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March 30, 2010

Chairman Daniel R. Elliott III
Office of Chairman
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20420-0001



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RE: Docket Nos. 38302S and 38376S

Dear Chairman Elliott:

The order entered in these dockets July 27, 2005 (served August 2, 2005, and effective September 1, 2005), approving the Government's settlement agreement with Union Pacific Railroad Company, further held these proceedings in abeyance while directing the Government to file quarterly reports on the progress of settlement negotiations. The Government continues to pursue settlement with individual carriers and has been engaged in separate discussions with individual railroad defendants BNSF and Norfolk Southern.

Following up on our most recent report, the Government and BNSF held a telephone conference on January 21, 2010. The parties had intended to schedule a prompt follow-on, in-person meeting, but weather and other difficulties prevented that from occurring as originally anticipated. BNSF and the Government are working to schedule such a meeting in the next few weeks to continue discussions aimed at resolving the remaining issues between the parties.

Due to weather difficulties, a scheduled February 16, 2010, meeting between the Government and Norfolk Southern did not occur. The parties hope to meet in the next few weeks to continue discussions aimed at resolving their remaining issues.

Accordingly, we are not yet in a position to report an agreement with either BNSF or Norfolk Southern. However, we remain interested in working with the carriers to



reach agreements. We will file a further report by the end of June 2010.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen C. Skubel".

Stephen C. Skubel
Assistant General Counsel
For Litigation
(202) 586-5579

cc: Vice Chairman Francis P. Mulvey
Board Member Charles D. Nottingham
Attached Service List

CERTIFICATE OF SERVICE

I, Stephen C. Skubel, hereby certify that I served a copy of the foregoing document by prepaid first-class mail this 30th day of March 2010, on the following:

Aberdeen & Rockfish R.R. Co. P.O. Box 917 Aberdeen, NC 28315	Buffalo & Pittsburgh Railroad c/o Genesee & Wyoming, Inc. 66 Field Point Road Greenwich, CT 06830
Montana Rail Link, Inc. 101 International Way Missoula, MT 59808	James R. Paschall Greg E. Summy Norfolk Southern Railway Company Three Commercial Place Norfolk, VA 23510
Michael L. Rosenthal Covington & Burling 1201 Pennsylvania Avenue, NW Washington, D.C. 20004-2401	Jill Mulligan The Burlington Northern and Santa Fe Railway Company 2500 Lou Menk Drive, 3rd Floor Fort Worth, TX 76131
Paul Hitchcock Associate General Counsel CSX Transportation, Inc. 500 Water Street - J150 Jacksonville, FL 32202	Theodore K. Kalick Canadian National Railway Company 601 Pennsylvania Avenue, N.W. Suite 500 North Building Washington, D.C. 20004
Chris Guzzi Deborah Sedaris Providence & Worcester Railroad Co. 75 Hammon Street Worcester, MA 01610	Robert G. Culliford, Esq. Guilford Transportation System Iron Horse Park North Billerica, MA 01862
Richard D. Robey, President North Shore Railroad Company 356 Priestly Avenue Northumberland, PA 17857	J. Michael Hemmer Louise A. Rinn Union Pacific Railroad Company 1400 Douglas Road, Stop 1580 Omaha, NE 68179
George H. Kleinberger P.O. Box 8002 Clifton Park, NY 12065	Ronald E. Fittrow 500 Water Street Jacksonville, FL 32202

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 Stephen C. Skubel