

197305
CLARKE

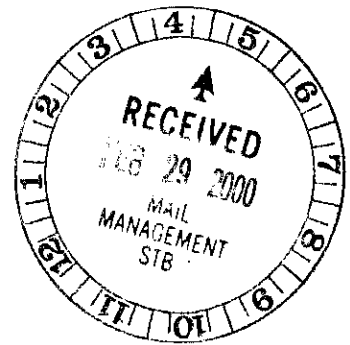
February 17, 2000

Mr. Vernon A. Williams, Secretary
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

RECEIVED
Office of the Secretary

FEB 29 2000

Part of
Letter to Board



Dear Mr. Williams

Re: Ex Parte 582 – March 8/ 2000

Clarke Inc. is a \$300 million publicly traded freight transportation company based in Toronto.

A significant and rapidly growing segment of our business is transborder freight moving between Canada and the United States and between Canada and Mexico. The predominant transborder lanes at present are between Central Canada (Ontario and Québec) and the States of Texas and California. Approximately 60% of our business is intermodal.

We strongly support the proposed CN-BNSF combination for the following reasons:

1. We cannot presently take full advantage of cost efficient intermodal transport because of service issues inherent in the current fragmented rail systems. This, in large part, results from the lack of an integrated rail network on the continent.
2. The negative experiences of combining overlapping rail networks should not be at issue in this "end-to-end" combination. It is much more likely that we would see a more seamless and cost effective service connecting Eastern and Central Canada with the United States and Mexico.

21 Four Seasons Place
Etobicoke, Ontario M9B 6J8
Tel: (416) 695-7711
Fax: (416) 695-9544
Toll Free: (800) 850-4484
Division of Clarke Inc.

197305

3. On the face of it, there appears to be no lessening of competitive service since CN and BNSF do not currently have significant overlaps.

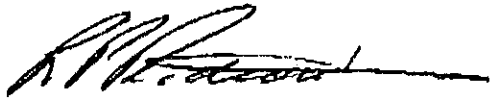
Given the significant potential service improvements, the Board should give the CN/BNSF proposal immediate consideration. Certainly it is potentially much less problematic than overlapping mergers such as UPSP and BNSF, which the Board has previously dealt with expeditiously.

There is, in our view, no compelling reason whatsoever to delay timely consideration of this matter. While dealing with potential "downstream" effects of the merger would no doubt be an interesting exercise, we are more concerned with the level of rail service today. We suggest that each "downstream" proposal be dealt with like this one, on its own merits. The relevant issues are:

- Will service and efficiency be enhanced?
- Will competition be maintained?

Thank you for the opportunity to participate in this important hearing.

Sincerely,



Roy P. Rideout
Chairman & Chief Executive Officer