STEPTOE & JOHNSON LLP
ATTORNEYS AT LAW

Samuel M. Sipe Jr.
202.429.6486
ssipe@steptoe.com

1330 Connecticut Avenue, NW
Washington, DC 20036-1795
Tel 202.429.3000
Fax 202.429.3902
steptoe.com

JAN 4 2005
RECEIVED

January 4, 2005

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

ENTERED
Office of Proceedings
JAN - 5 2005
Part of
Public Record

212918

Re: Docket No. 38302S, *United States Department of Energy and United States Department of Defense v. Baltimore & Ohio Railroad Company, et al.;* Docket No. 38376S, *United States Department of Energy and United States Department of Defense v. Aberdeen & Rockfish Railroad Co., et al.*

212920

Dear Secretary Williams:

This letter serves as a Correction to the Comments of CSX Transportation, Inc. on the Joint Motion of the U.S. Department of Energy, U.S. Department of Defense and Union Pacific Railroad Company for Approval of Settlement Agreement and Prescription of Rate Methodology that was filed on December 20, 2004. An additional ten copies of this letter are enclosed herewith, in accordance with the Board's filing requirements.

On page 3, lines 12-14 of CSX's Comments, CSX stated that "Although the railroads invited the Government to explore settlement in 1997, there has been no activity in these proceedings involving CSX or its predecessors since 1996." We have been advised that that statement is inaccurate. A former CSX employee who retired in 1999 did participate in some initial joint settlement discussions between the Government and multiple defendants in 1997 before the Government began to negotiate exclusively with UP. The corrected sentence should read: "Although the railroads invited the Government to explore settlement in 1997, and CSX did participate in initial joint settlement negotiations at the time, there has been no further activity in these proceedings involving CSX or its predecessors since 1997."

If you have any questions concerning this Correction, please contact the undersigned.

~~Sincerely,~~

Samuel M. Sipe, Jr.

cc: Joseph H. Dettmar
Stephen C. Skubel
Michael Glennon
Michael Rosenthal
Louise A. Rinn