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W. Bruce Wingo
Resident Vice President
Government Relations

February 28, 2007

The Honorable Susan Clarke Schaar
Clerk of the Senate of Virginia
Post Office Box 396
Richmond, Virginia 23218

Dear Susan:

Enclosed is Norfolk Southern Corporation's 2006 annual coal dust report as requested in SJR 257 (1997).

The report highlights Norfolk Southern's continuing efforts to identify and mitigate coal dust emissions from our rail corridors and facilities throughout the Commonwealth.

If you have any questions or comments, please do not hesitate to contact Mr. Richard P. Russell, System Director of Environmental Protection at (540) 981-4456.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Bruce Wingo". The signature is fluid and cursive, with a large loop at the end.

W. Bruce Wingo

Enclosure

Copies: The Honorable Bruce F. Jamerson, Clerk of the House of Delegates w/e ✓
Mr. R. P. Russell, Norfolk Southern Corporation

**ANNUAL REPORT TO THE
JOINT SUBCOMMITTEE STUDYING MEASURES TO REDUCE
EMISSIONS FROM COAL-CARRYING RAILROAD CARS
PER SENATE JOINT RESOLUTION NO. 257**

Submitted by

Norfolk Southern Corporation
Environmental Protection Department
Roanoke, VA

February 2007

Summary of Key Accomplishments in 2006

- Norfolk Southern's Performance Monitoring Plan remains fully implemented.
- The Trackside Monitor in Altavista, VA. continues to monitor trains headed for the Tidewater area providing timely and valuable feedback to the mines participating in Norfolk Southern's coal dust reduction program.
- The 1-800 dusting report line continues to be available to record any complaints from persons and businesses located in the rail corridors through which Norfolk Southern transports coal. In 2006, there was only one complaint logged from Virginia.
- Monitoring of Total Suspended Particulate (TSP) and very fine particulate (PM-10) near Lamberts Point in Norfolk, VA continues to demonstrate compliance with DEQ ambient air quality standards.
- Norfolk Southern provides timely feedback to the coal mines served, including the relative success or failure of their preventive measures to reduce fugitive emissions.
- Norfolk Southern continues to work with those mines that continue to be identified as not meeting the Performance Monitoring Plan's dust control standards by conducting periodic audits of the mines to ensure optimal performance.
- Norfolk Southern is using the "Six-Sigma" Continuous Improvement Process for evaluating its current mitigation program. Process mapping of its mitigation techniques and gauge evaluation studies were continued in 2006 to ensure the best use of the available dust prevention resources.

In accordance with the 1997 Virginia Senate Joint Resolution No. 257, Norfolk Southern (NS) summarizes the efforts to identify and mitigate fugitive coal dust emissions from its rail corridors and facilities in the Commonwealth during the calendar year 2006. This report illustrates

Norfolk Southern's compliance with the resolution and its commitment to protect the environment.

2006 Review

Performance Monitoring Plan

The Performance Monitoring Plan is NS's strategy for monitoring the effectiveness of coal treatments by participating mines and for identifying additional mines that may be encouraged to participate in the dust control program. The major components of the Performance Monitoring Plan currently implemented are:

- Trackside Monitor -- Altavista, VA
- 1-800 Dusting Report Line
- Community Air Quality Monitoring at Lamberts Point in Norfolk, VA

The multi-component approach established by NS is designed to provide continuous and unbiased feedback on the performance of its dust control program with the Trackside Monitors and 1-800 line.

NS has implemented full automation of train tracking by providing improved access to NS's data base including the Coal Transportation Management System.

Norfolk Southern will continue the Performance Monitoring Plan in 2007. Norfolk Southern will, as it has done in the past, work to expand mine participation should the Trackside Monitors or the 1-800 Dusting Report Line identify significant new sources. Norfolk Southern will also continue to participate, as needed, in the evaluation of advanced dust control agents for use in the coal dust treatment program.

Trackside Monitor -- Altavista, VA

The Trackside Monitor at Altavista monitors both trains bound for export through Lamberts Point as well as those destined for regional domestic coal consumers.

A continuing goal is to reduce the time taken to alert the mines of any evidence of treatment failure and thus to enable prompt corrective measures, if necessary.

NS develops a report for each dusting train that passes the Trackside Monitor. Each mine's shipment is graded (A – E) and a summary table identifies the originating mine believed responsible for the dust signal as well as those shipments that appear to have no coal dust emissions.

In 2006, the Altavista Trackside Monitor reported that 62% of the trains produced little measurable dust (<25 micrograms per cubic meter). The average of the dust signals produced by the remaining 38% (down from 45% in 2005) of the trains remained below 100 micrograms per cubic meter. Maintaining a < 100 micrograms per cubic meter average intensity of dusting events is the most likely reason for the continued low number of 1-800 reports.

1-800 Dusting Report Line

One call to the 1-800 Dusting Report Line was received in Virginia in 2006, as compared with two calls in Virginia in 2001, one in 2002, one in 2003, none in 2004, and one in 2005. The data from the Trackside Monitor sites suggest a modest reduction in the number of dusting trains and a somewhat greater reduction in the magnitudes of the detected dust signals.

The combination of 1-800 reports, the details provided through the Trackside Monitor, and subsequent train tracking efforts provides a basis to encourage the mines to participate in the dust mitigation program and improve existing efforts.

Lamberts Point Community Air Quality Monitoring

The Lamberts Point Community Monitoring Program monitors airborne particulate in the area surrounding the Lamberts Point coal pier in Norfolk. One Total Suspended Particulate (TSP) monitor and one monitor for very fine particulate (PM 10) are operated at the Virginia Initiative Project's waste water treatment facility adjacent to the pier. The DEQ ambient air quality standards were not exceeded at any time in 2006. NS continues to operate a weather station at Lamberts Point to assure the

availability of information critical to the evaluation of TSP and PM-10 monitors.

Anticipated 2007 Program Improvements

NS continues to fund improvements in the tools needed to execute its Performance Monitoring Plan. In addition, NS will, through its “Six-Sigma” initiative, continue an industry-recognized quality improvement method for assessing the effectiveness of the NS Performance Monitoring Plan. Continued evaluation of the Trackside Monitoring is critical to maintaining confidence in the Performance Monitoring Plan by NS, its customers and the citizens of the commonwealth of Virginia.

Utilizing the results of its coal dust suppression treatment experiments conducted in August 2005 and its continuing monitoring of the performance of implemented treatment programs, NS will continue to explore ways to improve the treatments and expand their applications to additional mines as necessary.