



BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN

A Division of the Rail Conference of the
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

January 5, 2005

Dear Brothers and Sisters:

On behalf of the General Committees of The Brotherhood of Locomotive Engineers and Trainmen, we are proud to introduce the new "Brotherhood of Locomotive Engineers and Trainmen 401(k) Savings Plan for employees of Norfolk Southern". We are pleased to inform you that based on the eligibility files provided to us, you have met the eligibility requirements to participate in the BLET 401(k). As you may know, this benefit was recently ratified as part of the Collective Bargaining agreement in November 2003.

Through a concerted and conscientious effort by all individuals involved, a BLET exclusive 401(k) plan is now a reality! It offers many savings and investment advantages, which are described in your enclosed enrollment package. Some notable features/enhancements include:

- *Matching Contributions*- the company will make annual matching contributions up to 20% of your pre-tax contributions (up to the first 10% of your elective deferral). The contribution is contingent upon the extent to which the Thoroughbred Performance Bonus is achieved.
- *Plan loans*-you can now borrow from your account for any purpose (within IRS limits)
- *Ability to contribute up to 50%* of your eligible compensation, not to exceed IRS limits (\$14,000 for 2005)
- *Goal Manager Service*-an asset allocation and rebalancing service
- *Contribution catch up provision* (age 50 and over)-contribute an additional \$4,000 for 2005

The Merrill Lynch Retirement Group will be providing record keeping and investment services. Our Merrill Lynch Financial Advisors have over 10 years experience servicing the retirement needs of Locomotive Engineers and are committed to supporting our plan. If you have any questions regarding our plan, please contact any Merrill Lynch Financial Advisor below at this number: **1-800-845-3894**

Paul Nowakowski, CFP®
Michael Lopian, CFM

Michael W. Burns, CFP®
Sally McMahon, CFM

Please note, if you are an eligible Locomotive Engineer (see enclosed material), desiring to participate in a 401(k) plan, enrollment in the new BLET plan is required. Further contributions to the NS TRIP plan will not be accepted. In addition, in order to have your current account balances in the company TRIP Plan transferred, you must sign and return the enclosed Transfer Form. ***Please return the Transfer Form along with your Enrollment and Beneficiary Designation Forms in the self addressed envelope by February 1, 2005.***

Please remember, this 401(k) plan was designed specifically for Locomotive Engineers and their families. We encourage all members to begin planning for their future retirement. Please take the time to review and complete the enclosed information.

Williard Knight
General Chairman
NS Eastern Lines (NW)

Robert Linsey
General Chairman
NS Northern Lines (NKP-WAB)

Ray Wallace
General Chairman
NS Southern (NSR)

1807 ELMWOOD AVENUE • SUITE 116 • BUFFALO, NEW YORK • 14207-2434

Brotherhood of Locomotive Engineers and Trainmen 401(k) Savings Plan for Employees of Norfolk Southern Enrollment/Conversion Overview

Welcome to the BLET Norfolk Southern 401(k) plan. As you may know, the features and benefits of your plan are available to all eligible Locomotive Engineers employed by Norfolk Southern. This notice highlights the timing and details of the transition to the BLET plan.

Eligibility: If you are classified as an eligible and/or qualified Locomotive Engineer, you are eligible to participate in the BLET 401(k) plan. An eligible Locomotive Engineer (for purposes of the 401(k)) is defined as an employee whose earnings from Engineer's wages are greater than 50% of total wages over a 12-month period (September-August). If you are eligible to participate in the BLET plan, please understand that you are **no longer eligible to participate in the Thoroughbred Retirement Investment Plan (TRIP)**.

A new investment provider: As of May 1, 2004, the Merrill Lynch Retirement Group will be the new provider of trustee, record keeping and investment services for the BLET Plan.

Loans: You can borrow against your vested account balance (within plan limits) for any reason!

New investment options: The BLET plan will offer a variety of investment options, including mutual funds, company stock and the Goal ManagerSM Portfolio Rebalancing Service (an asset allocation and rebalancing service). Please note, all funds are purchased at Net Asset Value (NAV) – No Load.

Your current 401(k) payroll deductions: If you are a current participant in the BLET (Conrail Shared Assets/NS/CSX) plan, your payroll deductions will continue without interruption. **If you participate in the TRIP plan, your payroll deductions to that plan will end on January 1, 2005. You must complete the enclosed enrollment form to start payroll deductions into the BLET plan.**

Your Current Account Balances: When you elect (see Getting Started) to transfer your balances from the TRIP Plan into the BLET Plan, your TRIP investments will be liquidated and the proceeds will transfer entirely into the Goal Manager-Moderate Model portfolio.

Matching Contribution: The company will make annual matching contributions up to 20% of your pre-tax Engineer's earnings based contributions (up to the first 10% of your elective deferral). The contribution is contingent upon the extent to which the Thoroughbred Performance Bonus goals are achieved.

Managing your Account: Once the transition period is over, you will have the ability to manage your account by either:

Merrill Lynch Participant Service Center @ 1-800-229-9040
Merrill Lynch Benefits Online® @ www.benefits.ml.com

Getting Started

Enrollment Form - Complete, sign and return

Beneficiary Designation Form - Complete, sign and return

Account Transfer Form – required to transfer your retirement account balance from the company plan (Norfolk Southern TRIP Plan) to the new BLET 401(k) plan – complete, sign and return

Your 401(k) Retirement Savings plan is an excellent vehicle to supplement your Railroad Retirement. Your plan allows you to save through payroll deduction on a pre-tax basis! It is up to you to take the steps to take full advantage of the benefits of your plan. We are available to help you understand your plan and get started! Our group has over 13 years experience supporting Engineers and their families with their retirement planning needs. We are uniquely qualified as Certified Financial Planners® and Certified Financial Managers to assist you. After you have reviewed the enclosed information, please call us with any questions:

Paul Nowakowski, CFP®
Michael W. Burns, CFP®

Michael Lopian, CFM
Sally McMahon, CFM

1-800-845-3894

For more complete information on the investment options, including their management fees and other charges and expenses, please consult the prospectus and other comparable documents. The prospectuses and other available information can be obtained by calling your Merrill Lynch representative. These documents should be read carefully before investing.

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Brotherhood of Locomotive Engineers & Trainmen – NS 401(k) Savings Plan



Enrollment Form

Please complete the following form, sign and return it to the BLET 401(k) Plan Administrator at the address on the back of this form. All investment elections must be made via 1-800-229-9040 or by logging on to www.benefits.ml.com, they will not be made by your Plan Administrator.

1. Employee Identification Please Print

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Social Security Number

Name: _____

Last First Middle Initial

Home Address: _____

City State Zip

E-Mail Address _____ Date _____

--	--	--	--	--	--

Date of Hire MM-DD-YYYY

--	--	--	--	--	--	--	--

Date of Birth MM-DD-YYYY

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Home Phone Number

2. Contribution Election

I authorize my employer to deduct from my eligible compensation the percentage I enter on a before-tax basis and to contribute that amount to the plan on my behalf (enter an amount from 1% to your plan limit of 50%). _____ %

I authorize my employer to deduct from my eligible compensation the percentage I enter on an after-tax basis and to contribute that amount to the plan on my behalf (enter an amount from 1% to your plan limit of 5% of compensation). _____ %

If I am eligible to make a Catch-Up Contribution, I authorize my employer to treat any amount of my before-tax contributions that exceeds any statutory (or plan) limits as Catch-Up Contributions to the extent such contributions do not exceed the applicable statutory Catch-Up Contribution limit.

I authorize my employer to deduct from my eligible compensation the dollar amount or the percentage I enter on a before-tax basis for purposes of a Catch-Up Contribution and to contribute that amount to the plan on my behalf. \$ _____ or _____ %

Note: If a dollar amount is entered, this amount will be taken from each payroll. Payments will cease when the maximum dollar amount has been contributed for the year. In addition, the determination as to whether an amount qualifies as a Catch-up Contribution will not be made until the end of each year.

3. Investment Election: Investment Elections must be made by calling Merrill Lynch at 1 (800) 229-9040

<ul style="list-style-type: none"> Fidelity Advisor Equity Growth Fund Merrill Lynch Healthcare Fund American Growth Fund of America Fund Fidelity Advisor Growth & Income Fund Merrill Lynch S&P 500 Index Fund Davis New York Venture Fund Merrill Lynch Basic Value Fund Templeton Foreign Fund AllianceBernstein Technology Fund Lord Abbett Mid Cap Value Fund The Oakmark Fund Fidelity Advisor Mid Cap Fund Merrill Lynch Fundamental Growth Fund Van Kampen Growth & Income Fund Janus Adviser Growth and Income Fund 	<ul style="list-style-type: none"> Merrill Lynch Small Cap Index Fund PIMCO Total Return Fund Merrill Lynch Retirement Preservation Trust Merrill Lynch Balanced Capital Fund Merrill Lynch Global Allocation Fund CSX Corporate Stock Norfolk Southern Corporate Stock Blackrock Government Income Portfolio GoalManager Models* (Choose only 1) <li style="padding-left: 20px;">Conservative <li style="padding-left: 20px;">Conservative to Moderate <li style="padding-left: 20px;">Moderate <li style="padding-left: 20px;">Moderate to Aggressive <li style="padding-left: 20px;">Aggressive Total Must Equal 100%
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This investment selection will not be applied to any existing amounts you may currently have in the plan. Future changes, or transfers of existing money, may be made by calling Merrill Lynch at 1(800)229-9040 or via Benefits OnLine. If you fail to make an investment selection, new contributions will be fully invested in the default investment option chosen by your Plan Sponsor.

The contributions resulting from these elections are transferred to the Plan and invested as follows. Your investment election percentages must be in multiples of 1% totaling 100%.

*If you have chosen to allocate all, or a portion, of your Contribution to a GoalManager Model, choose one model in the grid to the above.

Note: You may only be invested in one GoalManager Model at a time. If you currently have money invested in a different model than the model chosen to the above, this portion of your Rollover Contribution will be invested in the Merrill Lynch Retirement Preservation Trust.

4. Authorization:

My signature will serve as authorization for this and all future telephone or on-line transactions I make to my accounts.

Employee's Signature _____ Date _____

For Administrative Use Only – Do NOT send this form to Merrill Lynch

Plan Administrator's Signature _____

Print Plan Administrator's Name _____ Date _____

Employee: Please make a copy of this form for yourself, then return the original to:

***Bob Linsey
1807 Elmwood Ave
Suite 116
Buffalo, NY 14207***

Retirement Account Transfer Form
Brotherhood of Locomotive Engineers and Trainmen

This letter serves as my authorization to transfer my entire retirement account balance from the Norfolk Southern Thoroughbred Retirement Investment Plan into the Brotherhood of Locomotive Engineers and Trainmen 401(k) Savings Plan for employees of Norfolk Southern.

Name: _____ SS# _____

Address: _____

City: _____ State: _____ Zip: _____

Date of Birth: _____ Date of Hire: _____

Division/Loc# _____

AUTHORIZATION:

Signature

Date

**Important Notice Concerning Your Rights Under the
Brotherhood of Locomotive Engineers and Trainmen 401(k) Savings Plan
for Employees of Norfolk Southern Carriers (the "BLET/NS 401(k) Plan")**

April 7, 2004

The Bargaining Agreement approved in 2003 authorizes the establishment of the new BLET/NS 401(k) Plan to be effective in 2004. As a result of setting up the new plan, your ongoing participation in the Norfolk Southern TRIP or in the Brotherhood of Locomotive Engineers 401(k) Savings Plan for Employees of Conrail SAA/CSXT Northern District/Norfolk Southern ("BLE/Conrail plan") will end and you will begin participating in the BLET/NS 401(k) Plan. It is anticipated that the changeover to the new plan will occur on May 1, 2004. As a result of this transition, there may be a period during which you will be unable to exercise your right to direct or diversify investments in your individual accounts, including investments in Norfolk Southern or CSX stock. This is sometimes called a "blackout period." Whether or not you are planning retirement in the near future, you should carefully consider how this transition may affect your retirement planning as well as your overall financial plan.

The transition will be different for participants in TRIP as compared to participants in the BLE/Conrail plan. The transition is expected to begin on Tuesday, April 27. Your salary reduction contributions beginning May 1 will be made in the new BLET/NS 401(k) Plan, and your investment elections will be carried out in accordance with the materials you are now receiving and the elections you make. If you are a participant in the BLE/Conrail plan, your accounts in that plan will be transferred "in kind" to the new plan. This means that the same investment funds that you have on April 27 will continue in the new plan. The same investment choices will be available under the new plan. It is expected, however, that you may not be able to access your accounts in the new plan and to direct the investment of those accounts during all or part of the week of May 3. While every effort will be made to minimize the transition period, it is expected that during the week of May 3 in the new plan you will be unable to direct or diversify the assets held in your plan account, including any portion of your account held in Norfolk Southern or CSX stock. Your ability to direct investments is expected to be in place by the week of May 9 if not earlier. During this time, you can determine whether the blackout period has ended by contacting the Merrill Lynch Service Center on their toll-free line or accessing your account on the internet. These contacts are described in the enclosed materials.

With respect to participants in TRIP, a transfer of your accounts from TRIP will be done only where you have elected to transfer those accounts. Should you choose to transfer your accounts in TRIP, all investments will be sold and a cash amount will be transferred to the new plan. The cash amount will be invested in the GoalManager - Moderate Portfolio Model as explained in the enclosed materials. Once the accounts are set up in the new plan, you will then be able to direct or diversify your account under the rules of the new plan. Elective transfers of your accounts from TRIP will be handled on a monthly basis at least for the first year of the new plan. Election transfers will be accumulated monthly and acted upon at the end of each month during the year.

Because of this transition, you may want to review and consider the appropriateness of your current investments in light of your inability to direct or diversify those investments during this transition period. For your long-term retirement security, you should give careful consideration to the importance of a well-balanced and diversified investment performance, taking into account all your assets, income and investments. There is a risk in holding substantial portions of your accounts in the stock of any one company because individual stocks tend to have wider price swings, up and down, in short periods of time, than investments in diversified funds.

If you have any questions concerning this notice, contact the individuals at Merrill Lynch indicated in the cover letter.