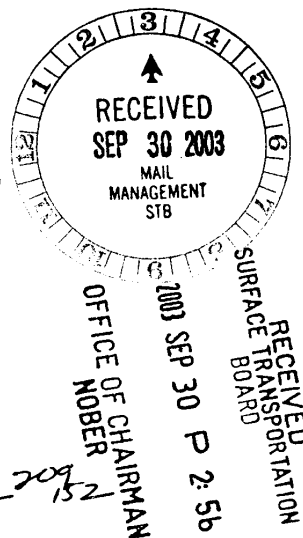




Department of Energy

Washington, DC 20585

September 30, 2003



Chairman Roger Nober
Office of Chairman
Surface Transportation Board
1925 K Street, NW, Suite 820
Washington, D.C. 20423-0001

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RE: Docket Nos. 38302S and 38376S

Investigation and Suspension Docket No. 9205

Dear Chairman Nober:

In a letter dated June 30, 2003, we proposed to update our report by the end of September 2003 on the status of the settlement negotiations between Union Pacific and the government parties. We have previously reported that, subject to final approvals, Union Pacific and the government parties had reached agreement to settle the above-captioned cases and dismiss Union Pacific as a defendant. While progress has been made in bringing this process to fruition, the approval process has not yet concluded. However, we will either submit a proposed settlement agreement or further report before the end of November 2003.

Sincerely,

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cc: Nancy Wilson, AAR



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