

EASTPORT INDUSTRIES, INC.P.O. BOX 26
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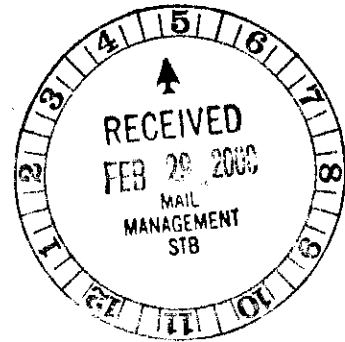
February 23, 2000

Surface Transportation Board
Office of the Secretary
Case Control Unit, Attn: STB Ex Parte No. 582
1925 K Street, N.W.
Washington, D.C. 20423-0001

re: STB Ex Parte No. 582

ENTERED
Office of the Secretary

FEB 29 2000

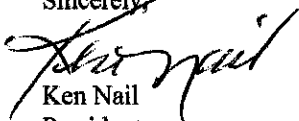
Part of
Public Record

Dear Sir:

Eastport Industries, Inc. will be represented by Ken Nail, at the STB hearing in March. Mr. Nail will speak on behalf of our Eastport Industries, Inc., and our Spokane Reload, as per our earlier letters of submission. We have noted the time allotted for our speaker. Attached is a summary of our presentation for the hearing, as per the notice No. 00-9 dated 02/17/2000 on your website.

Thank you for the opportunity to speak in front of the Board.

Sincerely,


Ken Nail
President

SURFACE TRANSPORTATION BOARD

WRITTEN ANTICIPATED SUMMARY OF TALK BEFORE THE STB ON 3/9/00 BY:
KEN NAIL, PRESIDENT OF EASTPORT INDUSTRIES, INC., REPRESENTING
EASTPORT INDUSTRIES, INC., EASTPORT, ID. AND SPOKANE RELOAD, SPOKANE,
WA.

INTRODUCTION; LOCATIONS, COMMODITIES, RAILROADS SERVED.

EASTPORT INDUSTRIES, INC. (EPI) IS THE ONLY RELOAD DESTRIIBUTION CENTER
ON THE ENTIRE CANADIAN / US BORDER SERVING THE UPRR.

EPI HAS SERIOUS CONCERNS REGARDING THE LOSS OF CONTINUITY OF SERVICE
BY THE RAILROADS WHICH WAS CAUSED BY THE RECENT MERGERS - AND THE
COST OF THAT DISRUPTION OF SERVICE TO MY BUSINESS.

THE PAST RECENT MERGERS CAUSED A 21% LOSS IN REVENUE TO MY BUSINESS.

THAT LOSS WAS DUE DIRECTLY TO CUSTOMERS BEING UNABLE, OR UNWILLING,
TO TOLERATE THE EXCESSIVE DELIVERY TIMES THE RAILROADS REQUIRED TO
WORK THRU THEIR CONGESTED SYSTEMS. WE LOST CONTRACTS, WE LOST
CUSTOMERS, WE LOST MONEY.

MOST RR PROBLEMS HAVE BEEN RESOLVED.

AFTER A NUMBER OF YEARS OF LOST REVENUE OUR BUSINESS IS JUST NOW
BEGINNING TO REGAIN LOST CUSTOMERS.

OUR CONCERN IS THAT ANOTHER ROUND OF MERGERS WILL CREATE ANOTHER
PERIOD OF DISRUPTED BUSINESS, AND LOST REVENUE, THAT OUR COMPANY
SIMPLY CANNOT SURVIVE.

I BELIEVE THAT IF CANADIAN RAILROADS ARE ALLOWED TO MERGE WITH THE
U.S. RAILROADS THERE WOULD NO LONGER BE A NEED FOR INTRNL BORDER
RELOAD DESTRIIBUTION CENTERS. IF THIS IS PERMITTED TO HAPPEN, I WILL BE
OUT OF BUSINESS.

THE JOBS THAT ARE NOW AVAILABLE IN PLACES LIKE NORTHERN IDAHO, AS
WELL AS MANY OTHER RURAL, ECONOMICALLY DEPPRESSED AREAS, WILL BE
LOST. THAT WORK WILL BE DONE IN CANADA, BY CANADIANS, NOT U.S..

REPEAT THIS SCENARIO MANY TIMES ACROSS THE CANADIAN / US BORDER, AND
IT COULD BE ANOTHER SERIOUS BLOW TO THE US ECONOMY.

I AGREE WITH OTHER SPEAKERS THAT IF THE PROPOSED CONSOLIDATION IS PER
MITTED WE WILL END UP WITH 2 RR SYSTEMS FOR NORTH AMERICA AND THAT
THIS WILL FORM A MONOPOLY THAT WILL LEAD TO DECREASED COMPETITION.

DECREASED COMPETITION MEANS THE GOVT WILL BE FORCED TO REREGULATE
THE RRs. THIS GOVT REGULATION IS EXPENSIVE TO THE TAX PAYERS, AND
PROVEN THAT IT DOES NOT WORK.

WE DO NOT WANT TO RETURN TO PAST MISTAKES.

COMPETITION, IF ALLOWED TO WORK, WILL REGULATE THE RRs.

PLEASE PUT ME ON RECORD IN OPPOSITION TO ANY MORE RAILROAD MERGERS AT THIS TIME. IT IS SIMPLY TOO SOON FOR THE ECONOMY OF THIS NATION.

I'M SURE THAT MY COMPANY IS NOT THE ONLY THAT REQUIRES MORE TIME TO RECOUPE LOSSES FROM THE LAST MERGERS.