

**SURFACE TRANSPORTATION BOARD DISMISSES POTOMAC ELECTRIC POWER COMPANY'S RAIL RATE COMPLAINT AFTER PARTIES REACH SETTLEMENT**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has terminated its consideration of a rate complaint after the parties reached a negotiated settlement. The complaint, filed by Potomac Electric Power Company (PEPCO), involved the transportation of coal by CSX Transportation, Inc. (CSXT), in trainload service from origins and interchanges in Pennsylvania, West Virginia, and Maryland to PEPCO's electric generating facility in Dickerson, MD.

Under the law, the Board has jurisdiction to review complaints that railroad rates are too high. Although the Board has exercised that jurisdiction in several cases, both Board Chairman Morgan and Vice Chairman Gus A. Owen have publicly expressed their preference for negotiated private-sector dispute resolution wherever possible.

CSXT's rail transportation service to Dickerson was formerly governed by a negotiated rail transportation contract between the parties. That agreement expired at the end of 1996 and, since then, PEPCO's shipments of coal to the Dickerson facility have been transported under common carrier rates. PEPCO challenged those rates, requesting that maximum reasonable rates be prescribed and reparations be awarded. However, the parties reached a negotiated settlement, and the Board therefore closed the matter.

The Board's decision in Potomac Electric Power Company v. CSX Transportation, Inc., STB Docket No. 41989, was issued to the public on June 18, 1998.

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