



**Department of Energy**  
Washington, DC 20585

March 31, 2008



Chairman Charles D Nottingham  
Office of Chairman  
Surface Transportation Board  
395 E Street, SW  
Washington, D.C. 20420-0001

221953  
221954

RE: Docket Nos. 38302S and 38376S

Dear Chairman Nottingham:

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 is engaged in separate discussions with individual railroad defendants BNSF and Norfolk Southern. The Government is actively working with both BNSF and Norfolk Southern to set separate meetings in the near future to continue discussions aimed at resolving these matters.

Accordingly, we are not yet in a position to report an agreement with either BNSF or Norfolk Southern. However, we remain hopeful that we will be able to reach agreements with both carriers. We will file a further report by the end of June 2008.

ENTERED  
Office of Proceedings  
MAR 31 2008  
Part of  
Public Record

Sincerely,

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

cc: Vice Chairman Francis P. Mulvey  
Board Member W. Douglas Buttrey  
Attached Service List

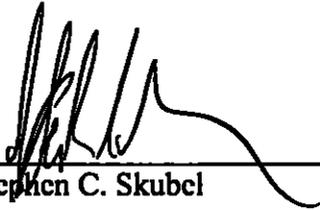


**CERTIFICATE OF SERVICE**

I, Stephen C Skubel, hereby certify that I served a copy of the foregoing document by prepaid first-class mail this 31st day of March 2008, on the following:

<b>Aberdeen &amp; Rockfish R.R. Co P.O. Box 917 Aberdeen, NC 28315</b>	<b>Buffalo &amp; Pittsburgh Railroad c/o Genesse &amp; Wyoming, Inc. 66 Field Point Road Greenwich, CT 06830</b>
<b>Montana Rail Link, Inc. 101 International Way Missoula, MT 59808</b>	<b>James R. Paschall Greg E Summy Norfolk Southern Railway Company Three Commercial Place Norfolk, VA 23510</b>
<b>Michael L. Rosenthal Covington &amp; Burling 1201 Pennsylvania Avenue, NW Washington, D C. 20004-2401</b>	<b>Jill Mulligan The Burlington Northern and Santa Fe Railway Company 2500 Lou Menk Drive, 3rd Floor Fort Worth, TX 76131</b>
<b>Paul Hitchcock Associate General Counsel CSX Transportation, Inc. 500 Water Street - J150 Jacksonville, FL 32202</b>	<b>Theodore K. Kalick Canadian National Railway Company 601 Pennsylvania Avenue, N.W. Suite 500 North Building Washington, D.C. 20004</b>
<b>Chris Guzzi Deborah Sedaris Providence &amp; Worcester Railroad Co. 75 Hammon Street Worcester, MA 01610</b>	<b>Robert G. Culliford, Esq. Guilford Transportation System Iron Horse Park North Billerica, MA 01862</b>
<b>Richard D. Robey, President North Shore Railroad Company 356 Priestly Avenue Northumberland, PA 17857</b>	<b>J. Michael Hemmer Louise A. Rinn Union Pacific Railroad Company 1400 Douglas Road, Stop 1580 Omaha, NE 68179</b>
<b>John R. Nadolny 14 Aviation Avenue Portsmouth, NH 03801</b>	<b>Ronald E Fittrow 500 Water Street Jacksonville, FL 32202</b>

<p>D.J. Lewis  Director of Marketing  Tuscola &amp; Saginaw Bay Railway  Company  308 West Main Street  Matthews Building, Suite 303  Owosso, MI 48867</p>	<p>Paul Guthrie  Canadian Pacific Railway Company  401 9th Avenue, S.W.  Gulf Canada Square, Suite 500  Calgary, Alberta T2P 4 Z4 Canada</p>
<p>Samuel M. Sipe, Jr.  Carolyn D. Clayton  Stephoe &amp; Johnson LLP  1330 Connecticut Avenue, N.W.  Washington, D.C. 20036</p>	<p>Robert H. Wheeler  General Counsel  Wisconsin Chicago Link Ltd.  17641 Ashland Avenue  Homewood, IL 60430</p>
<p>Terence M. Hynes  Sidley Austin Brown &amp; Wood, LLP  1501 K Street, N.W.  Washington, D.C. 20005</p>	<p>Francis P. Dicello  1301 K Street, N.W.  Suite 1100 – East Tower  Washington, D.C. 20005</p>
<p>Elizabeth D. Jacobi  526 Second Avenue, S.E.  P.O. Box 2457  Cedar Rapids, IA 52406</p>	<p>George H. Kleinberger  P.O. Box 8002  Clifton Park, NY 12065</p>
<p>Thomas J. Litwiler  Fletcher &amp; Sipple LLC  29 North Wacker Drive  Suite 920  Chicago, IL 60606</p>	<p>Edward J. Krug  Lynch, Dallas &amp; Smith  P.O. Box 2457  Cedar Rapids, IA 52406</p>
<p>Michael F. McBride  Leboeuf Lamb Greene &amp; MacRae  1101 New York Avenue, N.W.  Suite 1100  Washington, D.C. 20005</p>	


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Stephen C. Skubel