



Department of Energy
Washington, DC 20585
September 4, 2018

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Part of
Public Record

Ms. Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, D.C. 20420-0001



RE: Docket Nos. 38302S and 38376S

Dear Ms. Brown:

In a decision served on June 28, 2017, the Surface Transportation Board (the Board) approved a settlement agreement in this proceeding between the U.S. Departments of Defense and Energy (the Government) and Norfolk Southern Railway Company. That decision followed an order in these dockets, served August 26, 2013, approving the Government's settlement agreement with BNSF Railway Company, and an order in these proceedings, served August 2, 2005, approving the Government's settlement agreement with Union Pacific Railroad Company.

In a decision served on August 31, 2017, the Board noted that "these dockets remain open, consistent with the Government's request that the proceedings continue to be held in abeyance pending further settlement negotiations." The Board reduced the Government's reporting requirement on the progress of future settlement negotiations with the remaining railroad defendants from the prior quarterly reports that had been in effect since the approval of the Union Pacific settlement to an annual reporting requirement. The Board set September 4, 2018 as the due date for the first such report, with subsequent reports to be due on or about the first day of September thereafter.

In accordance with the Board's order, the Government reports that we have been actively engaged in the process of awarding a support contract to assist us with rail rate analysis and other technical work needed to support further settlement negotiations in these matters. With that support in place, the Government plans to invite CSX Transportation, Inc. to undertake settlement discussions with us.

Sincerely,

Stephen C. Skubel
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cc: Attached Service List

CERTIFICATE OF SERVICE

I hereby certify that on September 4, 2018, copies of the foregoing document were served by prepaid first-class mail on counsel for the major carrier parties of record and counsel for other parties participating in related proceedings by mailing copies to the following:

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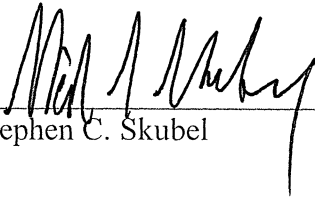
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