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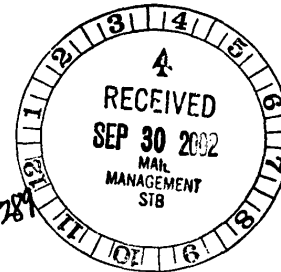
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September 30, 2002

Chairman Linda J. Morgan
Office of Chairman
Surface Transportation Board
1925 K Street, N.W., Suite 820
Washington, D.C. 20423-0001



Re: Docket Nos. 38302S and 38376S;
Investigation and Suspension Docket No. 9205 - 206290

Dear Chairman Morgan:

In our letter of June 28, 2002, we informed you that, subject to final approvals, Union Pacific and the government parties had reached an agreement in principle. The approval process continues. We hope to submit a settlement proposal between Union Pacific and the government parties or report further by December 30.

Sincerely,

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cc: Vice Chairman Wayne O. Burkes
Nancy Wilson, AAR

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