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March 18, 2011

Mr. Wayne T. Lemoi
Director, PHMSA Pipeline Safety, Southern Region
233 Peachtree St. NE, Suite 600
Atlanta, GA 30303

Re: CPF 2-2011-6005

Dear Mr. Lemoi:

Norfolk Southern Railway Company ("Norfolk Southern" or the "Company") has received the Notice of Probable Violation ("Notice") dated February 17, 2011, with respect to its Macon pipeline. Norfolk Southern understands that the Notice relates to inspections conducted by Mr. Schwarzkopf of the Pipeline and Hazardous Materials Safety Administration ("PHMSA") on September 28-29, 2009, November 30, 2009, and June 29, 2010.

Norfolk Southern hereby responds to the allegations and respectfully requests a reduction of the corresponding civil penalties proposed in the Notice. Although electing not to contest the allegations stated in the Notice, Norfolk Southern submits that a reduction in the civil penalty is appropriate.

In Item 1, the Department of Transportation ("DOT") cites Norfolk Southern for failing to analyze and evaluate its prior integrity assessments and risks when it performed the risk analysis documented in the Integrity Management Plan ("IMP"). Norfolk Southern concedes that it did not analyze the nine risk factors identified in the Notice prior to the September 2009 inspection referenced above. However, based on conversations Nathan Lodgsdon had with the DOT representative during the September 2009 inspection, Norfolk Southern had understood that it was required to tailor and evaluate the risk factors that best align with the unique characteristics of this pipeline and to analyze and evaluate those risks. As a result of that discussion, Norfolk Southern went on to craft five risk factors that it considered most pertinent to this pipeline

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running through its railroad yard. These factors reflected the Company's understanding of the history of the pipeline including the recent successful completion of hydrostatic testing. After receiving this Notice, the Company now understands what DOT expects in this regard, and is integrating the complete set of risk factors into its evaluation method.

In Item 3A, DOT cites Norfolk Southern for failing to establish guidelines for developing preventative and mitigative measures ("PMMs") to enhance public safety or environmental protection. Norfolk Southern acknowledges that it did not convene the "Subject Matter Expert Team" as referenced in the Notice. The Company did, however, take steps to address the risks it identified that were particular to the pipeline's location in the railroad yard, including hiring third party contractors to respond immediately to any leak or other incident along the pipeline that could threaten public safety or the environment and to be able to employ the necessary response equipment on a timely basis.

In Item 3B, DOT cites Norfolk Southern for failing to evaluate the capability of its leak detection system, and make modifications, if necessary. As you know, Norfolk Southern does have a leak detection system in place that monitors flow, and includes an emergency shutdown valve. Moreover, Norfolk Southern arranged with NuStar to receive monitoring data and continuously evaluated the data. In reviewing and evaluating this information, Norfolk Southern often had internal discussions about whether this information was enough. Norfolk Southern concedes that it did not perform a formal evaluation of this procedure but submits that this failure was due to a misunderstanding of what such an evaluation would entail. Norfolk Southern personnel closely monitor the pipeline for any leaks, and have continually found the leak detection system to be effective.

In Item 3C, DOT cites Norfolk Southern for failing to perform an evaluation to determine the need for Emergency Flow Restricting Devices ("EFRD") to protect high consequence areas on the pipeline. Although Norfolk Southern concedes that it was not in possession of the records of this type of evaluation at the time of the audits, the Company has since secured those records from NuStar. Norfolk Southern personnel have from time-to-time informally evaluated the EFRD needs of the pipeline. Because the pipeline extends only about five miles from end to end, these informal evaluations focused on the understood price of additional EFRDs in light of the distance from the EFRD at NuStar. Norfolk Southern now understands that additional evaluation is warranted.

In Item 4, DOT cites Norfolk Southern for failing to perform program effectiveness reviews of its IMP. Norfolk Southern personnel do, in fact, annually review the effectiveness of its IMP. The Company concedes, however, that personnel tasked with performing these program reviews had not been keeping written accounts of the reviews.

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Norfolk Southern appreciates the concerns raised by DOT, and accordingly does not contest the findings in the Notice. However, the Company simply feels that there are mitigating circumstances that warrant a reduction in the proposed fines.

Sincerely,


A. Gayle Jordan