

**Appendix B: Information from  
Norfolk Southern Corporation**





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February 20, 2009

Via email and U.S. Mail

Nancy Fox, Vice President  
Bay Area Economics  
8630 Fenton Street, Suite 613  
Silver Spring, MD 20910

Dear Ms. Fox:

This letter is in response to an e-mail Norfolk Southern Railway Company's in house counsel received February 9, 2009, from Veronica Davis, an Urban Planner in the City of Alexandria's Department of Planning & Zoning, Neighborhood Planning & Community Development Division. Ms Davis' communication was followed by another e-mail from Karl Moritz, also with the City of Alexandria, inviting Norfolk Southern to participate --in a study ("Redevelopment Study") of the possible redevelopment of certain sites in the western portion of Alexandria's Eisenhower Valley, in particular the sites currently occupied by the Virginia Paving Asphalt plant, the Covanta waste-to-energy facility, the Vulcan facility and the Norfolk Southern ethanol transloading facility. According to the material we have received to date, we understand the Redevelopment Study to have two major components: (1) the costs to the City to relocate each of the listed facilities and (2) the creation of redevelopment scenarios to test whether the proposed relocations are economically feasible for the City.

As you are aware, Norfolk Southern and the City of Alexandria have been involved in litigation in two different forums concerning the presence and operation of the Norfolk Southern facility. Notwithstanding this litigation, Norfolk Southern has repeatedly and consistently attempted to work with the City to address the City's concerns. Just last fall, David Lawson, Vice President Industrial Products responded favorably to a September 24, 2008 letter from Mayor Euille, in which Mayor Euille sought to meet and discuss potential relocation of Norfolk Southern's transloading facility. Because the Mayor sought to discuss relocation, we asked that the City identify potential relocation sites over which it has control. We have not yet received a reply.

Norfolk Southern remains willing to engage in direct discussions with the City concerning possible relocation of its transloading facility, provided that the City is able to

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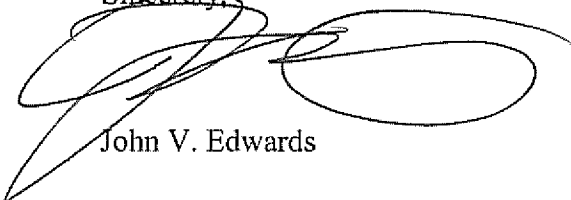
identify another location within the City of Alexandria that is controlled by the City and that has the same transportation qualities and capacity as the Van Dorn Street Yard. We view discussion of the issues raised in the Redevelopment Study – the costs to relocate the facility and the creation of redevelopment scenarios to test whether relocation is economically feasible for the City – as premature inasmuch as the City has not yet identified a potential relocation site that is owned or controlled by the City.

Moreover, the Study seems aimed at a broader mission with regard to the Van Dorn Street rail yard than just the relocation of the ethanol transloading facility. The transloading facility occupies only a portion of a much larger rail yard which for many years has been, and continues to be, a site for several important interstate rail operations. For the past hundred years it has served as an important rail yard for the service of customers in the Alexandria area and in the recent past has served as a prime intermodal facility.

The Van Dorn Street Yard has been, and will continue for the foreseeable future to be, an important link in our interstate rail network operations. Norfolk Southern would be willing to engage in direct discussions with the City with regard to the creation of an alternative rail yard facility on Norfolk Southern rail lines within the City, provided that the City is able to identify another location within the City of Alexandria that is comparable to the Van Dorn Street Yard in both capacity and transportation qualities and that can be made available for our use.

We believe that this process, which was initiated by the Mayor, would best serve the interests of the parties. Should you have questions concerning this, please feel free to address them to me.

Sincerely,

A handwritten signature in black ink, appearing to read "John V. Edwards", with a large, stylized flourish extending to the right.

John V. Edwards