between Sunbury, Pa., and Schenectady, N.Y., a \$214.5 million transaction that increases options for rail carriers and supports jobs in Pennsylvania, New York, and New England. D&H is a subsidiary of Canadian Pacific (CP).

"The D&H South Line integrates perfectly into our 22-state rail system, and it allows NS to connect businesses along this important economic corridor with a rail transportation system that's a top performer in safety and efficiency," said NS President and CEO James A. Squires. "Our acquisition will make NS a more competitive transportation option between Pennsylvania, New York, and New England."

CP will cease operations on the corridor this evening, and NS is scheduled to start operations at 12:01 a.m. Saturday. The transaction, first proposed in November 2014, received U.S. Surface Transportation Board approval in May 2015.

The acquired lines connect with NS' network at Sunbury, Pa., and Binghamton, N.Y., and they provide NS single-line routes from Chicago and the southeastern United States to Albany, N.Y., and NS' intermodal terminals in Scranton, Pa., and Mechanicville, N.Y. NS also gains an enhanced connection to its joint venture subsidiary Pan Am Southern, which serves New England markets. Additionally, NS has acquired D&H's car shop in Binghamton along with other facilities along the corridor.

As part of the transaction, NS will retain and modify overhead trackage rights on the line between Schenectady, Crescent, and Mechanicville, N.Y., as well as Saratoga Springs, N.Y.

NS has hired about 150 former D&H employees who have experience working in this corridor.

Track crews from NS are scheduled to perform routine maintenance in the corridor, and NS plans in 2016 to add new ties and resurface 40 miles of track and install 14 miles of new curved rail.

"This acquisition is a sign of NS' confidence in the economic potential of northeastern Pennsylvania, New York's Southern Tier, and New England," said John Friedmann, NS vice president of strategic planning. "Our commitment to enhancing the D&H South Line will preserve good-paying railroad jobs and generates excitement at NS about future economic growth in the region."

About Norfolk Southern

Norfolk Southern Corporation (NYSE: NSC) is one of the nation's premier transportation companies. Its Norfolk Southern Railway Company subsidiary operates approximately 20,000 route miles in 22 states and the District of Columbia, serves every major container port in the eastern United States, and provides efficient connections to other rail carriers. Norfolk Southern operates the most extensive intermodal network in the East and is a major transporter of coal, automotive, and industrial products