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March 26, 2010

Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E. Street, S.W.  
Washington, DC 20024

ENTERED  
Office of Proceedings

MAR 29 2010

Part of  
Public Record

Re: Docket No. AB 1036, *The City of Chicago, Illinois - Adverse Abandonment - Chicago Terminal Railroad in Chicago, IL*

Dear Section of Administration Chief:

I am writing on behalf of the Chicago Terminal Railroad ("CTM") to follow up a telephone call yesterday between Joseph Detmar, Esq., with the Office of Proceedings, Thomas McFarland, Esq., counsel for the City of Chicago, IL ("the City"), and myself on behalf of CTM. I am pleased to report that the City and CTM have negotiated a settlement of their differences in this matter.

As background, the Board will recall that the City filed an application under 49 U.S.C. § 10903 on February 1, 2010, requesting that the Board authorize the adverse abandonment of two railroad lines in Chicago operated by CTM totaling approximately 1.625 miles. Those lines are (1) a portion of the Kingsbury Branch from its southern terminus at the intersection of Kingsbury, Division, and Halsted Streets to, but not including, the point at which the Goose Island Branch diverges from the Kingsbury Branch at or near Willow Street, a distance of approximately six city blocks (.75-mile) ("Kingsbury Segment") and (2) a portion of the Lakewood Avenue Line between the southwest right-of-way line of Clybourn Avenue and the line's northern terminus at Diversy Parkway, a distance of approximately seven city blocks (.875 mile) ("Lakewood Segment").

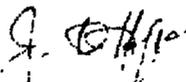
Pursuant to the Board's procedural decision served February 18, 2010

as amended by a Board decision served March 4, 2010, protests of the abandonment application can be filed on or before April 19, 2010.

This is to notify the Board that the City and CTM have entered into a settlement agreement, one of the terms of which is that CTM will not file a protest of the abandonment application. Accordingly, no such protest will be filed by CTM or any affiliate of CTM.

In view of the settlement agreement, the City and CTM respectfully request that the Board (1) immediately restore this proceeding to the active docket and (2) issue a new procedural schedule. More specifically, the City and CTM request that the Board set a deadline for the filing of public comments 15 days from the date of the Board's decision restoring this proceeding to the active docket with any rebuttal due within 5 days of the receipt of any comments (or 20 days after the decision restoring this proceeding to the active docket). Furthermore, the City and CTM request that the Board issue a final decision 30 days after the date for filing any rebuttal, said decision to be effective upon service and providing that the present or future public convenience and necessity require or permit abandonment of the Kingsbury Segment and the Lakewood Segment consistent with the City's abandonment application. I have copied the City's attorneys on this letter, and am authorized to say that the City joins in this request.

Respectfully submitted,

  
JOHN HEFTNER  
*Attorney for Chicago Terminal  
Railroad*

cc: Joseph Dettmar, Esq. (by fax)  
Thomas F. McFarland, Esq. (by email)  
Steven Holler, Esq. (by email)  
Mr. Edwin Ellis