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July 29, 2011

Office of the Chief Accountant
Division of Corporate Finance
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

RE: File Reference No. 4-600

Securities and Exchange Commission Staff Paper: "Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers: Exploring a Possible Method of Incorporation" (May 26, 2011)

Norfolk Southern Corporation ("NS") is one of the nation's premier transportation companies and is a publicly held corporation with its common shares listed on the New York Stock Exchange. Its Norfolk Southern Railway subsidiary operates approximately 20,000 route miles in 22 states and the District of Columbia, serving every major container port in the eastern United States (U.S.), 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 and industrial products.

NS commends the U.S. Securities and Exchange Commission's ("Commission" or "SEC") continued outreach efforts on any proposed framework and possible approaches of incorporating International Financial Reporting Standards ("IFRS") into the U.S. financial reporting system. NS appreciates the opportunity to provide, and respectfully submits, the following feedback on the SEC Staff Paper on the Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers: Exploring a Possible Method of Incorporation issued on May 26, 2011.

Framework

If the Commission were to choose to incorporate or adopt IFRS, NS is generally supportive of the possible "Condorsement" approach. This method of incorporating IFRS into the existing U.S. Generally Accepted Accounting Principles (GAAP) framework would achieve the goal of having a single set of high quality, globally accepted accounting standards, while doing so in a thoughtful, prudent manner that would potentially minimize the effort, cost and resource constraint.

NS recognizes the active role that both the Financial Accounting Standards Board ("FASB") and SEC play in providing investors with meaningful financial information and protecting investors and ensuring fair, orderly and efficient capital markets. The incorporation approach of Condorsement would allow the FASB and the SEC to support an orderly transition of the preparation of financial statements in accordance with IFRS and allow U.S. constituents to continue to have a meaningful role in the standard setting process.

Transition Element

The Work Plan contemplates incorporating IFRS through a transition plan that uses three categories of IFRSs as follows:

1. IFRSs subject to MoU projects
2. IFRSs included on the IASB's current standard-setting agenda
3. All other existing IFRSs and areas not addressed by IFRSs

NS is supportive of a phased method of incorporation of these categories to provide a lengthened and measured overall period of transition and to potentially lessen the costs and burden of transition. However, NS believes challenges do remain with respect to this approach, primarily related to the transition of existing IFRSs and areas not addressed by IFRSs. The transition plan for category 3 IFRSs contemplates potential prospective application of new requirements, whenever possible, under varying methods. The potential method would be determined by the FASB after the consideration of comparability, reliability, and cost/benefit, amongst other relevant factors. While generally a prospective application may be preferable, NS recognizes that there may be instances in which retrospective application of a standard may be preferable. In this context, NS believes that maintaining flexibility in the manner in which an organization may adopt and apply these existing standards, while complying with IFRS, could be beneficial and would serve to promote the integrity of the requirements of those standards.

Additionally, the Staff Paper provides, as an example, the potential transition strategy for the accounting for property, plant, and equipment and identifies that one of the most significant aspects of implementing International Accounting Standards ("IAS") 16 may be the componentization requirement. One difficulty, as aptly recognized, is the retrospective application of the standard, due to the significant effort that would be expended to analyze existing asset records. Similarly to NS, many capital intensive industries report properties principally at cost and depreciate using the group method whereby assets with similar characteristics, use, and expected lives are grouped together in asset classes and depreciated using a composite depreciation rate. This methodology treats each asset class as a pool of resources, not as singular items, and is an acceptable method under U.S. GAAP. As such, NS believes that it is of equal importance that the FASB and the SEC have the ability to address such accounting matters and/or supplement provisions of International Accounting Standards, so that existing practices be incorporated into IFRS.

Benefits and Risks

NS recognizes that there are many risks associated with the incorporation of IFRS into the U.S. financial reporting system. However, should the Commission choose to decide to incorporate IFRS, NS believes that the Condorsement approach of progressing toward a single set of high-quality, globally accepted accounting standards would prove beneficial as compared to approaches previously described by the SEC in various forums. A phased implementation would increase the likelihood of successful transition by allowing U.S. constituents to strategically focus on implementation of specified standards as they occur over a staggered timeline. In addition, this allows for the thoughtful consideration of any necessary process enhancements and system changes, to the extent that such changes were a necessity. Condorsement would also support a transition strategy that could be adapted and responsive to the need of U.S. constituents. Given that certain existing International Accounting Standards may not address the requirements of U.S. constituents and, therefore, create concern relative to their implementation, NS supports an approach that allows the FASB and SEC to appropriately react and address those requirements.

Thank you for this opportunity to comment on the Staff Paper. If you would like to discuss this further or would like additional information, please feel free to call me at (757) 629-2765.

Very truly yours,

/s/Clyde H. Allison, Jr.
Clyde H. Allison, Jr.
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