



Department of Energy
Washington, DC 20585

March 30, 2006



Chairman W. Douglas Buttrey
Office of Chairman
Surface Transportation Board
1925 K Street, NW, Suite 820
Washington, D.C. 20423-0001

RE: Docket Nos. 38302S and 38376S

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ENTERED
Office of Proceedings

MAR 30 2006

Part of
Public Record

Dear Chairman Buttrey:

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. This will report that the Government and BNSF Railway are continuing discussions, and that the Government and Norfolk Southern plan to meet on April 6, 2006. We will file a further report by the end of June 2006.

Sincerely,

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

cc: Vice Chairman Francis P. Mulvey
Attached Service List



CERTIFICATE OF SERVICE

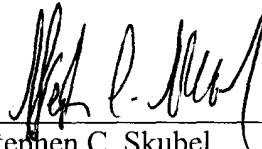
I, Stephen C. Skubel, hereby certify that on this 30th day of March, 2006, I served
a copy of the foregoing document by prepaid first-class mail on the following:

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
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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
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John R. Nadolny 14 Aviation Avenue Portsmouth, NH 03801	Ronald E. Fittrow 500 Water Street Jacksonville, FL 32202

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Stephen C. Skubel