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BY HAND

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc. – Control – Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd.
RAILROAD CONTROL APPLICATION (CN/WC-2)
(STB Finance Docket No. 34000)

Dear Mr. Williams:

Enclosed for filing in the above-captioned docket please find an original and 25 copies of volumes 1 and 2 of the above-captioned railroad control application, which is designated as "CN/WC-2." We are including with the application a filing fee in the amount of $5,500.00, pursuant to 49 C.F.R. § 1002.2(f)(38)(iii). Also enclosed are three diskettes, each containing sections of the text of this document in WordPerfect 6/7/8/9 format.

Very truly yours,

Paul A. Cunningham

Enclosures

201981

CN/WC 2



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34000

CANADIAN NATIONAL RAILWAY COMPANY,
GRAND TRUNK CORPORATION, AND WC MERGER SUB, INC.
–CONTROL–
WISCONSIN CENTRAL TRANSPORTATION CORPORATION, WISCONSIN CENTRAL LTD., FOX VALLEY & WESTERN LTD., SAULT STE. MARIE BRIDGE COMPANY, AND WISCONSIN CHICAGO LINK

RAILROAD CONTROL APPLICATION

VOLUME 1 OF 2

SUPPORTING INFORMATION, SUMMARY OF BENEFITS, STATEMENTS OF APPLICANTS' PRINCIPAL OFFICERS, OTHER SUPPORTING STATEMENTS, RELATED APPLICATION, DENSITY CHARTS, OPERATING PLAN - MERGER AND SERVICE ASSURANCE PLAN

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April 9, 2001

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TABLE OF ABBREVIATIONS

ACRI	Algoma Central Railway, Inc.
Agreement	Agreement and Plan of Merger dated as of January 29, 2001, among Wisconsin Central Transportation Corporation, Canadian National Railway Company and WC Merger Sub, Inc.
ALK	ALK Technologies, Inc.
Amtrak	National Railroad Passenger Corporation
Applicants	CN and WC
ATN	Australian Transport Network Limited
ATSF	The Atchison, Topeka and Santa Fe Railway Company
BCOL	British Columbia Railway Company
BNSF	Burlington Northern Santa Fe Corporation, The Burlington Northern and Santa Fe Railway Company, and, where the context indicates, their subsidiaries
BOCT	Baltimore and Ohio Chicago Terminal Railroad Company
Board	Surface Transportation Board
BRC	The Belt Railway Company of Chicago
CCP	Chicago, Central & Pacific Railway Company
CIC	Cedar Rapids and Iowa City Railway Company
CMGN	Central Michigan Railway Company

CN	CNR and subsidiaries
CNR	Canadian National Railway Company
Conrail	Consolidated Rail Corporation
CP	Canadian Pacific Ltd., Canadian Pacific Railway, and,where the context indicates, their subsidiaries
CR	Consolidated Rail Corporation
CRL	Chicago Rail Link, L.L.C.
CRRC	Cedar River Railroad Company
CSS	Chicago SouthShore & South Bend Railroad
CSX	CSX Corporation, CSX Transportation, Inc., and, where the context indicates, their subsidiaries
DMIR	Duluth, Missabe and Iron Range Railway Company
DNE	Duluth & Northeastern Railroad Company
DWP	Duluth, Winnipeg & Pacific Railway Company
EJE	Elgin, Joliet & Eastern Railway Company
EWS	English, Welsh & Scottish Railway Holdings Limited
FNM	Ferrocarriles Nacionales de Mexico
FRA	Federal Railroad Administration, United States Department of Transportation
FVW	Fox Valley & Western Ltd.
Goldman Sachs	Goldman, Sachs & Co.
GTC	Grand Trunk Corporation

GTW	Grand Trunk Western Railroad Incorporated
IAIS	Iowa Interstate Railroad
IC	Illinois Central Railroad Company, and, where the context indicates, its subsidiaries
ICC	Interstate Commerce Commission
IHB	Indiana Harbor Belt Railway Company
IMRL	I & M Rail Link, LLC
IORY	Indiana & Ohio Railway
IT	information technology; information technologies
KCS	Kansas City Industries, Inc., The Kansas City Southern Railway Company, and, where the context indicates, their subsidiaries
KCSR	The Kansas City Southern Railway Company
Kearney	A.T. Kearney, Inc.
Merger Sub	WC Merger Sub, Inc.
METRA	Northern Illinois Railroad Corp.
MJ	Manufacturers' Junction Railway, L.L.C.
NAFTA	North American Free Trade Agreement
NEPA	National Environmental Policy Act of 1969
NICTD	Northwestern Indiana Commuter Transportation District
NPRC	National Passenger Railroad Corporation (Amtrak)
NS	Norfolk Southern Corporation, Norfolk Southern Railway

	Company, and, where the context indicates, their subsidiaries
OMR	Ontario Michigan Railroad Corporation
ONT	Ontario Northland Railroad
PAL	Paducah & Louisville Railway, Inc.
Reebie	Reebie Associates
Rule 11	AAR Railway Accounting Rule 11, which permits shippers to protect confidential prices or meet customer requirements by providing for issuance of multiple freight bills on shipments covered by a through bill of lading. Generally speaking, a single waybill is not issued for the complete origin-to-destination movement; rather, each railroad participating in a movement to which Rule 11 is applied issues a separate waybill for its respective portion of the through movement.
SCTC	St. Clair Tunnel Company
SP	Southern Pacific Rail Corporation, Southern Pacific Transportation Company, and, where the context indicates, their subsidiaries
SSMB	Sault Ste. Marie Bridge Company
ST	ST Rail System
STB	Surface Transportation Board
Tex-Mex	Texas Mexican Railway Company
TFM	Transportación Ferroviaria Mexicana, S.A. de C.V.
TMM	Transportación Marítima Mexicana, S.A. de C.V.
Transaction	Proposed acquisition of control of WC by CN, pursuant to the Agreement

UP	Union Pacific Corporation, Union Pacific Railroad Company, and, where the context indicates, their subsidiaries
VIA	Via Rail Canada
WC	WCTC, WCL, FVW, SSMB, WCLL, and, where the context indicates, their subsidiaries
WCLL	Wisconsin Chicago Link Ltd.
WCTC	Wisconsin Central Transportation Corporation
WCL	Wisconsin Central Limited
WSOR	Wisconsin & Southern Railroad Co.

The standard two-letter postal abbreviations are used for U.S. states and Canadian provinces. Because the U.S. abbreviations are familiar to U.S. readers, they are not listed here. However, the Canadian province abbreviations, which may be less familiar, are listed below.

AB	Alberta
BC	British Columbia
MB	Manitoba
NB	New Brunswick
NF	Newfoundland
NT	Northwest Territories
NS	Nova Scotia
ON	Ontario
PE	Prince Edward Island
PQ	Quebec
SK	Saskatchewan
YT	Yukon Territory

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34000

CANADIAN NATIONAL RAILWAY COMPANY,
GRAND TRUNK CORPORATION, AND WC MERGER SUB, INC.
– CONTROL –
WISCONSIN CENTRAL TRANSPORTATION CORPORATION,
WISCONSIN CENTRAL LTD., FOX VALLEY & WESTERN LTD.,
SAULT STE. MARIE BRIDGE COMPANY, AND
WISCONSIN CHICAGO LINK LTD.

RAILROAD CONTROL APPLICATION

INTRODUCTION
(SECTION 1180.6)

Canadian National Railway Company ("CNR"), Grand Trunk Corporation ("GTC"), and WC Merger Sub, Inc. ("Merger Sub"),[1] Wisconsin Central Transportation Corporation ("WCTC"), Wisconsin Central Ltd. ("WCL"), Fox Valley & Western Ltd. ("FVW"), Sault Ste. Marie Bridge Company ("SSMB"), and Wisconsin Chicago Link Ltd. ("WCLL")[2] hereby apply under 49 U.S.C. §§ 11323-11325 and the Board's Railroad Consolidation Procedures, 49 C.F.R. Part 1180,[3] for authorization for CNR (a rail carrier that presently controls several rail carrier

---

[1]CNR, GTC, and Merger Sub are referred to collectively as "CN." These and the other principal abbreviations used in this Application are listed in a Table of Abbreviations following the Table of Contents in this volume.

[2]WCTC, WCL, FVW, SSMB, and WCLL are referred to collectively as "WC." CN and WC are referred to collectively herein as "Applicants."

[3]All section references in this Application are to Title 49 of the Code of Federal Regulations, unless otherwise noted.

subsidiaries) and GTC (a non-carrier holding company through which CN controls its U.S. rail subsidiaries)[4] to acquire control of WCTC and through it of WCTC's rail carrier subsidiaries WCL, FVW, SSMB, and WCLL.

Under the Board's rules, the CN/WC transaction (the "Transaction") is a "minor" transaction.[5] A transaction not involving the merger or control of two or more Class I railroads is classified as minor if a determination can be made either

> (1) That the transaction clearly will not have any anticompetitive effects, or
>
> (2) That any anticompetitive effects of the transaction will clearly be outweighed by the transaction's anticipated contribution to the public interest in meeting significant transportation needs.

49 C.F.R. §§ 1180.2(b). Applying either part of this test, the Transaction is "minor."

First, the Transaction would have no anticompetitive effects. It would be an end-to-end connection of two railroad systems that do not overlap but instead complement each other and, together, would create a stronger competitor. There would be no 2-1 or 3-to-2 shippers on the CN/WC system,[6] no reduction in effective source competition and no increase in market power.

---

[4]Through its GTC subsidiary, CNR controls the following rail carriers subject to the STB's jurisdiction: Grand Trunk Western Railroad Incorporated ("GTW"), Duluth, Winnipeg & Pacific Railway Company ("DWP"), St. Clair Tunnel Company ("SCTC"), Illinois Central Railroad Company ("IC"), Chicago, Central & Pacific Railroad Company ("CCP"), Cedar River Railroad Company ("CRRC"), and Waterloo Railway Company ("Waterloo").

[5]Although the CN/WC Transaction is properly classified as a minor transaction, Applicants have sought to include in this Application additional data and information that would be required if this were a "significant" transaction under the Board's rules (see 49 U.S.C. §§ 1180.6(c), 1180.7, 1180.8(a)).

[6]There would be one nominal 2-1 location on the system, in Canada, but no 2-1 shippers. *See* footnote 12, *infra.*

Second, by enhancing competition, the Transaction would provide significant benefits to the shipping public. Thus, even if the Transaction would produce some anticompetitive effects "which it would not" the public benefits would clearly outweigh those effects.

Applicants therefore request that the Board afford the Transaction the expeditious review appropriate for minor transactions.[7]

BRIEF SUMMARY OF TRANSACTION (SECTION 1180.6(a)(1)(i))

The Parties

CN, the most efficient Class I railroad system in North America, was incorporated in 1919 as one of Canada's two transcontinental railroads, extending from Halifax on the Atlantic to Vancouver and Prince Rupert on the Pacific. Since 1923, the CN system has also included GTW, which extends CN's system to Chicago from the international border at Port Huron/Sarnia and Detroit/Windsor; and, since 1919, the system has included DWP, which extends that system from the international border at Duluth Junction/Ranier over DWP's own lines to Nopeming Junction, MN, and by trackage rights over DMIR to South Itasca (near Superior), WI. In 1999, recognizing the growing importance of north-south traffic to the North American economy, CN acquired IC, to position itself to better serve this growing market by extending its system to the Gulf Coast. As a result of that transaction and of CN's 1998 marketing alliance with KCS, CN has become part of a NAFTA network offering shippers access to TFM, Mexico's largest rail system.

[7]CN suggests a procedural schedule for the Board's review of this Application in the Petition Suggesting Procedural Schedule filed contemporaneously with this Application.

CN's rail system resembles a letter "Y," with one arm formed by CN's route extending from Vancouver and Prince Rupert to Chicago, with its second arm formed by CN's route extending from Halifax via Montreal, Toronto, and Detroit to Chicago, and with its stem formed by CN's line from Chicago to the Gulf Coast.[8] CN is thus configured to provide single-line service linking markets in Eastern and Western Canada with markets in the Midwest, the Mississippi Valley and the Gulf Coast.

An important link in CN's network, however, is neither owned by CN nor subject to CN trackage rights. CN freight between Chicago and Superior must be hauled on CN's behalf by one of the other railroads that owns track between those points. Since 1998, CN has relied on WC to carry CN's through traffic across this gap, under haulage agreements that will expire in 2007 for intermodal traffic and 2018 for other traffic, and that provide CN no right to serve shippers located on WC.

CN's working relationship with WC is now very cooperative. CN, however, has no assurance that WC will be willing to renew the existing haulage arrangements on terms favorable to CN, or indeed on any terms at all.[9] And CN has no assurance that WC will continue, throughout the term of the present agreement, to cooperate with CN, beyond the strict letter of its obligations under the 1997 and 1998 agreements, in developing traffic moving between Western Canada and the Chicago gateway.

---

[8]Another line, not forming part of the "Y," runs between Winnipeg and Toronto north of the Great Lakes and forms part of CN's trans-Canada route.

[9]Unlike trackage rights tenants and lessees, whose operating rights continue unless extinguished by the STB (*see Thompson v. Texas Mexican Ry.*, 328 U.S. 134 (1946)), railroads dependent on haulage rights have no assurance of continued entitlement to such service.

WC was created in 1987 with the acquisition of the Lake States Transportation Division of CP's Soo Line subsidiary. WC has been one of the most successful railroads in North America, and its success has been made possible by the deregulatory movement embodied in the 4R Act and the Staggers Rail Act of 1980. In 1993, FVW, a new WC subsidiary, acquired the lines of FRVR, GBW, and Ahnapee & Western Railroad Company from Itel Corporation. In 1997, WC's subsidiary SSMB acquired 220 route miles of rail line and trackage rights from UP. In 1999, WCLL began its life by acquiring 4.1 miles of track within the Chicago terminal. The total revenues of the WC system have grown from $94 million[10] in 1988 (the first full year of WC operations) to $372 million in 2000.

In recent years, however, WC's growth has slowed. WC's management has concluded that, given the difficulties in gaining access to the resources it needs to improve service to its shippers, its best course of action is to be acquired by another entity, such as a Class I railroad. WC, having determined that no railroad is better suited than CN to further WC's goals, preferred to be acquired by CN. WC fills in an important gap in CN's route structure, but does not overlap any existing CN routes so as to create any redundant lines. In addition, CN ideally complements WC. CN is WC's most important interchange partner, with 20% of WC's revenue now derived from traffic received from or delivered to CN and CN offers WC the best strategic fit of any North American railroad.

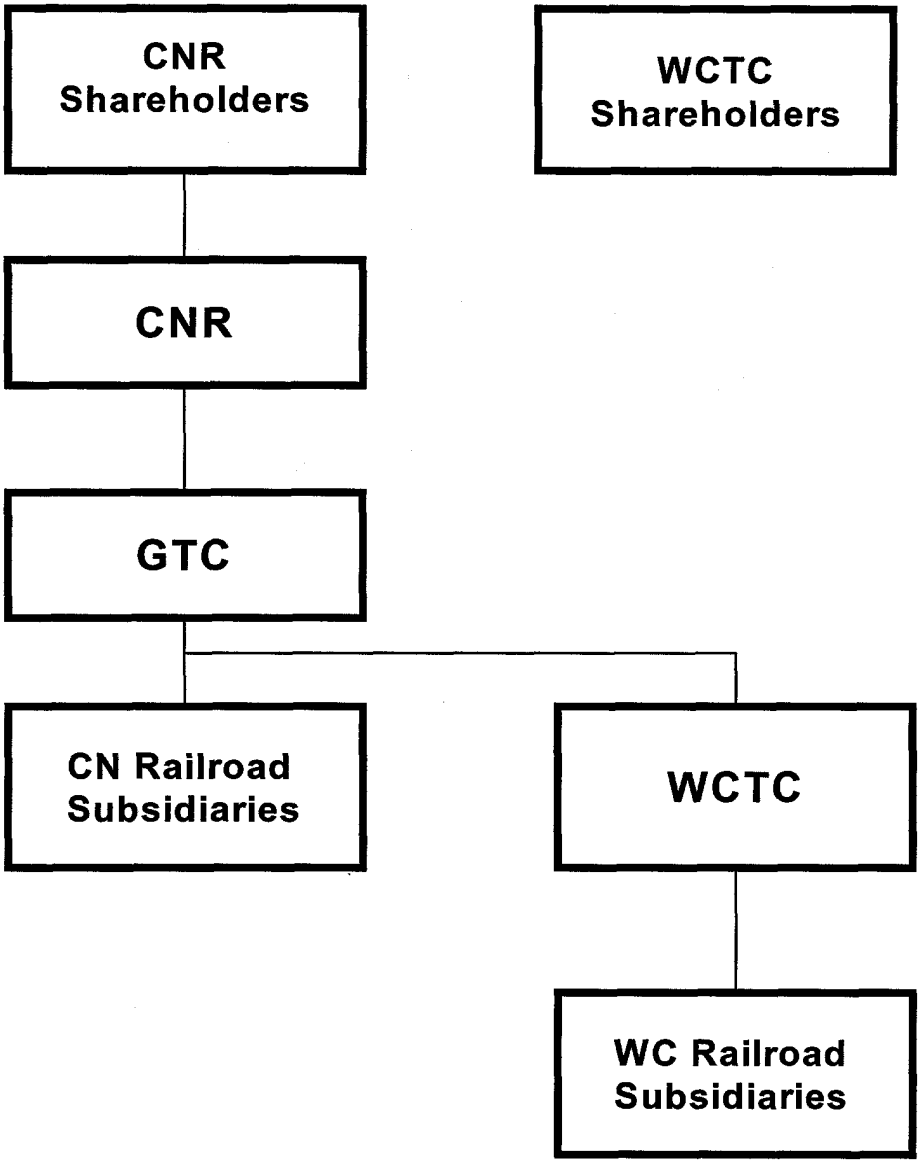
[10]Unless otherwise indicated, all monetary amounts in this Application are reported as U.S. dollars.

The CN/WC Agreement

On January 29, 2001, CNR, Merger Sub, and WCTC entered into an Agreement and Plan of Merger (the "Agreement"). Subject to STB authorization and other conditions, Merger Sub (a Delaware corporation and an indirect wholly owned subsidiary of CN) will be merged into WCTC in accordance with Delaware law, whereupon the separate existence of Merger Sub will cease, and WCTC will be an indirect wholly owned subsidiary of CNR. The Agreement provides that, upon the merger of Merger Sub into WCTC, each share of WCTC that was outstanding immediately before the merger will be converted into the right to receive $17.15 in cash. On April 4, 2001, WCTC's shareholders overwhelmingly approved the Agreement. Approximately 79% of WCTC's outstanding shares were voted on the proposal, and 99% of those shares voted were in favor of the Agreement.

The chart on the following page provides an overview of the corporate structure of CN following the merger.

POST-TRANSACTION CHART



The acquisition of WC will enable CN to secure its service between Superior and Chicago. CN will thus no longer be dependent on haulage service by another railroad under a limited term agreement. Its system between western Canada and the Chicago gateway or points in the Mississippi Valley or the Gulf Coast will be continuous single-line service under CN's control. CN will be able to plan with confidence to develop this and other traffic over the long term, with the knowledge that its ability to carry it will not expire. CN will also gain the ability to provide single-line service to shippers on WC.

The CN/WC Transaction would make it possible to eliminate interchanges between those two railroads at Superior and at Chicago. It would make a larger pool of locomotives and railcars available to meet demand and would improve car utilization. These and other transportation benefits from the Transaction are discussed in greater detail in the Operating Plan (Exhibit 15) and in the Joint Verified Statement of Gordon T. Trafton II and J. Edward Terbell.

Applicants' Names, Addresses, and Telephone Numbers

The names, business addresses and telephone numbers of Applicants are:

Canadian National Railway Company
935 de La Gauchetière Street West
Montréal, PQ H3B 2M9
(514) 399-5430

Grand Trunk Corporation
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(248) 740-6000

WC Merger Sub, Inc.
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(847) 318-4600

Fox Valley & Western Ltd.
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6250 North River Road
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Sault Ste. Marie Bridge Company
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Wisconsin Chicago Link Ltd.
One O'Hare Center, Suite 9000
6250 North River Road
Rosemont, IL 60018
(847) 318-4600

The names and address of counsel to whom questions regarding this Application may be addressed are shown on the cover of the Application.

PROPOSED TIME SCHEDULE
(SECTION 1180.6(a)(1)(ii))

Applicants have filed a Petition to Establish Procedural Schedule. If the Board adopted that schedule, it would be able to issue a final decision in this proceeding well before the 180-day deadline provided by statute. If the Transaction is approved, CN would consummate control of

WC as soon as possible after the final order of the Board approving this Application and authorizing the proposed control Transaction has become effective. Applicants expect to have fully integrated the CN and WC systems within three years of consummation of the Transaction.

PURPOSE OF THE TRANSACTION
(SECTION 1180.6(a)(1)(iii))

The Transaction would integrate the rail operations of CN with those of WC for the purpose of securing an important component in CN's rail network, thereby assuring that Applicants can continue to provide and enhance CN and WC's high-quality and efficient service and enabling them to offer their customers expanded single-line service options.

NATURE AND AMOUNT OF ANY NEW SECURITIES OR OTHER FINANCIAL ARRANGEMENTS
(SECTION 1180.6(a)(1)(iv))

Each holder of WCTC common stock immediately before the merger of Merger Subsidiary into WCTC will be entitled to cash compensation of $17.15 per share. See "Summary of Transaction (Section 1180.6(a)(1)(i))" above. Although CN has not finalized the arrangements for financing the $800 million in cash needed to complete the acquisition of WCTC's stock, at this time CN anticipates initially borrowing this amount under its existing revolving credit facility. It is further anticipated that, within approximately six months after consummation of the Transaction, CN would repay a portion of this money with the proceeds of newly issued term debt. CN anticipates that the remainder of the initial borrowing under the revolving credit facility will be repaid during 2002 with internally generated funds and the proceeds from the disposition of WC's international holdings.

PUBLIC INTEREST JUSTIFICATIONS
(SECTION 1180.6(a)(2))

As described in the Summary of Benefits Exhibit, attached as Appendix A to this Application, quantified public benefits arising from efficiencies of the Transaction would be approximately $52 million per year. Unquantified benefits would also be substantial. (*See* "Effect on Adequacy of Transportation (Section 1180.6(a)(2)(iv))" and "Market Impact Analyses" – Exhibit 12 (Section 1180.7)," below, and the Verified Statement of Ami Haasz. Among the benefits of the Transaction are the following:

- More efficient and expeditious movement of goods between and among western Canada, the Great Lakes states, and the Mississippi Valley. Providing more efficient access to North American markets will serve the public policy and economic interests of the United States. The CN/WC system will be well-positioned to compete to meet the cross-border transportation needs of North American Free Trade Agreement ("NAFTA") customers, and shippers across numerous commodity groups will enjoy new transportation options, including first-time or additional single-line service and efficient routing or car handling alternatives.

- Increased access to origin and destination markets in North America for WC shippers.

- Greater operating efficiencies, including :

  - Reduced need to block traffic or handle cars in Chicago.

  - Improving Applicants' equipment and asset utilization and thereby increasing the capacity of the railroads to offer reliable, scheduled service without the need for additional infrastructure investment.

- Ensuring that CN will have permanent access to WC's line between Superior and Chicago, essential for CN to compete effectively in NAFTA markets.

- Reduced general and administrative expenses.

These and other benefits are more fully described in the Verified Statement of Paul M. Tellier, the Joint Verified Statement of James M. Foote and William R. Schauer, the Joint Verified Statement of Gordon T. Trafton II and J. Edward Terbell, the Operating Plan (Exhibit 15), and the Verified Statement of Ami Haasz.

The Transaction will achieve these public benefits without adversely affecting competition, safety, or the environment. Because of the limited scope of the Transaction and the parties' records over the past decade in successfully implementing rail consolidations,[11] the good operating condition of both systems, and the absence of any need for a sweeping "Day One" change in systems or operations, CN/WC will present a much lower risk of implementation-related service difficulties of the type seen in some recent and much larger transactions.

These public benefits as well as the other public and private benefits identified in this Application can only be fully achieved through the proposed merger, as Messrs. Trafton and Terbell explain in their Joint Verified Statement.

Applicants fully expect that implementation of the transaction will proceed smoothly. Although not required, Applicants have included a Service Assurance Plan ("SAP") in this Application to document their commitment to maintenance of effective service. As explained in that plan, there will be only modest changes in operations as a result of the CN/WC Transaction, and thus little potential for Transaction-related service disruptions. Those changes that are anticipated will not be introduced precipitously, but gradually, and only after necessary planning

[11] For example, CN's acquisition of IC in 1999, IC's acquisition of CCP and CRRC in 1996, and WC's acquisition of FRVR and GBW in 1993.

and training. Because of their plans for careful, incremental implementation of the Transaction, Applicants can confidently assure shippers that they will not suffer deterioration in the quality of rail service from CN or WC as a result of the Transaction.

Further indication that the Transaction would benefit the public is the fact that it has already been endorsed by over 280 parties, including over 235 shippers and over 45 public officials, chambers of commerce, railroads, and other interested parties (*see* "Statements of Public Officials, Other Railroads, and Shippers in Support of Application," in Volume 2).

EFFECTS ON COMPETITION
(SECTION 1180.6(a)(2)(i))

The transaction will enhance the competitiveness of Applicants in the markets they serve, enabling the CN/WC system to attract new traffic, as explained in the Joint Verified Statement of George C. Woodward and Richard L. Bottorff and in the Verified Statement of Joseph G.B. Bryan. The Transaction will cause no reduction in competition, as Richard L. Bottorff and Christopher A. Vellturo explain in their verified statements.

The Transaction is essentially end-to-end. There are no shippers receiving rail service from CN and WC today for which the Transaction would reduce the number of independent railroads serving them from two to one or from three to two.[12] Nor would the Transaction cause any reduction in the vigor of geographic competition, or cause adverse "vertical" effects on

[12]Although Oba, ON, is technically a "2-to-1" location (the only one on the two railroads), there are no industries served by either of the two railroads at that point, and the Transaction would have no adverse effect on competition for rail service there. *See* Verified Statement of Richard L. Bottorff; Verified Statement of Christopher A. Vellturo.

competition.[13] In addition, Applicants will keep all existing active gateways affected by the Transaction open on commercially reasonable terms. Applicants will also waive any defenses they might otherwise have as a result of the Transaction, under the Board's general rule that it does not separately regulate bottleneck rates, in circumstances where a shipper prior to the Transaction would have been entitled to regulation of a bottleneck rate under the Board's "contract exception" to the general rule.

FINANCIAL CONSIDERATION; OPERATING ECONOMIES; INCREASE IN TRAFFIC, REVENUES AND EARNINGS (SECTION 1180.6(a)(2)(ii))

Financial Consideration and Fairness Determination. Under the Agreement, each holder of WCTC common stock immediately before consummation of the merger of Merger Subsidiary into WCTC will be entitled to cash compensation of $17.15 per share. *See* "Summary of Transaction (Section 1180.6(a)(1)(i))," above. The financial terms under which CN will acquire indirect ownership of the common stock of WCTC are just and reasonable from the perspective of the shareholders of both CNR and WCTC, and Applicants ask the Board to so find. *See Schwabacher v. United States*, 334 U.S. 192 (1948); *Zatz v. United States*, 149 F.3d 144 (2d Cir. 1998). The fairness of those terms to CN shareholders is addressed in the Verified Statement of

[13] In theory, adverse vertical effects on competition can arise when a railroad that has market power in one geographic market merges with a connecting railroad and, as a result of the merger, extends its market power to the connecting railroad's territory, closing gateways and thus foreclosing other connecting railroads from participating in movements to or from the first railroad's service area. Applicants have stated that they will not engage in such foreclosure by closing efficient gateways. *See* Joint Verified Statement of James M. Foote and William R. Schauer. Moreover, as Christopher A. Vellturo notes in his verified statement, not only are such vertical effects unlikely as a matter of economic theory, but the Board has received no evidence in recent proceedings sufficient to persuade it that such effects actually do or are likely to occur.

Paul M. Tellier, in this Volume, and their fairness to WCTC shareholders is addressed in the Verified Statement of Thomas F. Power, Jr., also in this Volume.

Increase in Traffic, Revenues, and Earnings; Economies to be Effected in Operations. The Transaction is expected to result in a modest increase in traffic handled by CN/WC and an associated increase in revenues. *See* Joint Verified Statement of George C. Woodward and Richard L. Bottorff; Verified Statement of Joseph G. B. Bryan. In addition, the Transaction would lead to economic gains from efficiency-related cost reductions. Applicants expect that these efficiency cost savings would be approximately $56 million annually, including private and public benefits. The operating changes and cost saving initiatives associated with these benefits are described in the Operating Plan (Exhibit 15), the Joint Verified Statement of Gordon T. Trafton II and J. Edward Terbell, and the Verified Statement of Ami Haasz.

Applicants expect to incur limited one-time expenditures for implementation. These projected outlays are described in the Operating Plan. The amounts of these one-time expenditures and of the benefits described above are reflected in the Operating Plan and the Verified Statement of Ami Haasz.

EFFECT OF INCREASE IN TOTAL FIXED CHARGES (SECTION 1180.6(a)(2)(iii))

At this time, the financing arrangements for the Transaction have not been finalized, and as a result the additional fixed charges associated with the acquisition indebtedness cannot be known with certainty. Nonetheless, as described above (*see* "Nature and Amount of Any New Securities or Other Financial Arrangements" (Section 1180.6(a)(1)(iv)), CN expects to use its existing revolving credit facility to provide the cash needed to consummate the Transaction, and

expects to repay a portion of this money within approximately six months after consummation with the proceeds of newly issued term debt. CN further anticipates that during 2002 it will repay the remainder of the money borrowed under the revolving credit facility, using internally generated funds and the proceeds from the disposition of WC's international holdings.

To implement the Transaction, Applicants expect to incur only the modest additional capital expenditures listed in the Operating Plan (Exhibit 15). Although their exact amount is not yet known, CN anticipates that the incremental fixed charges attributable to the Transaction will be easily absorbed by the CN/WC system. CN/WC thus will be a financially strong enterprise with a strong balance sheet. If CN/WC should need to make capital investments in infrastructure in order to maintain or improve service after implementation of the Transaction, it will have the financial resources to do so. Given the revenues and cost savings resulting from the Transaction, and the associated modest level of incremental fixed charges, CN/WC also will have the financial strength to meet the challenges of maintaining and enhancing its high quality rail service, improve its operations, and enhance shareholder value.

EFFECT ON ADEQUACY OF TRANSPORTATION (SECTION 1180.6(a)(2)(iv))

The Transaction will improve the quality of rail transportation service to the public. It will provide shippers with an extended unified network, offering new single-line routings linking markets in the U.S. and Canada, improving or eliminating interchanges, and reducing both car handling and car transit time. The CN/WC system would be guided by a service-oriented operating plan. Expanded and improved single-line service will enable Applicants to improve

equipment utilization, which will reduce the railroads' operating costs, reduce terminal dwell time and overall cycle times for both cars and locomotives.

The Transaction will not have any adverse impact on the continuation of essential transportation services to the public. The ability of other rail carriers to furnish essential services will not be affected.

The benefits, described in the Operating Plan-Minor (Exhibit 15) the Joint Verified Statement of Gordon T. Trafton II and J. Edward Terbell, and the Joint Verified Statement of James M. Foote and William R. Schauer, are outlined below:

More Efficient Single-Line Service. The CN and WC systems connect end-to-end at Superior and Chicago, permitting the CN/WC system to offer extended single-line service between WC-served points in Wisconsin, Minnesota, and the Upper Peninsula of Michigan and CN-served points.

Improved Equipment Utilization and Availability. As explained further in the Operating Plan, the Transaction will produce improvements in utilization of freight cars and locomotives, which will increase availability and velocity of equipment.

Increased Capacity for Capital Investments. Although no significant capital investments directly related to the proposed Transaction are anticipated, other than those relating to information technology as described in the Operating Plan, the Transaction will increase the CN/WC's ability to invest in rail property and equipment. CN today has the best debt/equity ratio of any Class I railroad, and it leads Class I railroads in generation of free cash flow. CN can comfortably carry out the Transaction without significant impacts on its financial strength, and WC customers will benefit from that financial strength.

Safer Service. CN and WC are committed to a careful implementation of the Transaction that will improve the level of safety. The details of the railroads' commitment to safety will be included with the Safety Integration Plan that, pursuant to Applicants' arrangements with the Federal Railroad Administration ("FRA"), will be submitted within 30 days after this Application.

More Reliable Service. More single-line service, improved train service, and improved equipment utilization and availability will enable the CN/WC system to provide more reliable service than is possible today. Applicants' Service Assurance Plan demonstrates their commitment to the maintenance of excellent service and to improved service in the future.

EFFECT ON EMPLOYEES
(SECTION 1180.6(a)(2)(v))

The effect of the Transaction on the Applicants' employees is addressed in the Labor Impact Statement set forth as Appendix A to the Operating Plan, and in Section 12 of the Operating Plan.

Applicants acknowledge that the Transaction would be subject to the employee protective conditions and other procedures adopted in *New York Dock – Control – Brooklyn Eastern District Terminal*, 360 I.C.C. 60, *aff'd sub nom. New York Dock Ry. v. United States*, 609 F.2d 83 (2d Cir. 1979).

EFFECT OF INCLUSION OF OTHER RAILROADS
(SECTION 1180.6(a)(2)(vi))

Applicants do not contemplate the inclusion of other railroads in the Transaction. The Transaction will not cause the loss of any essential rail service, and inclusion of other rail carriers would not be in the public interest.

OTHER SUPPORTING STATEMENTS
(SECTION 1180.6(a)(3))

Other supporting statements include the statements of shippers, public officials, other railroads, various officers of Applicants, and expert witnesses. More than 280 parties have submitted statements supporting the Transaction. Statements of support by shippers, public officials, chambers of commerce, railroads, and other interested parties appear in Volume 2 of this Application. Statements of Applicants' officers and expert witnesses appear in this Volume.

OPINIONS OF COUNSEL
(SECTION 1180.6(a)(4))

The opinions of Applicants' counsel that the transaction described in this Application satisfies the requirements of law and will be legally authorized and valid if approved by the Board appear in Appendix B of the Application, in this Volume.

LIST OF STATES
(SECTION 1180.6(a)(5))

Listed below are the states in which each Applicant carrier owns rail property over which it conducts railroad operations:

CN-Related Carriers

CNR: Michigan, Minnesota, New York, and Vermont

GTW: Indiana, Illinois, Michigan, and Ohio

DWP: Minnesota and Wisconsin

SCTC: Michigan

IC: Alabama, Illinois, Kentucky, Louisiana, Mississippi, and Tennessee

CCP: Illinois, Iowa, and Nebraska

CRRC: Iowa and Minnesota

Waterloo: Mississippi[14]

WC-Related Carriers

WCL: Illinois, Michigan, Minnesota, and Wisconsin

FVW: Wisconsin

SSMB: Michigan and Wisconsin

WCLL: Illinois

MAP – EXHIBIT 1
(SECTION 1180.6(a)(6))

Exhibit 1 (set forth at Appendix C in this volume) includes two maps. The first map (Map A) depicts the entire CN and WC systems in the United States and Canada. The second map (Map B) provides details about WC's service area, including WC's lines, short line connections, other rail lines in the territory, and principal geographic points.

NATURE AND TERMS OF TRANSACTION
(SECTION 1180.6(a)(7)(i))

See "Summary of Transaction (Section 1180.6(a)(1)(i)" above.

AGREEMENTS – EXHIBIT 2
(SECTION 1180.6(a)(7)(ii))

A copy of the CN/WC Agreement is provided in Volume 2 of this Application.

[14]In addition, Waterloo holds a freight operating easement over a line of railroad in Maine, but it does not presently conduct rail operations on that line.

DESCRIPTION OF RESULTING COMPANY
(SECTION 1180.6(a)(7)(iii))

Pursuant to the Agreement, Merger Sub, an indirect wholly owned subsidiary of CN, will merge with and into WCTC, leaving WCTC as the surviving corporation. As a result of the transaction, WCTC and its rail carrier subsidiaries will become indirect wholly owned subsidiaries of CN.

COURT ORDER – EXHIBIT 3
(SECTION 1180.6(a)(7)(iv))

Not applicable. No Applicant is a trustee, receiver, assignee, or personal representative of a real party in interest.

PROPERTY INCLUDED IN TRANSACTION
(SECTION 1180.6(a)(7)(v))

The property involved in the proposed Transaction is all the property owned by WCTC and its subsidiaries.

DESCRIPTION OF PRINCIPAL ROUTES
(SECTION 1180.6(a)(7)(vi))

The principal routes of CN and WC, the termini of the lines involved, and their main line and branch line mileage are generally described below.

CN's Principal Routes. CN's rail network consists of 3,912 owned route miles in 14 states in the U.S. and 11,620 route miles owned in eight Canadian provinces. CN does not separate its railroad system on the basis of main line versus branch line mileage.

CN's principal routes run (1) to every major metropolitan area in Canada; (2) to the major U.S. metropolitan areas of Buffalo, Detroit, Duluth/Superior, and Chicago; (3) north-south between Chicago and the Gulf of Mexico, reaching every major metropolitan area on the

Mississippi River, including Chicago, St. Louis, Memphis, and New Orleans; and (4) east-west between Chicago and Nebraska and Iowa, extending from Sioux City and Council Bluffs, IA, in the West to Chicago in the East. The eastern terminus of CN's network is Halifax, NS. The western termini are Vancouver and Prince Rupert, BC. The southern terminus is New Orleans. CN's traffic between Superior and Chicago is carried by WC over the latter's lines, pursuant to haulage agreements between the parties.

WC's Principal Routes. WC operates over 2,464 route miles (1,845 miles of main lines, 693 miles of secondary lines, and 222 miles of trackage rights over other railroads' lines) in Wisconsin, northeastern Illinois, and the Upper Peninsula of Michigan, and over 296 route miles (295 miles main line and 1 mile trackage rights) in the Province of Ontario.

WC's main route extends from outside Chicago north through the Fox River Valley region of Wisconsin through Fond du Lac to Neenah, and then northwestward through Stevens Point to Superior, WI. Another main route diverges from this line and extends to Withrow, MN and thence via trackage rights over CP to Minneapolis/St. Paul. Other WC lines in the U.S. extend to Green Bay, Milwaukee, Wausau, Wisconsin Rapids, Ashland, and East Winona, WI; to Sault Ste. Marie, MI; and between the iron ore ranges around Ishpeming, MI, and the lake docks at Escanaba, MI. WC, through its ACRI subsidiary, also operates 296-mile line in Canada between Sault Ste. Marie and Hearst, ON.

WC's principal yard terminals and shop facilities are located at Fond du Lac and Stevens Point, WI, and Sault Ste. Marie, ON. Major interchange locations on WC's routes are Chicago, Superior, Minneapolis/St. Paul, and Sault Ste. Marie, ON.

Principal Routes of the CN/WC System. The principal routes of the CN/WC rail system will be identical to those of the individual railroads, with the addition of through routes where interchange or haulage is now required. The Transaction will not render any CN or WC track redundant, and there will therefore be no Transaction-related line abandonments.

GOVERNMENTAL FINANCIAL ASSISTANCE (SECTION 1180.6(a)(7)(vii))

No governmental financial assistance is expected under the transaction.

ENVIRONMENTAL DATA – EXHIBIT 4 (SECTION 1180.6(a)(8))

The proposed Transaction is exempt under 49 C.F.R. § 1105.6(c)(2)(i) from environmental reporting requirements. The Transaction will cause only modest changes in carrier operations, none of which would exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1) and (3), the proposed merger is also exempt from historic preservation reporting requirements. Rail operations will continue after CN's consummation of control of WC, and further STB approval will be required to abandon any service. There are no plans to dispose of or alter properties subject to STB jurisdiction that are 50 years old or older. Moreover, the common control of CN and its rail carrier subsidiaries with the rail carrier subsidiaries of WCTC will not substantially change the level of maintenance of railroad property.

Accordingly, no Environmental or Historic Report accompanies this Application. Nevertheless, Applicants are providing, in Appendix D to this Application, tables setting forth the changes in numbers of trains operated and in tonnage handled over rail segments affected by the Transaction, and changes in activity at affected rail yards, and demonstrating that operational

impacts of the Transaction will be minimal, falling well under the thresholds set by the Board in 49 C.F.R. § 1105.7(e)(4) and (5).[15] This data should enable the Board to determine with confidence that the Transaction will have no significant environmental effects that would require environmental review under the National Environmental Policy Act of 1969.

CHANGE IN OWNERSHIP OR CONTROL – EXHIBIT 8 (SECTION 1180.6(b)(3))

There has been no change in ownership or control of CN or any of its subsidiaries since GTW and IC filed their most recent Forms R-1, covering calendar year 2000.

There has been no change in ownership or control of WCTC since the public offerings of its common stock in 1991 and 1992. Except as caused by changes in ownership or control of WCTC itself, there has been no change in ownership or control of WCL or FVW since they were formed as subsidiaries of WCTC in 1987, 1992, respectively, or of SSMB since it was acquired by WCTC in 1987. WCLL was created as a WCTC subsidiary in 1999, but it was in an independent voting trust between December 1999 and April 2000, while WCTC's petition for exemption regarding its control of WCLL was pending before the STB. The voting trust was dissolved and WCTC resumed control of WCLL once the STB's decision granting that petition became effective. *See Wisconsin Cent. Transp. Corp. – Continuance in Control Exemption – Wisconsin Chicago Link Ltd.*, STB Finance Docket No. 33811 (STB served Mar. 8, 2000).

[15]Appendix D also includes the text (other than this footnote) of this section of the Application.

RELEVANT ISSUES - EXHIBIT 10
(SECTION 1180.6(b)(5))

The relevant issues are:

(1) The effect of the transaction on competition for the intercity transportation of freight; and

(2) The effect of the transaction on the adequacy of rail transportation service to the public.

These issues are addressed throughout the Application.

CORPORATE CHARTS – EXHIBIT 11
(SECTION 1180.6(b)(6))

Appendix E presents corporate charts setting forth the information called for in 49 C.F.R. § 1180.6(b)(6).

STATEMENT OF COMMON OFFICERS AND DIRECTORS
(SECTION 1180.6(b)(6)(i))

Appendix F lists all common officers and directors among Applicant carriers and all affiliates and subsidiaries identified in the corporate charts submitted as Exhibit 11.

CARRIER STATUS LIST
(SECTION 1180.6(b)(6)(ii))

Appendix G indicates which of the companies included in the "Corporate Charts" (Appendix E in this Volume) are carriers. For those companies that are carriers, the table also indicates the carrier mode and provides the certificate and docket information referred to in 49 C.F.R. § 1180.6(b)(6)(ii).

INFORMATION ON NON-CARRIER APPLICANTS
(SECTION 1180.6(b)(7))

GTC, a wholly owned subsidiary of CN, is a holding company incorporated under the laws of Delaware in 1970 and headquartered in Troy, Michigan. GTC is principally engaged in the rail freight transportation business, through its direct and indirect wholly owned subsidiaries GTW, DWP, SCTC, IC, CCP, and CRRC. IC Financial Services, an indirect subsidiary of GTC, conducts financing operations for railroad equipment and is the investment vehicle for non-rail related activities, including terminal operations.

Merger Sub is a Delaware corporation and an indirect wholly-owned subsidiary of CNR that was formed solely for the purpose of effecting the Transaction contemplated by the Merger Agreement, and it has not engaged in any business except in furtherance of that purpose.

WCTC is a holding company incorporated under the laws of Delaware in 1987 and headquartered in Rosemont, IL. WCTC is principally engaged in the rail freight transportation business, through its wholly owned subsidiaries, WCL, FVW, SSMB, WCLL, and ACRI (a railroad operating in Canada between Sault Ste. Marie, ON, and Hearst, ON), and through its minority holdings in Tranz Rail Holdings Limited, which provides rail, motor, and ferry transportation in New Zealand, English, Welsh & Scottish Railway Holdings Limited ("EWS"), which provides most of the rail services in Great Britain, and Australian Transport Network Limited ("ATN"), an Australian company that provides all the commercial rail freight service in Tasmania.

On November 3, 2000, WCTC announced that it had retained Goldman Sachs as financial advisor to the WCTC board of directors in evaluating strategic alternatives including, but not

limited to, sale of Wisconsin Central and divestiture of its international holdings. On November 9, 2000, WCTC announced that Deutsche Bank AG had been retained to act as financial advisor in connection with the potential disposition of shares in Tranz Rail. WCTC and its financial advisors are continuing to actively pursue opportunities for divestiture of WCTC's minority interests in Tranz Rail. WC is also pursuing opportunities to divest itself of other overseas holdings. These efforts will be unaffected by the Transaction.

STATEMENT OF DIRECT OR INDIRECT INTERCORPORATE FINANCIAL RELATIONSHIPS (SECTION 1180.6(b)(8))

There are no direct or indirect intercorporate financial relationships between Applicant carriers and any non-affiliated carrier, other than those relationships disclosed elsewhere in this Application (especially in the corporate chart found at Appendix E).

MARKET IMPACT ANALYSES – EXHIBIT 12 (SECTION 1180.7)

Although 49 C.F.R. § 1180.7 does not require formal market analyses for a minor transaction such as the one proposed by Applicants, this Application includes various analyses of the market impact of the Transaction, including:

(1) The Verified Statements of Richard L. Bottorff and Christopher A. Vellturo, explaining the absence of adverse competitive effects from the proposed Transaction.

(2) The Joint Verified Statement of James M. Foote and William R. Schauer, discussing the benefits that the Transaction will provide shippers through improved services and increased efficiencies, enhancing those shippers' competitiveness.

(3) The Joint Verified Statement of George C. Woodward and Richard L. Bottorff and the Verified Statement of Joseph G.B. Bryan, discussing the effects of the Transaction in enhancing Applicants' ability to compete, and of the consequent ability of the CN/WC system to attract new traffic.

As these analyses show, competition would be enhanced throughout the regions and in all economic sectors that would be served by the CN/WC network. *See also* "Effects on Competition (Section 1180.6(a)(2)(i))," and "Effect on Adequacy of Transportation (Section 1180.6(a)(2)(iv))," above.

DENSITY CHARTS – EXHIBIT 14
(SECTION 1180.8(a)(5))

Gross ton-mile charts setting forth 1999 density information for CNR, GTW, DWP, WCL, FVW, SSMB, and WCLL, and 2000 density information for IC, CCP, and CRRC are presented in Exhibit 14, in this Volume.

OPERATING PLAN (MINOR TRANSACTIONS) – EXHIBIT 15
(SECTION 1180.8(b))

Applicants' Operating Plan (Exhibit 15), set forth in this Volume describes how CN and WC plan to combine operations, taking into account the traffic volumes estimated in the Applicants' traffic diversion studies. The Joint Verified Statement of Gordon T. Trafton II and J. Edward Terbell provides an overview about the Operating Plan and its development.

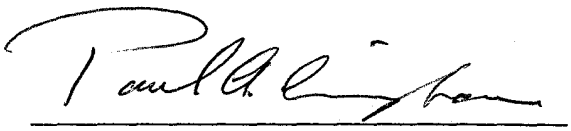
PRAYER FOR RELIEF

Wherefore, Applicants pray that the Board:

(1) Enter an order under 49 U.S.C. §§ 11323 and 11324 granting approval and authority for CNR and GTC to acquire and exercise control of WCTC and its rail carrier subsidiaries; and

(2) Determine that the terms of the Transaction are fair and reasonable to stockholders.

Respectfully submitted,



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April 2001

SIGNATURES, OATHS, AND CERTIFICATIONS
OF APPLICANTS' EXECUTIVE OFFICERS
(SECTION 1180.4(c)(2)(i)

CANADIAN NATIONAL RAILWAY COMPANY,
GRAND TRUNK CORPORATION,
AND WC MERGER SUB, INC.

I, Paul M. Tellier, declare under penalty of perjury under the laws of the United States that I am President and Chief Executive Officer of Canadian National Railway Company, President of Grand Trunk Corporation, and President and Chief Executive Officer of WC Merger Sub, Inc., applicants herein; that I am one of the executive officers duly authorized to sign, to verify, and to file this Application on behalf of the foregoing; that I have knowledge of the matters contained in this Application to the extent they relate to the foregoing; and that the statements in this Application are true and correct to the best of my knowledge and belief.

P. Tellier

Paul M. Tellier

Executed on April 6, 2001

I, Sean Finn, hereby certify that I am corporate Secretary of Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc., applicants herein, and that Paul M. Tellier, President and Chief Executive Officer of Canadian National Railway Company and WC Merger Sub, Inc., and President of Grand Trunk Corporation, is duly authorized to sign, to verify, and to file this Application on behalf of Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc..

Sean Finn
Senior Vice-President, Chief Legal Officer
and Corporate Secretary
Canadian National Railway Company
Secretary
Grand Trunk Corporation
Secretary and Treasurer
WC Merger Sub, Inc.

Dated this 6 day of April, 2001.

SIGNATURES, OATHS AND CERTIFICATIONS
OF APPLICANTS' EXECUTIVE OFFICERS
(SECTION 1180.4(c)(2)(i))

WISCONSIN CENTRAL TRANSPORTATION CORPORATION

I, Thomas F. Power, Jr., declare under penalty of perjury that I am President and Chief Executive Officer of Wisconsin Central Transportation Corporation, applicant herein; that I am one of the executive officers duly authorized to sign, to verify, and to file this Application on behalf of the foregoing; that I have knowledge of the matters contained in this Application to the extent they relate to the foregoing; and that the statements made in this Application are true and correct to the best of my knowledge and belief.

Thomas F. Power, Jr.

Executed on April 6, 2001

I, Marty J. Mickey, hereby certify that I am Assistant Vice President, Treasurer & Assistant Secretary of Wisconsin Central Transportation Corporation, applicant herein, and that Thomas F. Power, Jr., President and Chief Executive Officer of Wisconsin Central Transportation Corporation, is duly authorized to sign, to verify, and to file this Application on behalf of the foregoing.

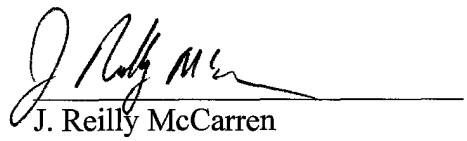
Marty J. Mickey
Assistant Vice President, Treasurer &
Assistant Secretary
Wisconsin Central Transportation
Corporation

Dated this 6 day of April, 2001

SIGNATURES, OATHS AND CERTIFICATIONS
OF APPLICANTS' EXECUTIVE OFFICERS
(SECTION 1180.4(c)(2)(i))

WISCONSIN CENTRAL LTD., FOX VALLEY & WESTERN LTD.,
SAULT STE. MARIE BRIDGE COMPANY,
AND WISCONSIN CHICAGO LINK LTD.

I, J. Reilly McCarren, declare under penalty of perjury that I am President and Chief Executive Officer of Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd., applicants herein; that I am one of the executive officers duly authorized to sign, to verify, and to file this Application on behalf of the foregoing; that I have knowledge of the matters contained in this Application to the extent they relate to the foregoing; and that the statements made in this Application are true and correct to the best of my knowledge and belief.



J. Reilly McCarren

Executed on April 6, 2001

I, Marty J. Mickey, hereby certify that I am Assistant Vice President, Treasurer & Assistant Secretary of Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd., applicants herein, and that J. Reilly McCarren, President and Chief Executive Officer of Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd., is duly authorized to sign, to verify, and to file this Application on behalf of the foregoing.

Marty J. Mickey
Assistant Vice President, Treasurer, and
Assistant Secretary
Wisconsin Central Ltd., Fox Valley &
Western Ltd., Sault Ste. Marie Bridge
Company and Wisconsin Chicago Link Ltd.

Dated this 6 day of April, 2001

CERTIFICATE OF SERVICE

I certify that I have served a conformed copy of the foregoing Application in Finance Docket No. 34000, and conformed copies of verified statements, appendices, and exhibits in support of the Application, by first class mail, properly addressed with postage prepaid, or by a more expeditious manner of delivery, upon all persons required to be served as set forth in 49 C.F.R. § 1180.4(c)(5), namely:

(i) The Governor (or Executive Officer), the Public Service Commission, and Department of Transportation of each State in which any part of the real properties of Applicant carriers involved in the Transaction is situated;

(ii) The Secretary of the United States Department of Transportation (Docket Clerk, Office of Chief Counsel, Federal Railroad Administration, 400 7th Street, S.W., Washington, D.C. 20590);

(iii) The Attorney General of the United States;

(iv) The Federal Trade Commission;

(v) All parties of record in Finance Docket No. 34000; and

(vi) All other persons who requested a copy.

Dated at Washington, D.C., this 9th day of April, 2001.

R. A. Wimbish

Robert A. Wimbish

APPENDIX A
SUMMARY OF BENEFITS EXHIBIT

Summary of Quantified Public Benefits

	Total Annual Labor and Non-Labor Savings	One-Time Costs
Annual Savings		
Mechanical	$4.8	
Engineering	$14.1	
Transportation	$0.2	
General and Administrative	$16.7	
Information Technology	$4.1	
Procurement	$2.4	
Asset Savings	$9.7	
Total	**$52.0**	
One-Time Costs		
Separation Costs		($30.2)
IT Integration		($13.1)
Total		**($43.3)**

Figures include capital and operating dollars
Additional private benefits of $4.4 million are not included above

APPENDIX B

OPINIONS OF COUNSEL FOR APPLICANTS

Canadian National Railway Company
Grand Trunk Corporation, and WC Merger Sub, Inc.

As counsel for Canadian National Railway Company ("CNR"), Grand Trunk Corporation ("GTC"), and WC Merger Sub, Inc. ("Merger Sub"), I am generally familiar with the proposed control transaction and have reviewed the foregoing joint Railroad Control Application (the "Application"). It is my opinion that the control transaction meets the requirements of the law, is within the corporate powers of CNR, GTC, and Merger Sub, and will be legally authorized and valid, if approved by the Surface Transportation Board. Capitalized terms used and not otherwise defined in this Opinion shall have the meanings specified in the foregoing Application.

Sean Finn
Senior Vice-President, Chief Legal Officer
and Corporate Secretary
Canadian National Railway Company

Dated this 6 day of April, 2001, at Montréal.

Wisconsin Central Transportation Corporation

As counsel for Wisconsin Central Transportation Corporation ("WCTC"), I am generally familiar with the proposed control transaction and have reviewed the foregoing joint Railroad Control Application (the "Application"). It is my opinion that the control transaction meets the requirements of the law, is within the corporate powers of WCTC, and will be legally authorized and valid, if approved by the Surface Transportation Board. Capitalized terms used and not otherwise defined in this Opinion shall have the meanings specified in the foregoing Application.

Thomas W. Rissman
General Counsel
Wisconsin Central Transportation
Corporation

Dated this 6 day of April, 2001, at Chicago, Illinois

Wisconsin Central Ltd., Fox Valley & Western Ltd.,
Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd.

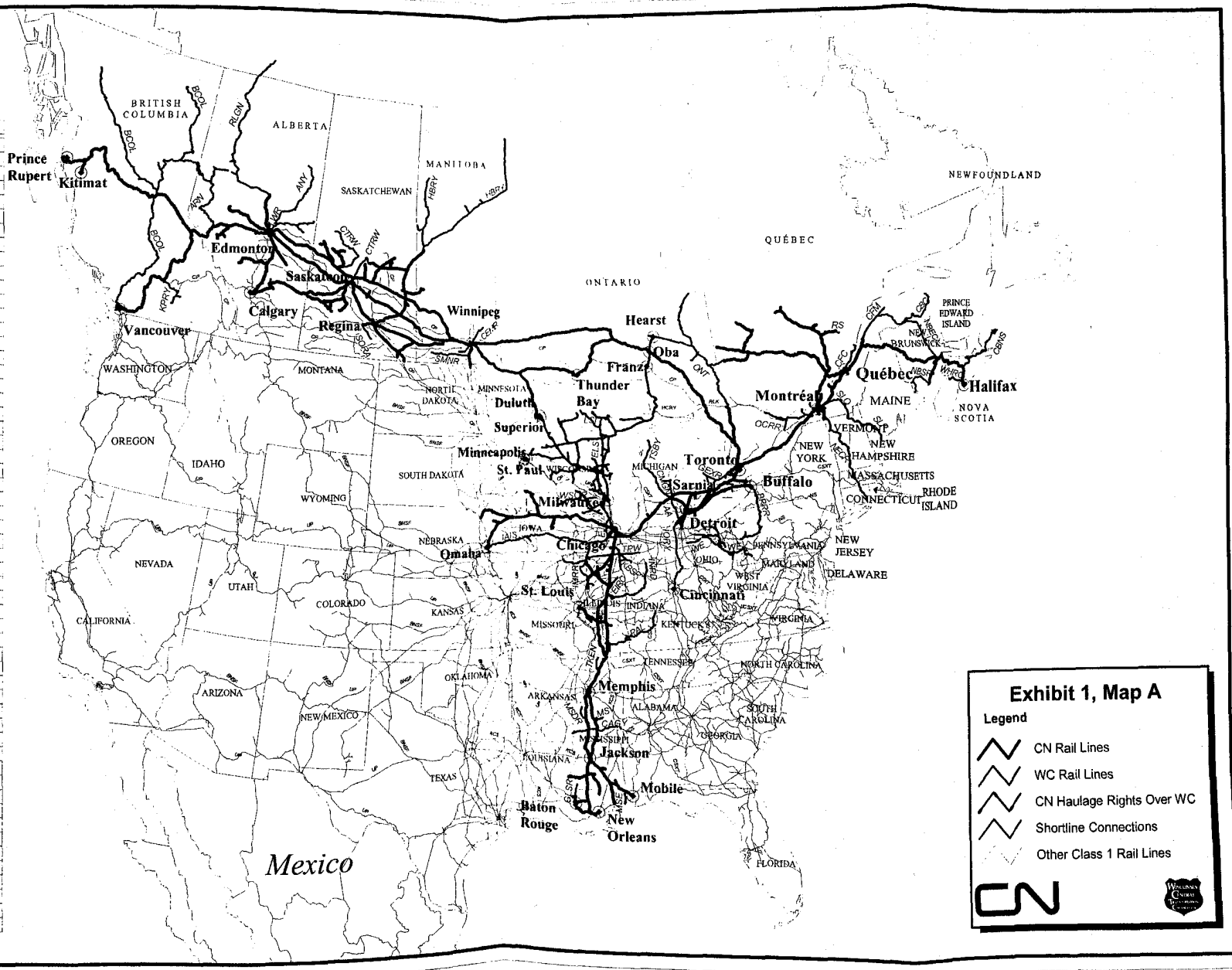
As counsel for Wisconsin Central Ltd. ("WCL"), Fox Valley & Western Ltd. ("FVW"), Sault Ste. Marie Bridge Company ("SSMB"), and Wisconsin Chicago Link Ltd. ("WCLL"), I am generally familiar with the proposed control transaction and have reviewed the foregoing joint Railroad Control Application (the "Application"). It is my opinion that the control transaction, to the extent it involves WCL, FVW, SSBM, or WCLL, meets the requirements of the law, is within the corporate powers of WCL, FVW, SSMB, and WCLL, and will be legally authorized and valid, if approved by the Surface Transportation Board. Capitalized terms used and not otherwise defined in this Opinion shall have the meanings specified in the foregoing Application.

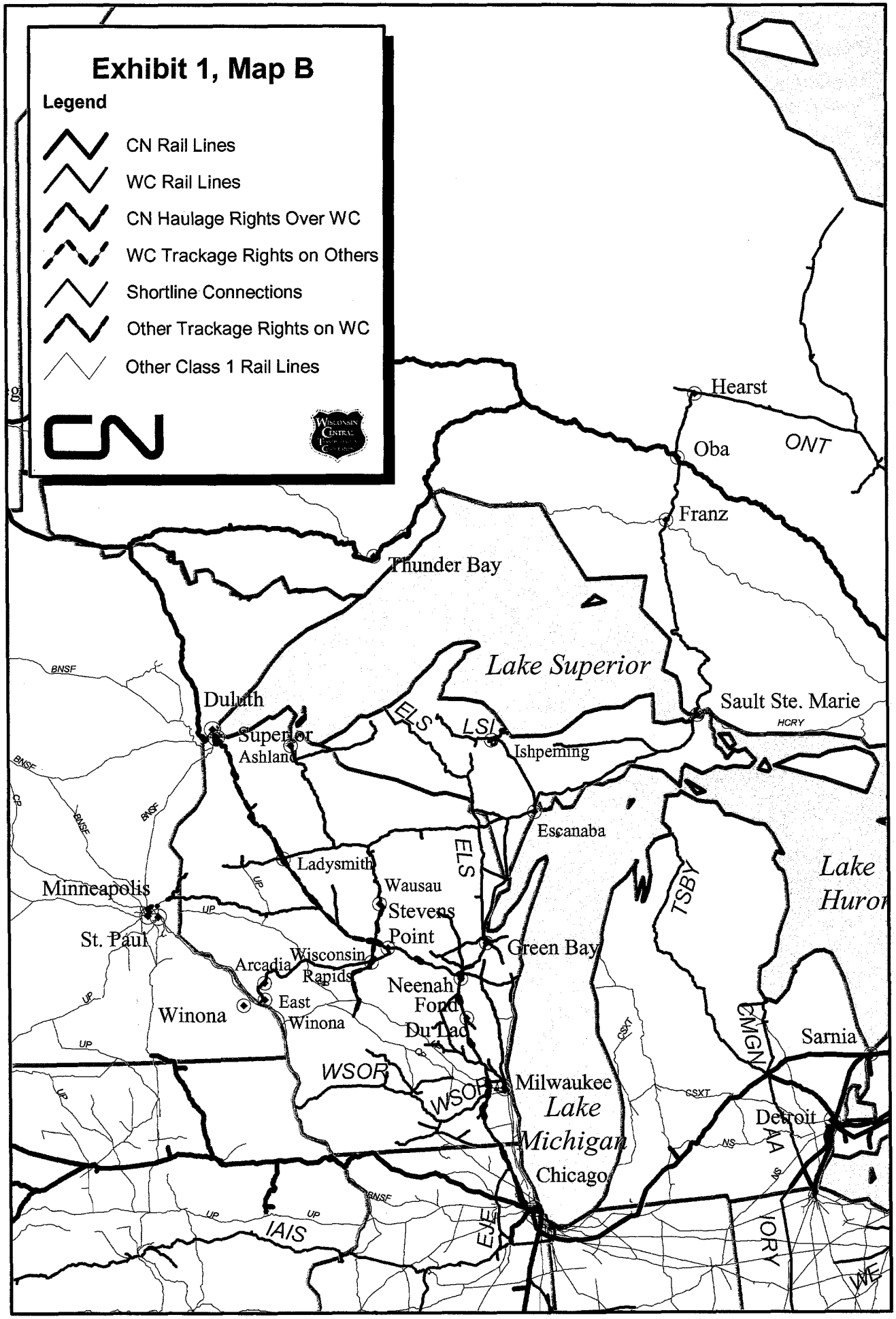
Janet H. Gilbert
Vice President & General Counsel
Wisconsin Central Ltd., Fox Valley &
Western Ltd., Sault Ste. Marie Bridge
Company, and Wisconsin Chicago Link Ltd.

Dated this 6 day of April, 2001, at Rosemont, Illinois

APPENDIX C
MAPS
(Exhibit 1)

ABBREV	NAME
AA	Ann Arbor Railroad
ANY	Athabasca Northern Railway Ltd.
ARN	Alberta RailNet, Inc.
BCOL	BC Rail Ltd.
BNSF	Burlington Northern and Santa Fe Railway Company
BPRR	Buffalo & Pittsburgh Railroad, Inc.
CAGY	Columbus and Greenville Railway
CBC	Chemin de fer Baie des Chaleurs, Inc.
CBNS	Cape Breton & Central Nova Scotia Railway
CEMR	Central Manitoba Railway, Inc.
CFC	Chemin de fer Charlevoix Inc.
CFM	The Matapedia and Gulf Railway
CMGN	Central Michigan Railway Company
CN	Canadian National Railway Company
CP	Canadian Pacific Railway
CSXT	CSX Transportation, Inc.
CTRW	Carlton Trail Railway Company
EIRC	Eastern Illinois Railroad Company
EJE	Elgin, Joliet and Eastern Railway Company
ELS	Escanaba & Lake Superior Railroad Company
GEXR	Goderich-Exeter Railway Company Ltd.
GLSR	Gloster Southern Railroad Company
HBRY	Hudson Bay Railway Company
HCRY	Huron Central Railway Inc.
IAIS	Iowa Interstate Railroad, Ltd.
IMRR	Illinois & Midland Railroad, Inc.
INRD	Indiana Rail Road Company
KBSR	Kankakee, Beaverville and Southern Railway Company
KCS	Kansas City Southern Railway Company
KPRY	Kelowna Pacific Railway Ltd.
LSI	Lake Superior & Ishpeming Railroad Company
LWR	Lakeland and Waterways
MSDR	Mississippi Delta Railroad
MSE	Mississippi Export Railroad Company
MSV	Mississippi & Skuna Valley Railroad Company
NBEC	New Brunswick East Coast Railway
NBSR	New Brunswick Southern Railway
NECR	New England Central Railroad, Inc.
NS	Norfolk Southern Railway Company
OCRR	Ottawa Central Railway
ONT	Ontario Northland Railway
PAL	Paducah & Louisville Railway, Inc.
RLGN	RailLink Mackenzie Northern
RLK	RailLink Ottawa Valley
SLQ	St. Lawrence & Atlantic Railroad (Quebec), Inc.
SLR	St. Lawrence & Atlantic Railroad Company
SMNR	Southern Manitoba Railway, Inc.
SORA	Southern Rails Cooperative Ltd.
TKEN	Tennken Railroad Co., Inc.
TPW	Toledo, Peoria and Western Railway Corporation
TSBY	Tuscola & Saginaw Bay Railway Company Inc.
UP	Union Pacific Railroad Company
WC	Wisconsin Central Ltd.
WE	Wheeling and Lake Erie Railway
WHRC	Windsor & Hantsport Railway Company Limited
WSOR	Wisconsin & Southern Railroad Company




Exhibit 1, Map B
Legend
CN Rail Lines
WC Rail Lines
CN Haulage Rights Over WC
WC Trackage Rights on Others
Shortline Connections
Other Trackage Rights on WC
Other Class 1 Rail Lines
CN
Hearst
Oba
ONT
Franz
Thunder Bay
Lake Superior
Duluth
Superior
Ashland
ELS
LSI
Ishpeming
Sault Ste. Marie
HCRY
Escanaba
Ladysmith
Wausau
Stevens Point
Green Bay
Minneapolis
St. Paul
Arcadia
Wisconsin Rapids
Neenah
Fond Du Lac
East Winona
Winona
TSBY
Lake Huron
Sarnia
WSOR
Milwaukee
Lake Michigan
Chicago
Detroit
CSXT
NS
IAIS
EJE
IORY
BNSF
UP
CP

APPENDIX D
ENVIRONMENTAL DATA
(Exhibit 4)

ENVIRONMENTAL DATA – EXHIBIT 4
(SECTION 1180.6(a)(8))

The proposed Transaction is exempt under 49 C.F.R. § 1105.6(c)(2)(i) from environmental reporting requirements. The Transaction will cause only modest changes in carrier operations, none of which would exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(1) and (3), the proposed merger is also exempt from historic preservation reporting requirements. Rail operations will continue after CN's consummation of control of WC, and further STB approval will be required to abandon any service. There are no plans to dispose of or alter properties subject to STB jurisdiction that are 50 years old or older. Moreover, the common control of CN and its rail carrier subsidiaries with the rail carrier subsidiaries of WCTC will not substantially change the level of maintenance of railroad property.

Accordingly, no Environmental or Historic Report accompanies this Application. Nevertheless, Applicants are providing, in this Appendix D, tables setting forth the changes in numbers of trains operated and in tonnage handled over rail segments affected by the Transaction, and changes in activity at affected rail yards, and demonstrating that operational impacts of the Transaction will be minimal, falling well under the thresholds set by the Board in 49 C.F.R. § 1105.7(e)(4) and (5). This data should enable the Board to determine with confidence that the Transaction will have no significant environmental effects that would require environmental review under the National Environmental Policy Act of 1969.

Traffic Changes on Rail Line Segments in United States Affected by Canadian National/Wisconsin Central Transaction

Rail Line Segment Description				Length	Passenger and Freight Trains/Day					Freight; Gross Tons/Day					Thresholds Met or Exceeded	
Segment Number	From Station	To Station	Road	Miles	Psgr	Freight Base	Freight Merged	Freight Difference	Threshold Trains/Day	Base	Merged	Difference	Percent Change	Threshold Percent Increase	Air Quality	Noise
5	FORT FRANCES	SUPERIOR	CN	166	0	13.0	13.00	0.00	8	83,412	87,516.25	4,104.25	4.92%	100%	N	N
6	SUPERIOR	LADYSMITH	WC	124	0	11.0	11.91	0.91	8	86,466	99,573.95	13,107.95	15.16%	100%	N	N
7	LADYSMITH	OWEN	WC	46	0	11.0	11.91	0.91	8	93,890	106,997.95	13,107.95	13.96%	100%	N	N
9	OWEN	JCT CITY	WC	53	0	15.0	15.91	0.91	8	114,795	127,632.43	12,837.43	11.18%	100%	N	N
11	JCT CITY	STEVENS PT	WC	12	0	19.0	19.91	0.91	8	128,493	141,330.43	12,837.43	9.99%	100%	N	N
13	STEVENS PT	NEENAH	WC	68	0	17.0	17.91	0.91	8	118,630	130,967.19	12,337.19	10.40%	100%	N	N
14	NEENAH	FOND DU LAC	WC	28	0	25.0	25.91	0.91	8	135,370	147,632.33	12,262.33	9.06%	100%	N	N
15	FOND DU LAC	SCHILLER PARK [1]	WC	136	10	22.0	21.77	(0.23)	3	140,055	152,361.35	12,306.35	8.79%	50%	N	N
38	SCHILLER PARK	FRANKLIN PK	WC	2	10	22.0	21.77	(0.23)	3	140,055	152,361.35	12,306.35	8.79%	50%	N	N
46	BLUE ISLAND JCT	HARVEY	CN	4	0	12.0	12.90	0.86	3	85,479	92,569.49	7,090.49	8.30%	50%	N	N
48	HARVEY	RIVERDALE	CN	3	0	10.0	10.91	0.91	3	88,877	97,992.06	9,115.06	10.26%	50%	N	N
63	FORDHAM	RIVERDALE	CN	5	0	10.0	10.91	0.91	3	88,877	97,992.06	9,115.06	10.26%	50%	N	N
49	FORDHAM	16TH ST	CN	10	0	10.0	10.91	0.91	3	88,877	97,992.06	9,115.06	10.26%	50%	N	N
50	16TH ST	ASH ST	CN	4	4	10.0	10.91	0.91	3	57,906	67,021.06	9,115.06	15.74%	50%	N	N
60	BROADVIEW	HAWTHORNE	CN	6	0	6.0	4.91	(1.09)	3	13,069	14,579.81	1,510.81	11.56%	50%	N	N
61	HAWTHORNE	MP 8.54	CN	1	0	10.0	10.91	0.91	3	57,906	65,494.10	7,588.10	13.10%	50%	N	N
62	MP 8.54	ASH ST	CN	3	0	10.0	10.91	0.91	3	57,906	67,021.06	9,115.06	15.74%	50%	N	N
69	HAYFORD	BLUE ISLAND JCT	CN	8	0	12.0	12.00	0.00	3	50,410	49,612.66	(797.34)	-1.58%	50%	N	N
70	ASHLAND JCT	HAYFORD	CN	3	0	2.9	2.90	0.00	3	35,049	34,221.19	(827.81)	-2.36%	50%	N	N
71	HARVEY	MARKHAM/Chiintter	CN	1	4	31.0	32.77	1.77	3	79,644	97,551.53	17,907.53	22.48%	50%	N	N
25	MARKHAM/Chiintter	CHAMPAIGN	CN	106	4	31.0	31.91	0.91	3	119,895	130,307.52	10,412.52	8.68%	50%	N	N
32	HARVEY	GRIFFITH	CN	13	5	35.0	35.00	0.00	3	152,937	154,638.98	1,701.98	1.11%	50%	N	N
33	GRIFFITH	BATTLE CREEK	CN	145	0	35.0	35.00	0.00	3	153,591	155,292.98	1,701.98	1.11%	50%	N	N

[1] Note: Passenger trains on this segment only operate between Antioch and Schiller Park.

Changes in Activity at Rail Yards in United States Affected by Canadian National / Wisconsin Central Transaction

Railroad	Yard	Total Cars Handled/Day							Threshold Met	
		Base	Merged	Difference						
		Total	Total	Switched	Block Swap	Total	Percent Change in Total Yard Activity	Threshold Percent Change in Car Activity	Air Quality	Noise
WC	SUPERIOR	358.00	415.09	57.09	0.00	57.09	15.9%	100%	N	N
WC	STEVENS PT	678.00	540.33	(151.40)	13.73	(137.67)	-20.3%	100%	N	N
WC	NEENAH	398.00	419.43	21.43	0.00	21.43	5.4%	100%	N	N
WC	FOND DU LAC	1,071.00	1,099.28	36.45	(8.17)	28.28	2.6%	100%	N	N
CN	CHIINTTER [1]	796.88	873.33	76.45	0.00	76.45	9.6%	20%	N	N
CN	HAWTHORNE	326.52	253.52	(73.00)	0.00	(73.00)	-22.4%	20%	N	N
CN	MARKHAM	785.86	857.07	71.21	0.00	71.21	9.1%	20%	N	N
CN	BATTLE CREEK	776.29	797.83	21.54	0.00	21.54	2.8%	100%	N	N
CN	CHAMPAIGN	603.37	619.68	16.31	0.00	16.31	2.7%	100%	N	N

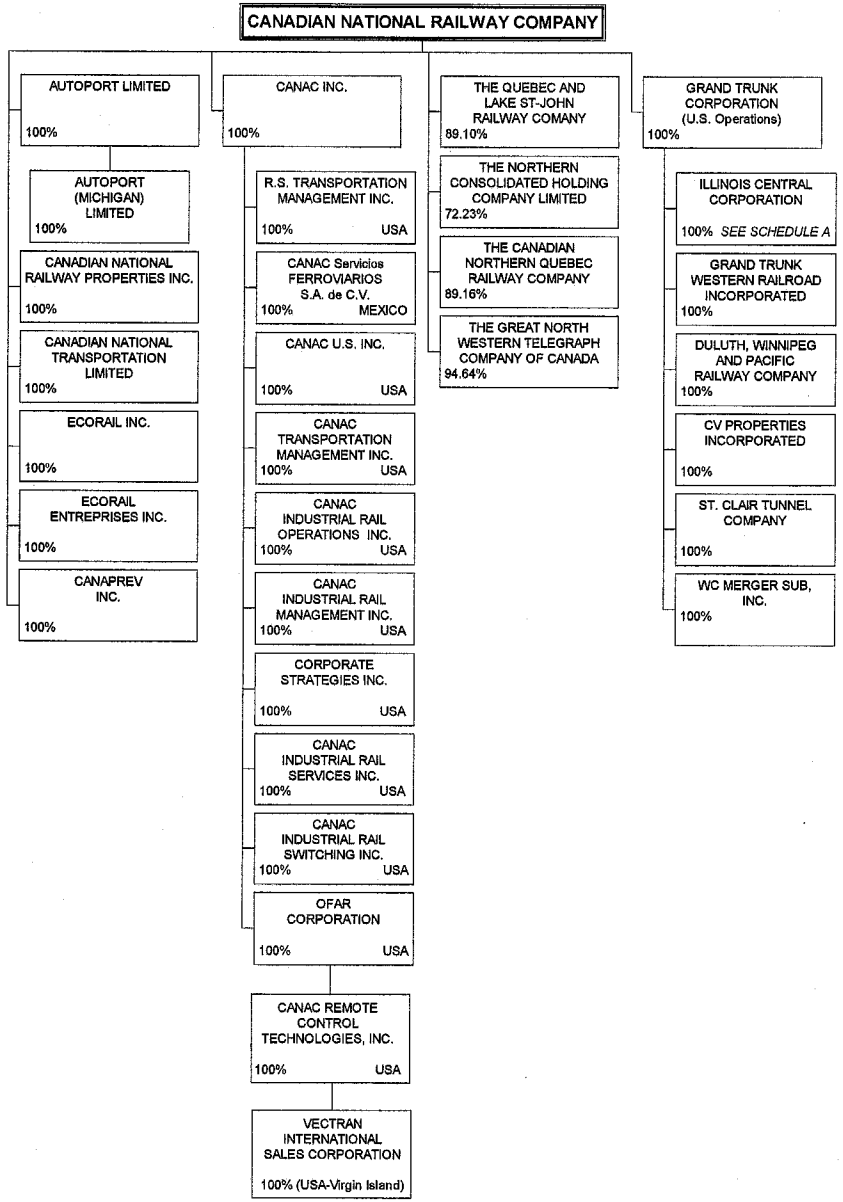
[1] Calculated in units based on 6.54 units per car.

NOTE: At Symington Yard, the only yard in Canada expected to be affected by the Transaction, there would be an average increase of 39.56 cars handled per day (an increase of 2.5% over pre-Transaction levels)

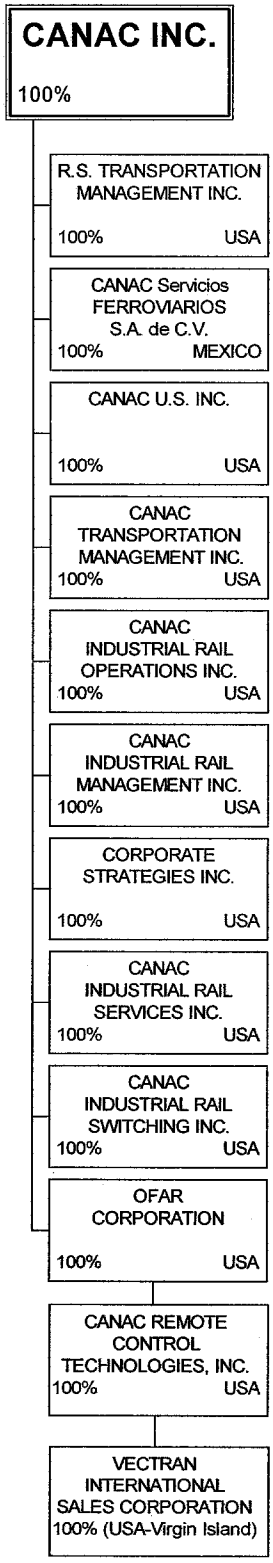
APPENDIX E
CORPORATE CHART
(Exhibit 11)

CORPORATE STRUCTURE

AS AT MARCH 26, 2001

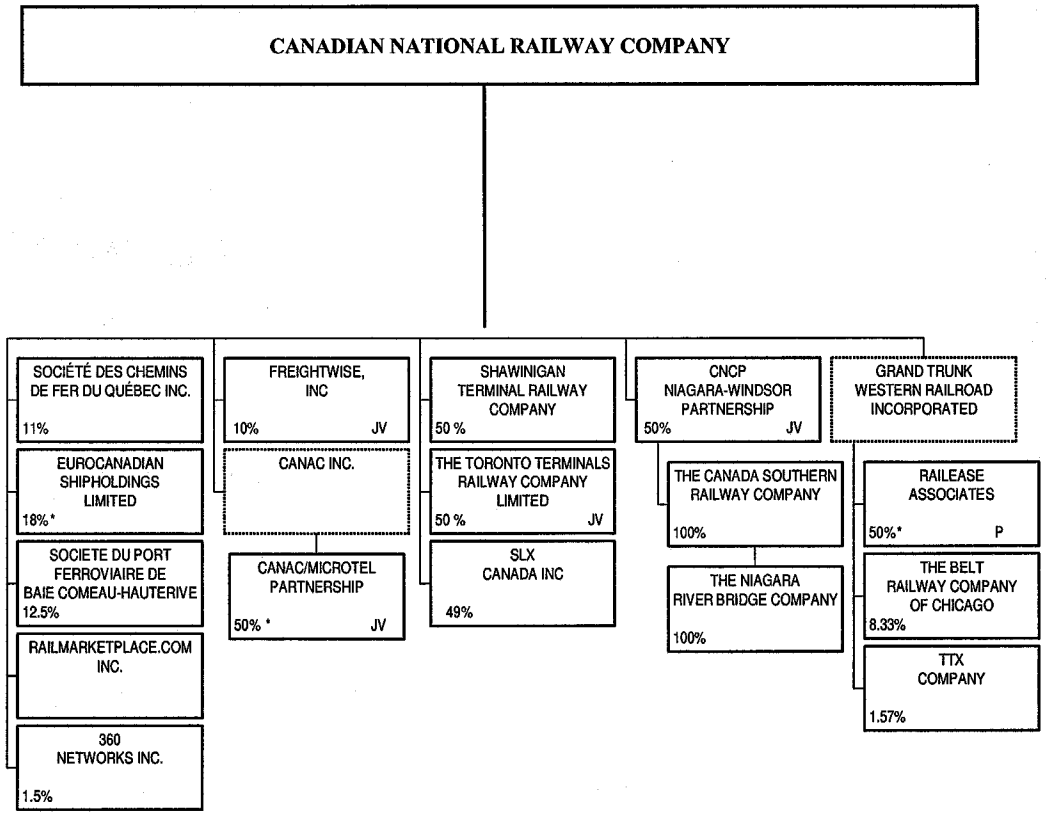




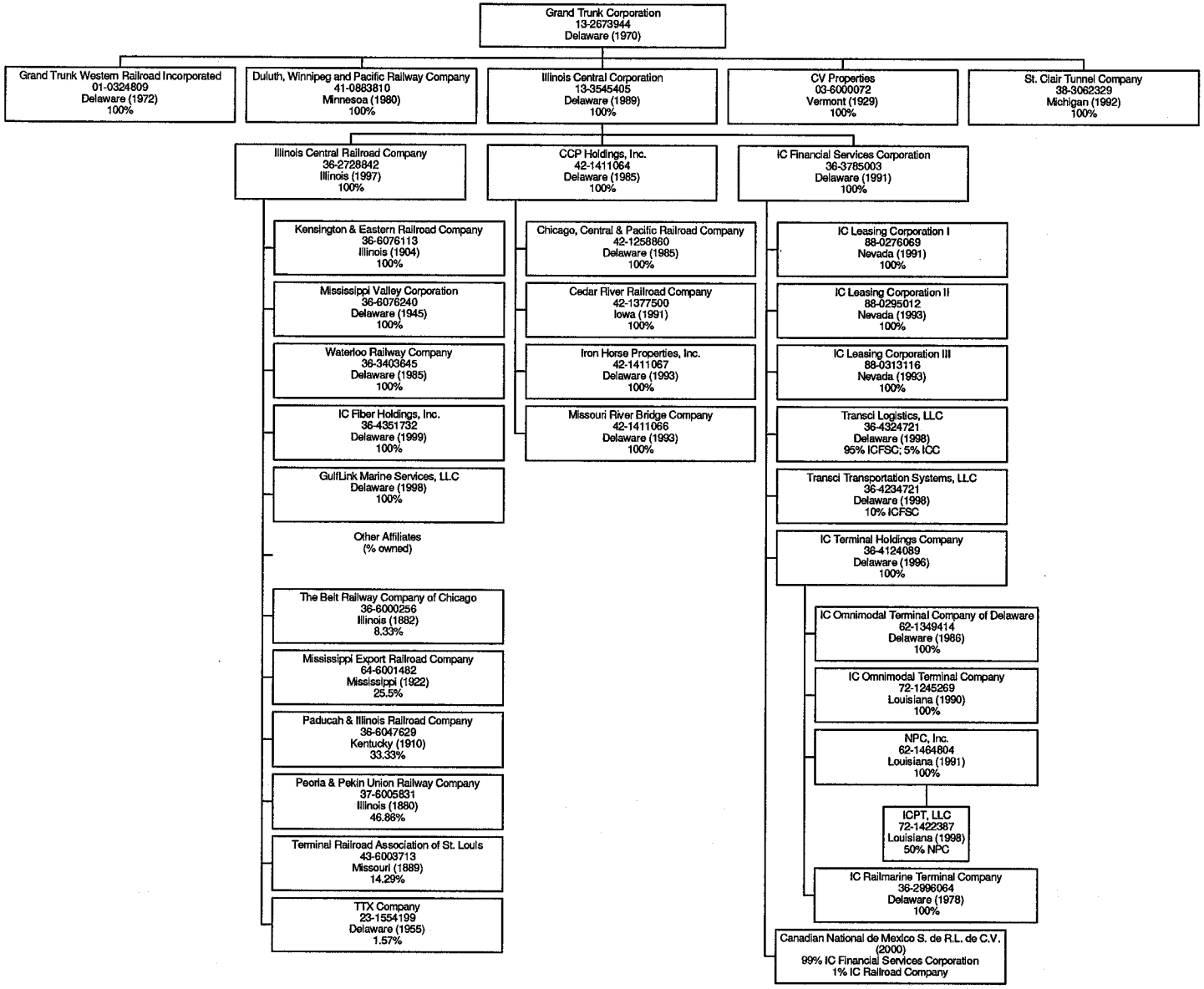

CANAC INC.
100%
R.S. TRANSPORTATION MANAGEMENT INC.
100% USA
CANAC Servicios FERROVIARIOS S.A. de C.V.
100% MEXICO
CANAC U.S. INC.
100% USA
CANAC TRANSPORTATION MANAGEMENT INC.
100% USA
CANAC INDUSTRIAL RAIL OPERATIONS INC.
100% USA
CANAC INDUSTRIAL RAIL MANAGEMENT INC.
100% USA
CORPORATE STRATEGIES INC.
100% USA
CANAC INDUSTRIAL RAIL SERVICES INC.
100% USA
CANAC INDUSTRIAL RAIL SWITCHING INC.
100% USA
OFAR CORPORATION
100% USA
CANAC REMOTE CONTROL TECHNOLOGIES, INC.
100% USA
VECTRAN INTERNATIONAL SALES CORPORATION
100% (USA-Virgin Island)

INVESTMENTS

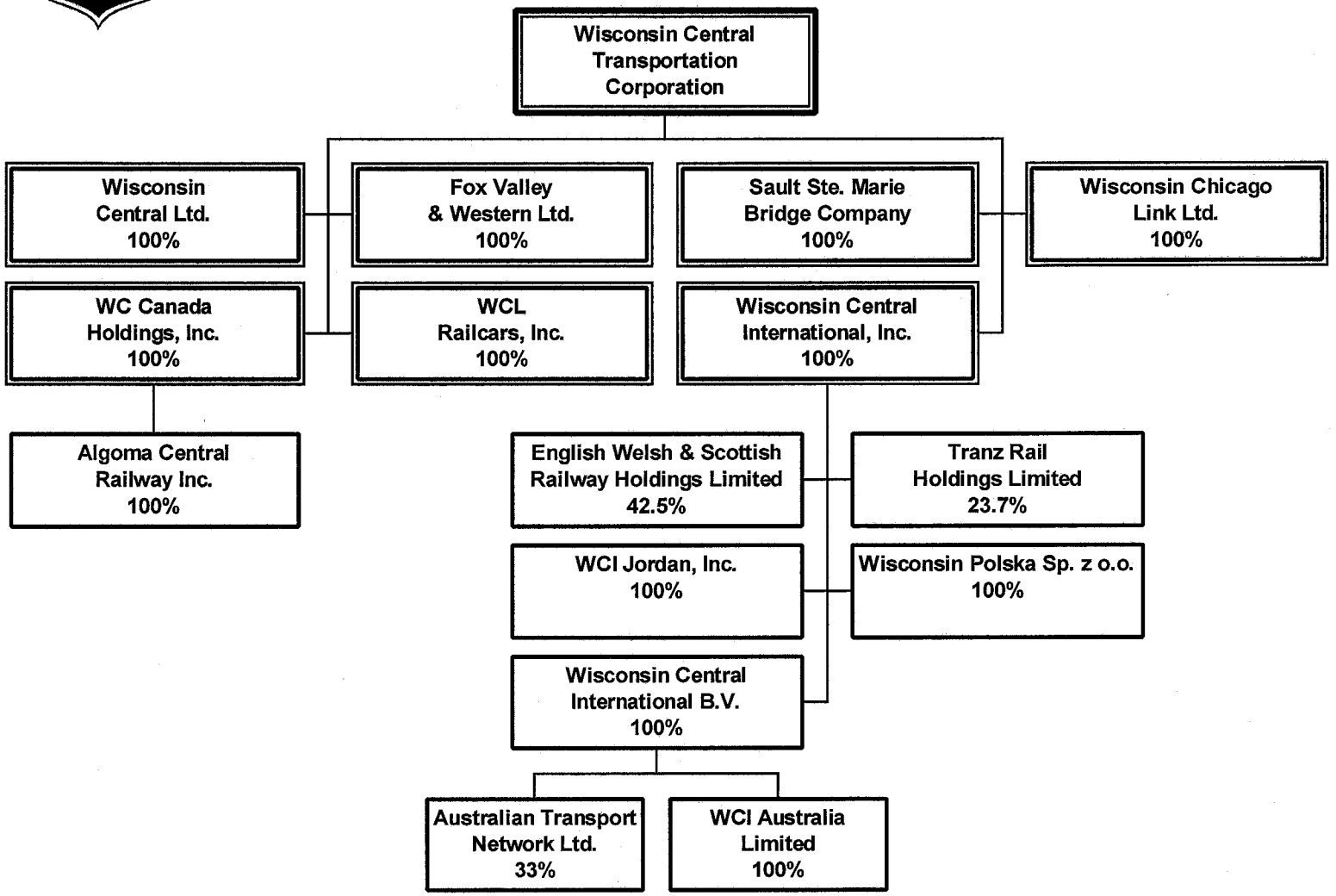
AS AT MARCH 26, 2001



GRAND TRUNK CORPORATION
AND SUBSIDIARIES



Wisconsin Central Transportation Corporation



APPENDIX F
STATEMENT OF COMMON OFFICERS AND DIRECTORS

STATEMENT OF COMMON OFFICERS AND DIRECTORS (CN)[1]

CANADIAN NATIONAL RAILWAY COMPANY:

Directors:

Michael Armellino
Purdy Crawford
J.V. Raymond Cyr
V. Maureen Kempston Darkes
James Gray
(1) E. Hunter Harrison
Gilbert Lamphere
Denis Losier
Edward Lumley
Alexander Lynch
(2) David McLean
Robert Pace
Cedric Ritchie
(3) Paul Tellier

Officers:

(4)	William Berry	V.P., Intermodal
(5)	Cliff Carson	V.P., Commercial Development Eastern
(6)	Brigitte Catellier	Sr. Corporate Counsel & Assistant Secretary
(7)	Tullio Cedraschi	President & CEO, CN Investment Division
(8)	John Dalzell	V.P., Risk Management
(9)	Richard Dixon	V.P., Labour Relations
(10)	Robert Dolan	Sr. V.P., Corporate Services
(11)	David Edison	V.P., Pacific Division
(12)	Sean Finn	Sr. V.P., Chief Legal Officer & Corporate Secretary
(13)	James Foote	Sr. V.P., Sales & Marketing

1/ Notes in parentheses preceding names denote officers or directors in common.

(14)	Ross Goldsworthy	V.P., Grains & Fertilizers, Canada
(15)	Fred Grigsby	V.P. & Chief Information Officer
(16)	Edmond Harris	Chief Transportation Officer
(1)	E. Hunter Harrison	Executive V.P. & COO
(17)	Keith Louis Heller	Sr. V.P., Eastern Canada Division
(18)	Stan Jablonsky	V.P., Forest Products
(19)	Kimberly Madigan	V.P., Human Resources, U.S. Operations
(20)	B. Marcil	Assistant Treasurer
(21)	Peter Marshall	V.P., Prairie Division
(22)	Paul Mathieson	V.P., Network Operations
(23)	Jack McBain	Sr. V.P., Operations
(2)	David McLean	Chairman
(24)	Terry McManaman	V.P., Gulf Division
(25)	Sandi Mielatz	V.P., Commercial Development Prairie
(26)	Claude Mongeau	Executive V.P. & CFO
(27)	Robert Noorigian	V.P., Investor Relations
(28)	Jean Pierre Ouellet	Sr. V.P., Legal Officer & Corporate Secretary
(29)	Serge Pharand	V.P. & Corporate Comptroller
(30)	Jean-Jacques Ruest	V.P., Chemicals & Petroleum
(3)	Paul Tellier	President & CEO
(31)	Myles Tobin	V.P., U.S. Legal Affairs
(32)	David Todd	V.P., Government Affairs
(33)	Gordon Trafton	V.P., Operations Integration
(34)	Tom Utroska	V.P., Transportation
(35)	Howard Vaughters	V.P., Sales, Gulf
(36)	Dennis Waller	V.P., Engineering/Mechanical
(38)	Ghislain Houle	Vice President, Treasurer
(48)	William John Fox	

AUTOPORT, LTD.:

Directors:

(6) Brigitte Catellier
(12) Sean Finn
(22) Andy Gonta
(32) Edward Murphy

Officers

(84) Gerald B. Archer	Comptroller
(6) Brigitte Catellier	Secretary
(85) Stewart T. Cudmore	General Manager

CANADIAN NATIONAL RAILWAY PROPERTIES INC.:

Directors:

(26) Claude Mongeau
(12) Sean Finn
(54) Marc Fournier

Officers:

(6) Brigitte Catellier	Secretary
(39) Jeff Cook	Assistant Treasurer
(54) Marc Fournier	General Manager
(40) Michel Martineau	Assistant Secretary
(26) Claude Mongeau	President & Chairman
(12) Sean Finn	Treasurer

CANADIAN NATIONAL TRANSPORTATION, LTD:

Directors:

(6) Brigitte Catellier
(26) Claude Mongeau
(1) E. Hunter Harrison

Officers:

(6) Brigitte Catellier	Assistant Secretary
(12) Sean Finn	Secretary
(26) Claude Mongeau	President
(29) Serge Pharand	Comptroller

ECORAIL INC.:

Directors:

Francois Bourret
Richard Dyon
Martin Gregotski
(41) Michel Huart
(29) Serge Pharand

Officers:

(6)	Brigitte Catellier	Secretary
(12)	Sean Finn	Treasurer
(29)	Serge Pharand	Chairman & President

ECORAIL ENTERPRISES INC.:

Directors:

(41) Michel Huart
(29) Serge Pharand

Officers:

(6)	Brigitte Catellier	Secretary
(12)	Sean Finn	Treasurer
(29)	Serge Pharand	Chairman & President

CANAC, INC.:

Directors:

(10) Robert Dolan
(13) James M. Foote
(23) John Thomas McBain
(43) Franklin John Trotter
(12) Sean Finn

(26) Claude Mongeau

Officers:

(6)	Brigitte Catellier	Assistant Secretary
	Peter Johnson	V.P. Sales
(40)	Michel Martineau	Secretary
(42)	B. Paul Mertes	V.P., Training & Technology Delivery
(37)	Paul Nimigon	V.P., Service Delivery
(46)	Richard Corriveau	Treasurer & Comptroller
(43)	Franklin John Trotter	President & CEO
(26)	Claude Mongeau	Chairman

R.S. TRANSPORTATION MANAGEMENT, INC.:

Directors:

(45) J.E. Drew
(43) Franklin John Trotter
(37) Paul Nimigon

Officers:

(46)	Richard Corriveau	Treasurer
(40)	Michel Martineau	Secretary
(43)	Franklin John Trotter	President

CANAC SERVICIOS FERROVIARIOS S.A. DE C.V.:

Directors:

(46) Richard Corriveau
(40) Michel Martineau
(43) Franklin John Trotter
(37) Paul Nimigon

Officers:

(46)	Richard Corriveau	Treasurer
(40)	Michel Martineau	Assistant Secretary
	A. Napolitano Niosi	Comisario
	A. Urdapilleta Rivas	Secretary
(10)	Franklin John Trotter	Chairman & President

CANAC U.S. INC.:

Directors:

(46) Richard Corriveau
(43) Franklin John Trotter
(37) Paul Nimigon

Officers:

(46)	Richard Corriveau	Treasurer
(40)	Michel Martineau	Secretary
(28)	Jean Pierre Ouellet	Assistant Secretary
(43)	Franklin John Trotter	President & CEO

CANAC TRANSPORTATION MANAGEMENT INC.:

Directors:

(45) J.E. Drew
(43) Franklin John Trotter
(37) Paul Nimigon

Officers:

(46)	Richard Corriveau	Treasurer
(40)	Michel Martineau	Secretary
(43)	Franklin John Trotter	President

CANAC INDUSTRIAL RAIL OPERATIONS INC.:

Directors:

(45) J.E. Drew
(43) Franklin John Trotter
(37) Paul Nimigon

Officers:

(46) Richard Corriveau	Treasurer
(40) Michel Martineau	Secretary
(43) Franklin John Trotter	President

CANAC INDUSTRIAL RAIL MANAGEMENT INC.:

Directors:

(43) Franklin John Trotter

Officers:

(46) Richard Corriveau	Treasurer
(44) Nicole Lemay	Vice President
(40) Michel Martineau	Secretary
(43) Franklin John Trotter	President

CORPORATE STRATEGIES INC.:

Directors:

(46) Richard Corriveau
(43) Franklin John Trotter
(37) Paul Nimigon

Officers:

(46) Richard Corriveau	Treasurer

	Robert Leilich	President
(43)	Franklin John Trotter	CEO
(40)	Michel Martineau	Secretary

CANAC INDUSTRIAL RAIL SERVICES INC.:

Directors:

(43) Franklin John Trotter

Officers:

(46)	Richard Corriveau	Treasurer
(37)	Paul Nimigon	Vice-President
(40)	Michel Martineau	Secretary
(43)	Franklin John Trotter	President

CANAC INDUSTRIAL RAIL SWITCHING INC.:

Directors:

(43) Franklin John Trotter

Officers:

(46)	Richard Corriveau	Treasurer
(44)	Nicole Lemay	Vice President
(40)	Michel Martineau	Secretary
(43)	Franklin John Trotter	President

OFAR CORPORATION:

Directors:

(46) Richard Corriveau
(43) Franklin John Trotter

Officers:

(40) Michel Martineau	Secretary
(46) Richard Corriveau	Treasurer
(43) Franklin John Trotter	President
(42) Paul B. Mertes	Vice President

CANAC REMOTE CONTROL TECHNOLOGIES:

Directors:

(46) Richard Corriveau
(43) Franklin John Trotter

Officers:

(46) Richard Corriveau	Treasurer
Jeffrey McCann	V.P., Marketing
(43) Franklin John Trotter	President
(42) Paul B. Mertes	
(40) Michel Martineau	Secretary

VECTRAN INTERNATIONAL SALES CORPORATION:

Directors:

(46) Richard Corriveau
(43) Franklin John Trotter
(37) Paul Nimigon

Officers:

(46) Richard Corriveau	Treasurer
(43) Franklin John Trotter	President
(40) Michel Martineau	Secretary

QUEBEC AND LAKE ST. JOHN RAILWAY COMPANY:

Directors:

(12) Sean Finn

Officers:

(4)	William Berry	V.P., Intermodal
(5)	Cliff Carson	V.P., Commercial Development Eastern
(6)	Brigitte K. Catellier	Sr. Corporate Counsel & Asst. Secretary
(7)	Tullio Cedraschi	President & CEO, CN Investment Division
(8)	John Dalzell	V.P., Risk Management
(9)	Richard Dixon	V.P., Labor Relations
(10)	Robert Dolan	Senior VP, Corporate Services
(11)	David Edison	V.P., Pacific Divisions
(12)	Sean Finn	Sr. V.P., Chief Legal Officer & Corporate Secretary
(13)	James M. Foote	Sr. V.P., Sales and Marketing
(14)	Ross Goldsworthy	V.P., Grain & Fertilizers (Canada)
(15)	Fred Grigsby	V.P., & Chief Information Officer
(16)	Edmond Harris	Chief Transportation Officer
(1)	Hunter Harrison	Executive VP & COO
(17)	Keith Louis Heller	Sr. V.P., Eastern Canada Division
(18)	Stan W. Jablonski	V.P., Forest Products
(19)	Kimberly A Madigan	V.P., Human Resources, US Operations
(21)	Peter Marshall	V.P., Prairie Division
(23)	Jack T. McBain	Sr. V.P., Operations
(2)	David McLean	Chairman
(24)	Terry R. McManaman	V.P., Gulf Division
(25)	Sandi J. Mielitz	V.P., Commercial Development Prairie
(26)	Claude Mongeau	Executive VP & CEO
(27)	Robert Noorigian	Vice-President Investor Relations
(29)	Serge Pharand	V.P. & Corporate Comptroller
(30)	Jean-Jacques Ruest	V.P., Chemicals & Petroleum
(3)	Paul M. Tellier	President and CEO
(31)	Myles Tobin	V.P., US Legal Affairs
(33)	Gordon T. Trafton, II	V.P., Operations Integration
(34)	Tom F. Utroska	V.P., Transportation
(35)	Howard L. Vaughters	V.P., Sales (Gulf)

(36)	Dennis E. Waller	V.P., Engineering/Mechanical
(38)	Ghislain Houle	V.P. & Treasurer
(48)	William John Fox	Sr. V.P., Public Affairs
(86)	B. Marcil	Assistant Treasurer

NORTHERN CONSOLIDATED HOLDING COMPANY LIMITED:

Directors:

(26) Claude Mongeau
(12) Sean Finn

Officers:

(12)	Sean Finn	Treasurer
(26)	Claude Mongeau	President
(29)	Serge Pharand	Controller

CANADIAN NORTHERN QUEBEC RAILWAY COMPANY:

Directors:

(12) Sean Finn

Officers:

(4)	William Berry	V.P., Intermodal
(5)	Cliff Carson	V.P., Commercial Development Eastern
(6)	Brigitte Catellier	Sr. Corporate Counsel & Assistant Secretary
(7)	Tullio Cedraschi	President & CEO, CN Investment Division
(8)	John Dalzell	V.P., Risk Management
(9)	Richard Dixon	V.P., Labour Relations
(10)	Robert Dolan	Sr. V.P., Corporate Services
(11)	David Edison	V.P., Pacific Division
(12)	Sean Finn	Sr. V.P., Chief Legal Officer & Corporate Secretary
(13)	James Foote	Sr. V.P., Sales & Marketing
(14)	Ross Goldsworthy	V.P., Grains & Fertilizers, Canada

(15)	Fred Grigsby	V.P. & Chief Information Officer
(16)	Edmond Harris	Chief Transportation Officer
(1)	E. Hunter Harrison	Executive V.P. & COO
(17)	Keith Louis Heller	Sr. V.P., Eastern Canada Division
(18)	Stan Jablonsky	V.P., Forest Products
(19)	Kimberly Madigan	V.P., Human Resources, U.S. Operations
(20)	B. Marcil	Assistant Treasurer
(21)	Peter Marshall	V.P., Prairie Division
(22)	Paul Mathieson	V.P., Network Operations
(23)	Jack McBain	Sr. V.P., Operations
(2)	David McLean	Chairman
(24)	Terry McManaman	V.P., Gulf Division
(25)	Sandi Mielatz	V.P., Commercial Development Prairie
(26)	Claude Mongeau	Sr. V.P. & CFO
(27)	Robert Noorigian	V.P., Investor Relations
(29)	Serge Pharand	V.P. & Corporate Comptroller
(30)	Jean-Jacques Ruest	V.P., Chemicals & Petroleum
(3)	Paul Tellier	President & CEO
(31)	Myles Tobin	V.P., U.S. Legal Affairs
(32)	David Todd	V.P., Government Affairs
(33)	Gordon Trafton	V.P., Operations Integration
(34)	Tom Utroska	V.P., Transportation
(35)	Howard Vaughters	V.P., Sales, Gulf
(36)	Dennis Waller	V.P., Engineering/Mechanical
(38)	Ghislain Houle	V.P. & Treasurer

GREAT NORTH WESTERN TELEGRAPH COMPANY:

Directors:

(12) Sean Finn

Officers:

(4)	William K. Berry	V.P., Intermodal
(5)	Cliff Carson	V.P., Commercial Development Eastern
(6)	Brigitte K. Catellier	Sr. Corporate Counsel and Asst. Secretary
(7)	Tullio Cedraschi	President & CEO, CN Investment Division
(8)	John Dalzell	V.P., Risk Management

(9)	Richard Dixon	V.P., Labor Relations
(10)	Robert Dolan	Senior V.P., Corporate Services
(11)	David Edison	V.P., Pacific Divisions
(12)	Sean Finn	Sr. V.P., Corp. Sec. & Chief Legal Officer
(13)	James M. Foote	Sr. V.P., Sales and Marketing
(14)	Ross Goldsworthy	V.P., Grain & Fertilizers (Canada)
(15)	Fred R. Grigsby	V.P., & Chief Information Officer
(16)	Edmond Harris	Chief Transportation Officer
(1)	Hunter Harrison	Executive V.P. & COO
(17)	Keith Louis Heller	Sr. V.P., Eastern Canada Division
(18)	Stan W. Jablonski	V.P., Forest Products
(19)	Kimberly A Madigan	V.P., Human Resources, US Operations
(21)	Peter Marshall	V.P., Prairie Division
(22)	Paul J. Mathieson	RK Operations
(23)	Jack T. McBain	Sr. V.P., Operations
(2)	David McLean	Chairman
(24)	Terry R. McManaman	V.P., Gulf Division
(25)	Sandi J. Mielitz	V.P., Commercial Development Prairie
(26)	Claude Mongeau	Sr. V.P. & CEO
(27)	Robert Noorigian	Vice-President Investor Relations
(29)	Serge Pharand	V.P. & Corporate Comptroller
(30)	Jean-Jacques Ruest	V.P., Chemicals & Petroleum
(3)	Paul M. Tellier	President and CEO
(31)	Myles Tobin	V.P., US Legal Affairs
(32)	David Ernest Todd	V.P., Government Affairs
(33)	Gordon T. Trafton, II	V.P., Operations Integration
(34)	Tom F. Utroska	V.P., Transportation
(35)	Howard L. Vaughters	V.P., Sales (Gulf)
(36)	Dennis E. Waller	V.P., Engineering/Mechanical
(48)	William John Fox	Sr. V.P., Public Affairs
(38)	Ghislain Houle	V.P. & Treasurer
(86)	B. Marcil	Assistant Treasurer

GRAND TRUNK CORPORATION:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn

(3) Paul Tellier

Officers:

(6) Brigitte Catellier	Assistant Secretary
(12) Sean Finn	Sr. V.P. & Chief Legal Counsel
(16) Edmond Harris	V.P., Midwest Division
(1) E. Hunter Harrison	COO
(26) Claude Mongeau	Sr. V.P. & CFO
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary
(3) Paul Tellier	President
(31) Myles Tobin	V.P. & Secretary
(38) Ghislain Houle	V.P. & Treasurer

GRAND TRUNK WESTERN RAILROAD INCORPORATED:

Directors:

(1) E. Hunter Harrison
(3) Paul Tellier
(12) Sean Finn

Officers:

(6) Brigitte Catellier	Assistant Secretary
(87) Beth R. Pearlman	Assistant Secretary
(12) Sean Finn	Sr. VP & Chief Legal Officer
(16) Edmond Harris	V.P., Midwest Division
(1) E. Hunter Harrison	COO
(26) Claude Mongeau	Sr. V.P. & CFO
(29) Serge Pharand	V.P. & Corporate Comptroller
(3) Paul Tellier	President
(31) Myles Tobin	V.P. & Secretary
(38) Ghislain Houle	V.P. & Treasurer

DULUTH, WINNIPEG AND PACIFIC RAILWAY COMPANY:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul Tellier

Officers:

(6) Brigitte Catellier	Assistant Secretary
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(16) Edmond Harris	V.P., Midwest Division
(1) E. Hunter Harrison	COO
(26) Claude Mongeau	Sr. V.P. & CFO
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary
(3) Paul Tellier	President
(31) Myles Tobin	V.P. & Secretary
(38) Ghislain Houle	V.P. & Treasurer

CV PROPERTIES INCORPORATED:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul Tellier

Officers:

(6) Brigitte Catellier	Assistant Secretary
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(16) Edmond Harris	V.P., Midwest Division
(1) E. Hunter Harrison	COO
(26) Claude Mongeau	Sr. V.P. & CFO
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary
(3) Paul Tellier	President

(31) Myles Tobin	V.P. & Secretary
(38) Ghislain Houle	V.P. & Treasurer

ST. CLAIR TUNNEL COMPANY:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul Tellier

Officers:

(6) Brigitte Catellier	Assistant Secretary
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(16) Edmond Harris	V.P., Midwest Division
(1) E. Hunter Harrison	COO
(26) Claude Mongeau	Sr. V.P. & CFO
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary
(3) Paul Tellier	President
(31) Myles Tobin	V.P. & Secretary
(38) Ghislain Houle	V.P. & Treasurer

ILLINOIS CENTRAL CORPORATION:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6) Brigitte K. Catellier	Assistant Secretary
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(16) Edmond L. Harris	V.P., Midwest Division
(1) E. Hunter Harrison	COO

(24)	Terry R. McManaman	V. P., Gulf Division
(26)	Claude Mongeau	Sr. V.P. & CFO
(29)	Serge Pharand	V. P. & Corporate Comptroller
(87)	Beth R. Pearlman	Assistant Secretary
(3)	Paul Tellier	President
(31)	Myles L. Tobin	V.P. & Secretary
(38)	Ghislain Houle	V.P. & Treasurer

ILLINOIS CENTRAL RAILROAD COMPANY:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6)	Brigitte Catellier	Assistant Secretary
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(16)	Edmond Harris	V.P., Midwestern Division
(1)	E. Hunter Harrison	COO
(24)	Terry McManaman	V.P., Gulf Division
(26)	Claude Mongeau	Sr. V.P. & CFO
(29)	Serge Pharand	V.P. & Corporate Comptroller
(49)	Beth R. Pearlman	Assistant Secretary
(3)	Paul Tellier	President
(31)	Myles Tobin	V.P. & Secretary
(38)	Ghislain Houle	V.P. & Treasurer

KENSINGTON AND EASTERN RAILROAD COMPANY:

Directors:

(1) E. Hunter Harrison
(28) Sean Finn
(3) Paul M. Tellier

Officers:

(6)	Brigitte Catellier	Assistant Secretary
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(16)	Edmond Harris	V.P., Midwestern Division
(1)	E. Hunter Harrison	COO
(24)	Terry McManaman	V.P., Gulf Division
(26)	Claude Mongeau	Sr. V.P. & CFO
(29)	Serge Pharand	V.P. & Corporate Comptroller
(87)	Beth R. Pearlman	Assistant Secretary
(3)	Paul Tellier	President
(31)	Myles Tobin	V.P. & Secretary
(39)	Ghislain Houle	V.P. & Treasurer

MISSISSIPPI VALLEY CORPORATION:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6)	Brigitte Catellier	Assistant Secretary
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(16)	Edmond Harris	V.P., Midwestern Division
(1)	E. Hunter Harrison	COO
(24)	Terry McManaman	V.P., Gulf Division
(26)	Claude Mongeau	Sr. V.P. & CFO
(29)	Serge Pharand	V.P. & Corporate Comptroller
(87)	Beth R. Pearlman	Assistant Secretary
(3)	Paul Tellier	President
(31)	Myles Tobin	V.P. & Secretary
(38)	Ghislain Houle	V.P. & Treasurer

WATERLOO RAILWAY CORPORATION:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6) Brigitte Catellier	Assistant Secretary
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(16) Edmond Harris	V.P., Midwestern Division
(1) E. Hunter Harrison	COO
(24) Terry McManaman	V.P., Gulf Division
(26) Claude Mongeau	Sr. V.P. & CFO
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary
(3) Paul Tellier	President
(31) Myles Tobin	V.P. & Secretary
(38) Ghislain Houle	V.P. & Treasurer

IC FIBER HOLDING INC.:

Directors:

(3) Paul M. Tellier
(1) E. Hunter Harrison
(28) Sean Finn

Officers:

(3) Paul M. Tellier	President
(1) E. Hunter Harrison	Chief Operating Officer
(26) Claude Mongeau	Sr V.P. & Chief Financial Officer
(31) Myles L. Tobin	V.P. & Secretary
(29) Serge Pharand	V.P. & Corporate Comptroller
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(87) Beth R. Pearlman	Assistant Secretary

(16)	Edmund L. Harris	V.P., Midwest Division
(24)	Terry R. McManaman	V.P., Gulf Division
(38)	Ghislain Houle	V.P. & Treasurer
(6)	Brigitte Catellier	Assistant Secretary

GULFLINK MARINE SERVICES, L.L.C.:

Officers:

William Tucker	Managing Director

IC FINANCIAL SERVICES CORPORATION:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6)	Brigitte K. Catellier	Assistant Secretary
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(1)	E. Hunter Harrison	Chief Operating Officer
(26)	Claude Mongeau	Sr. V.P. & CEO
(29)	Serge Pharand	V.P. & Corp. Comptroller
(3)	Paul M. Tellier	President
(31)	Myles Tobin	Vice President & Secretary
(87)	Beth R. Pearlman	Assistant Secretary
(38)	Ghislain Houle	V.P. & Treasurer

IC LEASING CORPORATION I:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn

(3) Paul M. Tellier

Officers:

(6)	Brigitte K. Catellier	Assistant Secretary
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(1)	E. Hunter Harrison	Chief Operating Officer
(26)	Claude Mongeau	Sr. V.P. & Chief Financial Officer
(29)	Serge Pharand	Vice President & Corp. Comptroller
(3)	Paul M. Tellier	President
(31)	Myles Tobin	Vice President & Secretary
(87)	Beth R. Pearlman	Assistant Secretary
(38)	Ghislain Houle	Vice President & Treasurer

IC LEASING CORPORATION II:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6)	Brigitte K. Catellier	Assistant Secretary
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(1)	E. Hunter Harrison	Chief Operating Officer
(26)	Claude Mongeau	Sr. Vice President & CFO
(29)	Serge Pharand	Vice President & Corp. Comptroller
(3)	Paul M. Tellier	President
(31)	Myles Tobin	Vice President & Secretary
(87)	Beth R. Pearlman	Assistant Secretary
(38)	Ghislain Houle	Vice President & Treasurer

IC LEASING CORPORATION III:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6) Brigitte K. Catellier	Assistant Secretary
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(1) E. Hunter Harrison	Chief Operating Officer
(26) Claude Mongeau	Sr. Vice President & CFO
(29) Serge Pharand	Vice President & Corp. Comptroller
(3) Paul M. Tellier	President
(31) Myles Tobin	Vice President & Secretary
(87) Beth R. Pearlman	Assistant Secretary
(38) Ghislain Houle	V.P. & Treasurer

TRANSCI LOGISTICS LLC:

Officers:

(47) Edward Kammerer	Managing Director

TRANSCI TRANPORTATION SYSTEMS LLC:

Officers:

John Glennon	Managing Director

IC TERMINAL HOLDINGS COMPANY:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6) Brigitte K. Catellier	Assistant Secretary
(50) Bruce A. Conti	President and Chief Operating Officer
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(1) E. Hunter Harrison	Chief Executive Officer
(26) Claude Mongeau	Sr. V.P. & Chief Financial Officer
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary
(3) Paul M. Tellier	Chairman
(31) Myles Tobin	V.P. & Secretary
(51) Richard A. Tortorich	Assistant Controller
(38) Ghislain Houle	V.P. & Treasurer

IC OMNIMODAL TERMINAL COMPANY OF DELAWARE:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

IC OMNIMODAL TERMINAL COMPANY OF DELAWARE:

Officers:

(6) Brigitte K. Catellier	Assistant Secretary
(50) Bruce A. Conti	President & Chief Operating Officer
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(1) E. Hunter Harrison	Chief Executive Officer

(26)	Claude Mongeau	Sr. V.P. & Chief Financial Officer
(29)	Serge Pharand	V.P. & Corporate Comptroller
(87)	Beth R. Pearlman	Assistant Secretary
(3)	Paul M. Tellier	Chairman
(31)	Myles Tobin	V.P. & Secretary
(51)	Richard A. Tortorich	Assistant Controller
(38)	Ghislain Houle	V.P. & Treasurer

IC OMNIMODAL TERMINAL COMPANY:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6)	Brigitte K. Catellier	Assistant Secretary
(50)	Bruce A. Conti	President & Chief Operating Officer
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(1)	E. Hunter Harrison	Chief Executive Officer
(26)	Claude Mongeau	Sr. V.P. & Chief Financial Officer
(29)	Serge Pharand	Vice President and Corporate Comptroller
(87)	Beth R. Pearlman	Assistant Secretary
(3)	Paul M. Tellier	Chairman
(31)	Myles Tobin	V.P. & Secretary
(51)	Richard A. Tortorich	Assistant Controller
(38)	Ghislain Houle	V.P. & Treasurer

NPC, INC.:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(6)	Brigitte K. Catellier	Assistant Secretary
(50)	Bruce A. Conti	President & Chief Operating Officer
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(1)	E. Hunter Harrison	Chief Executive Officer
(26)	Claude Mongeau	V.P. & Chief Financial Officer
(29)	Serge Pharand	V.P. & Corporate Comptroller
(87)	Beth R. Pearlman	Assistant Secretary
(3)	Paul M. Tellier	Chairman
(31)	Myles Tobin	V.P. & Secretary
(51)	Richard A. Tortorich	Assistant Controller
(38)	Ghislain Houle	V.P. & Treasurer

ICPT, L.L.C.:

Managers:

	George Homer Knost
	Sy Orlofsky
(50)	Bruce Conti
	Fred Gerstner

IC RAILMARINE TERMINAL COMPANY:

Directors:

(1)	E. Hunter Harrison
(12)	Sean Finn
(3)	Paul M. Tellier

Officers:

(6)	Brigitte K. Catellier	Assistant Secretary
(50)	Bruce A. Conti	President & Chief Operating Officer
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(1)	E. Hunter Harrison	Chief Executive Officer
(26)	Claude Mongeau	Sr. V.P. & Chief Financial Officer

(29)	Serge Pharand	V.P. & Corporate Comptroller
(87)	Beth R. Pearlman	Assistant Secretary
(3)	Paul M. Tellier	Chairman
(31)	Myles Tobin	V.P. & Secretary
(51)	Richard A. Tortorich	Assistant Controller
(38)	Ghislain Houle	V.P. & Treasurer

CCP HOLDINGS, INC.:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul Tellier

Officers:

(52)	Shirley Austin	Assistant Secretary
(6)	Brigitte Catellier	Assistant Secretary
(53)	John Chisum	President & COO
(12)	Sean Finn	Sr. V.P. & Chief Legal Officer
(16)	Edmond Harris	V.P., Midwest Division
(55)	Michael Mohan	Vice President
(29)	Serge Pharand	V.P. & Corporate Comptroller
(87)	Beth R. Pearlman	Assistant Secretary
(31)	Myles Tobin	V.P. & Secretary
(38)	Ghislain Houle	V. P. & Treasurer

CHICAGO, CENTRAL & PACIFIC RAILROAD COMPANY:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul Tellier

Officers:

(52) Shirley Austin	Assistant Secretary
(6) Brigitte Catellier	Assistant Secretary
(53) John Chisum	President & COO
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(16) Edmond Harris	V.P., Midwest Division
(55) Michael Mohan	Vice President
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary
(31) Myles Tobin	V.P. & Secretary
(38) Ghislain Houle	V.P. & Treasurer

CEDAR RIVER RAILROAD COMPANY:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul Tellier

Officers:

(52) Shirley Austin	Assistant Secretary
(6) Brigitte Catellier	Assistant Secretary
(53) John Chisum	President & COO
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(16) Edmond Harris	Vice President Midwest Division
(55) Michael Mohan	Vice President
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary
(31) Myles Tobin	V.P. & Secretary
(38) Ghislain Houle	V.P. & Treasurer

IRON HORSE PROPERTIES, INC.:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(52) Shirley Austin	Assistant Secretary
(6) Brigitte Catellier	Assistant Secretary
(53) John Chisum	President & COO
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(16) Edmond Harris	V.P., Midwestern Division
(55) Michael Mohan	Vice President
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary
(31) Myles Tobin	V.P. & Secretary
(38) Ghislain Houle	V.P. & Treasurer

MISSOURI RIVER BRIDGE COMPANY:

Directors:

(1) E. Hunter Harrison
(12) Sean Finn
(3) Paul M. Tellier

Officers:

(52) Shirley Austin	Assistant Secretary
(6) Brigitte Catellier	Assistant Secretary
(53) John Chisum	President & COO
(12) Sean Finn	Sr. V.P. & Chief Legal Officer
(16) Edmond Harris	V.P., Midwestern Division
(55) Michael Mohan	Vice President
(29) Serge Pharand	V.P. & Corporate Comptroller
(87) Beth R. Pearlman	Assistant Secretary

(31) Myles Tobin	V.P. & Secretary
(39) Ghislain Houle	V.P. & Treasurer

SOCIETE DES CHEMINS DE FER DU QUEBEC INC.:

Directors:

Jean Fournier
Jean-Pierre Fournier
Francois Joly
(58) Pierre Martin
Madeleine Paquin

Officers:

(56) Serge Belzile	President
(58) Pierre Martin	Chairman
(59) Andre Vatour	Secretary

EUROCANADIAN SHIPHOLDINGS LIMITED:

Officers and Directors:

none (company undergoing dissolution)

SOCIETE DU PORT FERROVIAIRE DE BAIE COMEAU-HAUTERI:

Directors:

(12) Sean Finn
(60) Richard Guy
(61) Alain Larouche
(62) Julie Levesque
Jean-Louis Loranger
Real Montigny

Officers:

(61) Alain Larouche	V.P. & Treasurer
(62) Julie Levesque	General Manager & Secretary
(60) Richard Guy	President

CANAPREV INC.:

Directors:

(63) Michel Legault
(26) Claude Mongeau
(54) Marc Fournier

Officers:

Lee Bucci	Assistant Comptroller
(6) Brigitte Catellier	Assistant Secretary
(39) Jeff Cook	Assistant Comptroller
(12) Sean Finn	Treasurer
(63) Michel Legault	President & CEO
(29) Serge Pharand	Comptroller

SHAWINIGAN TERMINAL RAILWAY CORPORATION:

Directors:

(67) Jacques Cote
(68) Robert DeCicco
(17) Keith Louis Heller
(23) John Thomas McBain
(69) Michael Sheahan
(66) Alain Thauvette

Officers:

J.H. Blotsky	Joint Manager-CP
Alain Brassard	Superintendent-STR

(6)	Brigitte Catellier	Secretary
(12)	Sean Finn	Treasurer & Asst. Secretary
	J.C. Pare	General Solicitor
(69)	Michael Sheahan	President
(66)	Alain Thauvette	Vice President

TORONTO TERMINALS RAILWAY COMPANY LTD.:

Directors:

(67) Jacques Cote
(17) Keith Louis Heller
(70) J. Hugh MacDiarmid
(23) John Thomas McBain
(26) Claude Mongeau
(69) Michael Sheahan

Officers:

(6)	Brigitte Catellier	Secretary
	Richard Chorkawy	Joint Manager-CN
(67)	Jacques Cote	Vice President
(12)	Sean Finn	Treasurer & Assistant Secretary
(17)	Keith Louis Heller	President
	E.J. Rewucki	Consulting Engineer-CP
	Edward R. Posyniak	Consulting Engineer-CN
(69)	Michael Sheahan	Joint Manager-CP
	Sam Spares	Director of Operations

SLX CANADA INC.:

Directors:

(81) Bruce C. Barker
(82) Clarke Carson
J. Paul Mathieson

Officers:

(82)	Clarke Carson	President and Treasurer
	David L. Smith	Vice-President and Secretary

CNCP NIAGARA-WINDSOR PARTNERSHIP:

Directors:

(6) Brigitte Catellier
(67) Jacques Cote
(68) Robert DeCicco
(17) Keith Louis Heller
(23) John Thomas McBain
(69) Michael Sheahan

Officers:

(6)	Brigitte Catellier	Secretary
(67)	Jacques Cote	President & Chairman
(88)	Roy Gordon	General Manager-CN
(12)	Sean Finn	Treasurer & Assistant Secretary
(17)	Keith Louis Heller	Vice President
(69)	Michael Sheahan	General Manager-CP
	Roger Tilley	Comptroller

THE CANADA SOUTHERN RAILWAY COMPANY:

Directors:

(6) Brigitte Catellier
(67) Jacques Cote
(68) Robert DeCicco
(17) Keith Louis Heller
(23) John Thomas McBain
(69) Michael Sheahan

Officers:

(6)	Brigitte Catellier	Secretary
(72)	Robert Caza	Comptroller
(67)	Jacques Cote	Vice President
(12)	Sean Finn	Treasurer & Assistant Secretary
(17)	Keith Louis Heller	President
(69)	Michael Sheahan	General Manager (CP)
(88)	Roy Gordon	General Manager (CN) & Trustee

THE NIAGARA RIVER BRIDGE COMPANY:

Directors:

(6) Brigitte Catellier
(67) Jacques Cote
(68) Robert DeCicco
(17) Keith Louis Heller
(23) John Thomas McBain
(69) Michael Sheahan

Officers:

(6)	Brigitte Catellier	Secretary
(67)	Jacques Cote	Vice President
(12)	Sean Finn	Treasurer & Asst. Secretary
(17)	Keith Louis Heller	President

RAILEASE ASSOCIATES LLC

Officers:

Kevin Hatfield	Manager

BELT RAILWAY COMPANY OF CHICAGO:

Directors:

T.L. Goodwine

W. Michael Cantreall
Anthony J. Tuchek
(16) Edmund L. Harris
Jeff H. Koch
Tony L. Ingram
(73) F.E. Pursley
John P. Rathbone
G.W. Stengem
(74) M.D. Dealy
Scott Murry
Patrick A. Pender

Officers:

C.T. Shurstad	President
T. E. Coffey	General Counsel, Secretary & Director of Human Resources
P.J. O'Brien	V.P., Controller & Treasurer
P.S. Hagen	Asst. Secretary & Asst. Treasurer

TTX COMPANY:

Directors:

Asok Chaudhuri
(1) E. Hunter Harrison
Brad King
(70) Hugh MacDiarmid
(76) J.D. McPherson
Charles Schultz
John D. Patton
Tom Steiniger
Steve Tobias
Andrew F. Reardon

Officers:

Mark Barry	V.P., Information Technology
A.J. Barton	Asst. Treasurer & Asst. Corp. Secretary
Patrick B. Loftus	General Counsel

	Harold Cerveny	V.P., Business & Market Planning
	Robert Hulick	Sr. V.P., Equipment
	H.V. Logan	Sr. V.P., Fleet Management
	T.D. Marion	V.P., Finance & Treasurer
	F.J. Previti	Controller
	A.F. Reardon	President & CEO
	William Todd, Jr.	Corp. Sec. & Asst. to President

MISSISSIPPI EXPORT RAILROAD COMPANY:

Directors:

	R. L. Cumbest
(1)	E. Hunter Harrison
	R. K. Hollister, Jr.
(24)	T.R. McManaman
	John P. Kay
(77)	D. Gregory Luce, Jr.
	D. Gregory Luce, Sr.
	L.W. Seal, Jr.
	T.M. Vonsprecken, Jr.
	P. C. Hamilton

Officers:

	M.W. Bagwell	Vice President
	Gayle Dethloff	V.P., CFO, Secretary & Treasurer
(77)	D. Gregory Luce, Jr.	President

PADUCAH & ILLINOIS RAILROAD COMPANY:

Directors:

(76)	J. D. McPherson
	G. L. Nichols
	L. Mueller
	R. L. Sharp
	R. E. Stephens

(34) T. F. Utroska
(78) M. J. Ward

Officers:

(76) J. D. McPherson	President
(78) M. J. Ward	Vice President
P. J. Aftoora	Secretary
P. J. Ottensmeyer	Treasurer

PEORIA & PEKIN UNION RAILWAY COMPANY:

Directors:

G.R. Comstock
J.W. Dietz
(79) Paul Feltenstein
(13) James Foote
(16) Edmond Harris
(1) E. Hunter Harrison
Bruce B. bump

Officers:

(79) Paul Feltenstein	President
J.C. Freedman	General Manager
J.H. Rada	Chief Engineer & Asst. Corp. Secretary

TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS:

Directors:

S.R. Barkley
(74) M.D. Dealy
O.J. Durkin
Michael D. Ongerth
(24) T.R. McManaman
Gary W. Woods

(73) F.E. Pursley
(80) W.D. Spencer

Officers:

	K.T. Paubel	Treasurer & Controller
	S.L. Robinson	Secretary
(80)	W.D. Spencer	President

CANADIAN NATIONAL OF MEXICO

Directors:

(3) Paul M. Tellier
(1) E. Hunter Harrison
(12) Sean Finn

Officers:

(3)	Paul M. Tellier	President
(1)	E. Hunter Harrison	V.P. & Chief Operating Officer
(12)	Sean Finn	V.P. & Secretary
(38)	Ghislain Houle	V.P., Treasurer & CFO
	Dale Williams	Vice President
(31)	Miles Tobin	Vice President
	Cynthia A. Bergmann	Alternate Secretary
(6)	Brigitte K. Catellier	Alternate Secretary

360NETWORKS INC.

Directors:

Kevin Compton
Glenn Creamer
Clifford Lede
David Lede
Gregory Maffel
John Malone

(26) Claude Mongeau
Larry Olsen
Andrew Rush
John Stanton
(83) Ron Stevenson
Gene Sykes
James Voelker

Officers:

Joel Allen	Senior VP, Marine Capacity Sales
Stephen Baker	VP & Chief Technology Officer
Ashwin Chitamun	VP, European Network Development
Lionel Desmarais	Senior VP, Network Construction
Jayne Hart	Acting VP, Human Resources
Michael Leitner	VP, Corporate Development
David Love	Senior VP, Network Operations
Scott Lyons	VP, Marine Services
Gregory Maffel	President and CEO
Catherine McEarchern	VP & General Counsel
Larry Olsen	Vice Chairman and CFO
(83) Ron Stevenson	Vice Chairman
Stephen Stow	Managing Director, Asia
William Sumner	Senior VP, Carrier Services
Jerry Tharp	President, 360-USA
Bruce Tinney	Senior VP, Infrastructure Sales
William Walls	VP, Finance
Vanessa Wittman	VP, Corporate Development

FREIGHTWISE, INC.:

Directors:

James M. Foote
Gregory C. Fox
Robert D. Krebs
John Krenicki, Jr.
Matthew K. Rose

Officers:

Gregory C. Fox	President and CEO

WC MERGER SUB, INC.

Directors:

(12) Sean Finn
(1) E. Hunter Harrison
(3) Paul M. Tellier

Officers:

(12) Sean Finn	Secretary & Treasurer
(1) E. Hunter Harrison	Executive VP & COO
(3) Paul M. Tellier	President & CEO

AUTOPORT (MICHIGAN) LIMITED:

Directors:

(6) Brigitte K. Catellier
(12) Sean Finn
(22) Andy Gonta
(32) Edward Murphy

Officers:

(84) Gerald B. Archer	Comptroller
(6) Brigitte K. Catellier	Secretary
(85) Stewart T. Cudmore	General Manager
(12) Sean Finn	President & Treasurer
(32) Edward Murphy	Vice President

WISCONSIN CENTRAL TRANSPORTATION CORPORATION
AND SUBSIDIARIES
DIRECTORS AND OFFICERS

Wisconsin Central Transportation Corporation:

Directors:

(1) Thomas E. Evans
(2) Carl Ferenbach
(3) J. Reilly McCarren
(4) Roland V. McPherson
(5) Thomas F. Power, Jr.
(6) Thomas W. Rissman
(7) John W. Rowe
(8) A. Francis Small
(9) Robert H. Wheeler

Officers:

Thomas F. Power, Jr. -- President & Chief Executive Officer
(10) Ronald G. Russ -- Executive Vice President & Chief Financial Officer
(11) James E. Fisk -- Executive Vice President - Corporate Development
(12) Walter C. Kelly -- Vice President & Chief Accounting Officer
(13) John L. Bradshaw -- Vice President - Corporate Development
(14) Glenn J. Kerbs -- Vice President - Corporate Development
(15) Richard P. White -- Vice President - Corporate Development
(16) Marty J. Mickey -- Assistant Vice President, Treasurer & Assistant Secretary
Thomas W. Rissman -- Secretary & General Counsel
(17) Therese J. Lescher -- Assistant Treasurer
(18) Marlin G. Schilling -- Assistant Secretary

Wisconsin Central Ltd.; Fox Valley & Western Ltd.; Sault Ste. Marie Bridge Company

Directors:

(2) Carl Ferenbach
(4) Roland V. McPherson
(5) Thomas F. Power, Jr.
(6) Thomas W. Rissman
(8) A. Francis Small

(9) Robert H. Wheeler

Officers:

(3) J. Reilly McCarren -- President & Chief Executive Officer
(12) Walter C. Kelly -- Vice President & Chief Financial Officer
(20) Deborah M. Coady -- Vice President - Human Resources & Claims
(21) Janet H. Gilbert -- Vice President & General Counsel
(22) Randy H. Henke -- Vice President - Engineering
(23) Robert F. Nadrowski -- Vice President - Mechanical
(24) William R. Schauer -- Vice President - Marketing
(25) J. Edward Terbell -- Vice President & General Manager
(16) Marty J. Mickey – Asst. Vice President, Treasurer & Assistant Secretary
(6) Thomas W. Rissman -- Secretary
(17) Therese J. Lescher -- Assistant Treasurer
(18) Marlin G. Schilling -- Assistant Secretary

Wisconsin Chicago Link Ltd.; WCL Railcars, Inc.

Directors:

(3) J. Reilly McCarren
(5) Thomas F. Power, Jr.
(6) Thomas W. Rissman
(9) Robert H. Wheeler

Officers:

(3) J. Reilly McCarren -- President & Chief Executive Officer
(12) Walter C. Kelly -- Vice President & Chief Financial Officer
(21) Janet H. Gilbert -- Vice President & General Counsel
(16) Marty J. Mickey -- Assistant Vice President, Treasurer & Assistant Secretary
(6) Thomas W. Rissman -- Secretary
(17) Therese J. Lescher -- Assistant Treasurer
(18) Marlin G. Schilling -- Assistant Secretary

WC Canada Holdings, Inc.; Algoma Central Railway Inc.:

Directors:

(21) Janet H. Gilbert
(26) James F. Kelleher

(19) James W. Spence

Officers:

(3) J. Reilly McCarren -- President & Chief Executive Officer
(12) Walter C. Kelly -- Vice President & Chief Financial Officer
(20) Deborah M. Coady -- Vice President - Human Resources & Claims
Janet H. Gilbert -- Vice President & General Counsel
(22) Randy H. Henke -- Vice President - Engineering
(23) Robert F. Nadrowski -- Vice President - Mechanical
(24) William R. Schauer -- Vice President - Marketing
(25) J. Edward Terbell -- Vice President - Operations & General Manager
(16) Marty J. Mickey -- Assistant Vice President, Treasurer & Assistant Secretary
(6) Thomas W. Rissman -- Secretary
(17) Therese J. Lescher -- Assistant Treasurer
(18) Marlin G. Schilling -- Assistant Secretary
James W. Spence -- Assistant Secretary

Wisconsin Central International, Inc.:

Directors:

(2) Carl Ferenbach
(4) Roland V. McPherson
(5) Thomas F. Power, Jr.
(6) Thomas W. Rissman
(8) A. Francis Small
(9) Robert H. Wheeler

Officers:

Thomas F. Power, Jr. -- President & Chief Executive Officer
(10) Ronald G. Russ -- Executive Vice President & Chief Financial Officer
(11) James E. Fisk -- Executive Vice President - Corporate Development
(13) John L. Bradshaw -- Vice President - Corporate Development
(14) Glenn J. Kerbs -- Vice President - Corporate Development
(15) Richard P. White -- Vice President - Corporate Development
(16) Marty J. Mickey -- Assistant Vice President, Treasurer & Assistant Secretary
Thomas W. Rissman -- Secretary & General Counsel
(17) Therese J. Lescher -- Assistant Treasurer
(18) Marlin G. Schilling -- Assistant Secretary

WCI Jordan, Inc.:

Directors:

(5) Thomas F. Power, Jr.
(6) Thomas W. Rissman
(9) Robert H. Wheeler

Officers:

Thomas F. Power, Jr. -- President & Chief Executive Officer
(10) Ronald G. Russ -- Executive Vice President & Chief Financial Officer
Thomas W. Rissman -- Vice President, Secretary & General Counsel
(16) Marty J. Mickey -- Assistant Vice President, Treasurer & Assistant Secretary

Wisconsin Polska Sp. z o.o.:

Directors: N/A [In dissolution]

Officers: N/A [In dissolution]

Wisconsin Central International B.V.:

Directors: Holland Intertrust Corporation B.V.

Officers: None

WCI Australia Limited:

Directors:

(13) John L. Bradshaw
(27) Ian F. Hutchinson
(28) Graham J. Kelly
(6) Thomas W. Rissman

Officers:

Richard P. White -- President

English Welsh & Scottish Railway Holdings Limited:

Directors:

(29) Steven Bodger
(2) Carl A. Ferenbach
(30) Alan Gibbs
(31) Lord Brian Griffiths
(32) Richard K. Lubin
(33) Philip R. Mengel
(5) Thomas F. Power, Jr.
(34) David M. Richwhite
(6) Thomas W. Rissman
(9) Robert H. Wheeler

Officers:

Philip R. Mengel -- President and Chief Executive Officer
Steven Bodger -- Chief Financial Officer
(35) Allen Johnson -- Chief Operating Officer

Tranz Rail Holdings Limited:

Directors:

(36) Michael J. Beard
(37) Kenneth C. Bowell
(38) Leigh R. Davis
(2) Carl A. Ferenbach
(5) Thomas F. Power, Jr.
(34) David M. Richwhite
(6) Thomas W. Rissman
(39) A. Francis Small
(9) Robert H. Wheeler

Officers:

(40) Michael J. Beard -- Managing Director
(41) Mark Bloomer -- Executive Manager and Chief Financial Officer

Australian Transport Network Ltd.:

Directors:

(37) Kenneth C. Bowell
(2) Carl A. Ferenbach
(11) James E. Fisk
(27) Ian F. Hutchinson
(28) Graham J. Kelly
(34) David M. Richwhite
(39) A. Francis Small
(15) Richard P. White

Officers:

A. Francis Small -- Managing Director
(43) Ros Warburton -- Executive Manager

APPENDIX G
CARRIER STATUS LIST

CARRIER STATUS LIST, CANADIAN NATIONAL RAILWAY COMPANY

Company	Whether Carrier	Mode	Certificate/ Docket Number
Canadian National Railway Company	Yes	Rail	Not Applicable
360networks Inc.	No	Not Applicable	Not Applicable
Autoport Limited	No	Not Applicable	Not Applicable
Autoport (Michigan) Limited	No	Not Applicable	Not Applicable
The Belt Railway Company of Chicago	Yes	Rail	Not Applicable
Canac Inc.	No	Not Applicable	Not Applicable
Canac Servicios Ferroviarios S.A. De C.V.	No	Not Applicable	Not Applicable
Canac U.S. Inc.	No	Not Applicable	Not Applicable
The Canada Southern Railway Company	Yes	Rail	Not Applicable*
Canadian National Railway Properties Inc.	No	Not Applicable	Not Applicable
Canadian National Transportation, Limited	Yes	Motor	Not Applicable*
The Canadian Northern Quebec Railway Company	Yes	Rail	Not Applicable*

* Carrier does not operate within the United States.

CARRIER STATUS LIST, CANADIAN NATIONAL RAILWAY COMPANY

Company	Whether Carrier	Mode	Certificate/ Docket Number
Canaprev Inc.	No	Not Applicable	Not Applicable
CN Transactions Inc.	No	Not Applicable	Not Applicable
CNCP Niagara-Windsor	No	Not Applicable	Not Applicable
Compagnie De Gestion De Matane Inc.	Yes	Water	Not Applicable*
CT Management, Inc.	No	Not Applicable	Not Applicable
CV Properties, Incorporated	No	Not Applicable	Not Applicable
Duluth, Winnipeg and Pacific Railway Company	Yes	Rail	Not Applicable
Ecorail Enterprises, Inc.	No	Not Applicable	Not Applicable
Ecorail Inc.	Yes	Rail	Not Applicable*
Eurocanadian Shipholdings, Ltd.	No	Not Applicable	Not Applicable
Freightwise Inc.	No	Not Applicable	Not Applicable
G.L.S. Transportation Management Inc.	No	Not Applicable	Not Applicable
Grand Trunk Corporation	No	Not Applicable	Not Applicable
Grand Trunk Western Railroad Incorporated	Yes	Rail	F.D. 32209
The Great North Western Telegraph Company of Canada Inc.	No	Not Applicable	Not Applicable
The Niagara River Bridge Company	No	Not Applicable	Not Applicable
The Northern Consolidated Holding Company Limited	No	Not Applicable	Not Applicable

CARRIER STATUS LIST, CANADIAN NATIONAL RAILWAY COMPANY

Company	Whether Carrier	Mode	Certificate/ Docket Number
The Quebec and Lake St. John Railway Company	Yes	Rail	Not Applicable*
R.S. Transportation Management, Inc.	No	Not Applicable	Not Applicable
Shawinigan Terminal Railway Company	Yes	Rail	Not Applicable*
SLX Canada Inc.	No	Not Applicable	Not Applicable
Societe Du Port Ferroviaire De Baie Comeau-Hauterive	No	Not Applicable	Not Applicable
St. Clair Tunnel Company	Yes	Rail	F.D. 32116
The Toronto Terminals Railway Company Limited	Yes	Rail	Not Applicable*
TTX Company	No	Not Applicable	Pooling Approved in F.D. Nos. 27589 and 27590, American Rail Box Car Pooling, 347 I.C.C. 862, 907-08 (1974); an F.D. No. 27590 (Sub-No.2), Application for Approval of the Pooling of Car Service With Respect To Flat Cars, 1994 WL 467250 (ICC)

CARRIER STATUS LIST, ILLINOIS CENTRAL CORPORATION

Company	Whether Carrier	Mode	Certificate/ Docket Number
Illinois Central Corporation	No	Not Applicable	Not Applicable
The Belt Railway Company of Chicago	Yes	Rail	Not Applicable
CCP Holdings, Inc.	No	Not Applicable	Not Applicable
Cedar River Railroad Company	Yes	Rail	F.D. 31958
Chicago, Central & Pacific Railroad Company	Yes	Rail	F.D. 30663
Gulflink Marine Services, LLC	No	Not Applicable	Not Applicable
IC Financial Service Corporation	No	Not Applicable	Not Applicable
IC Leasing Corporation I	No	Not Applicable	Not Applicable
IC Leasing Corporation II	No	Not Applicable	Not Applicable
IC Leasing Corporation III	No	Not Applicable	Not Applicable
IC Logistics Holdings, LLC	No	Not Applicable	Not Applicable
IC OmniModal Terminal Company	No	Not Applicable	Not Applicable
IC OmniModal Terminal Company of Delaware	No	Not Applicable	Not Applicable
IC RailMarine Terminal Company	No	Not Applicable	Not Applicable
IC Terminal Holdings Company	No	Not Applicable	Not Applicable

CARRIER STATUS LIST, ILLINOIS CENTRAL CORPORATION

Company	Whether Carrier	Mode	Certificate/ Docket Number
Illinois Central Railroad Company	Yes	Rail	Not Applicable
Iron Horse Properties, Inc.	No	Not Applicable	Not Applicable
Kensington and Eastern Railroad Company	No	Not Applicable	Not Applicable
Mississippi Export Railroad Company	No	Rail	Not Applicable
Mississippi Valley Corporation	No	Not Applicable	Not Applicable
Missouri River Bridge Company	No	Not Applicable	Not Applicable
NPC, Inc.	Pipeline Carrier	Not Applicable	Not Applicable
Paducah & Illinois Railroad Company	Yes	Rail	Not Applicable
Peoria & Pekin Union Railway Company	Yes	Rail	Not Applicable
Terminal Railroad Association of St. Louis	Yes	Rail	Not Applicable
TranSci Telemarketing Services, LLC	No	Not Applicable	Not Applicable
TranSci Transportation Systems, LLC	No	Motor Carrier Broker	M.C. 342345
TTX Company	No	Not Applicable	Polling Approved in F.D. Nos. 27589 and 27590, American Rail Box Car Co., Polling, 347 I.C.C. 862, 907-08 (1974); and F.D. No. 27590 (Sub-No.2), Application for Approval of the Pooling of Car Service With Respect to Flat Cars, 1994 WL 467250 (ICC)
Waterloo Railway Company	Yes	Rail	Not Applicable

Carrier Status List, Wisconsin Central Transportation Corporation

Company	Whether Carrier	Mode	Certificate/ Docket Number
Wisconsin Central Transportation Corporation	No	Not Applicable	Not Applicable
Algoma Central Railway Inc.	Yes	Rail	Not Applicable*
Australian Transport Network Ltd.	Yes	Rail	Not Applicable*
English Welsh & Scottish Railway Holdings Limited	Yes	Rail	Not Applicable*
Fox Valley & Western Ltd.	Yes	Rail	F.D. No. 32035
Sault Ste. Marie Bridge Company	Yes	Rail	Not Applicable
Tranz Rail Holdings Limited	Yes	Rail	Not Applicable*
WC Canada Holdings, Inc.	No	Not Applicable	Not Applicable
WCI Australia Limited	No	Not Applicable	Not Applicable
WCI Jordan, Inc.	No	Not Applicable	Not Applicable
WCL Railcars, Inc.	No	Not Applicable	Not Applicable
Wisconsin Central International B.V.	No	Not Applicable	Not Applicable
Wisconsin Central International, Inc.	No	Not Applicable	Not Applicable
Wisconsin Central Ltd.	Yes	Rail	F.D. No. 31102
Wisconsin Chicago Link Ltd.	Yes	Rail	F.D. No. 33825
Wisconsin Polska Sp. z o.o.	No	Not Applicable	Not Applicable

* Carrier does not operate within the United States.

VERIFIED STATEMENT
OF
PAUL M. TELLIER

I am Paul M. Tellier, President and Chief Executive Officer and a director of Canadian National Railway Company. My professional background is outlined in Attachment A to this statement.

SUMMARY OF STATEMENT

Combining CN and the Wisconsin Central Transportation Corporation will be good for shippers, employees and shareholders. This end-to-end Transaction will contribute to the public interest in meeting the growing transportation needs of the NAFTA marketplace and will deliver significant public benefits. It will be particularly beneficial to WC shippers.

Our Transaction will have no anticompetitive effects:

- There are no 2-1 or 3-2 shippers.
- There will be no reduction in geographic competition.
- There will be no increase in the market power of CN or WC.
- We will keep active gateways affected by the Transaction open on commercially reasonable terms.

By increasing efficiency and building upon WC's tradition as a service-oriented carrier, the CN/WC merger will be entirely procompetitive:

- WC shippers will benefit from the large system resources and market reach that the CN/WC merger will bring.
- Customers of both CN and WC will benefit from shortened car transit times, increased reliability and other service improvements and operating efficiencies fostered by the merger.

And, the Transaction will offer employees their best long-term opportunity on the WC:

- Merger implementation will be carried out safely and incrementally, like the CN/IC merger, and will entail only minor workforce reductions.

- CN will remain financially strong after the WC acquisition, able to maintain the integrated CN/WC system in top condition and highly competitive in the marketplace.

We are confident that implementation of the CN/WC merger will proceed smoothly and will result in meaningful service improvements. We plan to operate WC as the sixth division of the CN system in order to preserve WC's local characteristics and the value of its employee's experience as much as possible while securing the benefits of system integration. Among other things, this will assure that customers on WC's relatively low-density lines will continue to receive the quality of service they have come to expect from WC. We have provided a Service Assurance Plan that we are confident will assure customers that service levels for each of them will be as good as or better than current levels.

What we need to do now is get on with the process of building a strong CN/WC that will promote competition in the rail industry. Because the Transaction will cause no harm to competition but will instead bring enhanced competition and other public benefits, I respectfully urge this Board to review the CN/WC Transaction under the Board's procedures for minor transactions. And, for these same reasons, I urge you to approve it without delay.

A NEW BEGINNING FOR WC

WC has made impressive progress in improving service on its lines. However, it is now at the stage, according to its own board of directors and management, where it cannot

go further on its own. Opportunities to improve WC's competitive position are not economically feasible absent the scale and scope of a much larger system. The recognition that these circumstances do not bode well for WC's shareholders, customers and employees led to WC's decision to seek to merge with CN.

CN is ready, willing and able to complete this Transaction successfully. WC is already an efficient regional carrier. We believe that we can make WC even better for both its customers and its employees. CN has shown in the recent past that it can increase efficiency and offer new and improved services through an effective merger with another railroad. The CN/IC Transaction was implemented with real gains in efficiency and, we are proud to say, without any significant service quality problems. Since 1998, we have reduced our system operating ratio from 75.1% to 69.6%. The process of becoming more efficient has continued throughout the implementation of the CN/IC transaction. Our operating ratio was 73.4% in the first half of 1999, 72% in all of 1999, and 69.6% in 2000.

SECURING CN's NAFTA ROUTE

North-South Trade Flows

Our acquisition of IC and our Alliance with KCS reflect our emphasis on serving the rapidly growing market for cross-border NAFTA traffic. WC already plays an important role in our ability to serve these transportation needs. Primarily through the CN/WC haulage agreements, approximately 20% of WC's freight revenue derives from CN, while 25% of CN's cross-border traffic moves over WC's Superior-to-Chicago line.

By acquiring WC, we now seek to secure and to increase to the maximum extent possible the efficiency of our important NAFTA route connecting western Canada and the

central U.S. In fact, securing the WC portion of this route is CN's principal motivation for this Transaction. WC was put up for sale by its board of directors. We responded quickly, as we saw ourselves as the logical and most capable owner of this important link in our system.

The CN/IC merger in 1999 enhanced the potential for CN traffic to move in either direction over WC between Superior and Chicago and underscored the importance of the WC connection to CN. However, the efficacy of the WC haulage arrangements faced a threat when WC decided late last year to pursue a sale of its U.S. operations to a major railroad. This created a risk that CN's crucial Superior-Chicago connection via WC could come under control of another Class I railroad competitor, which might result in less cooperative service and ultimately non-renewal of the haulage agreements, which, in contrast to trackage rights, are not subject to continuation by the Board. The CN/WC Transaction would secure permanently CN's control of the vital WC connection between Superior and Chicago.

The North American economy is integrating and shippers are demanding better integrated rail service. NAFTA customers are causing trade flows between Canada and the U.S. to grow at a rate of approximately 10% per year. Trade flows between Canada and Mexico, and between the U.S. and Mexico, are each growing at a rate of about 15% per year. With its enhanced single-line service, the CN/WC merger will help us meet the expanding cross-border transportation needs of customers across the merged system. Several important examples of the greater operating efficiencies that will result from the merged system are outlined in our Operating Plan.

Shipper Benefits

Expanded single-line service and other large network advantages, including the availability of a larger supply of well-maintained locomotives and rail cars, will benefit WC customers. New market opportunities, both inbound and outbound, will be opened to them through their post-merger access to the full scale, scope, and operating efficiencies of CN's rail network. CN's customers will benefit, too, from more efficient access to origins and destinations on WC's lines.

We believe, for example, that shippers of metals and minerals, forest products, chemicals, and agricultural products will be special beneficiaries of the expanded single-line network and improved equipment supply that will be made available to them by the CN/WC merger. As a result, we expect to gain new business in the transportation of these commodities following the CN/WC merger.

Additional Benefits

Together, our two systems will yield as a result of the Transaction important cost-saving benefits that do not depend on large labor force reductions, or on a wholesale restructuring of rail facilities. These benefits are estimated at approximately $55 million in recurring annual operating savings, which we expect to be attained incrementally over an estimated three-year implementation period. We will achieve these savings mainly through increasing asset productivity, consolidating general and administrative functions, and joint procurement of equipment, supplies and other needs. Cost savings, as well as service improvements, will also result from the use of CN's state-of-the-art information technology system to manage WC's rail network.

These cost efficiencies will strengthen our financial ability to improve the quality of CN/WC service. Service improvements represent increased value to customers and to the economy as a whole, which has long been recognized in principle as an important public benefit.

In addition to improving customer service, safety will continue to be a top priority throughout and after the implementation process. Our Safety Integration Plan will detail the steps we will take to ensure that the implementation of this Transaction will emphasize maintaining and improving safety throughout our merged system.

Labor impacts from the consolidation will be relatively small. Some workforce reductions will be handled through normal attrition. Others will be mitigated by our strong commitment to retraining and relocation. WC employees will benefit, too, from being part of a larger, stronger, better-positioned system in an industry where customers' transportation needs are rapidly evolving.

Implementing the CN/WC Transaction will be comparatively straight-forward. Only one facility will be consolidated: we will combine yard operations in Superior at CN's Pokegama Yard. Merger implementation will be facilitated by the absence of any need to deal with network overlap or line abandonments. More important, we will not be undertaking any significant rerouting of traffic. Operating changes, on balance, will be minor. In fact, the overall level of changes will be insignificant when compared with those occasioned by other major railroads' recent efforts to integrate or divide substantially overlapping rail operations.

Finally, the integrated CN/WC system will be financially strong. While we will in the first instance borrow under CN's revolving credit facility the $800 million in cash needed to complete the merger, we expect post-merger to reduce CN's overall debt substantially within a relatively short period using retained earnings and the proceeds from the eventual disposition of WC's overseas holdings. Even with the added debt from the WC acquisition, our balance sheet will remain strong. Our financial capacity to pursue opportunities to improve our rail system will be, if anything, enhanced by the CN/WC Transaction.

Improving Service

We have every expectation that merger implementation will proceed smoothly, deliberately and, above all, safely. Even the hint of a service or safety problem will receive the prompt attention of the merged system's top managers. The principles, policies and procedures set forth in our Service Assurance Plan, and in our Safety Integration Plan -- both of which we will continue to develop during the period before approval and implementation -- are intended to guide and focus our efforts to eliminate problems before they happen.

We are not, of course, blind to the fact that problems can arise, despite our best intentions and our most careful precautions. If a problem does occur suddenly, it will be met with on-the-ground management flexibility, with top-level backing, and with whatever resources are necessary to effect a complete and timely resolution. Bolstering our confidence in our ability to do just that are two critical factors. First, our two rail systems are in fine shape, both structurally and operationally. Because we are going to operate WC as the sixth CN Division, we anticipate little change in its local operations. The CN/WC system will have ample line and facility capacity, well-functioning car and locomotive fleets, and a

carefully integrated information system. And, we will have the financial wherewithal to maintain and, where appropriate, to improve the operational capabilities of the merged system.

Second, CN and WC already work well together. The proposed merger will simply add the benefits of unitary control to maximize the opportunities of both systems together. Integrating our railroads' operations at their two points of connection in the U.S. – where they are already working closely to maximize the benefits of the CN/WC haulage agreements – thus should not be a major challenge. Our highly talented personnel have experience in successfully implementing the CN/IC transaction, have witnessed first hand through interline portals or otherwise the troubled implementations of other transactions, and have directed our two railroads' efforts in helping resolve the problems that arose in their wake.

We will not fail in the implementation of our Transaction. We recognize, however, that many shippers, particularly those who had bad experiences following transactions not involving CN, may worry about the potential for declining service during the period of merger implementation. Our successful implementation of the CN/IC transaction, we believe, was a favorable experience for shippers. We fully expect that the CN/WC transaction will be accomplished in the same way. Indeed, we are assuring all of our customers that their rail service will be as good as – or better than – the service they now receive from our two railroads.

FAIRNESS TO SHAREHOLDERS

In approving and recommending the proposed CN/WC merger, CN's board of directors received and relied upon, among other things, the opinion of its financial advisor,

Salomon Smith Barney Inc., to the effect that, as of January 29, 2001 (the date of CN's merger agreement with WC) the cash consideration to be paid by CN to WC shareholders upon the merger closing was fair, from a financial point of view, to CN. A copy of Salomon Smith Barney's fairness opinion is provided as Attachment B to this statement.

CONCLUSION

A natural fit for both companies, the CN/WC Transaction will infuse WC with greater financial strength and other resources necessary to ensure that WC's prior successes in safely providing high quality service to customers can continue. The Transaction will also make CN's NAFTA route secure and incrementally better without any appreciable risk of service deterioration. Shippers, especially those on CN 's and WC's lines, will benefit further from expanded single-line service and other easily implemented service improvements.

Relatively few operational changes will be made in implementing the merger, and those that are made will be managed carefully. We will phase in implementation, just as we did in integrating the CN and IC systems. We fully expect the CN/WC implementation process to be successful, but if there are problems, we will fix them promptly. While this may be a minor transaction from a regulatory perspective, it will still be a matter of importance to our shippers. We therefore will give it our full attention in order to make it another success story like CN/IC.

This Transaction will improve our customers' ability to participate in fast-growing NAFTA markets. It will introduce added efficiency that will be a procompetitive plus for the North American transportation system. There is, in our view, no competitive downside to the merger.

For WC and its customers, the Transaction will provide new opportunities and greater efficiencies through single-line access to markets served by CN's network, and through the addition of CN's resources and operational strengths.

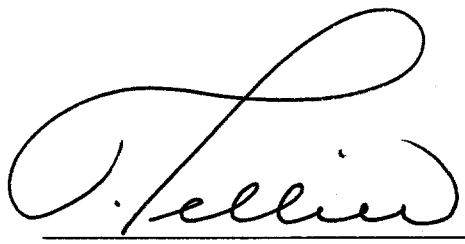
For CN, the Transaction will permanently secure a crucial element of its rail network that is now bridged by term-limited haulage agreements with WC for CN traffic over WC's high-capacity main line connecting Superior and Chicago.

This is a good transaction. I respectfully urge its prompt review and approval by the Board.

VERIFICATION

I, Paul M. Tellier, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.



Paul M. Tellier

ATTACHMENT A

Personal Background of Paul M. Tellier

I have occupied my current positions since 1992. Prior to that, I served for seven years as clerk of the Privy Council and secretary to the Cabinet of the Government of Canada. I have also served in other positions in the Government of Canada, including Deputy Minister of Indian Affairs and Northern Development (1979) and as Deputy Minister of Energy, Mines and Resources (1982). I am a graduate of the Universities of Ottawa, Canada and Oxford, England. I was admitted to the Quebec Bar in 1963 and was appointed Queen's Counsel in 1981.

SALOMON SMITH BARNEY

A member of citigroup

CONFIDENTIAL

January 29, 2001

The Board of Directors
Canadian National Railway Company
935 de La Gauchenere Street West
Montreal, Quebec H3B 2M9
Canada

Members of the Board:

You have requested our opinion as to the fairness, from a financial point of view, to Canadian National Railway Company ("CNR") of the Merger Consideration (as defined below) to be paid by CNR pursuant to the terms and subject to the conditions set forth in the Agreement and Plan of Merger, dated as of January 29, 2001 (the "Merger Agreement"), among Wisconsin Central Transportation Corporation ("Wisconsin Central"), CNR and WC Merger Sub, Inc., an indirect wholly owned subsidiary of CNR ("Merger Sub"). As more fully described in the Merger Agreement, (i) Merger Sub will merge with and into Wisconsin Central (the "Merger") and (ii) each outstanding share of the common stock, par value $0.01 per share, of Wisconsin Central ("Wisconsin Central Common Stock") will be converted into the right to receive $17.15 in cash, without interest (the "Merger Consideration").

In arriving at our opinion, we reviewed the Merger Agreement and held discussions with certain senior officers, directors and other representatives and advisors of CNR and certain senior officers and other representatives and advisors of Wisconsin Central and certain of its affiliates concerning the business, operations and prospects of Wisconsin Central. We examined certain publicly available business and financial information relating to Wisconsin Central as well as certain financial forecasts and other information and data relating to CNR and Wisconsin Central which were provided to or otherwise discussed with us by the managements of CNR and Wisconsin Central and certain of its affiliates, including certain information relating to the potential strategic implications and operational benefits anticipated by the management of CNR to result from the Merger. We reviewed the financial terms of the Merger as set forth in the Merger Agreement in relation to, among other things: current and historical market prices and trading volumes of Wisconsin Central Common Stock; the financial condition and historical and projected earnings and other operating data of Wisconsin Central; and the capitalization of Wisconsin Central. We considered, to the extent publicly available, the financial terms of other transactions recently effected which we considered relevant in evaluating the Merger and analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations we considered relevant in evaluating those of Wisconsin Central. We also evaluated the potential pro forma financial impact of the Merger on CNR. In addition to the foregoing, we conducted such other analyses and examinations and considered such other financial, economic and market criteria as we deemed appropriate in arriving at our opinion.

In rendering our opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or furnished to or otherwise reviewed by or discussed with us. With respect to financial forecasts and other

information and data provided to or otherwise reviewed by or discussed with us, we have been advised by the managements of CNR and Wisconsin Central and certain of its affiliates that such forecasts and other information and data (including adjustments to the forecasts and other information and data relating to Wisconsin Central prepared by the management of CNR) were reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of CNR and Wisconsin Central and certain of its affiliates as to the future financial performance of CNR and Wisconsin Central and the best currently available estimates and judgments of the management of CNR as to the strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated to result from the Merger. We have assumed with your consent that, in the course of obtaining the necessary regulatory and third party approvals or consents for the Merger, no delay, limitation, restriction or condition will be imposed that would have a material adverse effect on Wisconsin Central or the contemplated benefits to CNR of the Merger. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Wisconsin Central nor have we made any physical inspection of the properties or assets of Wisconsin Central. Our opinion does not address, and we express no view as to, the relative merits of the Merger as compared to any alternative business strategies that might exist for CNR or the effect of any other transaction in which CNR might engage. Our opinion is necessarily based upon information available to us, and financial, stock market and other conditions and circumstances existing and disclosed to us, as of the date hereof.

Salomon Smith Barney Inc. has acted as financial advisor to CNR in connection with the proposed Merger and will receive a fee for such services, a significant portion of which is payable upon the consummation of the Merger. We in the past have provided services to CNR unrelated to the proposed Merger, and may participate in the financing for the Merger, for which services we have received and would receive compensation. In the ordinary course of our business, we and our affiliates may actively trade or hold the securities of CNR and Wisconsin Central for our own account or for the account of our customers and, accordingly, may at any time hold a long or short position in such securities. In addition, we and our affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with CNR, Wisconsin Central and their respective affiliates.

Our advisory services and the opinion expressed herein are provided for the information of the Board of Directors of CNR in its evaluation of the proposed Merger, and may not be relied upon by any third party or used for any other purpose. Our opinion may not be published or otherwise used or referred to, nor shall any public reference to Salomon Smith Barney Inc. be made, without our prior written consent.

Based upon and subject to the foregoing, our experience as investment bankers, our work as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the Merger Consideration to be paid by CNR pursuant to the Merger Agreement is fair, from a financial point of view, to CNR.

Very truly yours,

Salomon Smith Barney Inc.

SALOMON SMITH BARNEY INC.

VERIFIED STATEMENT
OF
THOMAS F. POWER, JR.

My name is Thomas F. Power, Jr. I am a board member and the President and Chief Executive Officer of Wisconsin Central Transportation Corporation ("WCTC"), a position I have held since September 1, 1999. I was one of the five founders of WCTC, and served as the company's Executive Vice President and Chief Financial Officer from start-up in 1987 until assuming my present position. Prior to WCTC's formation, I spent 15 years with the Chicago, Milwaukee, St. Paul & Pacific Railroad Company, eventually serving as President and Chief Executive Officer. I began my railroad career in 1966 with the New York Central System.

The proposed Transaction by which Canadian National Railway Company ("CN") will acquire WCTC and the North American rail carriers forming the Wisconsin Central System ("WC") will benefit WC's shippers, employees and investors, strengthen the CN/WC rail transportation network, and promote the public interest. WC's history may be relatively short, but the list of its accomplishments in creating rail service excellence is not. At the same time, changing circumstances both at WC and in the rail industry as a whole require sound initiatives on our part to sustain the success that WC and its employees have worked so hard to achieve.

Bringing together WC and CN results in a perfect fit in the pursuit of that goal. It assures the long-term viability of WC's rail network and enhances WC's ability to continue to meet the needs of its customers and communities well into the future. The Transaction will extend the market reach of WC and its shippers, and it will better equip WC to meet the infrastructure demands and service challenges (especially on interline movements) that characterize railroading in the 21st century. The Transaction will have no

anticompetitive effects, and is accompanied by a real commitment to preserve shipper routing options. For the benefit of its shippers and its employees, WC needs to move rapidly on to the next stage of its evolution. I urge the Board to review the proposed Transaction as a minor transaction and to approve it promptly.

WC: The Development of North America's Premier Regional Railroad

WCTC is a Delaware corporation organized in 1987. In that same year, Wisconsin Central Ltd. ("WCL"), a wholly-owned WCTC subsidiary, acquired Soo Line Railroad Company's Lake States Division, comprising roughly 2000 route miles of track in Wisconsin, the Upper Peninsula of Michigan, Minnesota and Illinois. Another wholly-owned WCTC subsidiary, WCL Railcars, Inc., acquired from the Soo Line 85 locomotives and 2900 railcars. In addition, WCTC acquired the Sault Ste. Marie Bridge Company ("SSMB"), which owns the international rail bridge connecting Sault Ste. Marie, MI with Sault Ste. Marie, ON.

Most of the rail lines acquired by WCL in 1987 were light density lines that had received little or no maintenance for a number of years. Had WC not stepped in, the lines may have been abandoned. From these lines, WC has created what we believe is the most efficient and successful regional railroad system in North America.

Since commencing operations in October 1987, our strategy has been to seek aggressively the business of shippers in our service area by emphasizing frequent and dependable train service, at competitive prices, provided by customer-minded employees. We have always encouraged employee involvement in operations and marketing, and have had an employee profit sharing program since shortly after operations began. This strategy

worked; in the first few years of operations, WCL went from a start up workforce of 600 employees to over 1,000 and grew its revenues by over 10% per year.

In 1991, WCL acquired 102 route miles of railroad from Soo Line between Superior and Ladysmith, WI, allowing it to handle traffic previously subject to gateway restrictions. In July 1992, WCL acquired a nearly parallel 98-route-mile rail line from the Chicago and North Western Transportation Company and was able to combine the best portions of both lines to create what is now its highly efficient main line operation serving the Superior gateway.

In 1992, WCL received *Railway Age's* "Regional Railroad of the Year" award. In 1993, a new wholly-owned WCTC subsidiary, Fox Valley & Western Ltd. ("FVW"), acquired the rail assets of three smaller railroads operated by Intel Corporation in Wisconsin: the Green Bay & Western Railroad Company, Fox River Valley Railroad Corporation and The Ahnapee & Western Railway Company. This acquisition, which added 479 route miles of railroad to the WC system, allowed both WCL and FVW to provide shippers with shorter transit times and increased frequency of delivery. It also enabled the two rail carriers to enjoy the benefits of eliminating redundant track and saving costs by consolidating certain operating and administrative functions. Also in 1993, WCTC, through its wholly-owned subsidiary, Wisconsin Central International, Inc. ("WCI"), began its first of several overseas investments, joining a consortium of other investors to acquire the privatized New Zealand rail system.

Although WC had a presence in Canada since 1987 through ownership of SSMB, that presence was expanded in 1995, when WCTC acquired Algoma Central Railway Inc. ("ACRI"), extending 322 route miles from Sault Ste. Marie, ON to Hearst, ON. This

property has served as a vital link for WC into the Canadian market and has strengthened the role of Sault Ste. Marie as a major rail system gateway. WCTC, through WCI, also entered the British rail market in 1995, joining a consortium of investors which acquired the first of what would eventually be five former British Rail properties. Those properties were combined into the English, Welsh & Scottish Railway ("EWS").

During the mid-1990s, the WC family of railroads continued to build its shipper base and grow its business through the same commitment to customer service and a healthy and safe working environment for employees that WCL had begun at start up. We greatly expanded the capacity in our Fond Du Lac rail classification yard, and we picked up a major customer when METRA, the Chicago area commuter rail line authority, began operations over WCL between Franklin Park and Antioch, IL.

Moreover, WC continued to be recognized by the shipping industry for its outstanding service. In 1989, WCL won its first regional "Quality Carrier" award from *Distribution Magazine* (now *Logistics Management and Distribution Report*) . The WC system has won that award every year since (12 consecutive years of unprecedented recognition!).

In 1997, WCL acquired 18 route miles of Union Pacific Railroad ("UP") track at Wausau and Hayward, WI; and SSMB acquired 207 route miles of UP track from Green Bay, WI to Ishpeming, MI, commonly known as the "Duck Creek North" lines. With this transaction, the WC System as it is today was virtually complete. It consists of three Class II carriers (WCL, FVW and SSMB), a Canadian carrier (ACRI) and a Class III switching carrier (Wisconsin Chicago Link Ltd.) added in 2000 in anticipation of acquisition by lease of certain tracks in Chicago owned by Norfolk Southern Corporation.

Between 1997 and 2000, WC began an aggressive capital investment program committing $435 million between 1997 and 2000 to rail system enhancements. In 1997 and 1998, WC and CN developed a key partnership when WC began to provide haulage service for CN between Superior and Chicago under limited-term agreements. WC's capital investment commitments and its reputation for customer service enabled CN to have the confidence that WC could provide the quality service that CN and its customers demanded.[1]

Throughout these developments, WC has continued to provide the excellent service for which it has become famous. In 1999, WC again received the "Quality Carrier" award from one of its largest customers, Consolidated Papers (now Stora Enso), an award it had received four previous times, and the "Rail Carrier of the Year" award from Packaging Corporation of America, another large customer, for the second year in a row. By 2000, WC had grown from 600 employees at start up to over 2,200, from 85 locomotives in its fleet to 243, from 2,900 railcars to 13,200, and from an average 36 trains per day to 120 (including passenger).

WC's commitment to customer service has resulted in revenue growth every year for 13 years. When WC received its 12th "Quality Carrier" award from *Logistics Management and Distribution Report* this year, it was a particularly telling statement of our history of service to our customers. Although that magazine's survey participants rated the performance of railroads generally last among land, air and ocean freight transportation

[1] WCTC also expanded again expanded overseas in 1997 by leading a consortium which acquired a regional railroad in the State of Tasmania, Australia.

providers, they rated WC's performance in line with the two highest-ranked groups: Midwest less-than-truckload motor carriers and air-express carriers.

New Approaches to Protect and Build On WC's Success

WC has been a model of success. That success has come from always looking forward, from a conscientiously proactive and innovative approach to railroading, and from never following blindly what was done in the past. Those same attitudes are the key to our continued success now.

Over the last several years, it became clear that WC was bumping against the limits of what it could accomplish within its own geographic boundaries and position within the rail industry. Excluding the incremental impact of acquisitions, revenue growth -- one of the key components of the WC story -- has slowed from an average of about 9% per year during much of the 1990s to essentially 3% per year over the last three years. The Duck Creek North acquisition and the Wausau and Hayward acquisitions in 1997 were the last significant expansions of today's nearly 2,800 route mile system. Further opportunities of a similar nature are not readily available. We continue today to market our services aggressively and innovatively -- and to develop rail traffic where I believe others could or would not -- but we serve a limited geographic area with a largely mature traffic base.

Broader economic trends and service problems in the U.S. railroad industry also have hampered WC's ability to sustain earlier patterns of traffic and revenue growth. WC's core business focuses on carload, interline traffic, often moving through the Chicago terminal for interchange. Unfortunately, this is the same type of business that, in interchange with our Class I connections (other than CN and The Burlington Northern and Santa Fe Railway Company ("BNSF")), has gradually declined. WC has had long-standing

difficulties in moving interchange traffic through the Chicago gateway, including WC's traffic moving to and from the East and Southeast. But the problems affecting our interline business took on a whole new tenor in the wake of the 1998 Conrail-CSX/NS transaction and the associated service crisis in the East. This crisis underscored the inherent limitations of WC's rail system, which is so heavily dependent on interline traffic, yet so vulnerable to (and unable to assure) the service performance of connecting carriers.

Even when our interline partners and interchange connections are operating effectively, the carload traffic business, on which our success as a regional independent carrier has always depended, does not always get the attention that it deserves from some of our connecting carriers. We remain deeply committed to that traffic and to our customers who generate it. On a stand-alone basis, however, we again face significant limitations in how effectively we can serve those customers in conjunction with carriers either unwilling or unable to compete aggressively for our core carload traffic.[2]

These various structural constraints on our revenue growth will, inevitably, adversely affect our ability to continue to fund the significant capital improvements that have been critical to our growth. WC has never paid dividends on its stock, preferring instead to build shareholder value by consistently strengthening and improving its rail system. Since our inception, the amount WC has spent on property additions, excluding acquisitions, has exceeded the cash flow it has generated from its operations by over $100 million. I believe those investments -- along with the commitment and hard work of a remarkable group of

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[2]Our overseas international investments, particularly EWS, also did not produce the type of growth pattern we had hoped for, although we still believe that, in time, EWS can, and will be, an important player in freight transportation in and through Great Britain.

employees and management -- are most responsible for WC's position as the premier U. S. regional railroad with service standards unparalleled literally anywhere.

The fact remains, however, that WC operates what are still relatively low-density lines with little of the bulk traffic (such as grain or coal) that characterizes most of the Class I carriers. With that operating profile, WC cannot sustain its capital requirements without traffic and revenue growth. In response to slow growth, WC in 2000 restructured its organization and reduced employment by 44 positions. If the essentially flat-to-modest revenue growth that WC has recently experienced were to continue, curtailments in capital expenditures would be necessary; and the viability of marginal lines on the WC system would need to be carefully analyzed. Indeed, over the past several years, WC has stepped up its line disposition program, although in nearly every instance service to shippers was not significantly affected. Further rationalization, however, likely would curtail the availability of rail service to a number of shippers and also could result in reduced employment.

We, of course, have no desire to let that happen. WC is a prime example of how deregulation under the Staggers Act was meant to work. In contrast to the downward spiral of disinvestment, reduced service and lost traffic that characterized the pre-Staggers era, WC's board of directors and management have been seeking strategies to enhance WC's competitive position and developing affiliations to expand our marketing and operational reach.

Along these lines, in 1997, WC and CN began a successful partnership involving haulage between Superior and Chicago. We were unable, however, to establish comparable productive relationships with other carriers to expand our markets.[3]

Ultimately, after an extensive year-long strategic analysis, and with the aid of various expert advisers, WCTC's board of directors and management decided that an acquisition by a larger North American carrier -- assuming it were the right carrier -- would be the best long-term answer to the issues confronting WC. Because time was of the essence, we moved quickly to find and enter into such a transaction. WC found that right carrier in CN. Now, we need to move quickly to consummate the CN/WC Transaction.

This Is the Right Partnership

Of all potential merger partners for WC, CN is by far the best fit. Simply put, the proposed Transaction will link the most efficient Class I railroad in North America with the most efficient regional railroad system. Like WC, CN is focused on customer service. Indeed, the drastic improvements in rail service and operating results on CN and IC over the last decade-and-a-half parallel in many ways WC's revitalization of the unwanted lines WC acquired from Class I railroads during the same period.

WC and CN already have significant operating experience with each other, due to the highly successful haulage arrangement. The proposed merger is the next logical step in this successful partnership. WC fills an obvious geographic gap in CN's system and

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[3] In March of 2000, WC entered into an agreement with CN and BNSF (in connection with their proposed merger transaction) that would have allowed WC to expand its short-haul, carload merchandise service to new points in the mid-U.S. and Canada via haulage on the BNSF and CN. That arrangement recognized WC's unique strengths in "retail railroading," and what was needed for WC to exploit those strengths. Unfortunately, this innovative arrangement died with the BNSF/CN merger proposal.

thus has a value to CN that might be difficult for WC to realize from any other carrier. The Transaction is entirely end-to-end. CN engaged in a similar (if larger) end-to-end transaction with IC that proved to be, by far, the most successful Class I railroad merger implementation of the last 15 years. Thus, transition and integration issues should be minimal in nature and easily resolved in this merger.

The end-to-end nature of the Transaction and absence of overlap also bode well for WC's employees. The vast majority of WC employees will face a broader, more secure future as part of the CN system. I would not have agreed to this Transaction otherwise.

Most importantly, the CN/WC Transaction will strengthen the WC system and sustain service to WC's customers in all of the needed ways I discussed above. The Transaction will extend WC's market reach, opening up new, single-line routings for WC's customers to the Midwest, the Gulf Coast and points throughout Canada. Such enhanced transportation options will be particularly important as the integration of the U.S. and Canadian economies continues under NAFTA.

The CN/WC system will have greater control over operating matters for WC's core carload merchandise business -- thus improving the competitive position of the WC system, increasing the reliability of service and helping to take WC's fate out of the hands of interline carriers with other priorities or agendas. At the same time, both WC and CN are fully committed to maintaining shipper routing and gateway options -- a principle that shippers have emphasized heavily in the Board's merger rulemaking proceeding.

The CN/WC system will be further strengthened by the cost savings and efficiencies that the Transaction will yield. These savings will be achieved without

sacrificing service to shippers or significantly reducing employment. CN has an excellent safety record, and the two rail systems together will be well positioned to continue the safety improvements at WC. I also expect that the Transaction will lead to further opportunities to improve operations in and through the Chicago terminal.

Bringing WC within the CN family will increase the financial strength of WC and will assure that it has the necessary resources to continue to invest in maintaining high quality, safe service to customers, and to ensure that WC's prior successes can continue. Coupled with the opportunity to overcome the barriers we currently face in developing our merchandise carload business further, a CN/WC Transaction will secure WC's existing successes and provide the means and opportunity to move forward. That is as it should be. I believe the proposed Transaction represents the best opportunity for the WC system to grow its traffic and revenue, maintain sufficient investment in its system, and preserve and improve its existing route structure. Moreover, the Transaction represents the best opportunity for WC's shippers to be assured that their present and future transportation needs will be well met.

At this point in time, I am unaware of any opposition to this Transaction from any interested parties in our service area, including shippers, unions, local and state public officials or community leaders. Further, while WC employees have questions regarding the change and how it will affect them, for the most part, they understand this transaction is in their long-term best interest. I believe the positive response to this Transaction is a testament to the fact that WC has sought and found the best partner for all concerned. There is no good reason to deny or delay the approval of this Transaction.

Finally, I would note that the Transaction is fair to WCTC's shareholders. CN ultimately was the only bidder for WC, reflecting once again the natural fit of CN and WC and the particular value that WC brings as a component of the CN rail network. I have attached as Exhibit I the fairness opinion rendered for WCTC by Goldman, Sachs & Co. regarding the $17.15/share purchase price for WCTC's stock. Further detail on Goldman, Sachs' analysis is included in the WCTC Proxy Statement, dated February 26, 2001 and mailed to WCTC shareholders on March 1, 2001, a relevant excerpt from which is attached as Exhibit II. I would emphasize that at the special meeting of shareholders duly held on April 4, 2001, WCTC's shareholders approved the Transaction by a favorable vote of 99% of all votes cast. Therefore, when approving the Transaction, I request the Board also find that the price to be paid to WCTC stockholders is fair and equitable.

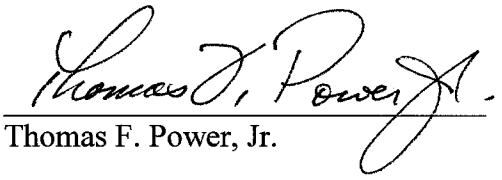
Conclusion

The Board faces a difficult question in assessing the fate of the U.S. Class I railroads. There may be legitimate questions whether any efficiency benefits that might come from any further consolidations among those carriers would be offset by implementation or other costs. But there is no such question here. Nor is there any serious question that the CN/WC Transaction can be readily implemented with no harm to competition, and that it offers the best prospect for WC's shippers and our employees. Instead, the critical question is how WC can promptly move on to take its place as an integral part of one of the large North American railroads. The Transaction offers the only known opportunity for that to happen. And, time is of the essence. I urge the Board to recognize that, under the Board's rules, the Transaction is "minor" and to approve it as promptly as possible.

VERIFICATION

I, Thomas F. Power, Jr., verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.



Thomas F. Power, Jr.

Goldman, Sachs & Co. | 85 Broad Street | New York, New York 10004
Tel: 212-902-1000

PERSONAL AND CONFIDENTIAL

January 29, 2001

Board of Directors
Wisconsin Central Transportation Corporation
One O'Hare Centre
6250 North River Road
Suite 9000
Chicago, Illinois 60018

Gentlemen:

You have requested our opinion as to the fairness from a financial point of view to the holders of the outstanding shares of Common Stock, par value $0.01 per share (the "Shares"), of Wisconsin Central Transportation Corporation (the "Company") of the $17.15 per Share in cash to be received by such holders pursuant to the Agreement and Plan of Merger, dated as of January 29, 2001 (the "Agreement"), among Canadian National Railway Corporation ("Buyer"), WC Merger Sub, Inc., an indirect wholly-owned subsidiary of Buyer, and the Company.

Goldman, Sachs & Co., as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. We are familiar with the Company having provided certain investment banking services to the Company from time to time, including having acted as a managing underwriter of a public offering of American Depository Receipts of Tranz Rail Holdings Limited, a transportation provider in New Zealand in which the Company currently controls 24% of the fully diluted ownership, in March 1997 and a public offering of the Company's 6.625% Notes due 2008 in April 1998; having acted as the Company's advisor with respect to the consent solicitation completed in January 2001; and having acted as the Company's financial advisor in connection with, and having participated in certain of the negotiations leading to, the Agreement. As of the date hereof, an affiliate of Goldman Sachs owned, on a fully-diluted basis, 7% of the share capital of English Welsh and Scottish Railway Holdings Limited, a transportation provider in the United Kingdom in which the Company controls 37% of the

fully-diluted share capital. We also have provided certain investment banking services to Buyer from time to time, including having acted as a financial advisor in Buyer's acquisition of Illinois Central Corporation in June 1998, and as a managing underwriter of a public offering of common stock of Buyer in June 1999 and a public offering of 5.25% convertible preferred stock of Buyer in June 1999. Goldman, Sachs & Co. may provide investment banking services to Buyer and its subsidiaries in the future. Michael Armellino, a Senior Director of Goldman, Sachs & Co., is a director of Buyer. Goldman, Sachs & Co. provides a full range of financial advisory and securities services and, in the course of its normal trading activities, may from time to time effect transactions and hold securities, including positions in derivative securities, of the Company or Buyer for its own account and for the accounts of customers.

In connection with this opinion, we have reviewed, among other things, the Agreement; Annual Reports to Stockholders and Annual Reports on Form 10-K of the Company for the five years ended December 31, 1999; certain interim reports to stockholders and Quarterly Reports on Form 10-Q of the Company; certain other communications from the Company to its stockholders; and certain internal financial analyses and forecasts for the Company prepared by its management. We also have held discussions with members of the senior management of the Company regarding their assessment of the past and current business operations, financial condition and future prospects of the Company. In addition, we have reviewed the reported price and trading activity for the Shares, compared certain financial and stock market information for the Company with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the railroad industry specifically and in other industries generally and performed such other studies and analyses as we considered appropriate.

We have relied upon the accuracy and completeness of all of the financial and other information discussed with or reviewed by us and have assumed such accuracy and completeness for purposes of rendering this opinion. In addition, we have not made an independent evaluation or appraisal of the assets and liabilities of the Company, and we have not been furnished with any such evaluation or appraisal. Our advisory services and the opinion expressed herein are provided for the information and assistance of the Board of Directors of the Company in connection with its consideration of the transaction contemplated by the Agreement and such opinion does not constitute a recommendation as to how any holder of Shares should vote with respect to such transaction.

Based upon and subject to the foregoing and based upon such other matters as we consider relevant, it is our opinion that as of the date hereof the $17.15 per Share in cash to be received by the holders of Shares pursuant to the Agreement is fair from a financial point of view to such holders.

Very truly yours,



GOLDMAN, SACHS & CO.

different factors. Our board viewed its position and recommendations as being based on the totality of the information presented to and considered by it.

Opinion of Goldman Sachs

On January 29, 2001 Goldman Sachs delivered its oral opinion, subsequently confirmed in writing, to the board of directors of Wisconsin Central to the effect that, as of that date and based upon and subject to the assumptions, limitations and qualifications described in its opinion, the $17.15 per share in cash to be received in the merger for each share of Wisconsin Central common stock was fair, from a financial point of view, to the stockholders.

THE FULL TEXT OF THE GOLDMAN SACHS OPINION, WHICH SETS FORTH THE ASSUMPTIONS MADE, PROCEDURES FOLLOWED, MATTERS CONSIDERED AND LIMITS ON THE REVIEW UNDERTAKEN, IS ATTACHED AS APPENDIX B TO THIS PROXY STATEMENT AND IS INCORPORATED HEREIN BY REFERENCE. THE GOLDMAN SACHS OPINION WAS PROVIDED TO THE BOARD OF DIRECTORS FOR ITS INFORMATION AND ASSISTANCE, IS DIRECTED ONLY TO THE FAIRNESS OF THE $17.15 PER SHARE IN CASH FROM A FINANCIAL POINT OF VIEW TO STOCKHOLDERS AND DOES NOT CONSTITUTE A RECOMMENDATION TO ANY STOCKHOLDER AS TO HOW SUCH STOCKHOLDER SHOULD VOTE AT THE WISCONSIN CENTRAL SPECIAL MEETING WITH RESPECT TO THE MERGER OR ANY OTHER MATTER RELATED THERETO. THE DESCRIPTION OF THE GOLDMAN SACHS OPINION SET FORTH HEREIN IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO APPENDIX B. WISCONSIN CENTRAL STOCKHOLDERS ARE URGED TO READ THE GOLDMAN SACHS OPINION IN ITS ENTIRETY.

In connection with its opinion, Goldman Sachs, among other things:

- reviewed the merger agreement;
- reviewed Annual Reports to Stockholders and Annual Reports on Form 10-K of Wisconsin Central for the five years ended December 31, 1999;
- reviewed certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Wisconsin Central;
- reviewed certain other communications from Wisconsin Central to its stockholders;
- reviewed certain internal financial analyses and forecasts for Wisconsin Central prepared by its management;

- held discussions with members of the senior management of Wisconsin Central regarding their assessment of the past and current business operations, financial condition and future prospects of Wisconsin Central;

- reviewed the reported price and trading activity for the shares of Wisconsin Central common stock;

- compared certain financial and stock market information for Wisconsin Central with similar information for certain other companies the securities of which are publicly traded; and

- reviewed the financial terms of certain recent business combinations in the railroad industry specifically and in other industries generally and performed such studies and analyses as they considered appropriate.

Goldman Sachs relied upon the accuracy and completeness of all of the financial and other information discussed with or reviewed by Goldman Sachs and assumed such accuracy and completeness for purposes of rendering its opinion. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities of Wisconsin Central or any of its subsidiaries and has not been furnished with any such evaluation or appraisal.

The following is a summary of the material financial analyses utilized by Goldman Sachs in connection with rendering its opinion to Wisconsin Central's board of directors, but does not purport to be a complete description of the analyses performed by Goldman Sachs or of its presentation to the board of directors.

Transaction Multiples and Premium Analysis. Goldman Sachs derived certain values, multiples and transaction premiums for the merger, based on the $17.15 per share in cash to be received by stockholders and using the closing price for Wisconsin Central's common stock on January 26, 2001. For purposes of these calculations, projected sales, earnings before interest, taxes, depreciation and amortization ("EBITDA") and earnings before interest and taxes ("EBIT") were based on estimates prepared by the management of Wisconsin Central. Estimates of earnings per share ("EPS") were based on estimates published by IBES, a data service that compiles estimates of securities research analysts. Enterprise Value multiples reflect financial results prepared in accordance with generally accepted accounting principles, which account for Wisconsin Central's interests in EWS and Tranz Rail using the equity method of accounting, were based on the $17.15 in cash to be paid for each share of common stock in the merger and include approximately $11 million in fees payable to Goldman Sachs as a result of the merger. Enterprise Value equals the value of outstanding common stock plus minority interest, preferred stock and net debt. Information regarding minority interest, preferred stock and net debt was obtained from Wisconsin Central's most recently available public filings. The results of this analysis are set forth below:

Consideration:

Per Share Price	$17.15
Equity Value (in millions)	$ 801
Enterprise Value (in millions)	$1,209

Premium to Closing Share Price:

January 26, 2001	21.4%
52 Week High	2.4%
Week ended October 20, 2000*	59.2%

* Volume weighted average price for the five trading days prior to commencement of consent solicitation.

Enterprise Value Multiples (Enterprise Value as a multiple of:)

Wisconsin Central's Sales:	
Latest Twelve Months("LTM")	3.2 x
FY 2000 Estimate	3.2 x
FY 2001 Estimate	3.1 x
Wisconsin Central's EBITDA:	
LTM	10.0 x
FY 2000 Estimate	9.7 x
FY 2001 Estimate	9.7 x
Wisconsin Central's EBIT:	
LTM	12.6 x
FY 2000 Estimate	12.3 x
FY 2001 Estimate	12.5 x

Equity Value Multiples (Equity Value as a multiple of:)

Wisconsin Central's EPS:	
FY 2000 Estimate	14.9 x
FY 2001 Estimate	13.7 x
FY 2002 Estimate	11.9 x

Pro Forma Analysis. Goldman Sachs analyzed the pro forma impact of the merger on the estimated EPS of Canadian National. Based upon IBES estimates for each of Canadian National and Wisconsin Central for 2001 and 2002, and the IBES EPS five-year growth rate applied to the IBES 2002 estimate for 2003, this analysis indicated that the merger would be slightly accretive in 2001, 2002 and 2003. For purposes of this analysis, no effect was given to any synergies that might result from the merger and the analysis assumed that goodwill would be amortized over a twenty-year period and an 8.0% pre-tax cost of debt.

Selected Companies Analysis. As part of its January 29, 2001 presentation, Goldman Sachs reviewed and compared certain financial and stock market information for Canadian National and Wisconsin Central with the following publicly traded railroad companies:

Group A	Group B
Burlington Northern Santa Fe	Canadian Pacific
Norfolk Southern Corporation	Kansas City Southern Industries Inc.
CSX Corporation	
Union Pacific Corporation	

The financial data used was for the latest twelve months ended September 30, 2000, and the market data, IBES EPS and IBES five-year EPS growth rate estimates used were as of January 26, 2001. Enterprise value multiples for Wisconsin Central were calculated using the proportionate consolidation method, which attributes a portion of the sales, EBITDA, EBIT and debt of each of EWS and Tranz Rail to Wisconsin Central, based on Wisconsin Central's relative ownership of each. Enterprise value for Kansas City Southern Industries Inc. was also calculated using the proportionate consolidation method.

The following table compares information derived by Goldman Sachs with respect to the selected companies and Canadian National, which was included in Group A, and Wisconsin Central, which was included in Group B:

	Group A			**Group B**				
	Mean	Median	Range	Mean	Median	Range	**Canadian National**	**Wisconsin Central**
Enterprise Value as a multiple of LTM:								
Sales	2.0 x	1.9 x	1.3 x – 2.7 x	1.6 x	1.5 x	1.3 x – 2.1 x	2.7 x	1.5 x
EBITDA	7.8 x	6.9 x	5.8 x – 10.6 x	6.9 x	7.1 x	4.7 x – 8.7 x	6.8 x	7.1 x
EBIT	12.3 x	10.7 x	8.1 x – 17.8 x	10.7 x	10.1 x	6.9 x – 15.2 x	9.0 x	10.1 x
Stock price as a multiple of estimated:								
2001 EPS	12.7 x	11.7 x	10.2 x – 17.4 x	11.7 x	11.3 x	8.2 x –15.5 x	10.2 x	11.3 x
2002 EPS	10.3 x	9.9 x	9.2 x – 12.2 x	8.9 x	8.9 x	8.0 x – 9.8 x	9.2 x	9.8 x
Projected five-year EPS growth rate	10.9%	11.0%	9.0%-12.5%	13.0%	12.0%	12.0%-15.0%	12.5%	12.0%
Stock price as a multiple of estimated 2002 EPS expressed as a multiple of projected five-year EPS growth rate	1.0 x	0.9 x	0.7 x – 1.2 x	0.7 x	0.7 x	0.7 x – 0.8 x	0.7 x	0.8 x
Operating ratio	81.6%	82.5%	70.02%-91.8%	84.2%	85.0%	81.2%-86.3%	70.2%	85.0%

Discounted Cash Flow Analysis. Goldman Sachs performed a discounted cash flow analysis to determine a range of implied present values, including the value of Wisconsin Central's equity interests in EWS and Tranz Rail, per share of Wisconsin Central common stock. In performing this analysis, Goldman Sachs used projections supplied by the management for each of Wisconsin Central, EWS and Tranz Rail. Using discount rates ranging from 9% to 11%

and terminal EBITDA multiples ranging from 6.0 x to 7.0 x, this analysis resulted in a range of net implied present values from $14.00 to $19.00 per share of Wisconsin Central common stock, based on exchange rates of $1.45 per Pound Sterling and $0.40 per New Zealand dollar.

Selected Transaction Analysis. Goldman Sachs reviewed publicly available information for merger or acquisition transactions in the railway industry and derived certain multiples and premiums based upon the per share consideration paid and the Equity and Enterprise Values of the transaction. The selected transactions considered by Goldman Sachs included:

- Canadian National – Burlington Northern Santa Fe
- Canadian National – Illinois Central
- Norfolk Southern/CSX - Conrail
- Union Pacific – Southern Pacific
- Burlington Northern – Santa Fe Pacific
- Union Pacific – Chicago & Northern Western
- Kansas City Southern – Illinois Central

The results of this analysis are set forth below.

	Range
Equity Value of transaction as a multiple of LTM net income	9.5 x – 37.8 x
Enterprise Value of transaction as a multiple of LTM EBITDA	7.4 x – 16.2 x
Equity Value of transaction as a multiple of next year's net income*	12.1 x – 23.0 x
Approximate premium to target market price one day prior to announcement of transaction	0% - 70%

* Next year's net income represents the forward year IBES EPS estimates at the time of the transaction.

Comparative Multiple Analysis. Goldman Sachs performed a comparative analysis of the transactional Enterprise Value as a multiple of the target's LTM EBITDA for selected railroad company merger or acquisition transactions and the contemporaneous average Enterprise Value based on public market price as a multiple of LTM EBITDA for all publicly traded Class I railroad companies. The analysis was based on information from public documents, equity research and the Securities Data Corporation. The Transactional EBITDA multiple for the merger was calculated using the proportionate consolidation method. The results of this analysis are set forth below.

Transactions (Acquirer – Target)	Average Publicly Traded Railroad Company EBITDA Multiple	Transactional EBITDA Multiple
Union Pacific – Chicago & North Western	7.2 x	8.7 x
Burlington Northern – Santa Fe Pacific	7.4 x	8.1 x
Union Pacific – Southern Pacific	7.5 x	11.2 x
Norfolk Southern/CSX – Conrail	8.6 x	16.2 x
Canadian National – Illinois Central	9.7 x	9.2 x
The merger	7.8 x	8.3 x

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying the opinion of Goldman Sachs. In arriving at its fairness determination, Goldman Sachs considered the results of all such analyses and did not attribute any particular weight to any factor or analysis considered by it; rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all such analyses. No company or transaction used in the above analysis as a comparison is directly comparable to Wisconsin Central, Canadian National or the merger.

Goldman Sachs prepared these analyses solely for purposes of providing an opinion to Wisconsin Central's board of directors. The analyses do not purport to be appraisals, nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Wisconsin Central, Canadian National or Goldman Sachs assumes responsibility if future results are materially different from those forecasted.

Wisconsin Central agreed to pay Goldman Sachs a fee of 0.92% of the aggregate consideration for Wisconsin Central's equity securities (including amounts paid to holders of options, warrants, and convertible securities) in the merger plus the principal amount of all indebtedness on the most recent consolidated balance sheet of Wisconsin Central prior to the consummation of the merger. Half of Goldman Sachs' fee was payable upon the announcement of the merger and the other half of Goldman Sachs' fee will be payable upon consummation of the merger. In addition, Wisconsin Central has agreed to reimburse Goldman Sachs for its reasonable out-of-pocket expenses (including the fees and disbursements of Goldman Sachs' attorneys) incurred in connection with the services provided by it and to indemnify and hold harmless Goldman Sachs and certain related parties from and against certain liabilities and

expenses, including certain liabilities under the federal securities laws, incurred in connection with its engagement.

Goldman Sachs, as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. Wisconsin Central selected Goldman Sachs as its financial advisor because Goldman Sachs is a nationally recognized investment banking firm that has substantial experience in investment banking in general, including transactions similar to the proposed merger, and because of its familiarity with, and prior work for, Wisconsin Central.

Goldman Sachs is familiar with Wisconsin Central, having provided certain investment banking services to it from time to time, including having acted as a managing underwriter of a public offering of American Depository Receipts of Tranz Rail Holdings Limited, a transportation provider in New Zealand in which Wisconsin Central currently controls 23% of the fully diluted ownership, in March 1997 and a public offering of Wisconsin Central's 6.625% Notes due 2008 in April 1998; having acted as its advisor with respect to the consent solicitation completed in January 2001; and having acted as its financial advisor in connection with, and having participated in certain of the negotiations leading to, the merger agreement. As of the date hereof, an affiliate of Goldman Sachs owned, on a fully-diluted basis, 7% of the share capital of EWS, a transportation provider in the United Kingdom in which Wisconsin Central controls 37% of the fully-diluted share capital. Goldman Sachs has also provided certain investment banking services to Canadian National from time to time, including having acted as a financial advisor in Canadian National's acquisition of Illinois Central Corporation effective on July 1, 1999, and as a managing underwriter of a public offering of common stock and of 5.25% convertible preferred stock of Canadian National in June 1999. Goldman Sachs may provide investment banking services to Canadian National and its subsidiaries in the future. Michael Armellino, a Senior Director of Goldman Sachs, is a director of Canadian National. Goldman Sachs provides a full range of financial advisory and securities services and has advised Wisconsin Central's board of directors that, in the course of its normal trading activities, it may from time to time effect transactions and hold positions in securities, including derivative securities, of Wisconsin Central or Canadian National for its own account and for the accounts of its customers.

Interests of Our Executive Officers and Directors in the Merger

In considering the recommendation of our board of directors with respect to the merger agreement and the transactions contemplated thereby, you should be aware that, in addition to the matters discussed above, our executive officers and our board of directors have various interests in the merger described in this section that differ from the interests of our stockholders generally. The members of our board of directors knew about these additional interests and considered them when they approved the merger agreement.

JOINT VERIFIED STATEMENT

OF

JAMES M. FOOTE AND WILLIAM R. SCHAUER

We are James M. Foote, Executive Vice President of Sales and Marketing at Canadian National Railway Company ("CN"), and William R. Schauer, Vice President, Marketing, for Wisconsin Central System ("WC"). Our respective professional backgrounds are outlined in Attachment A to this statement.

I. SUMMARY OF STATEMENT

The purpose of this verified statement is to discuss our vision for an integrated CN/WC that will allow us to provide integrated service to the benefit of existing and potential customers alike. The new system will better meet the needs of existing customers, not only through the benefits of expanded single-line service, but also through the advantages of unified management focus and a common information system. CN and WC have been successful partners in developing competitive and responsive interline service. The Transaction will allow us to offer customers an even more reliable transportation product, and will allow our customers to do business with us more easily.

Our customers not only want reliable transportation, but also a sense that their transportation provider can and will be held fully accountable for the quality of service they are promised. In our experience, customers who rely on interline rail service often expect lower quality than when the service is provided by a single railroad. In part, that is because it is more difficult for interline customers to know whom to hold accountable for their service. In single-

line service, only one railroad is accountable.[1] Beyond accountability, we will also provide our customers access to unified customer service information, including faster access to rates for specific services, improved equipment ordering processes, and expanded shipment monitoring – all through a single point of contact. The Transaction will also create a rail system more responsive to our customers' increasing demands for reliable, scheduled service, including just-in-time delivery, and will enable our customers to explore new market opportunities confidently. In short, the Transaction will increase the value of our service to our customers and, as a result, increase the level of competition with alternative modes of transportation.

In this statement, we will discuss generally how the Transaction benefits shippers of various commodities – forest products, chemicals, agricultural products, metals and minerals, goods handled in intermodal service, and automobiles and auto parts. We will explain how our customers will receive customer support service equal or even better in quality than that which they are now receiving from CN and WC individually. Finally, we confirm our commitment not to close any existing interline CN or WC gateways that could be affected by this Transaction.

II. THE TRANSACTION WILL BENEFIT CUSTOMERS ACROSS A VARIETY OF COMMODITY GROUPS

The Transaction will help us to meet the needs of our customers, and will improve our ability to compete in the transportation marketplace. Marketing representatives from both CN and WC have consulted with each other in preparing the Application to assess the service improvement opportunities that the Transaction presents. These consultations focused on six general commodity groupings: (1) forest products, (2) chemicals, (3) agricultural products, (4)

[1] As Abitibi Consolidated, Inc., puts it: "For rail carriers to gain market share, it must become easier to ship by rail, and rail carriers need to take accountability for handling our products from origin to destination, not just to the next interchange. CN's acquisition of [WC] will help further this cause." Verified Statement on behalf of Abitibi Consolidated Inc. at 4 (Mar. 12, 2001).

metals and minerals, (5) intermodal, and (6) automobiles and auto parts. For each commodity group, CN and WC have identified how the Transaction will enhance our ability to meet our customers' needs, and also how it will permit the merged system to become even more competitive with other rail carriers and modes of transportation. The product of these consultations is a report entitled "Commodity Group Discussion of Shipper Benefits Resulting From the CN/WC Transaction," which we offer as an appendix to our statement ("Appendix"). The Appendix provides in greater detail for each of the commodity groups listed above the specific service benefits our customers will enjoy as a result of the Transaction.

Beyond the general service improvements that result from expanded single-line service, such as increased service reliability and improved customer access to shipment status over an expanded network, the Appendix reveals a variety of particular benefits that we expect will extend to customers that ship various commodities including (a) access to an integrated and more efficiently-used fleet of railroad-supplied cars (particularly for the handling of certain forest products, metals and minerals, agricultural products, and specialty finished vehicles); (b) more efficient access to existing sources of raw materials and to end-use markets; (c) new opportunities to reach additional outbound and inbound markets; and (d) opportunities to reduce terminal handling of shipments. The Transaction will benefit shippers even where the service they receive will remain interline in nature. In some cases, for example, the Transaction will reduce the number of interline carriers from three to two where CN and WC are currently separate participants in a multi-carrier move. Our customers generally regard as an improvement such reductions in the number of carriers needed to handle their shipments.[2]

[2] For example, Biewer Lumber Co. observes that one of the advantages of the Transaction is that it would enjoy a reduction from three carriers to two in a potential move of its product from one of its facilities in Michigan to customers located in Wisconsin. *See* Verified Statement on behalf of Biewer Lumber Co. at 1 (Mar. 5, 2001).

III. CUSTOMERS WILL RECEIVE CUSTOMER SUPPORT SERVICE THAT IS EQUAL TO, IF NOT BETTER THAN, WHAT THEY RECEIVE FROM CN AND WC TODAY

CN and WC have established solid reputations for their respective customer support services, and we are dedicated to ensuring that this Transaction does not compromise the quality of our service.[3] To ensure that CN and WC customers continue to enjoy the high level of customer service we provide, the merged system will preserve the existing customer service capability and functions currently in place on both railroads. Indeed, because the WC portion of the new system will become a new CN operating division,[4] we contemplate that WC-served shippers will continue to be in contact with customer service representatives in Stevens Point, WI, that are already familiar with the shippers' transportation needs. In so structuring the Transaction, we plan to ensure that WC shippers enjoy a continued dialogue with railroad representatives who know the territory and the customers. *See* Service Assurance Plan, Section III.F.

As a consequence of the Transaction, we can and will explore new opportunities to improve customer service to shippers on both railroads. However, in light of the solid relationships WC and CN have forged with our respective customers, we will employ a very measured approach to any changes we ultimately elect to make in this area. To the extent that we choose to make customer service improvements, we will avoid any sudden or radical

[3] One supporter of the Transaction "believes [that] CN intends to maintain [a] strong customer service base, which was a genuine focus for WC." Verified Statement on behalf of Wagner Forest Management Limited at 3 (Mar. 15, 2001). Another states, "From experience, I can only believe that [the Transaction] would enhance the overall [sic.] quality of the entire CN Network. This is not to say [WC] service has been wanting, it has not." Verified Statement on Behalf of Wausau Steel Corporation Recycling Center at 1 (Mar. 8, 2001). Another shipper notes that "[t]he [Transaction] will combine two very customer service minded railroads which will only strengthen the customer-railroad relationship." Verified Statement on Behalf of LignoTech USA (Mar. 7, 2001).

[4] As a result of the Transaction, the WC lines will become CN's sixth operating division. *See* Operating Plan and Verified Statement of Paul M. Tellier.

departures from the processes already in place on either the CN or WC systems, and we will be careful not to sacrifice any service functions that are favored by our customers. By maintaining WC's traditional customer service functions and staff, we will create an atmosphere that will allow CN and WC customer service managers to observe the best practices of either part of the system, and apply them on a system-wide basis.

We do expect that, by providing a common information technology ("IT") platform accessible by all shippers and useful for monitoring rail service across the merged system, we will furnish our customers with a more complete or "seamless" customer service product. The Operating Plan sets forth – (1) how this common IT platform will be carefully implemented, (2) how, in the case of WC's customer support services, CN's IT system will augment (rather than substitute for) WC's customer support capabilities, and (3) what functions the IT system will provide.[5] *See* Operating Plan, Section 11. We will, of course, train WC customer support personnel for the use of the additional IT functions before those systems are extended to the WC portion of the merged system.

We are confident that shippers will benefit from a shared IT platform. When we implement this common platform, customers will be able to contact their customer representative to secure system-wide rates, ensure that we have the proper handling and routing documentation, order equipment, resolve service issues, and monitor shipment status.[6] Even though we believe that we are consistently setting new standards for quality in our interline

[5]The merged system will implement the use of CN's IT platform for the purposes of our standard customer service functions.

[6]As Mayville Limestone, Inc., puts it, with expanded car-tracing capabilities across the CN/WC system, "we can let our customers know exactly where their orders are and when they will be spotted at their destinations. This is an excellent communications tool that is especially helpful when the agricultural limestone season begins." Verified Statement on behalf of Mayville Limestone, Inc. at 1 (Mar. 14, 2001).

service, we recognize that there are instances where, because of the different IT platforms we use, there may be "gaps" in the transfer of information between our two railroads that can compromise the quality and speed of our service. They also preclude our customers from monitoring the handling of their traffic through a single point of contact. With a common IT platform in place across the merged system, there will no longer be a need to exchange data, and thus no information gaps.[7]

IV. SHIPPERS WILL ENJOY TRANSPORTATION SERVICE THAT IS AS GOOD AS -- IF NOT BETTER THAN -- WHAT THEY RECEIVE FROM CN AND WC TODAY

We are both proud of the solid reputations that CN and WC have established in providing reliable transportation service for our customers. Nonetheless, we have an ongoing commitment to meet our customers' needs and exceed their expectations. This Transaction will better enable us to achieve this common goal, although we recognize that it will not be a success if our customers suffer from any Transaction-related service disruptions. It is therefore extremely important to us that the implementation of this Transaction does not compromise the quality of the service we provide. The post-Transaction standard by which our service can and must be measured is, at a minimum, the service that each railroad provides separately today. Our customers should expect no less.

In order to ensure that implementation of the Transaction does not adversely affect the level of service our customers receive, CN and WC have prepared an Operating Plan and a Service Assurance Plan that provide for a measured and careful integration of the two railroads'

[7] An example of how such information "gaps" can at times compromise service is set forth in the attached Appendix at A-19. Whether the traffic is intermodal containers exchanged between our railroads or carload traffic handled in interline service, if the participating railroads fail to exchange routing and handling information promptly, the shipment or shipments in question may experience transit delays.

operations. *See* Operating Plan, Joint Verified Statement of Gordon T. Trafton II and J. Edward Terbell, and Service Assurance Plan. Among the important steps we will take to provide top quality service to our customers post-Transaction is our plan to retain WC's existing operating personnel – the people who know best the operating demands of the WC territory, and who are best qualified to ensure that the needs of WC-served shippers continue to be met.

CN has proven that it is able to implement a transaction without incurring operational snags. CN's acquisition of IC has been executed without difficulties. *See Canadian National Ry. – Control – Illinois Cent. Corp. [General Oversight],* STB Finance Docket No. 33556 (Sub-No. 4), Decision No. 2 (STB served Nov. 29, 2000), slip op. at 5. The shippers and the public should expect us to implement this Transaction at least as capably and smoothly.[8]

In a number of the instances, the Transaction-related operating changes will enable us to provide more expeditious service to our customers. For example, the Transaction will permit operating changes that will improve the flow of certain interline traffic between CN-served markets in western Canada and markets served by BNSF and UP beyond Chicago. *See* Operating Plan, Section 3.3.2 (transit times for carload traffic moving between western Canada and points on both BRC and UP flowing through Chicago will be reduced by one day). This service improvement will be of particular benefit to shippers of carload commodities such as chemicals, forest products, and metals and minerals.

[8]Numerous CN-served shippers supporting the Transaction have expressed their confidence in CN's ability to successfully integrate its operations with WC. For example, Georgia-Pacific Corporation, the world's second-largest market pulp producer, states that CN, "in its acquisition of [IC], demonstrated to Georgia-Pacific [its] operational capabilities and [its] management's commitment to a successful merger implementation process. We are confident that the CN and WC can, and will, execute a seamless integration of their railroads." Verified Statement on behalf of Georgia-Pacific Corporation at 1, 3 (Mar. 14, 2001). Anheuser-Busch Companies, Inc., notes that in the CN/IC merger, "CN demonstrated that it can handle the integration of another carrier into its own system without suffering the service disruptions that have plagued some prior mergers." Verified Statement on behalf of Anheuser-Busch Companies, Inc. at 2 (Mar.26, 2001).

V. THE TRANSACTION WILL NOT AFFECT ANY INTERLINE ROUTINGS AVAILABLE TO OUR SHIPPERS TODAY

CN and WC have both forged important interline relationships with other railroads with which they exchange traffic at certain strategic interchanges or "gateways." Some of our shippers have expressed an interest in our commitment to ensure that our interline relationships with other carriers are preserved after the Transaction, and have inquired about whether we would, as a result of the Transaction, close any of these interchange points. Our response has been clear and consistent from the outset – CN/WC will keep all existing active gateways affected by the Transaction open on commercially reasonable terms.

CN has previously made and honored a similar assurance with respect to the preservation of the Chicago gateway for the transport of grain from North Dakota origins to points on IC. *See Canadian Nat'l Ry. – Control – Illinois Cent. Corp.*, STB Finance Docket No. 33556, Decision No. 37, slip op. at 37, 100-03 (STB served May 21, 1999). Here, we want to preserve existing interline gateways on both CN and WC that could be affected by the Transaction for the transport of all commodities. Of course, the assurance we offer assumes that the railroads with which we cooperate for the movement of interline traffic will continue after the Transaction to cooperate with us through the gateways in question as they do today. CN and WC obviously have no control over the prices that other railroads may charge to handle traffic in interline service with us or the service that our customers receive from these carriers.

VI. CONCLUSION

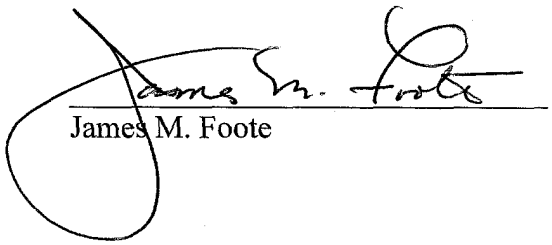
As set forth above, we believe that the integration of the CN and WC systems will strengthen our ability to meet the needs of our customers and to compete with other railroads and

alternative modes of transportation. For these reasons, we urge the Board to approve the Application, and permit CN and WC to undertake the subject Transaction.

VERIFICATION

I, James M. Foote, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.



James M. Foote

VERIFICATION

I, William R. Schauer, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.

William R. Schauer

ATTACHMENT A

Personal Background of James M. Foote and William R. Schauer

My name is James M. Foote, and I am the Executive Vice President of Sales and Marketing at Canadian National ("CN"). In this capacity, I am responsible for CN's sales and marketing activities. I joined CN in 1995 as Vice President, Investor Relations, and was subsequently appointed to the position of Vice President – Merchandise in 1996. I was appointed to my current position in 2000. Prior to joining CN, I was Vice President, Corporate Development, Investor Relations and Tax, at the Chicago & North Western Railroad ("CNW"). My railroad experience spans more than 28 years and includes responsibilities in the areas of sales and marketing, corporate finance, taxation, law, labor relations, and operations. I graduated from the University of Wisconsin, Superior, and the John Marshall Law School in Chicago. I have also completed all course work for a masters degree in law from Kent College of Law in Chicago.

My name is William R. Schauer. I am Vice President, Marketing, for Wisconsin Central System (Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Wisconsin Chicago Link Ltd., and Algoma Central Railway, Inc., collectively "WC"). I joined WC in 1987, when it first began operations, as Assistant Vice President of Marketing and assumed my current position in 1988. Prior to that I served as General Marketing Manager for CNW from 1985 to 1987, and from 1963 to 1985, I was employed by the Chicago, Milwaukee, St. Paul & Pacific Railroad Company in various positions, most recently as Director of Marketing and Pricing. I hold degrees in Marketing and Material Management.

APPENDIX

Commodity Group Discussion of Shipper Benefits Resulting From CN/WC Transaction

In anticipation of the merger between CN and WC, representatives of both systems have conferred to evaluate how the expanded system could better meet the transportation needs of existing shippers, and increase competition with other railroads and modes of transportation. The discussions among the CN and WC marketing representatives focused upon six general commodity groups: (1) forest products, (2) chemicals, (3) agricultural products, (4) metals and minerals, (5) intermodal, and (6) automobiles and auto parts. This appendix discusses the opportunities identified through these discussions.

The discussion in this appendix of potential shipper benefits should not be construed as a prediction that CN/WC will, in every case, divert new traffic to its system, extend the haul of traffic CN and/or WC already handles, or prompt customers to participate in new markets. To the extent that CN and WC foresee specific new traffic opportunities, they are identified in the traffic diversion analysis discussed elsewhere in the Application. *See* Joint Verified Statement of George C. Woodward and Richard L. Bottorff; Verified Statement of Joseph G.B. Bryan.

Forest Products

CN and WC both transport a variety of forest products. General commodities that fall under this group include lumber products and oriented strand board ("OSB"), and paper products, including woodpulp, paper, pulpboard, and scrap paper. Other commodities sometimes falling within the "forest products" category are paper coating materials such as kaolin clay and limestone slurry. CN and WC have an established and successful relationship in the movement

of forest products between our respective systems, and we believe that the combination of our two railroads will be of benefit to the shippers of these commodities.

CN and WC both handle substantial volumes of finished lumber. For example, CN transports lumber from mills that are dispersed along the former IC system in Mississippi and Louisiana and throughout Canada. WC-served lumber mills are located in northern Wisconsin, the Upper Peninsula of Michigan, and Ontario. The single-line efficiencies of an integrated CN/WC system will create potential new market opportunities for WC-served lumber producers,[1] and will improve our ability to compete for the movement of lumber into markets in the WC service territory.

Lumber producers on WC will enjoy for the first time single-line service options to such markets as St. Louis and Memphis. This will aid in the development of other markets for WC-originated lumber in the U.S. southeast and elsewhere on CN's lines. In addition, the efficiencies of service by an integrated railroad will enable our merged system to be more effective in competing against trucks, the dominant mode for the movement of lumber from northern Wisconsin, the Upper Peninsula of Michigan, and Ontario to markets in the Detroit area. We also perceive an opportunity for WC-served sawmills to opt for CN-served sources of saw logs in northern Ontario and eastern Canada.

[1]Among the WC-served lumber producers supporting the Transaction are Wolf Bros. Sawmill, Inc., Biewer Lumber Co., Stetson Hardwoods, and Woods Run Forest Products, Inc. *See* Verified Statement on behalf of Wolf Bros. Sawmill, Inc. (Mar. 6, 2001) (Wolf Bros. "needs rail service if we are to successfully expand our markets, [and the Transaction] will afford the advantages of single-line service as well as greatly assist in finding those critical new markets through the expanded reach of CN"); Verified Statement on behalf of Biewer Lumber Co. (Mar. 5, 2001); Letter to Vernon A. Williams on behalf of Stetson Hardwoods (Mar. 5, 2001) (Stetson is "investigating markets in both Canada and Mexico, and [believes that the Transaction] will allow for greater efficiencies in service and equipment utilization for both... markets"); and Verified Statement on behalf of Woods Run Forest Products, Inc. (Mar. 21, 2001).

WC serves a lumber consuming market in Wisconsin, particularly at Green Bay and throughout the Fox River Valley. Much of this regional demand for lumber is met by sources in the northwestern U.S. and western Canada. This lumber is frequently hauled by rail carriers such as UP, CP, and BNSF to reload centers in Minnesota or Chicago, and then trucked to destination markets throughout Wisconsin. The CN/WC Transaction will create a new single-line route linking southern U.S. and western Canadian lumber sources with WC-served consumers that shippers may select in lieu of other existing (and very competitive) rail-truck options.

The CN/WC Transaction will present an opportunity to expand market options for southern yellow pine (lumber) from Mississippi, and, at the same time, improve car utilization across the system. In this case, CN-served producers of southern yellow pine will have new single-line service reach into markets in Wisconsin. Rather than being hauled empty from Wisconsin destination markets and transload centers to mills back to Mississippi or to western Canada, the same cars could now be placed for loading at much closer WC-served mills in northern Wisconsin, the Upper Peninsula of Michigan, or Ontario. If such traffic flows develop, the merged system will reduce empty car miles, and CN/WC will improve its car fleet utilization.

Both CN and WC serve producers of paper (both printing and writing grades). We are well aware that this industry is heavily dependent upon swift and reliable service.[2] We know that

[2]In supporting the Transaction, Insert Transportation Service, Inc., a public warehousing and printed materials distribution enterprise, stresses the "special services required by the printing industry due to the time sensitivity of their publications." Verified Statement on behalf of Insert Transportation Service, Inc. at 1 (Mar. 13, 2001). Insert, a company with facilities on CN's lines, states that the Transaction could allow it "to offer a better service package to... customers as well as [allow] those [paper] mills served by WC to become more competitive in the Mid-South from a service... standpoint." Id.

Similarly, Longview Fibre Company, a paper manufacturer supporting the Transaction, observes that, "[I]n producing products for customers it is imperative that we are able to plan our production around receiving inventory for rigid scheduling." Verified Statement on behalf of Longview Fibre Company at 1 (Feb. 26, 2001).

if railroads cannot meet a paper shipper's needs and expectations, that shipper will readily divert traffic to truck service. In many cases, CN and WC already team up to provide transportation for this service sensitive traffic. For example, paper flows from various WC-served paper mills to printers on CN's lines at Effingham and Mattoon, IL, Memphis, TN, and Toronto, ON. By giving our customers a single point of contact for obtaining price and service information, we make rail service across the system even more responsive to the needs of each shipper. Following the Transaction, shippers will have but one railroad with which they need to turn to assure that service needs are met, not two, and only one railroad that they will hold accountable for the level of service we provide.

WC-served paper and tissue mills are large consumers of woodpulp, one of the inputs for the production of paper.[3] While there are a variety of sources of woodpulp throughout the U.S. Pacific Northwest, New England, the South, and Canada from which WC-served paper mills can and do select product, some consumers also opt for overseas woodpulp sources, particularly from South America. Today, such imported woodpulp moves in interline service between WC and other carriers through ports not served by CN. If the shippers should so choose, CN/WC could provide alternative single-line service for imported woodpulp through such ports as New Orleans and Mobile.

The Transaction will yield new opportunities to better meet the service needs of woodpulp shippers moving product to or through WC-served territory by making available a

[3]Among the woodpulp producers supporting the Transaction are such diversified forest products manufacturers such as Abitibi Consolidated Inc., Fraser Papers Inc., Georgia-Pacific Corporation, as well as specialty woodpulp producer Ponderosa Fibres (a producer of recycled pulps).

more efficiently used fleet of specialized, CN-owned woodpulp boxcars. For example, WC serves woodpulp warehouses at such points as Stevens Point and Green Bay, which serve as a means of forward placement of this product for paper mills in and beyond the WC service area. A portion of CN-originated woodpulp and woodpulp originated on other carriers is handled at these warehouses. CN will typically transport woodpulp to the warehouses in CN-owned cars, and these cars usually return empty from the warehouses for re-loading on CN lines. WC generally supplies its own equipment for outbound woodpulp moves from these warehouses, or must make special arrangements with other carriers (including CN) for the use of their cars. After the Transaction, the potential exists to reload inbound loaded CN equipment with outbound woodpulp or other paper products at the very same facility or at other facilities in close proximity. These operating changes will potentially reduce empty car miles for the CN fleet, will increase the triangulation capability of the boxcar fleet, will improve car supply for customers using the warehouses, and ultimately will provide woodpulp shippers with more responsive service.

We believe that the Transaction will allow us to serve as an improved transportation resource for integrated paper producers who supply their WC-served plants with woodpulp produced at mills located on CN. The merged system will enable integrated paper manufacturers to more closely schedule woodpulp production to meet the needs of plants located on WC, and to more closely monitor shipments en route to assure consistent, reliable delivery.

Integrated manufacturers of cardboard goods (such as boxes) that also operate their own pulpboard plants may enjoy the same advantages from single-line service as would paper

manufacturers.[4] For example, new single-line service across the CN/WC system could better meet the needs of such integrated firms as Smurfit-Stone Container Corporation, which has multiple CN-served pulpboard facilities, and box manufacturing capacity on WC's lines. We recognize that any improvements in single-line service reliability will help companies such as Smurfit-Stone with supply chain management.

We believe that the Transaction may result in a more focused approach to developing new opportunities for the movement of recycled fibers (including scrap paper, old newsprint, and old containerboard), low-rated commodities that are sensitive to transportation costs and are highly truck-competitive. With an integrated system, there may be new opportunities to improve the efficiency of shorter-distance hauls that characterize these commodities. The Transaction will enable us to become more flexible in our utilization of cars in this service, and allow for improved positioning of cars between recycled fibers consumers and producing areas. For example, we understand that there is the potential for scrap from CN-served printers in Effingham and Mattoon, IL, to be moved by rail to mills on the WC system at Neenah and Menasha, WI. The Transaction may enable us to find new efficiencies that will make us more competitive for the movement of such traffic.

[4]Among those supporting the Transaction are such manufacturers of paper and corrugated cartons as Packaging Corporation of America (which identifies itself as a "totally integrated manufacturer" of such products), Gaylord Container Corporation, and Smurfit-Stone Container Corp. *See* Letter to Vernon A. Williams on behalf of Packaging Corporation of America (Mar. 5, 2001), Verified Statement on behalf of Gaylord Container Corporation (Mar. 1, 2001), and Verified Statement on behalf of Smurfit-Stone Container Corp. (Mar. 15, 2001).

Chemicals

The CN/WC Transaction should also benefit those transporting chemicals to and from the WC service territory. In particular, we believe that the Transaction will benefit the large concentration of paper manufacturers on the WC system who depend on specialty chemicals necessary to the papermaking process.[5]

By and large, chemicals (including plastics and petroleum products) are high value products that are handled in specialized railroad cars that are owned or leased by the shipper. Because of the tight production cycles that typify this commodity group, shippers have particularly rigorous inventory management needs, increasingly require consistent and reliable performance, and seek initiatives that will maximize the use of their railroad assets.[6] In addition, considering the nature of the commodities involved, all modes of transportation used by such shippers are held to strict safety standards.

The watchwords for the transport of chemicals and petroleum products are "safety" and "service." If the shipper has doubts about the ability of the carrier to handle its products safely, or if railroad service proves inconsistent, the shipper can resort to trucks or other carriers, even though such options may be more expensive. Furthermore, chemicals shippers employ exacting

[5] Numerous chemicals producers support the Transaction, including producers of specialty chemicals for the paper industry. *See, e.g.*, Verified Statement on behalf of Eka Chemicals Inc. at 2 (Mar. 7, 2001) ("Of course, if [CN/WC] can find ways to streamline service through the Chicago area, such improvements may result in enhanced equipment utilization and may yield substantial fleet cost savings to Eka..."); Verified Statement on behalf of GAC Chemical Corporation (Mar. 21, 2001); and Verified Statement on behalf of Sterling Pulp Chemicals, Ltd. (Mar. 15, 2001).

[6] As one CN-served chemical shipper notes in its support of the Transaction, "Many of our material movements are tied to a very rigid timetable. The merger between [CN and IC] has already cut our shipping time between the Gulf Coast and Montreal by as many as five days." Verified Statement on behalf of Resinall, Inc. (undated).

grading standards in evaluating carrier service and the safe handling of their products. CN and WC are proud of our records in meeting the rigorous demands of our chemicals shippers.

Our chemicals customers are well aware of CN's participation in the American Chemistry Council's Responsible Care™ program, an important initiative designed to assure the safe handling of costly and sometimes hazardous products. WC, though not yet a participant in this program, has been working diligently to complete the safety review steps necessary to become a full participant. (The integration of the two railroads would extend the Responsible Care™ program to WC's lines and customers in the event that WC participation is not finalized at the time of the Transaction.) CN and WC have established solid reputations with the chemical industry, and are constantly striving to improve our safety records. In light of CN's commitments under the Responsible Care™ program and WC's steps toward becoming a participant in this program, we are confident that the Transaction will allow us to take additional steps toward making service across the system even safer. The Transaction will allow us to integrate the best safety practices of each railroad across the system, and enable us to explore ways to improve the operational handling of chemicals on our lines. Additional details concerning safety consequences of the Transaction will be set forth in the Safety Integration Plan to be submitted approximately 30 days following the filing of this Application.

In addition to the safety improvements that will be attributable to the Transaction, chemicals producers on CN and WC will enjoy single-line efficiencies that will improve their ability to market their products to consumers across the integrated rail network. Similarly, paper and pulp makers will be able to obtain needed processing chemicals from a new complement of sources across the expanded single-line system. For WC-served chemicals producers such as

Vulcan Chemicals at Port Edwards, WI,[7] the Transaction will create the opportunity to utilize new single-line access to Vulcan's two most important raw materials – salt and potash, both of which Vulcan can and does receive from Canadian sources. Although Vulcan has traditionally marketed its product to industries in the Upper Midwest, the Transaction may encourage it to seek new opportunities to market its products to pulp mills and chemical plants on CN's lines in the South and in eastern Canada. From both inbound and outbound movements, the Transaction should enable us to better serve this shipper's transportation needs.

We believe that the Transaction will also enable us to better meet the needs of another WC-served chemicals producer, Omnova, whose Green Bay, WI, plant produces latex that is used predominantly in the paper making industry. Omnova's plant generally draws important latex ingredients by rail from sources along the Gulf Coast. Because CN serves producers of these ingredients not only in the Gulf, but also Alberta and Ontario, Omnova will have the opportunity to utilize single-line access to these three major feedstock-producing regions where today it enjoys no such single-line service advantages. Not only would the Transaction benefit Omnova with respect to the raw materials it consumes, but we believe that the efficiencies of single-line service may also prompt this shipper to consider new markets for its latex, such as paper producers located on CN-served lines.

The Transaction also provides new single-line source options for chemicals consumers throughout the WC system. For example, WC-served mills may select new single-line service

[7]Vulcan's Port Edwards plant produces a variety of chloralkali chemicals used primarily in the paper, food processing, and agricultural industries throughout the Upper Midwest and Canada. Vulcan products include caustic soda, chlorine, potassium carbonate, and potassium hydroxide.

for bleaching chemicals such as sodium chlorate from CN-served producers in such places as Brandon, MB, or hydrogen peroxide from producers in such regions as western Canada and the southeastern U.S. Although many pulp and paper mills already source from CN-served locations, the Transaction may encourage additional mills in the WC service territory to select from CN-served sources that they do not use today.

The Transaction will also benefit WC-served consumers of plastics, who will enjoy for the first time single-line service from three important geographic sources of this commodity, including a variety of producers along the CN system in Alberta, Louisiana, and at Sarnia, ON.[8]

Agricultural Products

Among the commodities in this category are corn, soybeans, barley, wheat, malt, cornstarch, soy meal, corn syrup, soy meal, and fertilizers. We expect that the Transaction will enable us to provide our agricultural products customers with more responsive and efficient service. In some cases, the Transaction may open the door to new markets, and in other cases it will benefit customers who depend upon a supply of railroad-owned equipment.

For corn and soybean growers, particularly along the WC system in central and eastern Wisconsin, the Transaction will give shippers access to CN's fleet of railroad-owned covered

[8]Among the plastics producers supporting the Transaction are AT Plastics Inc., and Dow Chemical Company. *See* Verified Statement on behalf of AT Plastics, Inc. (Mar. 27, 2001), and Letter to Vernon A. Williams on behalf of Dow Chemical Company (Mar. 7, 2001). Among the plastics consumers supporting the Transaction are the following WC-served shippers: Menasha Corporation, N.E.W. Plastics Corporation, Pechiney Plastic Packaging, Inc., and Presto Products Company. *See* Verified Statement on behalf of Menasha Corporation (Mar. 22, 2001); Verified Statement on behalf of N.E.W. Plastics Corporation (Mar. 13, 2001); Verified Statement on behalf of Pechiney Plastic Packaging, Inc. (Mar. 26, 2001) (the Transaction will offer "advantages such as single-line service, the potential for improved equipment utilization and the possibility of buying [plastic resin] from new markets through the expanded reach of the Canadian National rail network"); and Verified Statement on behalf of Presto Products Company (Mar. 16, 2001).

hopper cars. In addition, the merged system should benefit from more efficient use of such equipment, as it can be more readily positioned to various geographical regions of our expanded network as harvests take place.

The CN/WC system will bring more efficient service to WC-served shippers of corn and soybeans who rely on rail transport to reach markets in the Chicago area. For example, much of the corn and soybeans originated on the WC service territory is delivered to facilities in the Chicago area, such as Corn Products International ("CPI"), a processor at Argo, IL, and Chicago & Illinois River Marketing, LLC ("Nidera"), a storage and water transfer facility within the Chicago port district. Today, in the case of CPI, WC-originated corn can only reach the facility via a switching carrier in the Chicago terminal. Three carriers – WC and two switching carriers (a combination of either IHB or BRC and CRL) handle WC-originated corn and soybeans destined to Nidera. The current intra-terminal handling increases overall transit time and limits WC's ability to ensure the most responsive and expeditious service. The CN/WC Transaction would streamline the handling of WC-origin products to both facilities. CN serves CPI directly; meaning that WC-originated corn to this processor will no longer be subject to the added handling and possible delays associated with a reciprocal switch and multiple interchanges.[9] The merged system will also enable WC-originated products destined to Nidera to avoid one of the

[9]In addition to moving corn to the CPI facility, WC also transports cornstarch from the plant to paper makers on its system. In this case, too, the traffic will no longer be subject to additional terminal handling and transit delays following the Transaction.

two switching carriers in the Chicago terminal, allowing this traffic to flow more fluidly and efficiently.[10]

WC-originated corn will also benefit from single-line access to markets south of Chicago that could become targets for Wisconsin product.[11] These new markets include A.E. Staley's and ADM's corn processing plants at Decatur, IL, Cargill's plant at Memphis, TN, poultry and catfish farms in Mississippi, and feed lots on CN's Alliance partner, KCS. If market conditions permit, Wisconsin corn may find export markets through CN-served elevators and rail-water transfer facilities at Mound City, IL, and along the Gulf Coast.[12]

Just as Wisconsin corn may find new markets south of Chicago thanks to the benefits of single-line service, Illinois processors may enjoy access to new sources for soybeans in Wisconsin. Gilman, IL-based Incobrasa Industries, Ltd., a soybean processor located on CN's lines, today draws most of its beans from the local (primarily truck-served) market in northern and central Illinois and Indiana. Incobrasa, however, competes with other soybean processors in the area for the local harvest. In light of new single-line service from Wisconsin, Incobrasa

[10]*See, e.g.*, Verified Statement on behalf of Cooperative Plus Inc. (Mar. 9, 2001) (WC-served grain marketing cooperative supports the Transaction due to the access it will enjoy to CN's fleet of covered hopper cars, and because of the potential for more efficient service to markets within the Chicago area); and Verified Statement on behalf of Interstate Commodities, Inc. at 1-2 (Feb. 16, 2001) (WC-originated product to Chicago can be handled more efficiently, enabling it to better manage its own fleet of covered hopper cars and improve car utilization, and opening the opportunity for it to reduce the size of its car fleet).

[11]A supporting WC-served shipper, Agro Distribution, LLC, states: "We currently are unable to get through rates for points beyond Chicago. The [Transaction] will give us point to point [service] which we currently do not have. [This] point to point [service] will allow our company to move into new markets that we currently cannot utilize." Verified Statement on behalf of Agro Distribution, LLC at 2 (Mar. 14, 2001).

[12] Shippers have benefited in similar fashion from the CN/IC merger. In support of the Transaction, an eastern Michigan-based grain shipper served by CN reports that "[p]rior to [the CN/IC merger], our elevator could not competitively access the Southern U.S. export market... However, with the merger of these two rail lines, service has been improved directly through greater car availability [and] greater market access..." Verified Statement on behalf of Eastern Michigan Grain, Inc. at 2 (Mar. 16, 2001).

could opt for soybeans from markets further to the north, and reduce its reliance upon local harvests.[13] Another soybean processor, ADM, could, like Incobrasa, benefit from single-line access to WC-served sources to supply its plant located at Decatur, IL.[14]

The Transaction should also better meet the needs of soy meal consumers in Wisconsin, by affording them single-line access to sources of this product in Iowa and Illinois. Soy meal, a livestock feed ingredient that is consumed by dairy farms in east-central and west-central Wisconsin, may be routed in single-line service from Cargill's three CN-served plants in Cedar Rapids, Iowa Falls, and Sioux City, IA, from Central Soya's plant at Gibson City, IL, and from Incobrasa at Gilman, IL. While CN and WC already face stiff competition from trucks and other railroads for this traffic, we believe that the Transaction will make CN-served sources of soy meal a more attractive alternative to competing sources of this commodity in Minnesota and Iowa.

The Transaction should also improve the transport of fertilizers into the Wisconsin market.[15] CN and WC are already close partners in the transport of potash both for agricultural

[13]Incobrasa supports the Transaction. It notes that "most of our inbound soybeans are carried to us by truck, primarily from local growers. . . ; The Transaction would give us the opportunity to select [soybeans] from CN/IC and WC sources, giving us a competitive pricing alternative in the bean market." Verified Statement on behalf of Incobrasa Industries, Ltd. (March 12, 2001).

[14] Other soybean processors that would enjoy single-line access to WC-served soybean sources are Central Soya at Gibson City, IL, and Bunge at Cairo, IL, Marks, MS, and Destrehan, LA. (From Bunge's Destrehan facility, Wisconsin soybeans could be processed into soybean meal and exported to overseas markets, or they could be exported without being processed.)

[15]For example, FS Cooperative, a WC-served receiver of fertilizers from both the U.S. and Canada supports the Transaction, noting several possible advantages, "such as single-line service, less switching from supplier to our locations and greater railcar tracking ability." Verified Statement on behalf of FS Cooperative at 1 (Mar. 14, 2001). *See also* Verified Statement on behalf of Agri-land Co-op (Mar. 14, 2001) (anticipating general improvement in the handling of fertilizers to its facility in Fond du Lac), and Verified Statement on behalf of Jacobson Farmers Supply (Mar. 16, 2001) (WC-served fertilizer shipper that anticipates that single-line service will create "potential for improved equipment utilization and the possibility of buying from new markets through the expanded reach of the [CN] network").

and industrial applications. We will be able, post-Transaction, to explore new avenues to improving service over the consolidated system, including fine-tuning the advance staging of potash at facilities in Winnipeg and at WC-served rail facilities in Wisconsin.[16] The CN/WC system will link sources of nitrogen fertilizers, such as urea, along the Gulf Coast, Manitoba, and Saskatchewan with markets in Wisconsin. This will create an opportunity for us to offer a more competitive all-rail alternative for Wisconsin nitrogen-based fertilizer consumers, who often rely on river transport for the larger portion of the haul from domestic sources originated along the Gulf Coast and for imported fertilizers that do enter the U.S. along the Gulf.

Metals and Minerals

"Metals and Minerals" represents to CN and WC a diverse group of commodities, including, among others, roofing granules, construction aggregate, sand, cement, iron ore, finished steel, scrap iron and steel, non-ferrous metals, and dimensional (or "oversized") shipments. We believe that the Transaction presents us with the opportunity to better meet the needs of shippers of these commodities, and to aid them in the development of new markets.[17] It

[16]PCS Sales Inc., the largest fertilizer company in the world, producing potash and other fertilizers, supports the Transaction due to the likelihood that it will receive more consistent service, enjoy streamlined service between Saskatchewan potash sources and consumers in Wisconsin and south of Chicago. PCS observes that the Transaction may "assist in eliminating the... congestion that presently exists in the busy Chicago [terminal]." Verified Statement on behalf of PCS Sales (USA) Inc. at 1-2 (Mar. 2, 2001).

[17]As one WC-served producer of limestone-derived products states: "[WC] has been very good for Western Lime Corporation... but we have been limited by the size of the [WC] system. A merger with [CN] would allow [us to enjoy] access to a much larger geographic area without multiple line delivery. The [CN/WC] system will link the Northeast and Northwest and lower Midwest, and create [single-line service] which will fit our sales area well." Verified Statement on behalf of Western Lime Corporation at 1 (Mar. 2, 2001).

A Winnipeg-based producer of large transformers supports the transaction because of the possibility of obtaining "faster, more reliable single-line service to and from points on the WC system, and improvement in efficiency of obtaining dimensional and cost information..." Verified Statement on behalf of Pauwels Canada Inc. (Mar. 15, 2001). A variety of other shippers falling within the "metals and minerals" category also support the Transaction, including several scrap steel brokerage firms, steel manufacturers and fabricators, and shippers of aggregate and decorative stone. *See, e.g.*, Verified Statement on behalf of Simsmetal America (Mar. 13, 2001)

will also enable us to offer an improved rail transportation option where shippers today select other modes.

The Transaction will enable WC-served producers of industrial sand (sand of a quality that makes it suitable for foundry applications, oil drilling, and glass making) to better access potential markets where such specialty sand is needed. For example, WC-served Badger Mining Corporation at Taylor, WI, a producer of industrial sand, will have single-line access to CN-served points in Alberta, where such sand (also known as "frac sand") is required to support oil drilling activities. Sand from this mine may also, with the cooperation of CN's Alliance partner KCS, find new markets in Mexico, where industrial sand is used in the foundries producing parts for the automobile industry.[18]

We believe that the merged system can fill a new role in the transport of taconite. In one case, the merged system can become an efficient link in the transport of taconite from U.S. Steel's processing plant at Minntac, MN, and its steel mill facility at Fairfield, AL. We look forward to a new opportunity to work with originating carrier, DMIR, and the various line-haul carriers serving Alabama (such as NS and BNSF) in developing a more efficient rail transportation option. Specifically, we can route this taconite traffic from the DMIR interchange at Steelton, MN, through Chicago and on to such southerly interchange points with NS and

(scrap steel broker); Verified Statement on behalf of IPSCO (Mar. 15, 2001) (producer of steel and steel products); Verified Statement of Birmingham Steel Corporation (Mar. 8, 2001) (steel bar manufacturer); Verified Statement on behalf of Algoma Seamless Tubulars, Inc. (Mar. 14, 2001) (steel tube maker); and Statement on behalf of Aggregates America (Mar. 13, 2001) (decorative stone supplier).

[18]The transaction may similarly benefit another WC-served sand producer, A.F. Gelhar Co., Inc. *See* Verified Statement on behalf of A.F. Gelhar Co., Inc. (Mar. 6, 2001) (Transaction may offer an "opportunity to broaden [Gelhar's] customer base in the future").

BNSF as Memphis. The advantage of such a routing is that it will eliminate some of the interchanges that now must take place between various carriers involved in the current movement of this traffic, and it forges a new, more direct route that is capable of handling this high tonnage traffic. The Transaction will also enable the merged system more easily to design rate and service proposals for this traffic.

In another case, we see a potential longer term opportunity to develop a new all-rail taconite service between Minntac, MN, and U.S. Steel's Edgar Thompson Works in Pittsburgh, PA. Such an all-rail route would involve the participation of originating carrier DMIR, regional carrier WLE, and destination carrier, Union Railroad. Such an all-rail route would offer what we believe will be an appealing transport alternative for U.S. Steel for those times when winter weather disrupts the movement of taconite through the Great Lakes. This option might also eventually provide more than a seasonal choice, as steelmakers are showing a growing interest in rail service and a desire to move away from the use of multi-modal transportation, particularly the combined use of water and rail.[19]

We expect that the efficiencies of single-line service will enable pig iron consumers in Wisconsin – Neenah Foundry (at Neenah), Waupaca Foundry (at Waupaca), and Charter Steel (at Saukville) – to consider CN/WC service for imported raw material from South America. The Transaction will create single-line service via CN's rail-marine terminal at Convent, LA, as a

[19]The transfer of taconite pellets from rail to ship (and in some cases back to rail again) involves additional handling of the commodity, which takes its toll on the pellets transported and results in product loss. In addition to the added handling, the multi-modal transport of taconite requires the operation of transfer facilities accompanied by large, open-air storage areas. The operation and maintenance of such facilities contributes to the total transportation cost for this commodity. An all-rail transportation option would reduce the shipper's reliance on such transfer facilities, increase the overall speed of delivery, and reduce steel manufacturers' inventory costs.

more expeditious alternative to the barge-to-truck or barge-to-rail service that all three companies rely upon today.[20]

The Transaction will also present a single-line rail service alternative for the transport of cement from producers in southern Ontario to distribution terminals in Green Bay, WI. Today, this cement is handled via Great Lakes water transport. With single-line service between origin and destination, CN/WC will offer a faster and more reliable alternative to water transport of this commodity.

Finally, expanded single-line service over the merged system will give WC-served producers of roofing granules the opportunity to explore potential new markets for their products. Wausau, WI-based roofing granule producer 3M will enjoy single-line service to a variety of markets into which it already ships products, and the Transaction may allow it to consider rail transport to new markets. For roofing granule producer ISP (Pembine, WI), the single-line service options that would become available for the transport of its products might encourage it to expand its focus beyond its traditional markets in the Midwest to markets in the South.[21] We envision such new market opportunities to include construction and roofing companies located in Tennessee and Alabama, along CN's lines south of Chicago.

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[20]National Material Trading, a scrap iron and steel brokerage company selling these commoditiesto consumers in Wisconsin notes that "[o]ne of the largest volumes of business is the sale and distribution of nodular, foundry, and basic pig iron... and many of the largest consumers of pig iron are in Wisconsin.... NMT is... willing to look at discharging vessels at ports in New Orleans, which are served by [CN].... [W]e may be able to load [pig iron] directly from vessel to railcar or vessel to ground to railcar right in New Orleans and ship all the way to our final consumers on [WC].... It will result in much more efficiency in the transportation of pig iron imported into this country." Verified Statement on behalf of National Material Trading at 2 (Feb. 22, 2001).

[21]*See* Verified Statement on behalf of ISP Mineral Products at 1 (April 3, 2001) ("We believe that the [Transaction] will benefit ISP Mineral Products Inc. by providing single-line service to selected markets in both the United States and Canada").

Intermodal

"Intermodal" is not a commodity in the sense that agricultural products and chemicals are commodities, but is rather a mode of transportation whereby a very large variety of products may be placed in truck trailers or shipping containers and transported by railroads in combination with connecting truck or water carriage. CN and WC handle a variety of products in intermodal service, including, among others, paper products, specialty chemicals, furniture, and all kinds of manufactured goods. The Transaction will help to better meet the needs of our respective intermodal customers.[22]

The Transaction will enable shippers using WC-served intermodal ramps to enjoy single-line service to and from a variety of CN-served ports on the Atlantic, Pacific, and Gulf of Mexico, including Vancouver, New Orleans, Halifax, Mobile, and Montreal. CN has a more established and closer working relationship with steamship carriers serving these various ports than does WC. WC-served intermodal customers will benefit from the Transaction because they may more easily explore new export and import opportunities between the Upper Midwest and various overseas markets. The Transaction will produce new single-line routing options through CN-served ports for import or export intermodal traffic now flowing in interline service through other ports. For example, the Transaction may create new opportunities to offer intermodal service between the Pacific Coast port of Vancouver and intermodal ramps on the CN/WC

[22]A number of CN and WC-served intermodal customers endorse the Transaction, including Ashley Furniture Industries; Dakeryn Industries Ltd.; Hub Group, Inc.; J.B. Hunt Transport, Inc.; and Ryder Integrated Logistics Canada. *See* Verified Statement on behalf of Ashley Furniture Industries, Arcadia, Wisconsin (Mar. 12, 2001); Verified Statement on behalf of Dakeryn Industries Ltd. (Mar. , 2001); Verified Statement on behalf of Hub Group, Inc. (Mar. 16, 2001); Verified Statement on behalf of J.B. Hunt Transport, Inc. (Mar. 19, 2001); and Verified Statement on behalf of Ryder Integrated Logistics Canada (Feb. 28, 2001).

system, more efficiently linking production areas and markets in both the Upper Midwest and Asia.

While CN and WC are already partners in the movement of intermodal traffic, and while the two railroads already make use of a common intermodal facility in the Chicago area, we believe that intermodal shippers using the merged system will benefit from better and quicker access to critical information. Intermodal shippers routing traffic over portions of both CN and WC today must consult with two intermodal marketing departments for rates and service options. Post-Transaction, such shippers will need to contact only one customer representative for such inquiries.

In similar fashion, the Transaction should speed the flow of information for the handling of intermodal traffic traversing portions of both systems. Today, intermodal traffic handled between CN and WC is sometimes delayed in Chicago while awaiting the transfer of loading and routing information between the two railroads. With a common IT platform, we will be able to eliminate such data-related delays for intermodal shipments, and thereby reduce in-terminal dwell time, in some cases by as much as one day. An added benefit for intermodal shippers routing traffic over the merged system, will be access to a single point of contact to monitor the progress of their shipments, where today there may exist information "gaps" when intermodal traffic is interchanged between CN and WC.

Automobiles and Auto Parts

The Transaction presents limited new opportunities for improvements in the transportation of automobiles and auto parts for existing CN and WC customers. WC is not a significant carrier of finished vehicles, but it does serve Oshkosh Truck (in Oshkosh, WI), a manufacturer of military trucks for the U.S. Department of Defense. Oshkosh Truck's vehicles are generally shipped to military bases in the U.S. Southeast and Southwest, and its products require the use of 89-foot flatcars. WC has very few of these cars, and has, as a result, sometimes misses traffic opportunities when Oshkosh Truck has vehicles to be shipped. CN has access to a larger fleet of 89-foot flatcars, which will enable the merged system consistently to meet Oshkosh Truck's transportation needs.

We believe that the Transaction will also enable us to ensure the reliable flow of finished automobiles from manufacturing plants east and south of Chicago to CN-served destination markets in western Canada. The Transaction would enable CN to more easily design service plans affecting the Chicago-Superior-western Canada corridor to promote the expeditious movement of finished automobiles, and to link this service with other traffic also using this important NAFTA lane.

VERIFIED STATEMENT
OF
RICHARD L. BOTTORFF

I. INTRODUCTION

I am Richard L. Bottorff, a private consultant in the field of transportation who has been engaged by Applicants to assist them in evaluating the potential effects on competition resulting from CN's proposed acquisition of WC (the "Transaction"). In this Verified Statement I discuss the absence of any adverse effects on competition as a result of the Transaction. I describe the end-to-end nature of the Transaction and show that there are no "2-to-1" or "3-to-2" shippers in the U.S. (that is, shippers for which, as a result of the Transaction, the number of carriers providing rail service would drop from two to one or from three to two). I also assess the impact of the proposed transaction on source competition, and find that it would have no adverse effects. In any areas where CN and WC may compete via movements from different sources today, strong source competition and modal competition (truck as well as rail) will remain to constrain any prospect of anti-competitive activity.

Since 1999, I have been a private transportation consultant. From 1970 through 1999, I was employed by the Illinois Central Railroad Company ("IC"). Before joining IC, I worked for the Pennsylvania Railroad and its successor the Penn Central Transportation Company in yard and agency operations from 1964 to 1969. (My service with Penn Central was interrupted by a tour of duty in the United States Marine Corps.) Prior to becoming a consultant, I was employed by IC for almost 30 years in various sales, sales management, and marketing positions. Those positions included Assistant Vice President - Interline Management, Assistant Vice President -

Marketing and Sales, Managing Director - Market Development and Pricing, Director - Market Development & Pricing, and Regional Sales Manager. During my career, I had leadership responsibility in marketing transportation services for the Agriculture Business Unit (Grain, Grain Mill, and Farm and Food Products), the Forest Products Business Unit (Lumber, Paper, Fiber and Pulp Products), and the Intermodal-International Business Unit (Trailers and Containers). I have a Bachelor of Science degree from Indiana University with postgraduate work (MBA) at the University of Minnesota. I am a registered practitioner before the STB and a certified member of the American Society of Transportation & Logistics.

II. REDUCTION IN COMPETITION FOR RAIL SERVICE TO INDIVIDUAL LOCATIONS AND CORRIDORS.

As a glance at the map makes clear, the combination of CN and WC would be an end-to-end transaction. The lines of the two systems physically meet at only one point (Oba, ON), where CN's east-west line intersects the north-south line of WC's Algoma Central subsidiary. CN's DWP subsidiary terminates at Nopeming Junction, MN (near Duluth), although it has trackage rights to South Itasca, near Superior, WI, and its IC and GTW subsidiaries terminate at Chicago, IL, leaving a gap in CN's system between Superior and Chicago. CN seeks to fill in the gap by acquiring WC, which owns lines between South Itasca and Chicago, and which interchanges traffic with CN at Chicago and at Superior; at present CN bridges the gap by use of haulage service by WC, under limited-term haulage agreements that CN and WC concluded in 1997 and 1998.[1]

[1] Although the lines of the two systems do not meet in either Chicago or Superior, they reach each other's lines at those locations over third railroads for purposes of interchange. At Superior, CN and WC interchange at PokegamaYard, which is a CN yard located on DMIR's line. CN reaches Pokegama Yard by means of trackage rights granted by DMIR from Nopeming Junction, and WC reaches it by means of trackage rights granted by DMIR

I understand that, in recent railroad consolidation proceedings, the STB and its predecessor agency, the ICC, have acted to preserve competitive rail options that might be lost to customers as a result of a merger or control transaction at "2-to-1" points (that is, points receiving rail service only from the two merging railroads and that after the transaction would therefore be served by a single rail system). To identify any potential "2-to-1" locations, I reviewed the list of all stations in the Official Railroad Station List (formerly known as the Open and Prepay Station list and hence referred to as "OPSL"). For the purposes of this exercise, each six-digit Standard Point location Code ("SPLC") was regarded as a separate station. I also consulted with operating and marketing personnel familiar with the various locations. In addition, I consulted such industry resources as the Official Railway Guide, the Official Railway Equipment Register, the CN 9000 Switching Tariff, the WC 8222-A Switching Tariff, applicable switching tariffs of various carriers serving Duluth/Superior and Chicago areas, and other carriers' websites.

The relevant point of reference for determining whether a rail transaction will reduce horizontal competition is how rail customers are affected, not how many railroads serve a rail station before and after the combination. Thus, if a station contains no shipper facilities (for example, if it is merely an interchange point), then the combination of the only two railroads serving that station would not reduce competitive options for any shipper. Furthermore, if two shippers are located at the same station and each is served exclusively by a different railroad, then the combination of the those railroads would not harm either shipper, as each would have

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from South Itasca. In the Chicago area, CN and WC have several routes by which they reach each other's lines, using trackage rights over various terminal and other railroads.

the same number of directly serving railroads after as it does before the combination (absent transload or build-out possibilities). As explained below, there will be no reduction in the vigor of horizontal competition as a result of the CN/WC Transaction.

My investigations indicate that there are only 11 stations to which both CN and WC have access. One is Oba, ON, which is the only "2-to-1" station on the two railroad systems. However, as I will explain below, CN and WC do not compete for traffic at Oba, and the Transaction will have no adverse effect on competition at that location. Of the remaining 10 stations, one is Superior, WI and the remaining nine are in the Chicago Metropolitan Area. None of these 10 stations is either a "2-to-1" or "3-to-2" point. The CN/WC Transaction would therefore not reduce the vigor of competition at any of these points. In the following paragraphs, I will elaborate on the effect of the Transaction on rail competition at Oba, Superior, and the Chicago area stations.

Oba. – Oba is a junction between CN and WC at a remote location in Northern Ontario; the two railroads interchange traffic but do not compete for rail service there. No industries are located at Oba, and the only rail movements originating or terminating at that station are served by WC on team tracks provided by that railroad for the loading of pulpwood logs and native logs.[2] CN has no team tracks at Oba, and it neither switches customers at Oba nor originates or terminates rail traffic there.[3] There are therefore no "2-to-1" customers at Oba; any shippers originating or terminating movements at that point are properly regarded as "1-to-1" customers,

[2] WC terminated no traffic at Oba in 1999, and of the 289 carloads it originated there, all but one terminated at points in Canada on WC itself.

[3] CN's 100% waybill data for 1999 appear to show two carloads originating at Oba, but in fact neither shipment originated there; both were rebilled cars.

for they would have the same rail options at Oba after the Transaction as they do now.

Superior. – At Superior, where CN and WC meet (via trackage rights over DMIR), the two railroads do not physically serve any customers (that is, they do not own track serving Superior industries, nor do they operate trains there by means of trackage rights). Access to industry at Superior (and at the neighboring city of Duluth) is through reciprocal switching provided by BNSF and UP. Switching at CP industries is handled by BNSF under a joint facility agreement. Because those railroads all will continue to compete with the combined CN/WC system after consummation of the Transaction, Superior is at most a "5-to-4" location.

Chicago Area. – At Chicago, the only other place where CN and WC meet (via trackage rights over various railroads), the combined system will face competition from an even larger number of other railroads than at Superior. None of the nine Chicago-area stations shown in the OPSL as receiving service from both CN and WC is a "2-to-1" or "3-to-2" point. As explained below, multiple railroads have access to shippers at eight of those stations, either physically or through reciprocal switching, and WC has no access to shippers at the ninth (Markham). The proposed Transaction would therefore not reduce the vigor of competition at any of these locations.

- Blue Island, IL – CN and WC do not physically serve industry at Blue Island. Industry access is provided to multiple carriers, including CN and WC, through reciprocal switching.

- Chicago, IL – Chicago is served by multiple carriers (BNSF, BRC, CSX, CIC, CP, CRL, CSS, CSX, EJE, IAIS, IHB, IMRL, MJ, NS, UP, and WSOR) as well as CN and WC.

- Cicero, IL –WC does not physically serve any industry at Cicero. Industry access is provided to multiple carriers, including WC, by means of reciprocal switching. CN and WC also use Cicero as an interchange point with BNSF and MJ.

- Clearing, IL – CN and WC do not physically serve any industry at Clearing, Industry access is provided to multiple carriers, including CN and WC, through reciprocal switching.

- Harvey, IL – Although the OPSL shows Harvey as served by BNSF, CN, and WC, suggesting that it would be a "3-to-2" point, in reality WC's has no physical access to Harvey except for the purpose of moving intermodal traffic to or from CN=s Gateway/Moyers Intermodal Terminal ("MIT"). MIT, however, is only one of several similar facilities serving the Chicago area. Six other railroads (BNSF, CP, CSX, IAIS, NS, and UP) will continue to serve those facilities, providing competitive alternatives to intermodal shippers who move trailers or containers to or from MIT. From the standpoint of competitive impact to these shippers, therefore, Harvey may be regarded as an "8-to-7" rather than a "3-to-2" location. In addition, WC has access to industry at Harvey through reciprocal switching, but similar access is provided to several other rail carriers.

- Hawthorne, IL – WC does not physically serve industry at Hawthorne. Industry access is provided to multiple carriers, including WC, through reciprocal switching by CN.

- Markham, IL – Although Markham is listed in the OPSL as a WC station, in fact WC serves no industry at that point. (WC does have physical access to Markham, as do CP and UP, but only for the purpose of interchange with CN.)

- Proviso, IL – CN and WC do not physically serve any industry at Proviso. Industry access is provided to multiple carriers, including CN and WC, through reciprocal switching.

- Schiller Park, IL – CN does not physically serve any industry at Schiller Park. Industry access is provided to multiple carriers, including CN, through reciprocal switching.

Because CN and WC only serve two cities or metropolitan areas in common (plus the interchange location at Oba), there are no locations where the combined system would enjoy increased market power through the elimination of competition for service to intermodal, automotive, or transloading facilities. At Chicago, as already mentioned, CN and WC both provide intermodal service, but so do six other railroads. While there are several WC intermodal

facilities at locations in Wisconsin, there are no potentially competing CN facilities any closer than Chicago. WC does not operate any auto ramps. There are no locations where a transload facility served by one Applicant provides the sole competitive option by rail to a customer of the other Applicant at a nearby location.[4]

The CN/WC Transaction would not eliminate any competitive restraint now exerted by build-in or build-out possibilities, that is, by the possibility that a shipper exclusively served by one of the merging railroads could build a new line out to the line of a competitor, or that a competing railroad could build a new line into the facility of an exclusively served shipper. The two systems only approach one another at Oba, Superior, and Chicago. There is no industry at Oba to or from which either railroad or the shipper could build a new line. (If any industry were located at Oba, interswitching rights under Canadian law would make build-out or build-in unnecessary.) WC provides service there only by means of a railroad-owned team track, and CN has no incentive to build team tracks of its own to compete with WC, since the route structures of Applicants' two systems make competition at that point unlikely. (As noted earlier, nearly all the traffic at Oba terminates on WC-served points in Canada, which CN does not reach.) At Superior and Chicago, the lines owned by the two systems are separated by distances in heavily built-up urban areas that make new construction between the two systems impracticable. Even if

[4] WC has access by reciprocal switching to three transload facilities in the Chicago area physically served only by CN: Cargo-Flo Terminal, National Distribution, and Stellar Distribution. (Two of these facilities (Cargo-Flo and National Distribution) are owned by CN and operated under contract for CN by Transplastics and National Distribution. The third, Stellar Distribution, is independently owned and operated.) There are no 2-to-1 customers at these points, however, because shippers do not originate or terminate transportation movements at those facilities, but instead truck them to or from other locations and could truck them to other carriers' competing reload centers. After the Transaction, those customers will continue to have access to numerous similar bulk transfer and transload facilities, served by BNSF, CP, CSX, NS, and UP in the Chicago area.

such construction were practicable, build-in/build-out options to or from BNSF, CP, UP, and other carriers would then be equally feasible, and would remain available after the Transaction.

Finally, the CN/WC Transaction would not give the combined system increased market power in any rail corridor. Because the only locations served by both CN and WC are Oba, Superior, and Chicago, the only rail corridors in which the Transaction could even theoretically reduce competition are Superior-Chicago, Oba-Superior, and Oba-Chicago. As explained above, CN does not originate or terminate any traffic at Oba, so it does not compete with WC in the hypothetical Oba-Superior or Oba-Chicago corridors. The Superior-Chicago corridor is at least a "5-to-4" corridor, because the Transaction would leave BNSF, CP, and UP as strong competitors with CN/WC for traffic moving between Superior and Chicago. In any event, CN's and WC's ability to compete for traffic moving in that corridor is constrained by the fact that both railroads' limited access to industry in Superior is by reciprocal switching only, and the switching charges that CN and WC must pay there are tariff rates that are generally higher than those paid by the other Class I railroads serving Superior (BNSF, CP, and UP).[5]

III. COMPETITION FOR SERVICE TO CONNECTING SHORT LINES

I understand that the Board also considers the effect of a rail merger on shippers located on a 2-to-1 short line (that is, a short line railroad that connects with the two combining carriers, but with no other Class I or regional railroad). As in the case of 2-to-1 shippers, the Board's

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[5] BNSF performs joint facility switching under contract for CP at Duluth/Superior and joint industry switching for UP at Duluth.

In 1999, there were only 228 carloads of traffic that moved on either CN or WC between origins and destinations at the endpoints of the Duluth/Superior corridor. (In CN's case, this includes movements originating or terminating at Duluth, which CN reaches by reciprocal switching).

concern is whether a shipper located on a 2-to-1 short line has access to two independent connecting railroads and would lose that access as a result of the Transaction.

There are no 2-to-1 short lines that would lose their independent connections as a result of the Transaction, and no 3-to-2 short lines in the U.S. (*i.e.*, short line railroads that have three connections at present but which would have only two after the Transaction). There is a single 3-to-2 short line in Canada, the Ontario Northland Railroad ("ONT"), which connects with CN, CP, and WC's Algoma Central subsidiary. Given the north-south alignment of WC's route structure, the CN/WC Transaction would have only a limited impact on traffic flows with ONT. CP will continue to provide vigorous competition with CN for traffic to or from ONT.

IV. GEOGRAPHIC COMPETITION

I have also been asked by Applicants to assess the impact of their proposed Transaction on geographic competition, which can take two forms. One is "source competition," by which I mean the competition among sources that can arise when different rail or motor carriers transport the same product to the same destination but from different geographic origins. The second is "destination competition," which can arise when different carriers transport the same product to different destinations from the same origin. (Together, I will refer to both forms of competition as "geographic competition.")

My work in conducting this analysis fell into three broad categories. First, I evaluated the proposed Transaction with respect to geographic competition based on my knowledge and expertise as a career-long railroad marketing executive. Second, in light of my assessments of source competition, I then examined the results of the rail divertible capacity study performed by ALK Technologies, Inc. at the direction of Dr. Christopher Vellturo, and the data on modal

market share and on the truck divertible capacity study performed by Reebie Associates (or "Reebie"), also at the direction of Dr. Vellturo. Third, I also reviewed the reasonableness of certain of the assumptions used by Dr. Vellturo (which, in turn, guided the data compilations conducted by ALK and Reebie Associates). My findings and conclusions on the first two subjects are presented in this verified statement and Appendix A (which contains additional product/BEA-specific detail to support my geographic competition analysis). My assessment of certain of the assumptions applied by Dr. Vellturo is described in Appendix B.

CN and WC participate in movements of some common products from different origins to the same destination. CN and WC participate in these movements in a variety of ways – as originating, terminating, or bridge carriers. The products with the largest volumes involved in such movements are corn, woodpulp, printing and groundwood paper, oriented strand board ("OSB"), newsprint, pulpboard/fiberboard, lumber, and synthetic rubbers. Although the volumes in the various product/destination pairs are generally not large, and many are very small, I review each and every category regardless of volume in Appendix A. As detailed below, I find that the Transaction would have no adverse effect on the competition shippers and receivers on CN and WC lines enjoy today.[6]

[6] As a threshold matter, I considered whether the products in question were susceptible to source competition under the four-part standard that I understand has traditionally been applied by the Board. Under those criteria (which assess (i) number of origins, (ii) similarity in cost of production, (iii) product substitutability, and (iv) transportation cost relative to total product cost), I found that all but three products are very susceptible to source competition. As I explain in Appendix A, in these three cases – specialty transformers, primary copper smelter products, and roofing granules – products within the same STCC-7 category are not necessarily substitutable. Thus, it may well be that there is no source competition between CN and WC for these products in the first place. Nevertheless, both Dr. Vellturo and I analyzed these products as fully as the others.

My conclusion rests on three basic points:

- In areas where CN and WC may compete via movements from different sources today, very strong source competition will remain after the Transaction.

- Shippers and receivers will continue to have many options to source and transport the products in question through rival rail carriers. Moreover, CN has committed to maintaining open gateways; therefore, customer choice is preserved in all routing scenarios.

- Healthy intermodal competition – primarily from trucks – will operate in many instances to further constrain any anticompetitive pricing activity.

Post-Transaction Source Competition. We began our assessment by applying a "50/10 screen" to identify product/destination pairs in which CN and WC originate, terminate, or otherwise handle a significant portion of the traffic moving into a relevant geographic region. The BEA was chosen as the geographic unit of analysis, and products were evaluated at the STCC-7 level.[7] Product/destination pairs were identified for further analysis in each instance in which each of CN and WC in 1999 (1) originated, terminated, or interchanged 10% or more of the total carloads of a commodity delivered to the BEA, if the combined share calculated on this basis without double-counting the CN or WC volumes would have been 50% or more of total delivered volume, or (2) originated 10% or more of the total carloads of a commodity delivered to a BEA, if the combined originated share of the two railroads would have been 50% or more, or (3) terminated 10% or more of the total carloads of a commodity delivered to a BEA, if the combined terminated share of the two railroads would have been 50% or more. These pairs – which were comparatively few in number and in most cases involved very small volumes – were

[7] I discuss in Appendix B the appropriateness of the BEA as the geographic unit of analysis and the STCC-7 level of product classification.

then subjected to further analysis to determine whether the Transaction would diminish existing source competition.

The results of that further evaluation show that these products are widely produced and transported into the destination BEAs ("DBEAs") by rail and motor carriers from numerous locations. Origins are often dispersed throughout both the U.S. and Canada, with carrier movements of greatly varying distances bringing the commodity to the same destination area.

Receivers therefore enjoy a wide range of sourcing alternatives. CN, for example, originates woodpulp in British Columbia that moves over 1,8000 miles to terminate on WC in Wausau, WI. CP competes with CN on these moves. From the opposite direction, NS originates woodpulp in Charlotte/Gastonia, NC, that moves over 1,300 miles to Wausau. There are also many shorter rail movements, however. For example, CP originates woodpulp from Manitoba and Ontario (700-800 miles); CSX from Kentucky (just under 700 miles); and WC from points throughout Wisconsin (50-300 miles). Trucks are also a significant competitive force for woodpulp, even at longer distances. To confirm my general sense of the vigor of truck competition, I obtained modal share and length of haul ("LOH") data from Reebie Associates. That data showed that the weighted average truck LOH for woodpulp into Wausau in 1999 was 778 miles, and that trucks accounted for one-third of all inbound volumes.

Similarly, to take another example, Milwaukee receivers source printing paper from numerous origins and widely varying distances, including New England, Eastern and Western Canada, California, and the Pacific Northwest, as well as points throughout the mid-Atlantic and Southeastern U.S. and Wisconsin itself. Trucks transported 55.9% at the corresponding 4-digit STCC level of paper inbound to Milwaukee in 1999, confirming my judgment that motor carriers

are a significant independent competitive force. Truck competition is particularly intense in the 250-300 mile range, the radius of WC-originated moves.

Similar patterns are seen in the remaining commodities, discussed in the commodity-specific analysis I present in Appendix A.

Competition from Rival Rail Carriers. Throughout the range of products, the combined CN/WC would continue to face vigorous competition from rival rail carriers that are able to move the same commodities from different origins to the same destinations on competitive routes that do not involve CN or WC. Here, too, I have tested my personal knowledge against industry data – in this instance, information from the 1999 Waybill Sample – and it confirms my judgment. OSB moving to Chicago, for example, is a product/destination pair identified under the 50/10 screen described by Dr. Vellturo. In 1999, OSB receivers in Chicago sourced this product by rail from eight different carriers (in addition to the former Conrail) and 13 different origins across the U.S. and Canada.[8]

To take other examples, printing paper traveled by rail from 26 different origins to Milwaukee/Racine, with 10 different carriers (in addition to Conrail) involved in the movement of this traffic.[9] Nashville receivers sourced groundwood paper through seven different rail

[8] OSB moving by rail into Chicago markets came from Ontario, Quebec, Manitoba, Saskatchewan, Alberta, Minneapolis/St. Paul, Green Bay, Duluth/Superior, Northern Michigan, Wausau, Detroit, Buffalo/Niagara, and Charleston, WV, as well as Chicago itself, and was carried by CN, CP, NS, CSX, BNSF, UP, WC, ONT, and Central Michigan Railway Company ("CMGN").

[9] Sources included Canada (three different provinces), Maine (two origins), New York (three origins), Wisconsin (four origins), Minnesota (two origins), North Carolina (two origins), Pennsylvania, Mississippi, Kentucky, Louisiana, South Carolina, Arkansas, Texas, California, Washington, D.C., and Oregon. Other product passed through Chicago in Rule 11 movements from these or other origins. This traffic was transported by CP, CN, NS, CSX, UP, BNSF, WC, WSOR, ST Rail System ("ST"), and Golden Triangle Railroad ("GTRA").

carriers from eight different locations across the U.S. and Canada.[10]

Carrying this evaluation one step further, Dr. Vellturo performed a quantitative analysis that examined whether rival rail carriers could divert significant volumes of a given product to a DBEA if CN/WC were to raise prices. His study confirms that rail divertible capacity sufficient to constrain anticompetitive pricing exists for each of the product/DBEA pairs, often at volumes many times greater than CN/WC's combined share and at even greater multiples of the volumes that he determines to be the "critical loss" at which a price increase would become unprofitable for a combined CN/WC. I have reviewed the results of Dr. Vellturo's study (as well as certain of the assumptions that he employed to construct it), and find them reasonable.

Intermodal Competition. Intermodal competition – primarily from trucks – is another major factor demonstrating that the Transaction would have no adverse competitive impacts. Trucks move substantial volumes of these commodities, and have become aggressive competitors. WC today faces truck competition on movements of virtually every product it transports into or out of Wisconsin and upper Michigan. This competition has if anything intensified in recent years, as more and more companies implement strict inventory management and just-in-time delivery requirements.[11]

I am by no means suggesting that trucks are competitive with rail for all traffic movements based upon length of haul. However, they are for very substantial volumes, and

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[10] Rail-sourced origins were as diverse as Quebec, Ontario, New York, Wisconsin, Tennessee, Alabama, Maine, and Minnesota. Carriers moving groundwood paper to Nashville included CN, CP, WC, NS, CSX, ST, and BNSF.

[11] As described in Appendix A, industries today place a strong emphasis on rigorous inventory control and exacting delivery schedules to maximize efficiency and net revenues.

certainly at the distances within which WC has traditionally moved these commodities. Even for extended lengths of rail haul, transloading and trucking can provide effective competition. The Reebie industry data confirm that this is the case; indeed, those statistics show that, for a number of the product/BEA pairs under examination, the weighted average LOH for motor carriers is greater than the weighted average LOH of the 50/10 movements of that commodity in which CN and WC participate.[12]

Further, the truck data provide even stronger confirmation of the futility of any attempt by a combined CN/WC to sustain an anticompetitive price increase. Under Dr. Vellturo's direction, Reebie performed a divertible capacity analysis for truck. As described by Dr. Vellturo, this analysis took the conservative approach of counting as potential additional sources only truck origins of the commodity that are already shipping products from the relevant 4-digit STCC to the DBEA at issue and that are no further in highway mileage from the DBEA than the weighted average LOH of current truck movements of that commodity to other DBEAs. The results show significant volumes of truck divertible capacity within these distances that shippers and truckers have already demonstrated are competitive distances for motor carrier movements of the commodities under consideration.

Before turning to my product-specific analysis, it is useful to look at several other features of the products and transportation markets in question, to understand how these forces would also come into play in the form of source competition from other carriers to ensure that a

[12] In my judgment, it would be difficult for a combined CN/WC to profitably increase prices on long haul moves while maintaining them on the former WC shorter-haul moves. The combined company would continue to face source and direct competition on long haul moves, just as CN does today. If CN/WC did try to discriminate against those long haul movements, that direct and source competition would constrain it, if shippers did not instead simply shift to closer sources at truck-competitive distances.

combined CN/WC remained a vigorous competitor.

Commodities. One very fundamental point is that the products in question here are commodities. Unlike branded products, commodities within a particular STCC-7 classification – which is the classification we used throughout – contain few, if any, distinctive features that prevent them from being substitutable with one another. Thus, the needs of a receiver for corn, woodpulp, OSB, or synthetic rubber can be met as readily with product from one source as another. Markets for such products are typically very fluid and characterized by numerous points of origin. Commodities are often heavily traded and exhibit significant price sensitivity. Production volumes often far exceed local demand, meaning that goods are shipped widely to distant destinations. Conversely, receivers have many choices and great flexibility to change sources of supply if a particular source becomes non-price competitive. All of these factors support robust source competition, with the prospect that supply can be diverted to constrain anticompetitive pricing activity. This proposition is borne out in my detailed analysis in Appendix A, which shows strong source competition and large divertible capacity for every commodity we examined.[13]

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[13] As the Board has recognized, the "pervasive source competition" that exists for a commodity such as grain reflects "the fungible nature" of such commodities. *Union Pac. Corp. – Control – Chicago & N.W. Transp. Co.*, Finance Docket No. 32133, Decision No. 25, slip op. at 71 (ICC served Mar. 7, 1995). One case in which my examination revealed that source competition did not exist involved precisely the opposite situation: specialty transformers (a product that is not generally substitutable, or fungible). As the term suggests, specialty transformers must be suited to serve a particularized need. In this case, transformers within the STCC-7 category range in size from NLT 25 lbs. to mid-size range (75,000 lbs. to 150,000 lbs.) to even larger units, and are used in a variety of different applications. Therefore, even though CN and WC move these specialty transformers to the same destination BEA (Houston/Galveston) from different sources, it may well be that CN and WC are not in competition with each other because the products are different. However, even if products within this STCC-7 category were generally interchangeable, they could be sourced from other regions by rail or truck and diverted to constrain CN/WC price increases, as I discuss in Appendix A.

Widely-Dispersed Markets and Inter-Regional Competition. Widespread sources of production and consumption are a natural outgrowth of the basic features of a commodity. Markets are often broad in scope, and inter-regional competition among producers is fierce. Even when an industry is predominant within a region -- such as forestry in the Pacific Northwest, Northern Wisconsin or Michigan, or papermaking in Wisconsin or Maine -- it may account for only a relatively small share of the total market, reflecting the fact that there are many diverse sources producing these commodities. It is thus not surprising, as Dr. Vellturo's study confirms, that the rail divertible capacity that would constrain an anticompetitive price increase is often well over ten-fold the CN/WC critical loss volume that would render such a price increase unprofitable.

Wisconsin's paper industry is a case in point. Wisconsin is the largest producer of paper products in the U.S., but accounts for just over 13% of the industry's total production and faces intense competition from other paper-producing regions in this country and abroad. To take an example, WC originates large volumes of printing paper destined to markets throughout the U.S. However, anticompetitive pricing by CN/WC on these movements after the Transaction would compel Wisconsin producers to turn to other transportation options, at the risk of losing out in their own markets to competitors from other regions (including Maine, Minnesota, upstate New York, the mid-Atlantic, and the Southeastern U.S.).[14] Under either scenario, CN/WC would lose considerable traffic. One can readily see the discipline that would constrain CN/WC from

[14] Rail divertible capacity is enormous for each of the 50/10 destination markets that source printing paper from Wisconsin, ranging from a low of 70 times the CN/WC critical loss (530 carloads) for Milwaukee/Racine to a high of 583 times the CN/WC critical loss (52 carloads) for Augusta/Aiken, GA/SC. In all but one other case, rail divertible capacity was more than 100 times the CN/WC critical loss; and in that other case (Indianapolis), the rail divertible capacity was 98 times more than the critical loss volume.

engaging in such practices.

Intermediate Products. A related constraint arises from the fact that a number of the products that we are considering are intermediate products in a production chain. Woodpulp, for example, is a major input in paper production. A rate increase that affected the cost of woodpulp and, in turn, the cost of the finished paper product, would threaten to reduce demand for that producer's supply and for the railroad's transportation services. The producer would again have two choices: source woodpulp through another carrier (motor or rail), or lose business in its own markets. CN/WC would lose business in either case. The discipline imposed by this constraint would be seen particularly in the paper and lumber industries, which both feature highly competitive end-markets and abundant sources of supply.

Other Competitive Forces. Various other forces would also work to ensure vigorous post-Transaction competition. Many of these commodities, for example, start or end their journey in a truck. Corn must be trucked from farm to grain elevator. Thus, for example, Iowa corn could simply be trucked to a UP, IMRL, IAIS, or BNSF-served grain elevator in Iowa if CN/WC were to raise rates. After reaching their rail destination, lumber and OSB in many instances must travel by truck to final destination (*e.g.*, retail store, construction site, or another warehouse for subsequent handling). The necessity of a truck move prior to or after the rail move enhances transportation options for the shipper.

Others of these commodities are readily warehoused and transportable by truck, even if truck is not a necessary part of their movement. Printing paper and groundwood paper are two good examples. Moreover, lumber movements are characterized by aggressive transloading. BNSF has for years operated very active lumber transload facilities in Chicago and

Minneapolis/St. Paul for the upper Midwest region, including the WC service territory. UP and CP also operate reload centers within the WC service territory.

Finally, product competition and customer leverage may operate as additional constraints. Plywood and OSB, for example, are readily interchangeable, increasing the sourcing options of a receiver of either commodity. Particle board is also a substitute in some applications such as sub-flooring. Scrap paper is often used as a substitute for woodpulp and/or virgin fiber in paper production. Often, the shippers and receivers of these products are major companies in their respective industries (forest products and paper) that bring significant bargaining power to the negotiating table.

V. CONCLUSION

The essentially end-to-end CN/WC Transaction will ensure the long-run ability of CN to continue to provide service between Chicago and western Canada over the Superior-Chicago corridor, will increase single-line transportation options and provide other benefits for CN-served and WC-served shippers, and will not impair competition for transportation services to CN and WC customers. There are no 2-to-1 or 3-to-2 customers anywhere on the two systems. There are no rail corridors in which CN and WC compete. And there are no instances in which source competition would be compromised. In short, there would be no adverse effect on horizontal competition for rail transportation service as a result of the CN/WC Transaction.

VERIFICATION

I, Richard L. Bottorff, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.

Richard L. Bottorff

Richard L. Bottorff

APPENDIX A
TO
VERIFIED STATEMENT OF RICHARD L. BOTTORFF

MARKETS IDENTIFIED BY 50/10 SCREEN

I discuss below, in generally descending order by combined CN/WC volume, the product/DBEA (or origin) pairs identified by the 50/10 screen. My assessment considers whether, based on my own industry knowledge and information provided by the 1999 Waybill Sample and the TRANSEARCH database maintained by Reebie Associates, the Transaction would adversely impact geographic competition as it exists today for shippers and receivers on CN/WC lines.

SOURCE COMPETITION

CORN TO CHICAGO/GARY/KENOSHA (14,384 carloads)[1]

This market has several features that would constrain any potential for adverse competitive impacts from a CN/WC Transaction:

- There are numerous sources and intense modal competition. Corn moving into Chicago today comes from Iowa, Minnesota, Nebraska, and South Dakota by rail, and from origins throughout Illinois, Wisconsin, Indiana, and Michigan via both rail and motor carrier. As has long been recognized, grain (such as corn) is subject to "pervasive source competition" that "reflects the fungible nature" of this commodity. *Union Pac. Corp. – Control – Chicago & N.W. Transp. Co.*, Finance Docket No. 32133, Decision No. 25, slip op. at 71 (ICC served Mar. 7, 1995).[2]

- All movements of this commodity originate by truck (from the farm), enhancing the competitive rail options available to shippers.

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[1] In the heading for each product/BEA pair, I state the total CN and WC carloads based on the 1999 Waybill Sample.

[2] Additionally, it has been noted that corn and wheat are produced in over 40 states, and that "the producers of these grains in all the States compete with one another in both the domestic and world markets." *Chicago, Milw., St. P. & Pac. R.R. – Reorganization – Acquisition by Grand Trunk Corp.*, Finance Docket No. 28640 (Sub-No. 9), slip op. at 227 (ICC served Sept. 26, 1984).

- Numerous other railroads serve this BEA, including UP, BNSF, CP, CSX, NS, I & M Rail Link, LLC ("IMRL"), Iowa Interstate Railroad ("IAIS"), and Wisconsin & Southern Railroad Co. ("WSOR"). Grain also originates on Duluth & Northeastern Railroad Company ("DNE") and Twin Cities & Western Railroad Company for joint-line movement to Chicago via CP. In addition, numerous bridge carriers link terminals throughout the BEA, creating even more choices to transport product by rail.

- Over 50% of the originations attributed to WC in the 1999 Waybill Sample were Rule 11 movements that were actually originated by WSOR. WC furnished equipment (covered hoppers) to WSOR and received this traffic from WSOR at Slinger, WI for movement into Chicago in 1999 because of a WSOR equipment shortage. WSOR secured its own equipment in 2000 and now moves this traffic in single-line service to Chicago. WSOR's origination strength and direct access to Chicago, coupled with its car supply initiative, have significantly reduced WC movements of corn into Chicago. Hence, WC's originations are much lower than represented in the 1999 Waybill data, and the volume moved by WC in 2000 would not have flagged under the 50/10 screen.

- Corn is a commodity that exhibits great price sensitivity. Even a rate increase as small as ½ cent per bushel (which equates to $18 per carload) may trigger a source change in the highly competitive markets for this commodity.

With such dynamic market conditions, competition from rival rail carriers alone would overwhelm any attempt by CN/WC to engage in anticompetitive pricing. Dr. Vellturo identified a rail divertible capacity of 127,154 carloads, 88 times greater than the critical loss (1,438 carloads) that would render an anticompetitive CN/WC price increase unprofitable.[3] A few illustrations demonstrate the ease with which these diversions could be accomplished. Cerestar, a wet corn processor located in the Chicago BEA at Hammond, IN, is served by Indiana Harbor Belt Railway Company ("IHB"). In addition to CN and WC, IHB connects with UP, BNSF, CP, CSX, NS, IAIS, and IMRL (among others), all of whom serve independent grain elevators. Calumet Harbor, another major

[3] Dr. Vellturo explains that he calculated critical loss alternatively on two different assumptions concerning the contribution that CN/WC would lose if it attempted an anticompetitive price increase. For simplicity, I will refer to only one number, based on the most conservative of the two assumptions. Also, my references to "divertible capacity" are to direct divertible capacity numbers unless otherwise indicated.

receiver in the Chicago BEA, is served by Chicago Rail Link, LLC ("CRL") and Chicago SouthShore & South Bend Railroad ("CSS"), with connections to all major carriers serving Chicago. Cerestar receives corn moved by WSOR in addition to other rail carriers. Cerestar also receives truck deliveries. Corn Products at Argo, IL (the only receiver served directly by CN) is open to other carriers via CN reciprocal switching. Switch lines (The Belt Railway Company of Chicago ("BRC"), Baltimore and Ohio Chicago Terminal Railroad Company ("BOCT"), and IHB) also reach Argo, and provide a connection to all major carriers serving Chicago via a non-CN switch. Moreover, as noted, corn movements originate by truck, which increases rail competition. It would be a simple matter to truck this commodity from an Iowa farm to a grain elevator served by UP, IMRL, IAIS, or BNSF (rather than CN) if Applicants imposed an anticompetitive price increase. Wisconsin corn could likewise simply be trucked to a WSOR-served elevator, such as the one in Whitewater.

Motor carriers would serve as another powerful competitive constraint. Competition from trucks is particularly strong in the corn-growing regions of southern Wisconsin, northern Illinois, northwestern Indiana, and southwestern Michigan (all regions within a 100-mile radius of Chicago). Trucks also compete intensely to capture movements to alternative shorter haul markets, such as local Milwaukee or Iowa-based processors, ethanol plants, and Illinois River processors. An anticompetitive increase in rail rates, even on longer movements, would provoke a swift response from motor carriers hungry for additional business.

Competition from more distant destination markets is another force that would come into play. Chicago receivers vie for supply not only with other regional receivers

but with markets across the U.S., including exporters on the Gulf and West Coasts, Mississippi poultry and catfish farms, and southern feed lots. These alternative destination markets, served by a wide range of competitive transportation options, would be readily available to origin shippers confronted with an anticompetitive CN/WC price increase on corn moving to Chicago.

WOODPULP TO WAUSAU (5,600 carloads)

Wausau paper mills receive woodpulp by rail from 17 different locations, ranging in distance from over 2000 miles (British Columbia Railway ("BCOL") out of British Columbia) to intra-BEA movements of less than 30 miles (WC in Wausau). The source competition for this generic commodity is thus extremely intense.

Rail movements of this commodity to Wausau are originated by no less than 11 different carriers (BNSF, CN, CP, NS, CSX, KCS, DNE, WC, BCOL, Ontario Northland Railroad ("ONT"), and Canadian American Railroad Company ("CDAC")). I am thus not surprised that Dr. Vellturo identified a rail divertible capacity that is nearly 40 times the "critical loss" (560 carloads) that he determined for this product/DBEA pair, that is, 40 times the volume that, if lost, would make an anticompetitive price increase unprofitable.

UP has direct access to the receiver at three terminating stations: Wisconsin Rapids, Port Edwards, and Nekoosa.[4] This direct access via rival UP would constrain anticompetitive CN/WC rate increases (and service declines) for woodpulp inbound to Wisconsin Rapids, Port Edwards, and Nekoosa as well as Stevens Point (a short 23-mile truck dray from Wisconsin Rapids). These four destinations collectively account for a

[4] UP's access is via unrestricted trackage rights over the WC line into these three stations.

substantial share of the CN/WC volumes of woodpulp moving to Wausau identified in the 50/10 screen.

The rail-transload alternative for sole-served WC local stations in addition to Stevens Point would also work to constrain an attempted exercise of market power. WC stations can be accessed through transload operations on CP and UP in Milwaukee, in addition to the UP station at Wisconsin Rapids. These transload centers range from 85 to 125 highway miles from WC local stations, providing significant competitive discipline in the market. WSOR reaches Oshkosh in the heart of the Fox River Valley (50-80 highway miles), and could provide additional transload competition in response to any CN/WC attempt to raise prices anticompetitively. Transload centers in Minneapolis/St. Paul and Duluth/Superior provide a constraint on the western portion of the WC franchise.

Another powerful constraint would come from motor carriers providing direct service. Woodpulp is equally transportable by truck or rail from its production site, and WC competes vigorously with trucks for in-state woodpulp traffic. WC recently reduced its rates on woodpulp from the Upper Peninsula to Ontario (a distance of approximately 550 highway miles) to protect against the threat of diversion to motor carrier. With the strong base of trucking fleets operating out of Wisconsin and the region's excellent highway system, WC freight rates must remain truck competitive. That constraining influence is all the more significant because intrastate WC rail movements accounted for fully 55% of all woodpulp delivered to Wausau receivers in 1999.

Moreover, motor carriers are a competitive force even at longer distances. The Reebie study bears this out, showing that the weighted average truck length of haul

("LOH") for woodpulp is 778 miles, which actually exceeds the weighted average of movements in which CN and WC participate (602 miles). All of these statistics support my belief that competition from motor carriers would thwart any prospect of anticompetitive pricing or service declines by CN/WC.

Finally, this is a case in which the customers involved are large, multi-plant companies with whom CN/WC would have a broad range of business relationships. Two paper companies that receive a significant portion of the woodpulp inbound to this BEA are two of WC's major customers. It would be unreasonable to suppose that the combined CN/WC would engage in anticompetitive pricing at the risk of losing this significant piece of business, or that these customers, prominent North American paper producers, would have no choice but to succumb to such actions.

WOODPULP TO CINCINNATI/HAMILTON (1,040 carloads)

The widespread source competition seen in movements of woodpulp to Wausau also characterizes this market. No less than five different carriers, originating product from 14 different sources across the U.S. and Canada, accounted for inbound flows of woodpulp to this BEA in 1999.[5] The same product features that made motor carriers a constraining competitive factor in Wausau are present here. And the competitive dynamic for rail is even stronger.

WC does not access the Cincinnati/Hamilton BEA. CN reaches this BEA via a haulage agreement over IORY. CSX and NS both serve the Cincinnati-Hamilton BEA,

[5]Cincinnati receivers sourced woodpulp from Quebec, Alberta, British Columbia, Pittsburgh and Erie, PA, Appleton and Green Bay, WI, Greenville and Columbia, SC, Wilmington, NC, Jacksonville, FL, Jackson, MS, Bangor, ME, and Evansville/Henderson, IN/KY. Transporting carriers included CN, WC, NS, CXS, and ST Rail System ("ST") (as well as the former Conrail).

and the divertible capacity of these rivals could move in single-line service. Total rail divertible capacity is large, as I expected: more than 118 times the critical loss (104 carloads) for this product/DBEA pair. It is not plausible that CN/WC, in these circumstances, could exercise market power.

As described above (in the section on woodpulp to Wausau), trucks are also a very powerful competitive force in movements of this commodity. The Reebie data again bear this out. In 1999, trucks transported 77.6% of the woodpulp moving into the Cincinnati/Hamilton BEA, with a weighted average LOH of 374 miles.

PRINTING PAPER TO MILWAUKEE/RACINE (5,300 carloads); CHAMPAIGN/URBANA (2,280 carloads); HARRISBURG/LEBANON/CARLISLE (1160 carloads); DETROIT/ANN ARBOR/FLINT (876 carloads); AUGUSTA/AIKEN (520 carloads); LOUISVILLE (440 carloads); INDIANAPOLIS (280 carloads); AND MADISON (200 carloads)

Printing paper is marked by intense rail source competition from many origins. Twenty-six different sources shipped printing paper by rail to the Milwaukee/Racine BEA in 1999, ranging from New England, eastern and western Canada, California, and the Pacific Northwest to multiple origins in Wisconsin and throughout the eastern U.S.[6] Champaign/Urbana, IL receivers sourced this commodity by rail from 16 different locations; Augusta/Aiken, GA/SC receivers from nine different sources; Detroit/Ann Arbor receivers from nine different sources; Harrisburg/Lebanon, PA receivers from eight different locations; Louisville receivers from seven locations; Madison receivers from four; and Indianapolis receivers from three.

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[6] Specific sources for printing paper moving to Milwaukee/Racine included: Maine (Bangor and Portland), New Brunswick, Ontario, Quebec, New York (Albany, Syracuse, and New York/New Jersey), Philadelphia, Minneapolis/St. Paul, Duluth/Superior, Green Bay, Wausau, Appleton, Houston, Tupelo, MS, Paducah, KY, Baton Rouge, LA, Charlotte/Gastonia, NC, Huntsville, AL, Washington, D.C./Baltimore, Charleston, SC, Little Rock, AK, Redding, CA, and Portland/Salem, OR as well as Milwaukee itself. Other product passed through Chicago in Rule 11 movements from these or other origins.

Moreover, receivers in these BEAs have a variety of terminating rail alternatives. CP and UP both serve Milwaukee. WSOR, which connects in Chicago with all of the major Class I carriers (and thus offers the ability to transport product sourced from virtually every geographic region in the U.S.), serves Madison and terminated all of the printing paper transported into that BEA in1999.[7] NS, CSX, and CP serve Detroit, providing direct rail and rail-transload competition in that DBEA. NS serves Champaign/Urbana, while NS and CSX both serve Decatur, IL (another potential termination point within the Champaign/Urbana BEA). CP, CSX, NS, and PAL serve Louisville (which CN and WC do not reach at all). Nor do CN and WC reach the Harrisburg/Lebanon, Augusta/Aiken, or Indianapolis BEAs.

Moreover, Milwaukee is only short distance from Chicago, a BEA served by all of the major Class 1 railroads as well as many regional and shortline carriers. Because printing paper is a commodity that can be readily warehoused and trucked, Milwaukee's close proximity to Chicago creates a competitive rail-reload alternative. The receivers on WC's lines are all within 110-150 miles of warehouses in Chicago that are reached by BNSF, CP, CSX, NS, and UP.

Another example is the rail-transload alternative that shippers to Champaign/Urbana could utilize if CN/WC were to impose a rate increase. Mattoon and Effingham, IL (the final destinations for printing paper moving to two receivers located on CN lines) are both within ready reload distance from a warehouse open to NS via

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[7] Dr. Vellturo's divertible capacity study did not identify printing paper sourced from CSX or NS origins in the Eastern U.S. (because no such flows happened to be directed to Madison in 1999). However, printing paper is produced in many regions served by CSX and NS (*e.g.*, Alabama, Florida, Kentucky, Maryland, Ohio, Pennsylvania, and North and South Carolina), and both carriers have competitive routes into Chicago (for interchange with WSOR and final movement into Madison). Thus, Dr. Vellturo's study yielded a conservative result here.

switching in Champaign/Urbana on Interstate 57, a major highway that links Champaign/Urbana directly with the two final destination sites (47 and 75 miles highway miles away, respectively). The receiver at Mattoon could also transload via CSX and NS-served warehouses in Decatur (only 45 highway miles from its facility), and the receiver at Effingham is open via switching to CSX, providing the opportunity for direct rail competition. Both receivers are within 100-150 miles of warehouses in St. Louis and Indianapolis, and 200 miles from Chicago warehouses, providing an even wider choice of transload alternatives.

Beyond their role in reload movements, motor carriers are a strong independent constraining force. For example, WC faces significant truck competition on movements of printing paper from Minnesota and Wisconsin involving lengths of haul under 500 miles. Motor carriers also hold a strong market position at a Wickcliffe, KY printing paper mill for traffic to the Chicago and Milwaukee areas. This high-value commodity is also particularly service sensitive, which favors trucks. Publishers place a premium on timely, reliable, damage-free deliveries to meet unyielding production schedules. Rail carriers must meet these high service standards, and often discount fairly deeply, to compete against trucks for movements of this commodity. Anticompetitive price increases or service declines would quickly result in lost business to motor carriers.

Finally, this is another sector in which productive capacity shifts would come into play. Quad Graphics, for example, the largest receiver of printing paper in the Milwaukee/Racine BEA, operates printing presses in New York, West Virginia, and Georgia, and is building a new facility in Oklahoma. A shift in production to any of these non-CN/WC-served sites would thwart an attempted exercise of market power.

ORIENTED STRAND BOARD TO CHICAGO/GARY/KENOSHA (4,200 carloads); PARTICLE BOARD TO LA CROSSE (440 carloads) AND WAUSAU (160 carloads); AND ORIENTED STRAND BOARD TO PEORIA/PEKIN (80 carloads),

Oriented strand board ("OSB") and plywood used in the housing and construction markets are highly substitutable for one another, increasing the competitive source options available to end-users. Particle board, used primarily in the manufacture of furniture, is also substitutable for OSB and plywood for some applications, although I believe that it remains appropriate to apply the 50/10 screen at the STCC-7 level in this instance, as well.[8]

Numerous sourcing options and robust rail competition mark each of these commodities. For example:

- Chicago OSB receivers sourced this commodity by rail from 13 different origins across the U.S. and Canada in 1999, ranging in distance from 1800 miles (Alberta) to 250 miles (Detroit/Ann Arbor).[9] CP, NS, CSX, BNSF, UP, ONT, and Central Michigan Railway Company ("CMGN") all moved OSB into Chicago, and together possess a divertible capacity 44 times greater than the critical loss (420 carloads) as determined by Dr.Vellturo.

- La Crosse receivers sourced particle board from four geographically-dispersed regions (Ontario and Alberta in Canada; Missoula, MN; and the Pacific Northwest. Large volumes could be diverted via BNSF out of Montana and Oregon that would swamp an anticompetitive price increase by CN/WC.

- Peoria and Wausau (both tiny markets that receive well under a carload a day) could source OSB or particle board carried by rival rail carriers from, among other locations, Chicago, Minneapolis/St. Paul, Dallas, and Greenville, SC (OSB) and Minneapolis/St. Paul (particle board).

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[8] Any additional CN/WC 50/10 flows that might be identified by considering these two STCC-7 commodities together would, in my judgment, be overwhelmed by the additional source and modal competition, and the additional divertible capacity, identified by treating the two commodity groups collectively.

[9] OSB moving into Chicago markets came from Ontario, Duluth/Superior, Quebec, Manitoba, Saskatchewan, Alberta, Minneapolis/St. Paul, Green Bay, Northern Michigan, Wausau, Detroit, Buffalo/Niagara, and Charleston, WV.

The range of transportation options available within these terminating BEAs enhances choices for receivers. The Chicago BEA, for example, is served by all of the major Class 1 railroads, as well as numerous regional and bridge carriers. Rail carriers reaching Peoria include UP, BNSF, NS, and IAIS. BNSF, CP, and UP serve the La Crosse BEA. The Wausau BEA is served by UP (in addition to WC).

Moreover, like lumber, OSB and, to a more limited degree, particle board, typically travel to final destination by truck. The receiver can thus source from any rail carrier that serves the BEA, simply by changing the transload point. BNSF, CP, and UP transload/warehouse centers range from 50-150 highway miles from the major receivers in Wausau and La Crosse. This particular feature of both commodities would give receivers an even greater range of competitive alternatives if the combined CN/WC sought to impose an anticompetitive rate increase.[10]

Strong motor carrier competition also exists, facilitated by the fact that OSB and particle board can be readily trucked from their production site. WC originates OSB in Wisconsin for receivers typically located within a 500-mile radius, and faces intense truck competition on these movements. Motor carriers also compete with rail to carry product sourced from Michigan, Ontario, and Manitoba into Wausau and La Crosse. Truck market shares for the relevant 4-digit STCC group range from 48.1% (particle board to La Crosse) to 53.5% and 61.8% (OSB to Chicago and Peoria) up to 80.5%

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[10]I am aware of two specific WC customers for particle board where the product is transported to its final destination by rail. The receivers are Ashley Furniture, located on the WC line running through Arcadia in western Wisconsin, and Pluswood, located in Oshkosh. While rail in this particular case may be the preferred mode of transit, the commodity could also be transported by truck to Ashley from BNSF's state-of-the-art transload facility in Minneapolis/St. Paul. Oshkosh is within drayage distance from transload facilities on UP and CP lines from Milwaukee (85 highway miles). WSOR also reaches Oshkosh and could establish a transload center if CN/WC were to anticompetitively raise rates.

(particle board to Wausau). Consistent with my experience, the Reebie data show brisk truck competition even for middle distance movements, and for all traffic within the radius of moves originated by WC.[11]

The importance of reducing inventory, minimizing safety stock, and lowering resultant inventory carrying costs in the panelboards industry places increased pressure on rail service and the value of rail-delivered product. Implementation of "just-in-time" ("JIT") management principles has in some cases come to mean "just-in-truck." Rail carriers continue to face shrinking rail market share in time-sensitive shipments requiring a high degree of predictability and reliability of delivery.

Lastly, several OSB and particle board producers are major companies with production facilities not located on CN or WC lines. The prospect that these producers could shift production to sites not on CN/WC lines is an additional force that would come into play to constrain anticompetitive pricing or service declines.

NEWSPRINT TO MILWAUKEE/RACINE (1,320 carloads)

Vibrant source and modal competition would constrain a combined CN/WC from anticompetitive pricing in this dynamic market. Milwaukee receivers source newsprint today from origins and rival rail carriers as diverse as Texas and the Pacific Northwest (UP), Ontario (CP and ONT), Quebec (CP), Alberta (CP), and British Columbia (CP and BCOL). Divertible capacity from rail alone is 140 times the critical loss of 132 carloads.

[11]The Reebie statistics are also borne out by examples from CN's own experience. Particle board produced at Georgia Pacific's Elliott and Taylorsville, MS plants moves to the Atlanta area today by rail (CN-NS and CN-CSX) and truck. Even here, where CN exclusively serves both plants, CN faces continuous pressure from motor carriers to provide competitive rates and service.

UP and CP both serve Milwaukee. In fact, UP terminates movements of newsprint into this BEA in addition to utilizing the services of WC.

Truck competition is also strong for newsprint, a commodity that requires regular, reliable deliveries that motor carriers are well-suited to handle.[12] Finally, newsprint is readily transloadable and thus very amenable to rail-truck delivery. Rail-transload options in Milwaukee (CP and UP), coupled with numerous rail-transload options at Chicago (BNSF, CP, CSX, NS, and UP) provide additional competitive alternatives. These forces, separately or together, would ensure that Milwaukee receivers of newsprint continued to enjoy the robust competition that exists today.

PULPBOARD/FIBERBOARD TO DES MOINES (1,240 carloads) and BOSTON/WORCESTER/LAWRENCE/LOWELL/BROCKTON (200 carloads)

A combination of constraints would prevent anticompetitive conduct in CN/WC movements of pulpboard/fiberboard to the identified markets. Rail divertible capacity 28 times greater than the critical loss in question (20 carloads) could be readily redirected to the Boston/Worcester DBEA. This traffic moves now out of Ontario over CP into Ohio and New York. CP already competes with CN and WC for pulpboard/fiberboard movements to Boston, and has an excellent route into the region (terminating on CSX). Dr. Vellturo's finding that it would be a simple matter for the carrier to divert the 20 carloads needed to render an anticompetitive CN/WC price increase unprofitable is indeed the case.

[12]CN, for example, faces pressure from motor carriers to provide competitive pricing and service from a CN-served newsprint mill in Grenada, MS to New Orleans, Houston, and as far north as Chicago.

Des Moines receivers buy pulpboard/fiberboard from a wide variety of sources, with inbound volumes handled by eight different rail carriers.[13] BNSF and UP both serve Des Moines and, in 1999, terminated nine of the 11 movements of this commodity into this BEA. Rail divertible capacity is 461 times the critical loss; either carrier could readily divert the small additional volume (124 carloads) needed to render an anticompetitive CN/WC price increase unprofitable.

Consistent with my expectation, the Reebie data show that motor carriers are also a competitive force in both markets. Trucks transported 66.4% and 39.3% of the relevant STCC-4 traffic into the Boston-Worcester and Des Moines BEAs, respectively, in 1999, with average LOHs of 571 miles (Boston) and 637 miles (Des Moines). More than ample competitive discipline also exists from this modal source.

GROUNDWOOD PAPER TO NASHVILLE (1,200 carloads); RENO (880 carloads); RICHMOND/PETERSBURG (600 carloads); MILWAUKEE/RACINE (320 carloads); GREENVILLE/SPARTANBURG/ANDERSON (240 carloads); TUPELO (120 carloads); AND HARRISBURG/LEBANON/CARLISLE (120 carloads)

These markets are all characterized by two features -- vibrant source competition and large rail divertible capacity – that would constrain any attempt by CN/WC to engage in anticompetitive pricing. Rail carriers that could transport divertible capacity into these markets include: CSX out of Syracuse, NY and Birmingham, AL (to, respectively, Richmond/Petersburg and Nashville); ST out of Bangor, ME (to Richmond/Petersburg, Greenville/Spartanburg/Anderson, SC, Nashville, Reno, Milwaukee/Racine, and Tupelo); Bangor & Aroostook Railroad Company ("BAR") out of Bangor (to Harrisburg/Lebanon)

[13]Pulpboard/fiberboard was sourced from Dallas-Fort Worth, Wausau, Green Bay, Tupelo, Richmond, VA, Wilmington, NC, Missoula, MT, Eugene-Springfield, OR, and Albany, GA, in 1999. CN, CSX, BNSF, UP, KCS, WC, DeQueen & Eastern Railroad Company ("DQE"), and Valdosta Railway, L.P. ("VR") participated in the handling of these various movements to Des Moines.

and Milwaukee/Racine); CP out of Quebec (to Harrisburg/Lebanon, Nashville, and Tupelo); The International Bridge & Terminal Company ("IBT") out of Ontario (to Harrisburg/Lebanon); NS out of Chattanooga, TN (to Nashville); NS out of Memphis, TN (to Tupelo); and BNSF out of Minneapolis/St. Paul (to Nashville, Reno, and Tupelo) and Duluth/Superior (to Tupelo). The rail divertible volumes are significant, as Dr. Vellturo's study confirms.

With the exception of Milwaukee, neither CN nor WC serves any of these DBEAs. In Milwaukee, an array of competitive alternatives exist. Both CP and UP reach Milwaukee, providing ample rail transload opportunities to mitigate any competitive concern. Moreover, Milwaukee is only 94 miles north of Chicago, where additional transload opportunities (for example, through BNSF, CSX, and NS) abound.

Aggressive truck competition also exists, especially at shorter and middle distances. Groundwood paper, a type of printing paper, is service sensitive for the same reasons: magazine and catalog printers must have timely, reliable, damage-free delivery to meet rigid publishing dates. Trucks are well-suited to these demands. Rail rates and service standards must be truck-competitive to get and keep this business. Motor carriers would have the capability to move in to seize this business in the event of an anticompetitive CN/WC price increase or service slippage.

LUMBER (TWO 7-DIGIT STCC CODES) TO MILWAUKEE/RACINE (1180 carloads, STCC 2421184; 80 carloads, STCC 2421195) AND WAUSAU (520 carloads, STCC 2421184)[14]

[14] I discuss these two STCC-7 categories of lumber together because they manifest the same type of vibrant source and modal competition that would work to constraint any anticompetitive CN/WC price increase after the Transaction. The two categories are not, however, readily substitutable in construction applications. Product classified at STCC 2421184 consists of lumber, rough or dressed and dried, while the STCC 2421195 product classification includes only such lumber of a specific size (2x10 and 2x12).

Wide-ranging source competition is a predominant feature of these dynamic markets. Wausau receivers source lumber by rail from numerous origins, including British Columbia (2100-2600 miles), Birmingham, AL (1250 miles), Ontario (600-800 miles), and Minneapolis/St. Paul (250 miles). Receivers in Milwaukee/Racine obtained lumber in the STCC-7 category 2421184 by rail from five different Canadian provinces in 1999 (ranging in distance from 450 to 2800 miles, with three different originating and four different terminating carriers handling these movements), and from Little Rock, AR (960 miles).[15] Customers in both DBEAs would have a broad spectrum of choices to circumvent any anticompetitive price increase or decline in service by CN/WC.

Consistent with my judgment from industry experience, Dr. Vellturo has identified large rail divertible capacity. In addition to the sources identified by Dr. Vellturo, lumber could also be sourced from several other origins within competitive range of the Wausau and Milwaukee/Racine BEAs, suggesting that Dr. Vellturo's findings in this instance were conservative.[16]

A receiver's options to source by rail would be further enhanced by another feature of this commodity. Movements of lumber typically travel to final destination by truck, whether that destination is a retailer's facility (such as a Menards or Stock Lumber warehouse or store) or a construction site. Thus, Wausau receivers could readily receive shipments from UP, simply by arranging for the "final leg" of the movement by truck to take place from a terminating rail station not sole-served by WC. Milwaukee/Racine is

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[15]Milwaukee/Racine receivers sourced STCC 2421195 lumber from British Columbia in 1999. BCOL originated all of the movements; they were terminated by CP, UP, and WC.

[16] These other sources include Maine, the Southeastern U.S., the Pacific Northwest, and Quebec.

served by three other carriers – UP, CP, and WSOR – which terminate significant movements of lumber inbound to this BEA today.

Lumber transfer yards ("LTYs") introduce yet another level of competition. A number of rival carriers operate LTYs in the Chicago and Minneapolis/St. Paul metropolitan areas that serve as transload points for smaller truck shipments to locations throughout the upper Midwest.[17] Lumber is very easy to transload. By shipping by rail in large volumes to these major distribution centers and then breaking loads into smaller orders for truck transport to final destination, retailers save on inventory costs and can expedite deliveries.[18] LTYs thus compete aggressively on both price and service. In addition, BNSF and CP transload centers in La Crosse, CP and UP transload centers in Milwaukee, and the UP transload facility at Wisconsin Rapids, are all within competitive trucking distance of Wausau and Milwaukee.

Finally, trucks transported 62.5% of the lumber inbound to Wausau and 57.6% to Milwaukee/Racine in 1999, confirming my judgment that motor carriers are a significant independent competitive force. Truck competition is most vigorous at distances under 500 miles, the radius of WC-originated moves. An anticompetitive price increase by CN/WC would be countered by a strong response from rival motor carriers as well as rail-truck alternatives.

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[17]BNSF, CP, UP, NS, and CSX operate and/or reach a number of LTYs in the Chicago metropolitan area. In addition, BNSF and CP operate and/or serve several of these facilities in the Minneapolis/St. Paul region.

[18] Rail contracts to the LTY often enable lumber to be purchased at a price at or near the cost of direct rail delivery. Originating railroads can reduce costs because of the large volume of these movements and faster equipment cycle time.

SYNTHETIC RUBBERS TO DULUTH/SUPERIOR (520 carloads) AND PORTLAND, ME (200 carloads)

Source and modal competition from both rail and motor carriers would constrain anticompetitive pricing in the small volume movements of synthetic rubbers to these markets in which CN and WC participate.

Dr. Vellturo identified rail movements of divertible and supplemental divertible capacity moving from Philadelphia and Houston in the study year (1999), and determined that just a small diversion of that capacity to Duluth/Superior would defeat an anticompetitive price increase by CN/WC. Duluth/Superior receivers could also source other origins by rail. The Dow chemical plant in Midland, MI is one example. CSX has direct access to the Dow plant (unlike CN, which must interchange with CMGN to accomplish the CN movement identified under the 50/10 screen). Out of Midland, a good interline route over CSX (to Chicago)/BNSF (to Duluth/Superior) would give receivers in that BEA another competitive sourcing option. Akron and Avon Lake, OH are other rail-served production sites for synthetic rubbers that could supply Duluth/Superior receivers. Receivers in Portland, ME could also look to any of these alternative rail-served sources. The Portland BEA is reached by ST with connections to CP, CSX, and NS.

Truck competition would also impose competitive discipline. Final destinations for synthetic rubbers are often rail-served. However, rail service must be offered at truck competitive rates to maintain this business. Truck movements occur in short-haul markets as well as at the middle and longer distance ranges at which CN and WC are moving this product. Truck divertible capacity is large; Dr. Vellturo found that for

movements to Duluth/Superior this capacity was 501 times the critical loss (52 carloads) that would render a CN/WC price increase unprofitable.

The producer's ability to shift capacity to non-CN/WC-served facilities could operate as an additional constraining influence. Omnova, for example, a Wisconsin-based synthetic rubbers producer, also has a facility in Mogadore, OH, served by WLE. It has shifted production to Mogadore in the past (for reasons unrelated to rail service) and could do so again if confronted with an anticompetitive price increase.

ROOFING GRANULES TO SEATTLE/TACOMA/BREMERTON (320 carloads)

This product can be sourced from many regions and is transportable by both rail and truck, ensuring that the Transaction will not adversely impact competition. Six manufacturers currently produce roofing granules from 15 different facilities throughout the U.S. and Canada, and two additional plants are under construction. 3M has five facilities, each served by a different rail carrier, located in Little Rock, AK (UP); Wausau (WC); Coronoa, CA (BNSF); Belle Meade, NJ (CSX); and Havelock, ON (CP). A new 3M plant at Pittsboro, NC (CSX/NS) is scheduled for start-up in April 2002. ISP has three production sites, located in Annapolis, MO (UP), Kremlin, WI (WC), and Blue Ridge, PA (CSX). Reed Mineral has two facilities, in Ione, CA (UP) and Drakesboro, KY (CSX); and Certain Teed has three, at Ranco Cordova, CA (truck-served only); Gades Hills, MO (UP), and Norwood, MA (CSX). IKO has one plant in Bellevue, ON (served by CN and accessed via switching by CP), and a second facility under construction at Ashcroft, BC (CP/CN) scheduled to open in September of this year.[19]

[19]Due to variations in color, not all granules may be fully substitutable for one another. To the extent that may be the case, however, any concern about adverse competitive impacts from the Transaction would be removed because CN and WC would not be competing in the first place.

Roofing granules are also readily transloadable. Thus, WC-carried 3M product destined for Seattle from Wausau could be trucked to BNSF's transload facility in Minneapolis/St. Paul for direct shipment to the Seattle receiver. Moreover, motor carriers independently handled 56.8% of inbound product volumes to Seattle in 1999. Reebie data on average LOH for these truck movements (866 miles) comports with my experience that California sources are very truck competitive. Dr. Vellturo found truck divertible capacity 646 times greater than the CN/WC critical loss volume (32 carloads).

Beyond these diverse sources and transportation alternatives, the granules moved by WC to Seattle represented a very small percentage of 3M's total production in 1999. It is likely that 3M, if confronted with an anticompetitive rate increase, could readily find other customers for these small volumes using railroads other than CN/WC.

MURIATIC ACID TO DAVENPORT/MOLINE/ROCK ISLAND (280 carloads)

This commodity/BEA pair is marked by strong source competition and the existence of significant rail divertible capacity. Both features would effectively constrain anticompetitive actions by the merged company.

Davenport receivers source muriatic acid by rail today from origins as diverse as Paducah, Champaign/Urbana, and Baton Rouge. CN competes with BNSF, CSX, NS, and CP for movements out of Paducah in joint-line service with PAL. UP offers single-line service from the Champaign/Urbana BEA (Tuscola, IL). KCS now competes with CN for service from the Baton Rouge BEA (Geismar, LA), under a haulage agreement that took effect in October 2000. The many chemical plants in the Geismar/Baton Rouge area thus have the competitive choice to ship over a KCS-UP or a KCS-IMRL interline route (via Kansas City) into Davenport.

Lastly, truck competition would likely operate as an additional constraint. Although muriatic acid is predominantly carried by rail, trucks do handle some movements of this product. The Reebie data also reflect as much, showing that motor carriers handled almost 20% of the deliveries into Davenport in 1999, and had a weighted average LOH (809 miles) that correlates directly with the weighted average LOH (822 miles) of movements in which CN and WC participate. I would expect this competition to intensify in response to an anticompetitive CN/WC price increase or service slippage.

PAPER (NEC) TO APPLETON/OSHKOSH/NEENAH (240 carloads)

Robust source and modal competition would swiftly overcome any anticompetitive actions by CN/WC in the small volume flows in which Applicants participate in this market. This commodity is widely produced at many rail-served sources accessed by rival carriers. Dr. Vellturo identified a supplemental rail divertible capacity 43 times greater than the critical loss (24 carloads) for CN/WC.

In addition, rail transload and direct service by truck would be strong independent constraining forces. The CN 50/10 origin (out of Portland, ME) begins as a truck movement to an intermodal facility that could simply be diverted to an alternative intermodal facility. The WC 50/10 origin (out of Chicago) is only 194 miles from the destination in Neenah and readily could be trucked direct.

MISCELLANEOUS MIXED TOFC TO PORTLAND, ME (120 carloads)

Intermodal moves are extremely truck competitive, since this traffic is inherently truck-transportable, and will begin and end its journey by road, not rail. Intermodal traffic is also very service sensitive – often involving goods such as frozen foods, other perishables, or tightly scheduled inventory parts – another factor that allows trucks to

assert tremendous competitive pressure. These observations are borne out by the Reebie data. Motor carriers overwhelm rail competition in this market, carrying 8.17 million tons (reported as 100%) of the inbound miscellaneous mixed TOFC traffic into this BEA in 1999, compared to 6,146 tons by rail. Their predominant presence would bring to a standstill any anticompetitive conduct by CN/WC.

Rival rail carriers would create an independent constraint. CSX has intermodal facilities in Detroit (the origin of CN's movement) and in Worcester and Springfield, MA, a 139-mile and 188-mile dray, respectively, from Portland proper and in all likelihood closer to some of the final destination points served today out of Portland.[20]

MIXED MISCELLANEOUS TOFC TO WAUSAU (200 carloads)

The same competitive dynamics that came into play for mixed miscellaneous intermodal traffic moving to Portland apply equally here. A combined CN/WC would face intense truck competition, as well as competition from rival rail carriers handling intermodal movements out of Chicago and Minneapolis/St. Paul. Most importantly, as explained above, it would be implausible to think that CN and WC even compete on these movements of miscellaneous traffic arranged through third party logistics companies. There is simply no basis in fact to conclude that the CN/WC Transaction will alter the competitive landscape for intermodal truck competitive service.

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[20]In any event, it may well be the case that CN and WC are not competing on these movements. "Miscellanous mixed" products are not a commodity, and the intermodal traffic originated by CN out of Detroit and Chicago may well be different from the intermodal traffic that WC originates out of Appleton. Rail carriers usually do not even know what is in a trailer or container moved in intermodal service (hazardous materials being an exception). Most rail carrier retail marketing efforts for intermodal service are directed to a third party intermodal agent rather than the originating shipper, and shipments by intermodal marketing companies (IMCs) are typically billed as Freight All Kinds (FAK) with a STCC designation of 4611110 under the general category "miscellaneous mixed."

SPECIALTY TRANSFORMERS TO HOUSTON/GALVESTON/BRAZORIA (120 carloads)

This is one of the few instances in which products at the STCC-7 level are not readily substitutable. Specialty transformers vary in size, weight, and capacity (the STCC-7 category in question includes all transformers not less than (NLT) 25 pounds), which impacts the particular applications for which they are purchased. Thus, the transformers that CN and WC move into the Houston/Galveston BEA may not be interchangeable, and this case may be a "false positive" under the 50/10 screen.

However, even if these products were substitutable, other forces exist that would constrain CN/WC from anticompetitive conduct. Atlanta (NS), Pittsburgh (NS), Chicago (UP), Memphis (UP), Jackson, MS (KCS), Pensacola, FL (CSX), St. Louis (UP), and San Antonio (UP) are rail-served sources of supplemental divertible capacity. Furthermore, truck competition would operate as an independent constraint on anticompetitive CN/WC activity. Although these clearance (high/wide) load products tend to favor rail, producers (for example, Waukesha Electric) ship these high value items by both truck and rail.

IRON AND STEEL PLATE TO COLUMBUS, OH (120 carloads)

A wealth of source competition from the many iron and steel producing facilities in the Ohio and Pittsburgh River valleys would overwhelm any anticompetitive attempt by CN/WC to raise prices or degrade service in this market. Iron and steel plates are readily transportable by rail and truck. Rivals in both modes compete aggressively for movements of this traffic today. Trucks tend to predominate because of the close proximity of the Columbus BEA to production areas. Pittsburgh and Middleton, OH are both within 200 miles by truck from Columbus; the large steel plants in northwestern Indiana are only a 300-mile truck movement. At these distances, motor carriers provide

fast, reliable service. Just-in-time delivery requirements often come into play to place a premium on truck service. These observations are borne out in the Reebie data, which shows that trucks carried 75.2% of inbound plate to Columbus in 1999, with an average LOH of 402 miles, and that truck divertible capacity is 970 times the CN/WC critical loss (12 carloads).

However, rail competition is also a potent force. For example, two Indiana steel mills shipped over 40,000 tons of iron and steel plate via other rail carriers to Columbus in 1999, while an Ohio producer shipped 36,000 tons. The CN/WC volumes moving to this market are minuscule, accounting for just 2.5% of total inbound tonnage of this commodity to Columbus in 1999. Any anticompetitive price increase or service slippage would quickly result in a loss of the small CN/WC volumes in question.

SULPHURIC ACID TO WAUSAU (120 carloads)

A variety of factors would constrain anticompetitive conduct by Applicants on these small volume movements. First, CN/WC would confront rail source competition from a variety of origins. Receivers could source this product from either BNSF (Des Moines BEA) or UP (Minneapolis/St. Paul BEA). UP delivered sulphuric acid to the Wausau BEA in the study year, and its additional divertible capacity would move in single-line service from Minneapolis/St. Paul to the UP-served station in Wisconsin Rapids. Sulphuric acid is also produced in several other locations that were not identified in Dr. Vellturo's study, providing another instance where its findings may be conservative. These locations include Miami Fort, OH, Sauget, IL and Zinc & Copperhill, TN, which are in my opinion are also viable sources of rail divertible capacity.

Truck competition would also work to deter anticompetitive activity. The Reebie data show that truck shares in this market are low (8.7%). However, motor carriers do compete with rail for movements within the distances that source Wausau today.[21] One of WC's customers for sulphuric acid in eastern Wisconsin also serves as a terminal from which this product is trucked to other end users. Moreover, there are several large rail and truck storage and transload companies in the Chicago/Gary/Kenosha BEA that transport liquid chemicals (among other products) throughout the Midwestern U.S. Given the fluid and intensely competitive nature of transportation markets today, there is good reason to believe that an anticompetitive CN/WC price increase or decline in service would trigger a response from at least some motor carriers offering competitive service for the movement of this product into Wausau.

Finally, customer leverage could operate as an independent constraint. A large receiver at Wisconsin Rapids is a major U.S. paper producer and a major WC customer. It is simply not plausible that this sophisticated company would accept anticompetitive rate increases or service declines from CN/WC. Other receivers at Wisconsin Rapids are open via reciprocal switching to UP.

PRIMARY COPPER SMELTER PRODUCTS (PIG/SLAB/INGOT/CAKE/CATHODES) TO SYRACUSE (120 carloads)

This is one of the few cases in our analysis in which products at the STCC-7 level may not be substitutable; a cake or cathode, for example, would not likely be interchangeable with an ingot, slab, or pig. Thus, no issue of source competition between CN and WC may even be presented. Even if the products transported by CN and WC

[21] Rail shipments of sulphuric acid into Wausau in 1999 came from Des Moines (513 miles), Manitoba (604 miles), Ontario (757 miles), and Minneapolis/St. Paul (237 miles), all within truckable range as indicated by the Reebie data and consistent with my experience.

were substitutable, however, ample competition from other sources of supply served by rival carriers would constrain anticompetitive pricing on the small volume transported by CN/WC. CSX, for example, originated more than three times the combined CN/WC volume out of Niagara, NY, and more than twice this volume out of Buffalo, NY in 1999, less than 10% of which moved to the Syracuse BEA. The balance (over five times the tonnage) is all divertible capacity that could move in single-line service to Syracuse, whereas CN/WC must rely on an interline movement (with CSX). The critical loss here is only 12 carloads, and the ratio of divertible capacity to that critical loss is 23. Truck competition would operate as an additional constraint, with truck hauls from Montreal (262 highway miles) and the Buffalo/Niagara region (190-202 highway miles) being particularly attractive alternatives.

CAUSTIC SODA TO DULUTH/SUPERIOR (80 carloads)

Ample source competition and rail divertible capacity exist to constrain anticompetitive actions by CN/WC on the small volumes the combined company moves to this market. UP serves the same Port Edwards, WI shipper (via reciprocal switch) that originated WC's 50/10 movement, and could move the product from Port Edwards to Duluth/Superior in single-line service. UP also serves caustic soda producers in Louisiana and Texas that could source receivers in the Duluth/Superior BEA either directly, by rail-truck transload,[22] or via an interchange with BNSF. Supplemental rail divertible capacity is 145 times the critical loss of eight carloads.

[22]As is the case with sulphuric acid, it is not uncommon for caustic soda to be trucked from rail terminal to final destination. CN today operates three different rail transload facilities in Canada that handle caustic soda, among other products.

Caustic soda is also transportable by truck. Both 50/10 movements (CN from Chicago, and WC from Wausau) would face strong competition from motor carriers, which commonly transport this product within similar distance ranges.[23]

CAUSTIC POTASSIUM TO PADUCAH (80 carloads)

CN and WC would both continue to face direct competition from rival rail carriers on movements of this commodity to Paducah. WC originates its 50/10 movement at Port Edwards, which UP also accesses via reciprocal switch, with BNSF as the delivering carrier. CN delivers its 50/10 movement (which originated out of the Cleveland BEA, served by CSX and NS) to the same customer (located at Metropolis, IL). The customer is physically served by BNSF; CN access is via reciprocal switch. An anticompetitive CN/WC price increase could be thwarted by a simple change to these readily available UP and BNSF routes.[24] Supplemental divertible capacity is 15 times the critical loss of eight carloads.

Motor carriers here would be a strong independent constraining force. Trucks handle significant volumes of this commodity, and move this traffic at distances up to 400-500 miles. The Reebie data bears out my experience. Motor carriers accounted for more than half of all inbound product from the relevant STCC-4 category into this BEA in 1999, from an average distance of 420 miles. Truck divertible capacity is over 2,500 times the critical loss.

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[23]The Reebie data comport with my experience, showing that trucks hauled almost 40% of inbound product from the relevant STCC-4 category into Duluth/Superior in 1999, with a weighted average LOH of 305 miles. The truck divertible capacity found by Dr. Vellturo was 1,262 times the CN/WC critical loss (8 carloads).

[24]Alternatively, the small volumes of product handled by CN and WC in these 50/10 movements could be re-directed to other markets. In either scenario, the business would be lost to CN/WC.

PAPER WASTE/SCRAP TO COLUMBUS, OH (80 carloads)

This market provides a natural backhaul opportunity for motor carriers, which transport paper waste and scrap inbound to paper mills and carry finished paper products out.[25] Scrap is also readily transloadable. Scrap paper shipments typically originate by truck from a warehouse or recycling facility that has accumulated product from nearby sources. Scrap may also be stored in warehouses at or near paper mills for use in paper production. Storage at outside warehouses for truck delivery to a mill presents additional competitive alternatives. Taken together, these two forces – direct truck competition and rail/reload options – would be strong discipline against an anticompetitive CN/WC price increase or service decline.

Direct rail competition would also constrain rate increases on CN/WC movements of this very fungible commodity. Rival carriers source scrap paper from many different origins. Scrap transported by NS and CSX could, moreover, move in single-line service, while no movements by CN/WC could reach Columbus, OH without the involvement of an interline partner (CSX or NS). Dr. Vellturo's study confirms my judgment that more than ample divertible capacity exists to render any anticompetitive price increase unprofitable.

IRON BARS TO APPLETON/OSHKOSH/NEENAH (80 carloads)

Truck transport predominates in this market, accounting for nearly 90% of all inbound flows of this commodity to this BEA. Iron bars are easily transportable by truck;

[25] CN faces precisely this competition from motor carriers in the movement of scrap and finished paper goods to and from southern paper mills. Gaylord Container and Georgia Pacific (pulpboard manufacturers located at, respectively, Bogalusa, LA and Ferguson, MS, both currently make use of this natural truck backhaul to procure inbound scrap and utilize the same motor carrier for outbound movements of finished product from their mills.

the CN and WC originating sources (Joliet, IL and Minneapolis/St. Paul) are within ready trucking distance of the Appleton BEA;[26] and this entire region is covered by a system of excellent highway routes. I am thus not surprised that Dr. Vellturo found a truck divertible capacity over 6000 times the critical loss (eight carloads) that would render an anticompetitive price increase unprofitable.

The fact that motor carriers dominate inbound flows to this market (with an 88.5% share) also points to the potential viability of a transload operation from either Milwaukee (85 highway miles from Oshkosh and 106 miles from Appleton) or Chicago (182 miles and 203 miles, respectively) to expand rail sourcing options. Given these market conditions, there is no reasonable prospect of a combined CN/WC engaging in anticompetitive pricing.

CRUDE SULPHUR TO WAUSAU (80 carloads)

This very small movement is a false positive under the 50/10 screen that we applied to evaluate competition between CN and WC as origination carriers. Crude sulphur is not produced in Duluth/Superior, and the WC origination identified in the 1999 Waybill data is in fact the final leg of a Rule 11 move in which CN hands off to WC. This movement did not flag under the 50/10 screen that we applied to identify movements in which CN or WC were participating carriers. This product/DBEA pair thus presents no issue requiring further analysis.

[26]Joliet is 225 highway miles from the Appleton-based receiver in question, and Minneapolis/St. Paul is 282 highway miles from the Oshkosh-based receiver.

IRON/STEEL SCRAP/WASTE TO PADUCAH (80 carloads)

Rail, motor, and water carriers compete vigorously for movements of this fungible product, which is marked by numerous sources of supply and abundant capacity. BNSF alone – which competes directly with CN for movements out of Chicago – carries 10 times the divertible capacity of the combined CN/WC volume moving into Paducah. CSX and NS also originate large volumes of scrap waste out of Birmingham and Tennessee.[27] WC does not reach Paducah, KY. While CN reaches Paducah (connecting with PAL), PAL also has connections with BNSF, CP, CSX, and NS. Any one of these competing source carriers could readily divert the capacity needed to thwart an anticompetitive CN/WC price increase. Overall, the critical loss is eight carloads, and the ratio of divertible capacity to critical loss is 104.

Barge and truck competition would also exert pricing discipline. Paducah is located on the Ohio River, and the particular features of scrap metal make it an attractive candidate for transport by water with a short haul truck delivery. This heavy, relatively low-value commodity already moves by barge to the Paducah BEA on the Ohio River system, and could move in additional volumes and from additional sources anywhere along the Mississippi, Ohio, and Tennessee Rivers. Motor carrier competition is intense within a 100-125 mile radius for the movement of scrap iron and is a natural complement to barge shipments. An anticompetitive rate increase by CN/WC would raise the delivered price of scrap originating in the Chicago BEA and destined to Paducah. To the extent this tonnage wasn't diverted to another rail carrier for transport to Paducah, it

[27] WC originates scrap metal out of Green Bay, where it provides the only possible rail option.

would find its way to alternate destinations, quite possibly to producers in the Chicago BEA in movements via truck.

DESTINATION COMPETITION

As I noted at the outset, we also applied the 50/10 screen to identify flows of commodity *from* an origin in which CN and WC are each originating carriers to different destinations. There are only four such product/origination pairs, all from Chicago – empty trailers, plastics, carbon dioxide, and scrap paper. I discuss these in this section.

TRAILERS AND SEMIS (EMPTY) (5,400 carloads), PLASTICS (1,200 carloads), CARBON DIOXIDE (120 carloads), AND PAPER WASTE/SCRAP (120 carloads) FROM CHICAGO/GARY/KENOSHA

In two of the cases, the WC movement of the product in question involves a bottleneck situation in which WC is the only rail carrier that serves the destination.[28] The Transaction would therefore have no competitive impact in either case. Moreover, a combined CN/WC would continue to face vigorous competition from motor carriers in both instances.

The movement of empty trailers and semis out of Chicago raises no competitive issue for another reason: These are all "return" intermodal movements of private equipment owned by motor carriers to that carrier's next loading point after the completion of a loaded outbound movement. Because the equipment is privately owned and must be returned to a specific location, and because CN and WC originate

[28]These movements involve empty trailers/semis destined for Green Bay, Neenah, and Stevens Point, WI, and carbon dioxide destined for Green Bay. The Green Bay BEA is sole-served by WC, and the Neenah and Stevens Point ramps are both local stations on WC in, respectively, the Appleton/Oshkosh/Neenah BEA and the Wausau BEA.

movements going to different locations, the flows are not "substitutable." CN and WC do not engage in geographic competition for movements of this "product."

CN and WC's remaining movements out of Chicago – which involve plastics, carbon dioxide, and paper waste – raise no competitive concerns for a variety of other reasons.[29] Most of these movements could be handled by one or more of the many competing rail carriers that serve Chicago, many of whom are already transporting the same products in movements out of Chicago today.[30] In addition, the three commodities in question are produced at numerous locations.[31]

Finally, these CN/WC movements out of Chicago would face significant truck competition. These commodities can readily be trucked, and are particularly likely to be transported by motor carrier in short-to-middle-range distance movements. For example, CN faces strong truck competition on movements of carbon dioxide outbound from Chicago to the Detroit BEA, which is within a very truck competitive distance range of 300-400 highway miles.[32] CN and WC also face truck competition on plastics movements from Chicago destined to Detroit, Appleton, Madison, Des Moines and Cedar

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[29] Many of these movements originated at locations outside Chicago. Plastics, for example, are not produced within the Chicago/Gary/Kenosha BEA, but travel through Chicago from origins on the Gulf Coast as well as other regions to various destination points. Chicago is shown as the "origin" because it is reported as a Rule 11 destination/origin point in the STB waybill file.

[30] For example, CSX and NS moved plastics from Chicago to the BEAs of Detroit, Grand Rapids, Toledo, and Cincinnati via single-line hauls in 1999. Additionally, CP moved plastics from Chicago to the Minneapolis/St. Paul BEA, and BNSF moved plastics from Chicago to the Salt Lake City BEA. CSX moved carbon dioxide from the Chicago BEA to Buffalo/Niagara.

[31] Plastics production centers are dispersed from Ontario in Canada to the states of Louisiana, Texas, and South Carolina, for example, and are located on the lines of major Class 1 carriers. Midwestern production centers for carbon dioxide include the Champaign/Urbana, Peoria/Pekin, and St. Louis BEAs, all served by multiple rail carriers. There is no lack of competitive alternatives at any of these locations.

[32]The carbon dioxide movement in which WC participated terminated in Green Bay, a BEA sole-served by WC.

Rapids, IA, and Duluth/Superior. The Reebie data confirm my assessment from industry experience. The data show that trucks handled 92.6% of all movements of STCC-4 industrial gases to Detroit in 1999, and between 41 and 71% of STCC-4 plastic materials moving to all but one of the above-listed destination BEAs.[33] The weighted average truck LOHs were competitive with (and often considerably longer than) the rail movements in which CN and WC participated.

Truck competition for movements of paper waste and scrap is also intense. This market provides a natural backhaul opportunity for motor carriers, as I describe above in the section on movements of this commodity to Columbus, OH. As noted there, scrap paper is also readily transloadable. Scrap paper shipments typically originate from a warehouse or recycling facility that has accumulated product from nearby sources. Any attempt by CN/WC to raise rates anticompetitively on scrap paper originating in the Chicago BEA would see the product simply diverted to a non-CN/WC-served center. Additional transload options exist at destination, as discussed above. Taken together, direct truck competition and rail/reload options would constrain any anticompetitive behavior by CN/WC on movements of this fungible commodity.

[33] The exception was Duluth/Superior, where trucks accounted for only 11.2% of inbound plastics traffic in 1999.

APPENDIX B
TO
VERIFIED STATEMENT OF RICHARD L. BOTTORFF

As one element of my analysis of source competition, I reviewed certain assumptions used by Dr. Vellturo to construct the 50/10 screen and to identify rail divertible capacity. I undertook this review to ensure that the assumptions would result in the generation of data that did not understate or overlook any substantial prospect that geographic competition would be diminished by the Transaction. As described below, I believe that the assumptions that were applied are appropriate and yielded information that is a reliable indicator of post-Transaction geographic and modal competition.

Specifications for the 50/10 Screen.

The 50/10 screen used by Dr. Vellturo to identify commodity flows for further analysis required a determination with respect to two basic variables: (i) level of specificity in product definition and (ii) geographic unit of analysis. For the former, Dr. Vellturo applied the screen at the STCC-7 level of product classification. The BEA was used as the geographic unit of analysis.

Both determinations were appropriate. In my experience, the STCC-7 level is most likely to contain the range of products that are substitutable (and hence competitive) with one another. Screening at any broader classification level – such as STCC-4 or STCC-5 – would identify products that may not compete with one another and would therefore produce a less accurate competitive picture.[1] Screening at any narrower level could overlook significant competition.[2]

[1]For example, analysis at the 4-digit level for STCC 0113 (grain) would not distinguish the movement of corn (STCC 0113215) from the movement of wheat (STCC 0113710), even though these two commodities have separate and distinct markets. Similarly, analysis at the 4-digit level for STCC 2812 (potassium or sodium

At the same time, I recognize (as has the Board) that no unit of analysis (product or geographic) is perfect. I have reviewed each of the product/destination pairs identified by the 50/10 screen. In Appendix A, I discuss a handful of cases in which further refinement appeared warranted. For example, screening at the STCC-7 level for specialty transformers seemed over-inclusive, because these products (as their name suggests) are not broadly substitutable; hence, there is little basis to believe that the CN and WC movements are competitive today.

The use of the BEA as the geographic unit of analysis was also proper. Screening at the station level would be likely to understate competition. Railroads serving different stations within the same geographic region are often competitors; the breadth of this competition extends to all traffic that is or has the capability to be delivered by truck, or that, like corn, moves by truck to an origin railroad. Conversely, the use of a broader geographic unit (such as the state) would produce less reliable results because it would tend to overstate both the extent of CN/WC competition for purposes of the screen, and the extent of competition from other carriers.[3] The BEA is, by definition, a cohesive, comprehensive unit of economic activity, and was the logical

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compounds) would fail to differentiate between caustic soda (STCC 2812210), which is used as an intermediate chemical in the production of paper and many other products, and potash (STCC 2812534), which is used as a fertilizer in a variety of agricultural applications.

[2]Taking corn, again, as an example, screening at any level narrower than STCC-7 would fail to discern product competition between different grades of corn, which are often blended to achieve an acceptable grade based on test weight, moisture content, foreign matter, and the like.

[3] In comparison with a BEA, there is less reason to believe that receivers of a product who have facilities in diverse regions of a state (such as Milwaukee and Superior, or Detroit and Sault Ste. Marie) consider most flows of the product into the state to be competitive. In any event, if additional source competition between Applicants were identified under a state-wide screen, it would be mitigated by the added competition from rival rail and truck carriers operating within that much broader geographic area. I am confident that the use of the BEA captured all potential CN/WC source competition of any significance without at the same time overstating the extent of source competition from rivals.

choice for this analysis. Its selection ensures that Applicants did not miss CN/WC competition at the station level in conducting the 50/10 screen.

Circuity Test for Identifying Rail Divertible Capacity.

In cases where a rival carrier ships relevant product into the destination BEA ("DBEA") without using CN or WC to originate, terminate, or interchange the shipment, it is clear that a competitive rail route exists to transport divertible capacity. However, even if CN or WC were involved in the movement today, the rival could continue to compete for these movements where it has a competitive alternative route. Dr. Vellturo accordingly considered whether, in each case in which CN or WC participated in the movement identified in the Waybill Sample, a competitive alternative route existed. For this purpose, he applied a circuity screen that excluded any alternative route that was 135% (or more) of the weighted average of that carrier's existing route for movements in which CN or WC participated. As an alternative in a few instances, the route was considered competitive (non-circuitous) if it was no longer than the longest distance traveled by 90% of the CN and WC movements to the DBEA.

These circuity standards are appropriate for use as general benchmarks to gauge the competitiveness of alternative rail routes. For specific confirmation, I examined each of the routes identified in Dr. Vellturo's screening as an alternative means to move divertible capacity by rail, and find that they are reasonable, realistic competitive alternatives. It is also worth noting that, of the total divertible capacity identified by Dr. Vellturo, fully 68% would travel less distance on the alternative route than on the route involving CN or WC. Ninety-three percent of the divertible capacity would travel at distances no more (and often considerably less) than 10% further, and 95% would travel no more than 25% further.

Similarity of STCC-4 and STCC-7 Transportation Characteristics

Where rival carriers were moving the same STCC-7 product to the DBEA and to other destinations from the same origins, it was an obvious choice for Dr. Vellturo to begin the analysis of divertible capacity by examining those movements of the same STCC-7 product to other destinations. Dr. Vellturo termed this "direct divertible capacity."

In the 1999 Waybill Sample, however, some carriers were found to have moved the same STCC-4 but not the same STCC-7 products to the destination BEAs. In those instances, Dr. Vellturo assumed, based on his own knowledge of rail transportation, that products within companion STCC-4 and STCC-7 categories generally have similar transportation features. He applied this assumption in two aspects of the analysis of divertible capacity. In cases where it was not possible to identify direct divertible capacity because a rival rail carrier did not move the STCC-7 product under evaluation into the DBEA in 1999, Dr. Vellturo identified what he termed "supplemental" divertible capacity on the assumption of similar transportation characteristics. If the rival moved the STCC-7 product to other destinations, and from the same origins moved products within the same STCC-4 family to the DBEA, the STCC-7 volumes moving elsewhere from the same origins as the STCC-4 movements to the DBEA were counted as divertible capacity (so long as the competitive-route criterion was met). Second, Dr. Vellturo applied the assumption to interpret the Reebie truck divertibility data. This was necessary because STCC-4 is the level at which industry statistics on motor carriers are reported and maintained in the Reebie TRANSEARCH database.

I tested the reasonableness of this assumption for each of the product groups identified in the 50/10 screen. Specifically, I considered whether the products identified in the screen at the

STCC-7 level have similar transportation characteristics to other products within the same STCC-4 group, so that a rail or truck route that is competitive for one product within the STCC-4 group would be competitive for another within the group, and so that truck shares for one product within the group would be a useful indicator of truck shares for other products within the group. I found that, with respect to their transportation characteristics, the products under consideration were generally no different from other products within their respective STCC-4 groupings.[4] They have comparable volume/weight ratios and lengths, require like-sized equipment, use similar shipment methods (*e.g.*, bulk or palletized, loose or bundled), and have similar loading and unloading characteristics.[5] For the product groups under consideration, therefore, I concluded that the assumptions in the study were appropriate. 9

[4]An example of an exception would be specialty transformers. As noted in Appendix A, in this case even products at the STCC-7 level exhibit a wide range of sizes and weights, with a corresponding impact their basic transportation characteristics.

[5]For example, oriented strand board, particle board, and plywood are all shipped bundled and predominantly in 50-or-60 foot box cars. (Flat cars may also be used.) Another example is newsprint, printing paper, and groundwood paper. These products are predominantly shipped in rolls (printing paper is also shipped as cut stock, depending on application) in 50-or-60 foot box car equipment. A third comparison is corn (0113215) and wheat (0113710). Each grain, although different in composition and use, has similar density, weight, and handling characteristics and moves in bulk in jumbo covered hopper equipment.

VERIFIED STATEMENT
OF
CHRISTOPHER A. VELLTURO, PH.D.

An Analysis of the Competitive Effects of the Proposed Combination of the Canadian National and Wisconsin Central Railroads

Before the Surface Transportation Board

April 2001

I. QUALIFICATIONS

I am a Principal of Analysis Group/Economics, Inc. I received a Bachelor of Science degree (*cum laude*) in applied mathematics and economics from Brown University in Providence, Rhode Island, and a Doctor of Philosophy (Ph.D.) degree in economics from the Massachusetts Institute of Technology (MIT) in Cambridge. While at MIT, I specialized in industrial organization and econometrics. During my tenure at MIT, I was awarded Bradley Fellowships in public economics (which is the study of how public policy decisions affect private sector incentives), and I have completed extensive training in that field. My Ph.D. thesis on the structural changes in the U.S. rail industry fostered by the passage of the Staggers Act, and their economic significance, was prepared under the guidance of Professor Ann Friedlaender, a visionary in rail regulatory reform. My thesis and its progeny have featured significantly in previous assessments of the competitive effects associated with rail industry consolidation.[1] I am called upon frequently to referee scholarly articles pertaining to the U.S. rail industry that are submitted to a number of the leading applied microeconomics journals.

I have studied structural, regulatory, and competitive issues relating to the rail industry for more than 15 years. I have published several papers in academic journals relating to regulatory and competitive determinants of rail efficiency and viability. This body of research focused significantly (though not exclusively) on rail consolidation and rail regulatory reform. I continue to conduct research on transportation issues generally, and rail issues in particular. I

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[1] "Cost Effects of Mergers and Deregulation in the U.S. Rail Industry" (with Berndt, *et. al.*) in *Productivity Issues in Services at the Micro Level*, ed. Zvi Griliches and Jacques Mairesse, Kluwer Academic Publishers, 1993; "Cost Effects of Mergers and Deregulation in the U.S. Rail Industry" (with Berndt, *et. al.*), *Journal of Productivity Analysis*, 4, 127-144, 1993; "Rail Costs and Capital Adjustments in a Quasi-Regulated Environment" (with Friedlaender, *et. al.*), *Journal of Transport Economics and Policy*, 131-152, May 1993; "Deregulation, Mergers and Cost Savings in Class I U.S. Railroads, 1974-1986" (with Berndt, *et. al.*), *Journal of Economics and Management Strategy*, Vol. 1, No. 2, 1992.

recently assessed structural and competitive issues relating to the assimilation of Conrail into CSX and Norfolk Southern, and relating to Canadian National's acquisition of the Illinois Central railroad, both before the Surface Transportation Board. I presented testimony before the Board during the ANPR phase of the Board's rulemaking on Major Rail Consolidation Procedures.

I have extensive antitrust expertise and experience with respect, in particular, to the competitive ramifications of mergers and acquisitions. In the past seven years, I have conducted competitive analyses for over 120 proposed transactions. This work has spanned a broad array of industries, including: automobile manufacturing, grains and agricultural products, sugar, salt, fertilizers, chemicals, forestry products, machine tools, municipal waste, retail distribution, rail bed service equipment, petroleum and petroleum products, plastics, medical products and services, software, electronic funds transfer networks, lime, cement, computer and electronics manufacturing, and many others. In addition to the Board, I have presented my work before the United States Department of Justice (Antitrust Division), the Federal Trade Commission, the European Commission, the Canadian Competition Bureau, the Federal Reserve, and various state Attorneys General. My curriculum vitae is attached.

II. ASSIGNMENT AND FINDINGS

I have been asked by the Applicants to assess the competitive ramifications of the proposed combination of CN[2] and Wisconsin Central Transportation Corporation ("WC").

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[2]Because I am conducting competition analysis based on the 1999 Waybill Sample, my shorthand references to CN and WC are based on that year, and include, unless otherwise indicated, railroads that were within the two corporate families as well as short lines with no outlets except CN or WC. Accordingly, "CN" refers hereafter to Canadian National Ry. Co., Grand Trunk Corp. and Grand Trunk W. R.R. Inc., Illinois Cent. Corp. and Illinois Cent. R.R. Corp., Chicago Cent. & Pac. R.R. Co., Cedar River R.R. Co., Duluth Winnipeg and Pac. Ry., and, in addition, the sole-served short lines: Gloster S. R.R. Co., Mississippi and Skuna Valley R.R. Co., Tennken R.R. Co., and Old Augusta R.R. Co., Inc. Likewise, "WC" refers to Wisconsin Central Ltd., Algoma C. Ry. Inc., (continued...)

Specifically, I have been asked to evaluate whether there exists any identifiable set of customers – either traffic originators ("shippers") or recipients of products transported by rail ("receivers") – who would face higher prices or reduced service levels as a result of a meaningful reduction in rivalry in the provision of rail service by the two railroads. By "meaningful reduction," I mean a reduction in competition that would enable the merged railroad to sustain a significant price increase profitably (or, the economic equivalent, to profitably sustain a significant reduction in service). Absent any meaningful reduction in rivalry, the proposed combination cannot produce competitive harm.[3] I applied microeconomic and quantitative principles to these issues that I commonly utilize in analyzing the potential competitive harm resulting from mergers and acquisitions more generally.

To this end, I examined the possibilities for competitive interactions between CN and WC. The first element in such examination relates to shippers for whom the proposed Transaction would reduce the number of serving railroads from 2-to-1, or from 3-to-2. Even a cursory review of a North American rail route map clearly demonstrates the lack of commonly served points or parallel trackage between the CN and WC route systems. Mr. Richard Bottorff,[4] relying on an extensive analysis of the Official Railroad Station List, relevant switching tariffs, the Official Railway Guide, the Official Railway Equipment Register, information published by individual railroads on their Web sites, and consultations with operating and marketing personnel

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(...continued)
Fox Valley and W. Ltd., Sault Ste. Marie Bridge Co., and, in addition the sole-served short lines: Escanaba and Lake Superior R.R., Lake Superior and Ishpeming R.R. Co., and Tomahawk Ry. Ltd. Partnership.

[3]I also evaluated the potential for anticompetitive harm stemming from the end-to-end (or "vertical") nature of the proposed Transaction. Consistent with the findings in all other rail merger investigations, I found no potential for competitive harm stemming from such vertical issues. *See* Section IV, *infra*.

[4]The information and analysis provided by Mr. Bottorff and to which I refer is contained in Verified Statement of Richard L. Bottorff.

familiar with the locations, has concluded that there are no points where the number of rail carriers serving customers would, as a result of the CN/WC Transaction, be reduced from two to one (*i.e.*, there are no "2-to-1" shippers),[5] or from three to two (*i.e.*, there are no "3-to-2" shippers).[6] In the Superior-Chicago corridor, where WC provides haulage for CN, the number of serving railroads would change from five to four, as Mr. Bottorff discusses. No further economic analysis is necessary, given these conclusions, and I do not discuss them further.

Second, I considered the potential for a reduction in geographic competition between CN and WC to harm customers. Applicants asked me to examine geographic competition thoroughly, in order to provide the Board with an ample basis on which to conclude that this Transaction is "minor" under the Board's regulations, and must be approved under the statutory standards. I principally discuss source competition, which can arise where two railroads each provide transportation of a specific good that moves to a common destination from different origins. In theory, receivers of a particular good in a particular location might rely on such source competition to obtain competitive prices. Accordingly, I performed a detailed analysis of

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[5]One point in Canada – Oba, ON – is served by CN, WC, and no other rail carriers, so it is technically a 2-to-1 point. According to Mr. Bottorff, however, CN and WC do not compete for rail service to customers at Oba. There are no industries at that location, and WC only originates or terminates traffic at team tracks that it maintains there. (CN has no team tracks at Oba, and it neither originates nor terminates rail traffic there.) In 1999, 289 cars originated on WC at Oba, but all but one terminated in Canada on WC itself. The one exception was a single car terminating in Duluth, at a point that is served by a single railroad and is closed to switching for CN or any other railroad. Clearly, therefore, the CN/WC merger would not reduce competition for rail traffic to or from Oba.

[6]Traditionally, rail merger analysis has sought to identify 2-to-1 routes/locations because the STB has identified such service consolidations as problematic and typically in need of remedial action. The STB has historically examined 3-to-2 situations on a case-by-case basis, and generally required no remedial action in 3-to-2 corridor/location instances, due to the intensity of competition that typically remains when two railroads service a common corridor/location. The historical performance of two-rail competitive instances demonstrates that corridors/locations under these conditions continue to exhibit robust rail competition, thus confirming the efficacy of the STB's policy decision in this regard. Three-to-two structural changes do not even presumptively merit remedial action, but it is reasonable to identify them so that parties with specific concerns may address them through case-by-case analysis.

every instance in which CN and WC participate in movements of the same product to the same destination. In every instance, I found that receivers at these destinations have access to very large volumes from alternative competitive sources for each relevant product. These alternatives will continue to provide significant competitive discipline of the pricing and service level of the combined firm. Thus, the proposed Transaction will not create any opportunities for the combined firm to raise prices or reduce service levels.[7]

Third, I considered the potential for competitive harm at locations where the Transaction results in no reduction in the number of serving railroads. Obviously, such instances afford no potential for reduced rivalry between the two railroads (since no rivalry existed in the first place). The potential for any reduction in competition due to "vertical foreclosure" is also non-existent, as the proposed combination has no impact on how either railroad prices or serves the locations where one of them currently offers the only source of rail transportation.

III. ANALYSIS OF SOURCE COMPETITION

A. Overview

I provide an illustration of source competition in Exhibit 1. Consider customers receiving a particular product that take delivery in a destination BEA[8] designated DBEA-1. If the two merging roads in the upper panel – merging railroad 1 ("MRR1") and merging railroad 2

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[7]We also examined the alternative form of geographic competition ("destination competition"), which can arise where two railroads each originate traffic of a specific good from a common location, though this traffic may be headed to different destinations. Theoretically, shippers located at a particular origin might rely on their choice of railroads that can move the same product to different destinations to obtain competitive prices and service levels. Our examination identified a very limited set of relevant flows, all from Chicago, that I describe in note 31, *infra,* and that Mr. Bottorff addresses.

[8]"BEA" refers to the Bureau of Economic Analysis (BEA) Economic Areas. The continental United States is divided into 172 BEAs. I discuss the economic basis and implications of a BEA-based analysis in the next section.

("MRR2") – were the only providers of service into DBEA-1 as in the top panel of Exhibit 1, the competitive problem would be obvious.

The competitive interaction may be more subtle, however. In the bottom panel of Exhibit 1, the same logistics exist, except that merging railroad 2 hands off its originating traffic of the relevant product to railroad 3 for ultimate delivery into DBEA-1. Here, too, receivers of the relevant product located in DBEA-1 may see them as rivals – merging railroads 1 and 2 both serve as originators of the relevant product, and as such, represent alternative sources of supply. A merger between the two merging railroads may, if there is no bottleneck at the destination, allow the combined firm to internalize this rivalry, and profitably raise the price (or reduce the service levels) for transportation of the relevant product into DBEA-1. By internalizing this rivalry, the combined firm recognizes that customers can no longer "play the rivals off one another," since the potential lost profits merging railroad 1 might lose to merging railroad 2 by raising its price too high (and losing the business) is no longer "lost" by the combined firm.

In order to assess the prospect that such anticompetitive behavior would be in the profit-maximizing interest of the combined firm as a result of this Transaction, it is constructive to turn to standard techniques and analyses undertaken by federal antitrust enforcement officials in their assessment of the competitive ramifications of mergers and acquisitions. In the U.S. Department of Justice and Federal Trade Commission Merger Guidelines, this analysis includes a consideration of relevant product and geographic markets where the merging firms actually overlap (or can potentially overlap). Once identified, these relevant markets are evaluated with respect to the degree of competitive overlap between the merging firms, the number and size of actual rivals to the merging firms in the relevant markets, and the number and size of potential rivals to the merging firms in the relevant markets. Relevant markets where the merging firms

have a very limited competitive overlap, or where other significant actual or potential rivals exist, are generally considered immune to potential anticompetitive harm resulting from the proposed merger.

In this context I undertook such an analysis of product/destination pairs to consider, more expansively, the potential competitive effects of the proposed combination between CN and WC. I began by identifying specific product/destination pairs (*e.g.,* corn delivered to the Chicago BEA) where CN and WC originate, terminate, or otherwise handle a significant portion (as identified by a "50/10" screen, described below) of the product destined for the relevant geographic area.[9] For the purposes of this report, I defined as a candidate for a more complete competitive analysis any traffic terminating in a BEA for which each of CN and WC in 1999: 1) originated, terminated, or interchanged (henceforward "participated" in) 10% or more of the total carloads of a commodity delivered to the BEA, if the combined share calculated on this basis without double-counting CN or WC participation would have been 50% or more of total delivered volume;[10] or 2) originated 10% or more of the total carloads of a commodity delivered to a BEA, if the combined originated share of the two roads would have been 50% or more; or 3) terminated 10% or more of the total carloads of a commodity delivered to a BEA, if the combined terminated share of the two roads would have been 50% or more. I describe my

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[9]ALK Technologies, Inc. ("ALK") performed the analysis pursuant to my specifications, using the 1999 STB Waybill Sample.

[10]To avoid double-counting in the participation screen, the combined share had to be at least 10 percentage points higher than the greater of either railroad's participation share. I illustrate this point in Appendix A. Although the three screens may appear logically redundant, they are not. In product/DBEA pairs where CN and WC jointly participate in some movements (for example, CN originates and WC terminates the same movement), it is possible that the originating- or terminating-railroad screen will identify a flow that the participating-share screen does not. I illustrate this point also in Appendix A. In fact, the second approach noted in the text (originating-railroad screen) identified some flows not identified by the participating-share screen. (These additional flows are shown in the second panel of Exhibit 3.) The third approach (terminating-railroad screen) did not identify any additional flows.

specifications for this screen in Appendix A.[11] (I sometimes refer to the destination BEAs involved in these flows as "DBEAs" or "50/10 DBEAs" and to the combination of a traffic flow and a DBEA as "product/DBEA pairs" or "50/10 product/DBEA pairs.")

I am of course using this so-called "50/10" analysis not to draw any final conclusions about competitive effects, but as a screen to identify traffic that warrants further analysis. Traffic that the 50/10 test identifies may not be traffic for which CN and WC are in fact the effective rail constraints on each other, any more than a number of other railroads moving large volumes of traffic that is source-competitive with the CN and WC traffic. In any event, the screen does not provide any indication of the extent of source competition after the Transaction from other railroads, modes, and sources, which is the critical point and which I examine extensively in a separate analysis.

As the Board is aware, the use of quantitative screens is common in competition analysis. The Herfindahl-Hirschman Index ("HHI") is commonly used for this purpose by antitrust enforcement agencies although this index is not appropriate for use in the rail industry. I understand that the ICC has explained that the predictive power of "indices such as the HHI are less directly linked to market power in the railroad industry than they are in manufacturing or

[11]As the Board is aware, the Waybill Sample may in the case of "Rule 11" movements identify locations as destinations or origins that are in fact points of interchange. This limitation means that the Waybill may overstate CN and WC shares of movements to a BEA.

retailing."[12] The ICC's conclusions remain correct today.[13] Moreover, it is not practicable to apply HHIs to the rail industry.[14]

At the same time, a screen is a useful starting point in considering competitive effects. I find that the 50/10 screen, although itself an index, provides a reasonable filtering device with which to identify candidate product/DBEA pairs for further analysis. Parties in past merger proceedings have used the 50/10 analysis as a screen, and the ICC and the Board have accepted such evidence for that limited purpose.[15] I have applied the screen to rail traffic only, not taking into account truck competition. A substantial reduction in source competition is unlikely if one

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[12]*Union Pac. Corp. – Control – Chicago and N.W. Transp. Co.,* ICC Finance Docket No. 32133, Decision No. 25, slip op. at 86 (ICC served March 7, 1995) ("*UP/CNW.*"). The ICC pointed out that, in manufacturing and retailing, "changes in industry output and changes in the number of firms operating in the industry are highly correlated." *Id.* Railroads, in contrast, generally have excess capacity, and therefore have "the economic incentive to reduce rates, expand output, and increase profits." *Id.*

[13]Thus, while mergers have reduced redundant capacity, the route system of an existing rail carrier exhibits relatively high fixed costs, a general if not entirely uniform absence of barriers to expansion (*i.e.,* the general absence of capacity limits along most specific routes), and highly differentiated rail services. These characteristics are present in sufficient degree to provide strong incentives for railroads to fully utilize capacity and to cheat on any attempt to collude, as well as the ability to expand or shift capacity across various routes. In industries with these characteristics, an HHI-based screen of competitive overlaps (and a preliminary assessment of their severity using HHIs) tends to significantly overstate the potential for competitive harm.

[14]Market shares measured by the Waybill Sample, which captures output, say little about capacity. It would not be practicable to measure the capacities of all railroads serving a relevant area, as doing so would require analyses of line densities, yard and main line operations and capacities, signaling and other technologies, and so forth.

[15]*See Union Pac. Corp. – Control & Merger – Southern Pac. Rail Corp.,* 1 S.T.B. 233, 396 (1996) ("*UP/SP*") (relying on evidence relating to source competition presented by applicants' witnesses Barber and Peterson, which included 50/10 screen as well as additional volume-based screen); Verified Statement of Richard J. Barber, UP/SP-23, at 371, 482-86 (filed Nov. 30, 1995), *UP/SP*; Verified Statement of Richard B. Peterson, *id.*, at 233-34 (same); *Union Pac. Corp. – Control – Missouri Pac.Corp.,* 366 I.C.C. 462, 528-29, 676-77 (1982) ("*UP/MP*") (relying on evidence relating to source competition presented by DOJ witness, which included 50/10 screen; ICC agreed with DOJ that the screen probably overstated potential loss of source competition because product competition would mitigate possible reductions in source competition). The ICC rejected 50/10 analysis as a basis for drawing conclusions about competition, as distinct from using it as a screen. *UP/CNW,* Decision No. 25, slip op. at 79.

of the Applicants has less than 10% of the relevant rail traffic, or if Applicants together would have less than 50%.[16]

The results of this screen, which I present generally in Exhibit 2, indicate that there are few product/destination pairs where CN and WC participate significantly in movements of the same product from different origins to the same destination. Exhibit 2 provides a list of the product/DBEA pairs and number of relevant carloads shipped by CN and WC for each pair that is generated after applying the participating, originating, or terminating 50/10 screen with respect to CN and WC. There are 31 product/DBEA pairs that are identified under the 50/10 screen when any CN/WC participation in traffic moving to a DBEA is counted, and an additional 21 product/DBEA pairs when CN and WC shares as originating railroads of traffic moving to a DBEA are counted.[17] (As I have already noted, our terminating-railroad screen revealed no pairs in addition to those identified by screening the participation shares.)

As can be seen in Exhibit 2, most of the 50/10 product/DBEA pairs involve combined CN/WC traffic volumes that are very small individually. For example, there are only 21 product/DBEA pairs where the combined volumes of the two railroads amount to more than a carload a day. Of those product/DBEA pairs, there are three that would amount to one train a week. Some are less than 100 carloads a year. I understand that the Board has stated that it must approve a transaction of this type "unless there will be adverse competitive impacts that are both

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[16]A combined share of under 50% implies that there is at least one other railroad (and probably more) originating or terminating significant volumes of the relevant product that move to the candidate DBEA. Given the expansive networks of many North American railroads, the likelihood for substantial additional volumes to be diverted from other destinations into the candidate DBEA (a concept I term "divertible capacity" that is developed, *infra*) is extremely high and obviates the need for any further analysis.

[17]In Exhibit 2, "PRR" and "ORR" refer, respectively, to "participating railroad" and "originating railroad."

'likely' and 'substantial.'"[18] The small CN/WC volumes within the 50/10 product/DBEA pairs indicate that this Transaction will not entail any such anticompetitive effects.

Critical Loss. Despite the insubstantial nature of these actual/potential interactions, Applicants asked me to conduct a detailed analysis of the potential for competitive harm. As already indicated, the ultimate question one seeks to answer in assessing the competitive consequences of a proposed merger is whether the merged firm will have the incentive and ability, post-merger, to raise prices (or reduce service). Accordingly, for the product/DBEA pairs identified by the screen, I evaluated the ability (both actual and potential) of other providers of transportation services to prevent the combined firm from raising prices (or reducing service) after the proposed combination. Other providers of transportation services provide such competitive discipline if they collectively have the ability and incentives to take sufficient volumes from the combined firm in the event of price increase so as to render such an increase unprofitable.

To find a price increase profitable, the combined firm must believe that the added contribution it will earn due to the higher price it will receive on the traffic it continues to carry after the price increase will be greater than the contribution it will lose as a result of some of the volume it currently serves moving to another provider (or ceasing to be moved) in response to the higher price. If the combined firm believes that its customers will seek to move a sufficient portion of their volumes to other providers and that these other providers have the capacity and incentive to take on this additional volume, then the losses associated with the price increase will be expected to exceed the benefit of the higher price earned on the retained volume. This

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[18] *Kansas City S. Industries, Inc. – Control – Gateway W. Ry. Co.*, STB Finance Docket No. 33311, slip op. at 2 (STB served May 1, 1997).

minimum sufficient volume that renders such a price increase unprofitable is commonly referred to in antitrust as the "critical loss."[19] If the combined firm perceives that customer movements to others will exceed this "critical loss" then the merged firm will not have an incentive to raise prices after the combination. If the firm attempted an increase, it could not profitably sustain it. Thus, no anticompetitive harm can arise.[20] In Appendix B, I describe how I computed the critical loss for each product/DBEA pair identified by the 50/10 screen.

Competitive Alternatives and "Divertible Capacity." Having identified candidate product/DBEA pairs for further analysis, and having identified the critical loss volumes under each relevant product/DBEA pair that would ensure that the merged firm will not have the incentive to raise price and harm customers post-merger, I then sought to determine the extent to which rivals have the ability and capacity to supply the traffic demands of a sufficient volume of traffic for each product/DBEA pair to impose the critical loss. To complete this level of the analysis I considered the available "divertible capacity" that could serve each relevant product/DBEA pair.

The concept of "divertible capacity" identifies the potential entry/expansion of additional capacity into the market at issue. If the combined firm were to raise prices for a particular product/DBEA pair, it would create additional profit opportunities and incentives for other railroads (and other providers of transportation more generally) to capture additional volume at

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[19]Critical loss analysis has become a central part of many merger investigations at U.S. enforcement agencies and elsewhere. For an early treatise on the concept, see J. Hausman, G. Leonard, and C. Vellturo, "Market Definition Under Price Discrimination," 64 *Antitrust L.J. 367* (1996).

[20]Note that reductions in service quality can be treated in the same fashion. In this instance, it is the "service-adjusted price" that may be increased by the combined firm if the loss in volume is sufficiently small. Once again, however, movements to rivals above the critical loss will discipline the combined firm with respect to its service level.

that DBEA. To the extent that these railroads (and their customers) have ready access to additional volumes that are currently serving other destinations, these incentives will cause these railroads (and their customers) to divert these volumes into the targeted product/DBEA. Where the available divertible capacity significantly exceeds the critical loss, it should deter the combined firm from raising its price, and would make it impossible for the combined firm profitably to sustain a price increase if it tried. I explain the methodology to identify divertible capacity in Appendix C.

Truck Divertible Capacity. Finally, as an additional consideration, I evaluated the magnitude of truck-based competition, including truck-based divertible capacity. Reebie Associates performed this analysis, pursuant to my specifications.[21] I am aware that, in the *Fox Valley* decision, the Board observed that, "[o]n the whole . . . motor carrier competition within Wisconsin is, as WCTC indicates, pervasive and growing." *Wisconsin Cent. Transp. Corp. – Continuance in Control – Fox Valley & W.*, 9 I.C.C.2d 233, 242 (1992). The more recent data amply confirm this view. In general, truck shares for traffic moving to the DBEAs identified in the 50/10 screen were very high (both inside and outside Wisconsin). Although these high truck shares are suggestive of strong truck competition, I did not draw conclusions simply from modal shares as to the potential of truck competition to constrain any post-merger price increases by a combined CN/WC. Instead, I conducted a truck-divertibility study, the method for which I describe in Appendix D, and the results of which I discuss below at the conclusion of subsection B.2.

[21]The Reebie data were only available on a 4-digit STCC level. As Mr. Bottorff confirms with respect to the products we are considering, a STCC-7 product will generally have similar characteristics regarding truck transportation as other products within the same STCC-4 group.

B. Competitive Analysis of 50/10 Product/DBEA Pairs

Exhibit 3 provides a detailed breakdown of the competitive analyses undertaken for each 50/10 product/DBEA pair. In every pair, I find that the proposed combination will pose no threat to competition. I discuss the specifics of my findings below. I begin with a general discussion of the information provided in Exhibit 3, and how these data relate to my findings.

Exhibit 3 consists of two panels. Each panel relates to flows of a commodity to a BEA. The first panel identifies participating-railroad-based 50/10 product/DBEA pairs and the second panel identifies originating-railroad-based 50/10 product/DBEA pairs above and beyond those identified by the participating-railroad screen. (Each panel is organized in descending order by the combined CN/WC volume in the product/DBEA pair.) As I have already noted, there are no separate terminating-railroad-based 50/10 product/DBEA pairs displayed in Exhibit 3 because each of those was identified by the 50/10 participation-based shares. The initial columns in Exhibit 3 identify the 7-digit product code (or "STCC") and the DBEA under consideration. The data upon which I relied to determine whether a competitive analysis was warranted for each product/DBEA pair appear next. All 50/10 product/DBEA pairs involve movements where the post-merger share of traffic for the combined firm exceeds 50%, and is at least 10 share points higher than either constituent firm's share prior to the combination. As I have already noted, the CN/WC volumes involved in these flows are generally small.

1. Treatment of "Bottleneck" Destinations

Seven of the product/DBEA pairs identified in Exhibit 3 involve Green Bay, WI as the DBEA. Mr. Bottorff has determined that Green Bay represents a WC bottleneck – WC is the only railroad with track serving the Green Bay BEA. As a bottleneck railroad, WC – prior to the Transaction – already must participate in all rail flows into and out of Green Bay. As a result,

the proposed combination does not enhance the degree of control in rail service that the WC has to or from Green Bay. With no change in the degree of control, no diminution in horizontal competition associated with the proposed combination can occur; therefore, I do not perform any divertible capacity analysis on these product/DBEA pairs, which I identify with a "Yes" in the bottleneck column of Exhibit 3.[22]

The only potential for anticompetitive harm that could theoretically arrive in such bottleneck circumstances is the potential for vertical foreclosure. I discuss the absence of vertical foreclosure issues in rail movements (the "one lump" approach) in Section IV, *infra*.

There are other 50/10 pairs where, for example, WC terminates 100% of rail shipments of a given product into a DBEA (albeit involving small volumes), *e.g.*, WC terminates all of the 80 carloads of iron bars into Appleton, WI that CN and WC originate, and Iron Bars/Appleton qualifies as a 50/10 product/DBEA pair under the originating traffic screen. I understand that Appleton, is not a bottleneck DBEA as at least one other railroad serves Appleton. Insofar as other railroad(s) offer potentially competitive access into the DBEA under consideration, a divertible capacity analysis is appropriate. If these alternative railroads do not offer an economically reasonable route into the relevant DBEA, then the DBEA represents an effective bottleneck and is subject only to the foreclosure consideration provided in Section IV. I identify with a "P" (possible) in the bottleneck column the product/DBEA pairs for which WC or CN terminated 100% of the traffic but as to which the DBEAs are served by other railroads. As a

[22]The product/DBEA pairs involving Green Bay are instances where WC and CN both originated traffic into Green Bay in volumes that pass the 50/10 originating threshold. This "competitive overlap" is illusory, however, since WC already controls CN's access into Green Bay.

conservative measure, I perform divertible capacity analyses for each of these 50/10 product/DBEA pairs.

2. Interactions at Non-Bottleneck Destinations

For each non-bottlenecked 50/10 product/DBEA pair (those with a "No" or a "P" in the bottleneck column of Exhibit 3), I perform an analysis of competition available through entry/expansion of transportation services by rail and, in certain instances, truck. First, I determine the critical loss required to defeat a 5% price increase on shipments destined for the 50/10 product/DBEA under study. As I explain in Appendix B, I evaluate the critical loss at a 50% gross margin (contribution) and at an 80% gross margin, to provide a plausible range of critical loss values.[23]

Having determined the critical loss volumes, I compute available divertible capacities and compare them to the critical losses. If the divertible rail capacities significantly exceed the critical loss, then the ability of other railroads to divert traffic into the DBEA under study will provide sufficient competition, post-merger, to prevent anticompetitive pricing by the combined firm. I initially consider what for convenience I will call direct divertible capacity ("DDC") and compute the ratio of DDC to the critical loss.

Historically, in critical loss-based analyses for mergers in other industries, I have sought to identify available divertible capacity of at least 2-3 times the critical loss to ensure sufficient post-merger competition. As a highly conservative measure in this case, I conclude that

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[23]I have presented critical loss/divertible capacity analyses in the context of merger-related antitrust investigations in a wide variety of industries and to many antitrust/regulatory agencies. Industries where I have conducted critical loss/divertible capacity analyses include: paper, sugar, salt, fertilizers, chemicals, chemical derivatives, railroad equipment, textiles, television advertising time, and banking services (just to name a few). I have presented these analyses to the U.S. Department of Justice, the U.S. Federal Trade Commission, the Federal Reserve Board, the Federal Communications Commission, the Securities and Exchange Commission, and the European Commission, among others.

available DDC is sufficient to obviate any further analysis if the DDC/critical loss ratio exceeds 10.

As detailed in Exhibit 3, the available DDC/critical loss ratio in almost every 50/10 product/DBEA pair exceeds 10. Indeed, in most pairs, the available DDC dramatically dwarfs the requisite critical loss. For example, for corn to Chicago (which is the largest product/DBEA pair), the 127,154 carloads of DDC are over 88 times the critical loss (1,438 carloads), calculated on the most conservative of the contribution assumptions that I employ.[24] Woodpulp to Wausau is the second largest product/DBEA pair. For that pair, the 22,000 carloads of DDC are over 39 times the critical loss of 560 carloads, again calculated on the most conservative contribution assumption.[25] For the third largest pair, printing paper to Milwaukee-Racine, the DDC is just under 70 times the critical loss of 530 carloads. These are by no means the largest ratios. Given the sizeable practical and readily available rail capacity that can be brought to bear on the 50/10 product/DBEA pairs, I conclude that the proposed combination will not enable the combined firm to raise prices anticompetitively.

For three of the 50/10 product/DBEA pairs in which the combined firm participates in less than 100% of the movements of a commodity to a DBEA, the ratio of DDC to critical loss, calculated on the conservative contribution assumption, is less than my conservative benchmark

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[24]As discussed by Mr. Bottorff, over 50% of the originations of corn moving to Chicago attributed to WC in the 1999 Waybill Sample were due to an equipment shortage at WSOR. WSOR has since cured the shortage and is moving corn to Chicago in single-line service. WC movements have accordingly decreased. Therefore, the ratio in the future of DDC to critical loss will likely be even higher than 88, if the 50/10 screen identifies this product/DBEA pair at all.

[25]As I explain in Appendix B, the size of the critical loss is determined in part by the percentage contribution margin on the traffic that the combined firm would lose if it were to increase prices. The larger that margin, the smaller is the amount of lost traffic that would render the price increase unprofitable. Because what we are examining is small volumes of incremental traffic, which do not require additional trains or even locomotives, I used marginal contribution rates of 50% and 80%. At the plausible 80% rate, the ratio of DDC to critical loss for corn/Chicago is 141 and for woodpulp/Wausau is 63.

of 10.[26] These are small volumes.[27] In any event, as can be seen on Exhibit 3, for two of these three pairs (synthetic rubbers/Duluth-Superior, and paper waste scrap/Columbus, OH) the ratios of DDC to critical loss are still more than twice the ratios of 2-3 that I ordinarily consider sufficient. Available DDC for these pairs is thus significant and more than adequate to discipline pricing.

There is also a small group of low-volume product/DBEA pairs in which CN and WC participate in 100% of movements of the commodity to the 50/10 DBEA and the DBEA is not a bottleneck. The combined CN/WC volumes for each of these pairs involve less than a carload a day. For this small subset of product/DBEA pairs, there was by definition no DDC because in 1999 no other railroad participated in movements of the 7-digit STCC to the DBEA.[28] For this subset, and for the three small instances discussed above where the critical loss ratio was less than 10, we analyzed what I term supplemental divertible capacity ("SDC"). These SDC volumes are computed according to the criteria set forward in Appendix C. Generally, the methodology of the supplemental analysis is similar to that of the primary analysis. The main difference is that an origin can qualify as a source of divertible capacity if a railroad other than CN/WC moved the relevant 4-digit STCC product group from that origin to the 50/10 DBEA, although not the same 7-digit product, so long as the railroad is shipping that 7-digit STCC to

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[26]Where the DDC/critical loss ratio calculated on the 50% marginal contribution assumption is less than 10, it is also the case arithmetically that DDC is less than the CN/WC volume for the product/DBEA pair.

[27]For synthetic rubbers to the Duluth-Superior BEA, the total of CN and WC participation is 520 carloads; for paper waste/scrap to Columbus, OH, 80 carloads; and for specialty transformers to Houston, 120 carloads.

[28]This is not to say that no other railroads ever participate in these product/DBEA pairs but only that no other railroad participated in these pairs in the 1999 Waybill Sample. Given the small volumes in these product/DBEA pairs, it is possible that other railroads are participating but their movements were not sampled. It may also be possible in some of these 100% cases, however, that either CN or WC represents an effective bottleneck. If and where that is true, these pairs would be more appropriately considered under the one lump analysis of Section IV.

some other BEA from that same origin. As with the DDC volumes, I compare the available SDC volumes with the requisite critical loss volumes. These ratios (where applicable) appear in the right-hand most columns of Exhibit 3. As the results clearly indicate, almost every remaining 50/10 product/DBEA pair has access to additional volumes that are more than enough to ensure competitive pricing by the combined firm, post-Transaction. The three small exceptions pose no competitive problem.[29]

Finally, I also consider the competitive discipline that truck competition might bring to bear on the 50/10 product/DBEA pairs where the DDC/critical loss ratio is below 10. These instances consist of the 100% cases, and the three less-than-100% cases discussed above. The results of this analysis are provided in Exhibit 4. As previously noted, truck data is available at the 4-digit STCC level. We estimated the available 7-digit STCC level truck divertible capacity by multiplying the available 4-digit STCC truck divertible capacity by the proportion of each rail 4-digit STCC group moving to the DBEA that was comprised of the relevant rail 7-digit STCC product. This analysis revealed very large volumes of divertible capacity moving by truck.[30] For example, as I have already described, the DDC available by rail for synthetic rubbers destined for Duluth is five to just under nine times the critical loss amount. Because the rail DDC was less than ten times the critical loss volume, I undertook an analysis of divertible capacity available by using trucks, based on the relevant 4-digit STCC volumes. As shown on Exhibit 4, at the

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[29]The three small exceptions are specialty transformers to Houston (CN/WC combined volume is 120 carloads), wood particle board to Wausau (160 carloads), and iron bars to Appleton (80 carloads). As shown in Exhibit 4, for each of these product/DBEA pairs, the ratio of truck divertible capacity to critical loss is huge. Further, Mr. Bottorff discusses why it is likely that CN and WC are not in fact competing with each other with respect to specialty transformers moving to Houston, and additional reasons why a combined CN/WC could not in any event exercise market power with respect to any of the three pairs.

[30]These very large ratios provide additional confidence that any imprecision in our estimate of 7-digit STCC truck divertible capacity would not change the conclusion that such capacity is ample.

estimated 7-digit STCC level, the divertible capacity available through truck shipments is almost 501 times the critical loss computed on the conservative assumption of 50% marginal contribution.[31]

IV. COMPETITIVE ISSUES RELATING TO SOLE PROVIDER ("BOTTLENECK") LOCATIONS

There are locations within the CN and WC rail systems where CN or WC, as the case may be, is the only provider of rail service.[32] Also, there are small railroads that serve additional locations and that connect only to CN or only to WC.[33] Obviously, no competitive rivalry at these sole-served locations is eliminated as a result of the proposed combination, since, by definition, either CN or WC, as the case may be, cannot serve these locations.[34] Thus no "horizontal" antitrust issues can arise at these locations as a result of this combination.

Competitive concerns surrounding sole-provider locations typically involve "vertical" issues. Under a vertical theory of anticompetitive harm, the possessor of market power in one market uses this power as leverage to further its market power position in that market, or to extend its market power into other markets. In the context of the rail industry, concerns (in

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[31]An alternative form of geographic competition can arise where different railroads move the same commodity from the same origin to different destinations. The only points that CN and WC have in common in the U.S. are Superior and Chicago. (Oba is the only such point in Canada.) We applied the 50/10 screen to originations, and identified four product flows from Chicago (empty TOFC returns, plastics, carbon dioxide, and paper waste and scrap). For each of these flows, rail divertible capacity, and/or truck competition as discussed by Mr. Bottorff, are ample to ensure that CN/WC would be unable profitably to sustain an anticompetitive price increase.

[32]In contrast to my usage in Sections II and III, in this Section IV "CN" and "WC" refer only to railroads within the respective corporate families.

[33]All traffic on an exclusively served shortline from or to locations outside its network must travel through the network of the sole-seving third-party railroad.

[34]The 50/10 analysis that I have already described would identify traffic flows from these locations for which CN and WC may be in source competition with each other.

theory) arise where a railroad that provides sole access to various locations might use this sole access to disadvantage rivals, or extend its power beyond its current reach.

Economists and policy analysts of the rail industry have recognized that it is highly unlikely that such extensions of localized sole provider power can be extended as a result of a proposed combination where such an extension would not be possible absent a merger. The basic economic concept is referred to as the "one lump" theory. I provide a numeric illustration of the analysis in Appendix E.

Recognition that a bottleneck carrier's incentive and ability to extract all available economic rents associated with the overall traffic move is independent of its ownership position of any originating (or interconnecting) routes represents the long-standing basis upon which the ICC and STB have evaluated the end-to-end components of rail mergers. Shortly after passage of the Staggers Act, the ICC stated:

> A carrier with a destination monopoly will likely push the through rate as high as possible and keep the monopoly profits to itself . . .. [Shippers have asserted] that a neutral destination carrier . . . has an incentive to merge with an origin carrier in order to drive the through rate to the optimum profit-maximizing level. We are not convinced . . . that a carrier with a destination monopoly for steam coal traffic will generally be unable to execute the described rate strategy or, on the other hand, that a neutral destination carrier that is unable to execute the strategy would be significantly more capable of raising the through rate to the level that maximizes its profits after affiliation with an origin carrier.

UP/MP, 366 I.C.C. at 538.

The ICC reiterated the analysis in its *BN/SF* decision:

> Our experience has been that where a single rail carrier controls a destination segment, and no transportation alternatives are available, the shipper will be captive and the single rail carrier will be able to capture the preponderance of the economic profits. Conversely, when certain factors are present that limit a carrier's

> ability to take full advantage of a bottleneck, those factors will remain in place as effective safeguards after the merger.

Burlington N. Inc. – Control and Merger – Santa Fe Pac. Corp., 10 I.C.C.2d 661, 751 (1995). The Court of Appeals, in affirming this decision, noted that the "one lump" theory relied on by the ICC is a "broadly accepted economic proposition." *Western Resources, Inc. v. STB*, 109 F.3d 782, 788 (D.C. Cir. 1997).[35]

As it had in *BN/SF (*10 I.C.C.2d at 751), the Board recently rejected arguments that "the general applicability of the one-lump theory to mergers requires a set of explicit and rather implausible assumptions" and that "the circumstances in which the pure one-lump theory is likely to hold represent an 'extreme example.'" *CSX Corp. – Control and Operating Leases/Agreements – Conrail Inc.*, STB Finance Docket No. 33388, Decision No. 89, slip op. at 70 (STB served July 23, 1998) (*"CSX/NS/CR")*.[36]

Leaving aside the economic principles outlined in Appendix E that provide the analysis behind the one lump approach to end-to-end rail merger issues, and the extensive history at the ICC and the STB (in which the one lump approach has served as the cornerstone of the agency's consideration of vertical foreclosure issues), I understand that CN has offered further insurance that such vertical issues will not arise in the context of the proposed CN/WC combination. CN has committed to keeping all existing active gateways affected by the Transaction open on commercially reasonable terms. I find that this commitment provides safeguards against

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[35]I understand that the STB has left the door open for allegedly aggrieved shippers to demonstrate that any purported vertical foreclosure will lead to competitive injury (typically, higher prices of reduced service quality). *See, e.g., BN/SF,* 10 I.C.C.2d at 748 (quoting *Union Pac. Corp. – Control – MO-KS-TX Co.*, 4 I.C.C.2d 409, 476 (1988).

[36]For example, the Board pointed out that the one lump theory "does not predict that bottleneck carriers will always be able to execute a perfect price squeeze; it merely predicts that vertical integration will not increase the bottleneck carrier's market power over shippers." *CSX/NS/CR*, slip op. at 69.

potential competitive problems that are extremely unlikely to arise. Be that as it may, with these assurances in place, any shipper concerns (regardless of their economic or business veracity) should be eliminated.

CONCLUSION

I have examined competitive issues related to the proposed Transaction between CN and WC. It is clear to me that the Transaction will have no anticompetitive effects.

VERIFICATION

I, Christopher A. Vellturo, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on ~~March~~ April 6, 2001.

Christopher A. Vellturo

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Dr. Vellturo has performed economic analysis and provided expert testimony in the context of mergers and acquisitions, antitrust litigation, intellectual property litigation, and other matters. He has provided economic analysis in over one hundred mergers and acquisitions spanning a broad array of industries. He has appeared before the U.S. Department of Justice, the Federal Trade Commission, various states' Attorneys General offices, the Federal Reserve Bank Board of Governors, and various Federal Reserve Banks on merger-related issues. He has also appeared at hearings before the European Commission. Dr. Vellturo has performed economic analysis relating to litigation matters in more than twenty-five antitrust actions and more than one hundred intellectual property actions. He has testified in U.S. District Court and before the American Arbitration Association.

Prior to joining Analysis Group/Economics, Dr. Vellturo was a Senior Vice President at National Economic Research Associates (NERA) and a Director of Cambridge Economics. He was previously a research associate for Dean Ann F. Friedlaender of the Massachusetts Institute of Technology.

Dr. Vellturo has published on a variety of topics, including merger and acquisition-related efficiencies, price discrimination, differentiated product analysis and market definition. His research has appeared in leading academic journals, including *Antitrust*, the *Antitrust Law Journal*, and the *Journal of Economics and Management Strategy*. Dr. Vellturo is a recipient of the Bradley Fellowship in Public Economics and has served as a referee for *American Economic Review* and *Rand Journal of Economics*.

Dr. Vellturo holds a Ph.D. in Economics from the Massachusetts Institute of Technology and a Sc.B. in Applied Mathematics and Economics from Brown University, where he graduated *magna cum laude* and *Phi Beta Kappa*.

EDUCATION

1989 Ph.D. in Economics, Massachusetts Institute of Technology
Primary Fields: Econometrics, Industrial Organization
Secondary Fields: Public Finance, Game Theory, Law and Economics

1983 Sc.B. in Applied Mathematics and Economics (*magna cum laude*), Brown University

PROFESSIONAL EXPERIENCE

2000-Present **Analysis Group/Economics**
Principal - Direct research and provide expert testimony on a variety of microeconomic issues with particular emphasis on antitrust, intellectual property, and mergers and acquisitions. Expert reports and testimony presented in U.S. District Court. Presented antitrust economic analyses to Federal Trade Commission, U.S. Department of Justice, Federal Reserve Bank Board of Governors and the European Commission.

1996-2000 **National Economic Research Associates, Inc.**
Senior Vice President (1999-00)
Vice President (1996-99)

1991-1996 **Cambridge Economics, Inc.**
Director - Directed research and provided expert testimony on a variety of microeconomic issues with particular emphasis on antitrust, intellectual property, and mergers and acquisitions. Prior expert testimony provided in U.S. District Court and before the American Arbitration Association. Presented antitrust economic analyses to U.S. Department of Justice, Federal Trade Commission (Antitrust Division), state Attorneys General offices, and the Federal Reserve Bank Board of Governors.

1989-1991 **National Economic Research Associates, Inc.**
Senior Consultant - Directed and performed research relating to issues of antitrust, intellectual property, mergers and regulation.

1987 **Department of Economics, M.I.T.**
Teaching Assistant - Undergraduate econometrics.

1985-89 **Dean Ann F. Friedlaender, M.I.T.**
Research Associate - Participated in research relating to transportation pricing and capital allocation responses to regulatory changes.

1983-85 **National Economic Research Associates, Inc.**
Research Associate - Conducted research on a wide variety of issues including antitrust, railroad rate setting, optimal landfill pricing, and PCB and asbestos abatement strategies.

AWARDS AND PROFESSIONAL ACTIVITIES

Recipient, Bradley Fellowship in Public Economics, 1987 and 1988-89

M.I.T. Departmental Fellowship, 1986

Phi Beta Kappa, Brown University, 1983

Sigma Xi, Brown University, 1983

Journal Referee for *American Economic Review* and *Rand Journal of Economics*

Member, American Economic Association

SELECTED TESTIFYING EXPERIENCE (PAST FOUR YEARS)

- *Massachusetts Businessman's Association Inc., v. Blue Cross and Blue Shield of Massachusetts, Inc.*
  Superior Court of the Commonwealth of Massachusetts, (C.A. No. 97-02279)

- *Union Carbide Chemicals & Plastics Technology Corporation v. Shell Oil Company, Shell Chemical Company and CRI Catalyst Company.*
  U.S. District Court, District of Delaware, C.A. No. 99-274 (SLR)

- *Carl Zeiss Jena GmbH, Carl Zeiss Inc., v. Bio-Rad Laboratories, Inc., Cornell Research Foundation Inc. and Bio-Rad Laboratories, Inc., Cornell Research Foundation Inc., v. Carl Zeiss Jena GmbH, Carl Zeiss Inc*
  U.S. District Court, Southern District of New York, C.A. 98 CIV 8012

- *Sulzer Intermedics, Inc. v. Medtronics, Inc., et al.*
  U.S. District Court, Southern District of Texas, (C.A. H-97-3526)

- *Joseph E. Seagram & Sons, Inc., The Seagram Company Ltd. and JDC S.A. de C.V. v. St Maarten Spirits, Ltd., and St. Maarten Spirits Limited*
  Superior Court of the State of California, for the County of Los Angeles, (No. BC 191 681)

- *General Electric Capital Corporation v. DirecTV, Inc., Hughes Electronics Corporation and General Motors Corporation*
  U.S. District Court, District of Connecticut, 3:97 CV 01901 (PCD)

- *Bristol Technology, Inc. v. Microsoft Corporation*
  U.S. District Court, District of Connecticut, C.A. No. 398-CV-1657 (JCH)

- *America Online, Inc. v. AT&T Corporation*
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APPENDIX A

Detailed Specification of the Source Competition Analysis

We analyzed CN/WC participation (as intermediate, originating, or terminating carrier) in flows of a product to a DBEA, and divertible capacity for the product/DBEA pair. ALK Technologies, Inc. applied the 50/10 screen and performed the divertibility study pursuant to my specifications.

Data Utilized: The data utilized to complete the source competition analysis included shipment information from the 1999 STB Waybill Sample. Initially, total rail movements (in tons, carloads, and dollars) were collected by ALK. Product-level data were collected at the 7-digit STCC code level[1] for each destination BEA[2] (henceforward "DBEA") for traffic in which

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[1]For the purposes of this analysis, I assumed that 7-digit STCC level product codes represented a logical framework for the competitive analysis. This relatively narrow product grouping does not account for the potential that receivers of some products may have to substitute products classified under one 7-digit code for products classified under another 7-digit code. This product definition therefore may not address specifically some source-based competition where the products delivered by CN and WC are not directly substitutable but interact more indirectly. However, in any such instance, taking into account the other product would likely reduce the CN and WC shares of that more broadly defined product market. In any event, when we move beyond identifying potential problem flows under the 50/10 screen to examining the post-merger constraints on those flows, this specific approach to product definition is highly conservative: I do not consider any movements of any products other than those in the subject 7-digit STCC code to be potentially substitutable in disciplining the combined firm's conduct in each relevant product/DBEA pair.

[2]I selected a BEA-based regional classification over a station-based classification (multiple stations are typically found within each BEA). First, it is highly likely that products delivered into a common BEA (but to different stations) compete with one another on a downstream basis. For example, Oriented Strand Board ("OSB") (a wood-fiber based building product) delivered to warehouses located at different stations will ultimately face reshipment to final customers. To the extent that these warehouses compete for significant business against one another, the delivered prices of OSB across these stations will be tightly linked (though not necessarily identical). Given that BEAs are defined to identify units of common economic activity, the BEA-based approach is appropriate in this regard. Also, given the general proximity of stations within a BEA, and the low incremental cost of transporting products on rail once they are loaded and moving, rail traffic will travel significant incremental distances to obtain relatively small incremental delivered prices. Again, this implies that delivered prices across regionally-clustered stations will be very closely linked. Further, a narrower geographic focus would have identified fewer CN and WC flows as warranting further analysis. For purposes of screening, therefore, the BEA approach is conservative.

CN or WC participated.[3] For each product/DBEA pair for which at least one of CN or WC participated in delivering volume, the total rail volumes terminating[4] at that DBEA were also collected, to determine the total share of delivered volumes in which CN and WC participated.[5]

Identifying Candidates For Further Analysis: I sought to capture product/DBEA pairs where CN and WC each currently participate in the shipments of a non-trivial portion of total deliveries into the DBEA and where the combined firm will possess a significant share of this traffic. These shares were determined using three techniques: participating share, originating share and terminating share.

For the purposes of this report, I defined a product/DBEA pair to be a candidate for a more complete competitive analysis with respect to traffic terminating in a BEA for which each of CN and WC: 1) originated, terminated, or interchanged (henceforward "participated" in) 10% or more of all delivered volume, and if the combined participating share calculated on this

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[3]In this context "participation" includes all traffic where CN or WC is the initial rail carrier on the move, handles the traffic in an intermediate role, or terminates the traffic at the DBEA. Specific analyses with respect to originated and terminated traffic are also considered. As the Waybill Sample identifies only railroads receiving revenues as a long haul carrier, "originating," "terminating," and "participating" do not include carriers participating in a movement that receive revenue only from switching or haulage charges.

[4]Multi-carrier rail movements where participating railroads bill separately for their services (so-called "Rule 11" traffic) result in at least two waybills, one with an apparent termination and one with an apparent origin, at the point of interchange. Neither, either or both of these waybills may be captured in the Waybill Sample. Some origins and terminations in our analysis are therefore not true origins and terminations of rail movements, but rather interchanges of Rule 11 traffic.

[5]For purposes of the analysis, I assume that in every instance where CN and WC provide transportation services for the same product destined for a DBEA, the products being delivered by the two railroads are perceived as substitutable by some identifiable set of customers. Although I believe it to be generally accurate for most of the products under consideration, it bears mention that, for purposes of the present analysis, this is a conservative assumption. It is possible (and indeed likely) that in some instances, the products delivered by the two railroads – while being classified in the same 7-digit STCC – are not reasonable substitutes for one another. Where that is the case, any concern for a reduction in competitive rivalry between CN and WC evaporates, because no rivalry existed in the first place.

basis without double-counting would have been 50% or more of total delivered volume:[6] or 2) originated 10% or more of the total delivered carloads of a product/DBEA pair in 1999, and if the combined originating share of the two railroads was 50% or more; or 3) terminated 10% or more of the total delivered carloads of a product/DBEA pair in 1999, and if the combined terminating share of the two railroads was 50% or more. For example, for STCC code 0113215 (corn and maize products excluding popcorn) delivered into the Chicago-Gary-Kenosha BEA (#64), CN originated 29% of all carloads (7,092 delivered cars relative to DBEA total of 25,252 cars), while WC originated 28%. This product/DBEA pair is a candidate for further analysis under the origination screen, since CN and WC each accounted for 10% or more of originations into the DBEA of product 0113215, and the combined share of the two railroads exceeds 50% (57%).

A generic illustration of the participation screen would be as follows: where 100 carloads of a 7-digit STCC commodity terminate in a BEA, and (a) CN originated 35 of them and interchanged 15 of those carloads with WC (and 20 carloads with another carrier for termination at the same BEA), while (b) WC originated no volume, but terminated the 15 carloads of the CN, and (c) an additional 30 carloads is handed to WC by another carrier. In this instance, CN's participating share would be 35%, WC's participating share would be 45%,

[6]As I have already noted in the main body of my Verified Statement, in order to avoid double-counting under the participating-railroad screen, the combined share had to be at least 10 percentage points higher than the greater of either railroad's participation share.

and the combined participation share (with no double-counting of the 15 carloads that CN/WC interchange with each other) would be 65%, and therefore subject to further analysis.[7]

[7]Note that this example would not be captured as a candidate for further analysis if only the originating and terminating screens were used, since WC originates no traffic and CN delivers no traffic to the final DBEA. Conversely, the originating screen would identify a flow not identified in the participating screen in the following example involving interchange between CN and WC: a product/DBEA pair with 100 carloads, where CN originates 40 carloads that it also terminates; WC originates 10 carloads that it interchanges to CN for termination, and other railroads solely handle the remaining 50 carloads. The originating screen would identify this flow, because CN has a 40% share of originations, WC has a 10% share, and their combined share is 50%. The participating screen, however, would not identify this flow. As participating railroads, CN has a 50% share, WC has a 10% share, and their combined share avoiding double-counting of WC's 10 carloads is 50%. The participation screen does not identify this flow because the combined CN/WC share is not 10 percentage points greater than the larger of their individual participation shares.

APPENDIX B

Computing Critical Loss

The critical loss depends on the marginal contribution that the combined firm loses on the volumes that it no longer sells as the result of some customers taking their business elsewhere (or simply curtailing their demand) when the combined firm attempts a price increase. As an illustrative example, consider a merger in which the combined firm would earn $100 in revenue for each car delivered and incur $30 in marginal costs per car, for a per-car contribution of $70 per car. The combined firm will move 1,000 cars if it keeps its per-car price at $100. Total revenue will equal $100,000, and total contribution will equal $70,000 (($100/car - $30/car) x 1,000 car). Assume the combined firm considers whether to raise its price by $5 per car. If the combined firm loses 100 cars as a result of the price increase, then its total contribution under the price increase is (($105 - $30) × 900 cars) = $67,500. Thus the posited anticompetitive (*i.e.*, non-cost based) price increase will not be in the profit-maximizing interest of the firm, since it will lose more than the critical loss in volumes as a result of the price increase. If the volume loss were only 50 cars as a result of the price increase, then contribution under the price increase would be (($105 – $30) x 950 cars) = $71,250. In this instance, the volume loss resulting from the price increase is below the critical loss, and the combined firm would have the incentive to raise prices. The following formula determines the critical loss for a 5% price increase as a function of the percentage profit level (denoted by π):

$$\text{Critical Loss (expressed as a \% of total volume)} = .05 / \pi$$

In the example provided above, the critical loss volume is .05/0.7 or 7.14% of total cars sold, in other words .0714 × 1,000 cars = 71.4 cars. If the combined firm in the above example believes it will lose more than 71.4 cars of business (7.14% of its present volume) in response to a 5%

price increase, then the combined firm will not increase price anticompetitively as a result of the merger.

In my analysis, I use a range of plausible marginal contribution rates per car for rail services to determine a range of critical loss values for the combined CN/WC, post-transaction. As discussed in my detailed findings concerning each product/DBEA combination, the volumes that a combined CN/WC would have to lose in order to make a significant price increase unprofitable are very small. I therefore use marginal contribution rates of 50% and 80%. These are the assumed contribution margins on small incremental volumes, which generally do not require a new train or, ordinarily, an additional locomotive.[8] Given that these volumes represent additional carloads appended onto existing mixed-manifest trains, the avoided costs associated with not carrying these additional cars are very low, probably below 10% of revenue (implying a marginal contribution rate in excess of 90%). Avoided costs are indeed limited to direct fuel savings and, in some instances, car leasing/rental (or equivalent opportunity cost) savings.[9] These percentages are different from ordinary revenue-to-variable cost ratios, which identify margins on larger aggregations of traffic, and therefore reflect more of the overall costs

[8] The only exception to the *de minimis* nature of the critical loss volumes relates to corn. The critical loss volumes in corn are approximately 1,400 carloads, which, due to the nature of corn transportation and handling, could result in a reduction of about 14 unit trains per year. Thus the avoided costs of not delivering these tons might be somewhat higher. Nonetheless, I expect that the incremental profit foregone on lost corn transportation would be quite high, well in excess of 50%. Also, given the massive availability of divertible capacity in corn, my finding that there can be no anticompetitive price increase in corn transportation is essentially independent of the assumed marginal profitability rate (and its associated critical loss volume).

[9] In this context, it bears noting that *total* train operating expenses were 24% of rail freight revenue for Class I railroads in 1999 (Form R-1, Schedule 410, lines 419 and 13). Most of these operating expenses would not be incremental in the event a few cars were removed from a mixed-manifest train. Thus, the avoided costs associated with the carloads comprising the critical loss volume would likely be considerably lower than 24%, implying a marginal contribution rate well in excess of 76%.

of railroad operations and correspondingly smaller contribution margins.[10] I then determine whether sufficient alternative sources of the relevant product are available to customers at the DBEA so that the combined firm would find an anticompetitive price increase unprofitable. For example, for STCC code 2499110 (OSB), the combined firm, if it retains all of its current volumes, will handle approximately 4,200 cars into the Chicago BEA at current prices. Assuming a profit rate of 70%, the combined CN/WC would not undertake a 5% price increase if it expected that it would lose (0.05/ 0.7) x 4,200 = 300 cars of traffic, and the increase would be unprofitable if it tried to do so.

[10] I also spoke with ALK about the nature of the "avoided" cost exercise associated with a critical loss analysis. ALK indicated that a 20-50% (measured as a percent of net revenue) avoidable cost rate – implying a 50-80% marginal contribution rate – was highly conservative in that the likely avoidable cost would be considerably lower (thereby implying a higher lost marginal contribution rate and correspondingly lower critical loss volume), even for considerably larger incremental volumes than those under consideration in this analysis.

APPENDIX C

Rail Divertible Capacity

Exhibit 5 provides the framework under which I derive divertible capacity and its various forms. Here (for simplicity), three railroads (merging railroad 1, merging railroad 2, and railroad 3) are delivering the relevant product into destination DBEA1, each from a distinct origin (OBEA1, OBEA2, and OBEA3, respectively). My focus, at present, is on railroad 3 (not involved in the hypothetical merger between railroads 1 and 2). Under current market conditions, railroad 3 is transporting the relevant product to both DBEA1 and another destination, denoted DBEA2. Note that both the railroad and its originating customer at OBEA3 find it in their profit maximizing interest to ship volumes to two locations (DBEA1 and DBEA2).

The fact that the customer at OBEA3 and railroad 3 are willing to ship to both locations provides important information. At the margin (that is for the last shipment to both destinations), railroad 3 and the customer must earn the same profits on both deliveries. To see why this is so, consider a situation where the profits at DBEA1 for the railroad and its originating customer were higher than at DBEA2. In this situation, railroad 3 and the customer would agree to shift some of the volume currently destined to DBEA2 over to DBEA1, where they could agree to divide up the additional profits earned so that railroad 3 and its customer both earned additional profits. This diversion of volumes from one destination to the other would continue until the marginal profitability of traffic was equal across the two destinations.[11]

[11]Note that it is possible that railroad 3 and the customer would find that it was always more profitable (at current prices) to ship to DBEA1. In this instance, one should observe no volume destined for DBEA2 in the first place, thus violating the construct of the example.

Now consider the rest of the schematic provided in Exhibit 5. Say the combined railroad (the amalgamation of merging railroads 1 and 2) was to unilaterally raise the delivered price of the relevant product into DBEA1 by 5%. Receivers at DBEA1 would seek alternative sources of supply at some lower delivered price. Railroad 3 is already serving customers in DBEA1. Customers at DBEA1 would seek to acquire additional volumes from railroad 3 (and its originating customer at OBEA3) for some price below the new, higher price offered by the combined railroad. Would railroad 3 and its customer at OBEA3 have an incentive to provide additional volume at DBEA1? The answer is yes. Railroad 3 and its customer at OBEA3 would be able to provide additional volume at DBEA1 at a price that is higher than it currently earns at OBEA1. They would need only to undercut the merged firm a small amount to secure additional business (say by offering a price 2% below the new higher price being charged by the merged firm).

Where would railroad 3 source this volume? The shipper at OBEA3 may have some unused capacity, so that it could increase production and sell the increase profitably at the new higher prices available at DBEA1. This is plausible, because much of the time industries operate at least slightly below capacity. For example, a significant portion of the relevant products at issue in the candidate 50/10 DBEAs is forest products (such as lumber, wood particle board, and OSB). Production can be expanded relatively readily in the short-medium run by accelerating forest harvesting, and/or more fully utilizing board-forming equipment.

I chose to study a different potential shift in sources by examining rail movements of the same product (the same 7-digit STCC) or rail movements of products with similar transportation characteristics (the same 4-digit STCC) from origins with competitive rail routes to the BEA. In Exhibit 5, railroad 3 is already moving the 7-digit STCC commodity to

DBEA1. If a combined CN/WC instituted a significant price increase, railroad 3 and the shipper at OBEA3 would divert volume of the 7-digit STCC now serving DBEA2 into the more profitable opportunities afforded to them at DBEA1. This was our "direct" divertibility analysis. It is direct not in the sense that it is a stronger competitive constraint than the "supplemental" analysis, discussed below. Rather, where a railroad is already shipping the same STCC-7 product to the same DBEA, that simply was a logical place to begin the analysis.[12]

It is also possible that the incentives created by the higher prices instituted by the combined firm may create an incentive for railroad 3 to begin shipping additional volumes into DBEA1 even where it had not done so historically. The price flexibility provided by a price increase instituted by the combined firm may render shipments to DBEA1 profitable for railroad 3 and its customer at OBEA3 where such shipments had not been profitable otherwise. The additional volume that originates from locations that currently do not serve a specific DBEA may well represent "supplemental divertible capacity" if the posited higher prices create profitable opportunities at DBEA1 where none existed previously.

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[12]One might question whether such a redirection might harm customers at these other destinations as volumes are shifted away from them in response to the purported price increase at the destination under study. First, given that the volumes would be redirected to defeat the price increase if the price increase were undertaken, the railroad serving the destination under study will have no incentive to actually increase prices. In applied economic strategic interaction analyses such as the one under consideration here, it is the *credible threat* of such a movement that disciplines prices; in equilibrium, no such price change (and no such shifting of volumes) takes place and no customer at some other destination is required to seek alternative sources. Second, if the redirection to the 50/10 DBEA were to occur, the customers at these other destinations would seek to bid volumes away from still other destinations, including (quite likely) destinations other than those that are candidates to discipline the original destination under study. If so, then a "domino-effect" would ensue, thereby tightly linking the prices of all delivered products across all destinations. This would imply a national (or at the very least a super regional) market. In this context, the proposed combination of CN and WC would not involve any significant accumulation of rail traffic under common control, and therefore could not adversely affect competition. Finally, these concerns are further mitigated where the available divertible volumes are drastically higher than the critical loss and come from multiple DBEAs (thus the impact of diverted critical loss volumes from any single DBEA has a *de minimis* impact on competition at those DBEAs).

For the purposes of this analysis, I considered various sources of divertible capacity for a candidate 50/10 product/DBEA. These sources are depicted schematically in Exhibits 5 and 7 and algorithmically in Exhibits 6 and 8. Initially, I had analysts at ALK identify all railroads that originated relevant STCC code traffic destined for the 50/10 DBEA and the various OBEAs of that traffic (OBEA3 in Exhibit 5). ALK then identified all shipments of the relevant 7-digit STCC originated by the same railroad (railroad 3) out of this set of identified OBEAs that was destined for DBEAs other than the 50/10 DBEA under analysis (these other DBEAs are depicted schematically as DBEA2 in Exhibit 5). These volumes were treated as "direct divertible capacity" ("DDC") in evaluating the potential for the combined CN/WC to raise the price of delivered products into the relevant 50/10 DBEA. If railroad 3 used CN/WC to originate/terminate/interchange the shipment of the 7-digit STCC between OBEA 3 and DBEA1 but there is an alternative route between OBEA3 and DBEA1 that is less than 1.35 times the weighted average of railroad 3's route over CN/WC, then the shipment is also considered DDC.[13] The specifications for how ALK determined DDC volumes are provided in Exhibit 6.

I also evaluated the potential for supplemental divertible capacity ("SDC") to arise from OBEAs not currently providing the particular 7-digit STCC product into the 50/10 DBEA. This analysis was necessary in those cases where CN and WC originated 100% of the volume

[13]Thus, I excluded any such divertible capacities if they required access to the CN or WC system for any part of their route into the 50/10 DBEA, *unless* the divertible capacity could find its way into the DBEA through some alternative, non-circuitous route. In this context, circuity is defined as a total haul distance greater than 135% of the observed weighted average distance of movements of that commodity to that DBEA on routes on which CN or WC is the originating carrier, a terminating carrier, or an intermediate carrier. See Exhibit 6 for more detail. Mr. Bottorff confirmed this approach, as he discusses in his verified statement. Of total divertible capacity (DDC and SDC), 68% would travel less distance on a route not involving CN or WC than on the CN or WC route; 93% would travel no more than 10% further; and 95% would travel no more than 25% further.

of a product into a DBEA, and I also had it performed where the ratio of available DDC to the critical loss did not meet my conservative requirement of 10. I applied two screens to identify SDC volumes. First, I included all volumes of the 7-digit product originating from an OBEA and destined to BEAs other than the 50/10 DBEA under consideration, if a railroad was originating products in the same 4-digit STCC from the OBEA into the 50/10 DBEA without using CN/WC to originate/terminate/interchange the shipment. If the 4-digit STCC shipment used CN/WC to terminate/interchange the shipment, I determined whether that railroad had an alternative route to the 50/10 DBEA whose distance was not more than 1.35 times the weighted average of that railroad's 4-digit STCC routes over CN or WC, as in the algorithm for DDC. The schematics of this method are depicted in Exhibit 7. I reasoned that products in the same 4-digit STCC exhibit similar transportation characteristics (in terms of handling requirements and value/weight considerations). These OBEAs offered economically attractive sources from which a railroad could divert volumes of the 7-digit STCC product to the 50/10 DBEA, since other products with similar transportation characteristics were already being shipped by the railroad into the 50/10 DBEA. The specifications for this algorithm are provided in Exhibit 8.

Second, I included additional volumes under this supplemental divertible capacity category if the other railroad was originating the 7-digit STCC from an OBEA to DBEAs other than the 50/10 DBEA, and had a route from the OBEA to the 50/10 DBEA that is less than the observed distances of the routes in which CN or WC participated in moving the same 7-digit product into the 50/10 DBEA.[14] This analysis (in effect) draws a rail-distance-based radius

[14]I sought to disqualify long-distance shipments of very small volumes in determining the practical shipping distance of the relevant commodity. To this end, ALK determined the shipping distance of the 90th percentile carload of the movements in which CN or WC participated and used this distance as the relevant screen. For example, if 200 carloads of a given commodity were shipped by WC and/or CN into the DBEA in a given year, ALK captured the distance traveled by the 180th most-distant carload.

around the DBEA and classifies any volume originating in this area as divertible volume, subject to the ability of other railroads to access the DBEA on a route that is no longer than the routes in which CN or WC participated.[15] The algorithm for this 90th percentile screen is described in Exhibit 8.

If these available "divertible capacities" (either direct, supplemental, or both) into a 50/10 DBEA for the relevant product significantly exceeded the "critical loss" volume required to discipline pricing by the combined railroad, I determined that no competitive concerns would arise as a result of the proposed combination of CN and WC from a reduction in source-based competition on the relevant product into the 50/10 DBEA. I display our findings in Exhibit 3 and discuss them in the text of my verified statement.

[15]Again, I excluded all volumes that would require access to the CN and WC system in order to qualify as supplemental divertible capacity, unless the volumes could reach the 50/10 DBEA in a non-circuitous fashion without accessing CN or WC.

APPENDIX D

Truck Divertible Capacity—Method

We identified truck divertible capacity using a methodology analogous to the methodology that we used for rail. Reebie Associates performed the truck divertible capacity analysis pursuant to my specifications. We identified the volumes of the relevant 4-digit STCC commodity that are moving by truck to destinations other than the 50/10 DBEA from truck origins with competitive truck routes to the 50/10 DBEA. To determine that a truck route from an origin to a 50/10 DBEA was competitive, we simply limited our search for truck origins to those that are no further by highway from the 50/10 DBEA than the weighted average distance of 1999 truck movements of the relevant 4-digit STCC to the 50/10 DBEA. Because the Reebie data is at a 4-digit STCC level, we then estimated truck divertible capacity at the 7-digit STCC level as follows: we determined the relevant 7-digit rail movement to the 50/10 DBEA as a percentage of rail movements of the 4-digit STCC and multiplied this percentage by the 4-digit STCC truck divertible capacity.

APPENDIX E

Illustration of One-Lump Analysis

Consider a highly simplified example where a single railroad (railroad 1) acts as the sole provider of rail access between producer A located at origin OBEA A, and customer C located at destination DBEA C. (See top panel of Exhibit 9.) It costs producer A $30 to produce its product that is demanded by customer C. Customer C has another source of the relevant product (from a location other than OBEA A), but its delivered cost to customer C is $100. In this instance, railroad 1 is in a position to charge $70 for transportation (subject to regulatory constraints), thereby capturing the entire economic surplus represented as the gains to trade between product A and customer C.

I extend the analysis to involve two origins (OBEA A and OBEA B) in the bottom panel of Exhibit 9. At both origins the producers produce product at $30 per unit. Railroad A serves only OBEA A and railroad B serves only OBEA B. Neither road owns tracks that run to destination DBEA C (I also assume for clarity that railroads A and B serve no other destinations where there is any significant demand for the product at issue). I also assume that the incremental cost of transportation for railroad A and railroad B from their origins to the point at which they interchange with railroad 1 is $10. In this instance, railroad 1 will price its transportation services at $60, once again capturing the entire surplus available. The total cost of transportation for movements of product from OBEA A to DBEA C is $70 and OBEA B to DBEA C is $70, as source competition will drive railroad A's and railroad B's price for its segment of the movement to its incremental cost of $10. The total delivered price paid by customer C will remain $100, and producers at A and B will earn $30 in revenue.

Now assume that railroad 1 acquires railroad A. Regardless of the policy the newly merged road takes with respect to railroad B, the price paid by customer C will remain $100, and the revenue earned by producers will remain at $30. Even if the merged railroad were to deny railroad B access to customer C, there would be no change in the price paid by customer C or the revenues earned by the producer at Origin A. Importantly, in this scenario the merged railroad has no incremental incentive to deny producer B/railroad B access to customer C as a result of its merger with railroad A.[16] The merged railroad would still have an incentive to use railroad B if its marginal cost for this product/DBEA pair is less than that of the merged railroad A.

[16]Note that it might be argued that the merged railroad might seek to shut producer B out of the marketplace at C entirely, thus curtailing supply into C and driving prices up. However, railroad 1 already had the same ability (and, critically, the same incentives) to foreclose producer B from C prior to the merger. Thus, the merger changes nothing.

Exhibit 1
Illustrative Examples of Source-Based Rail Competition

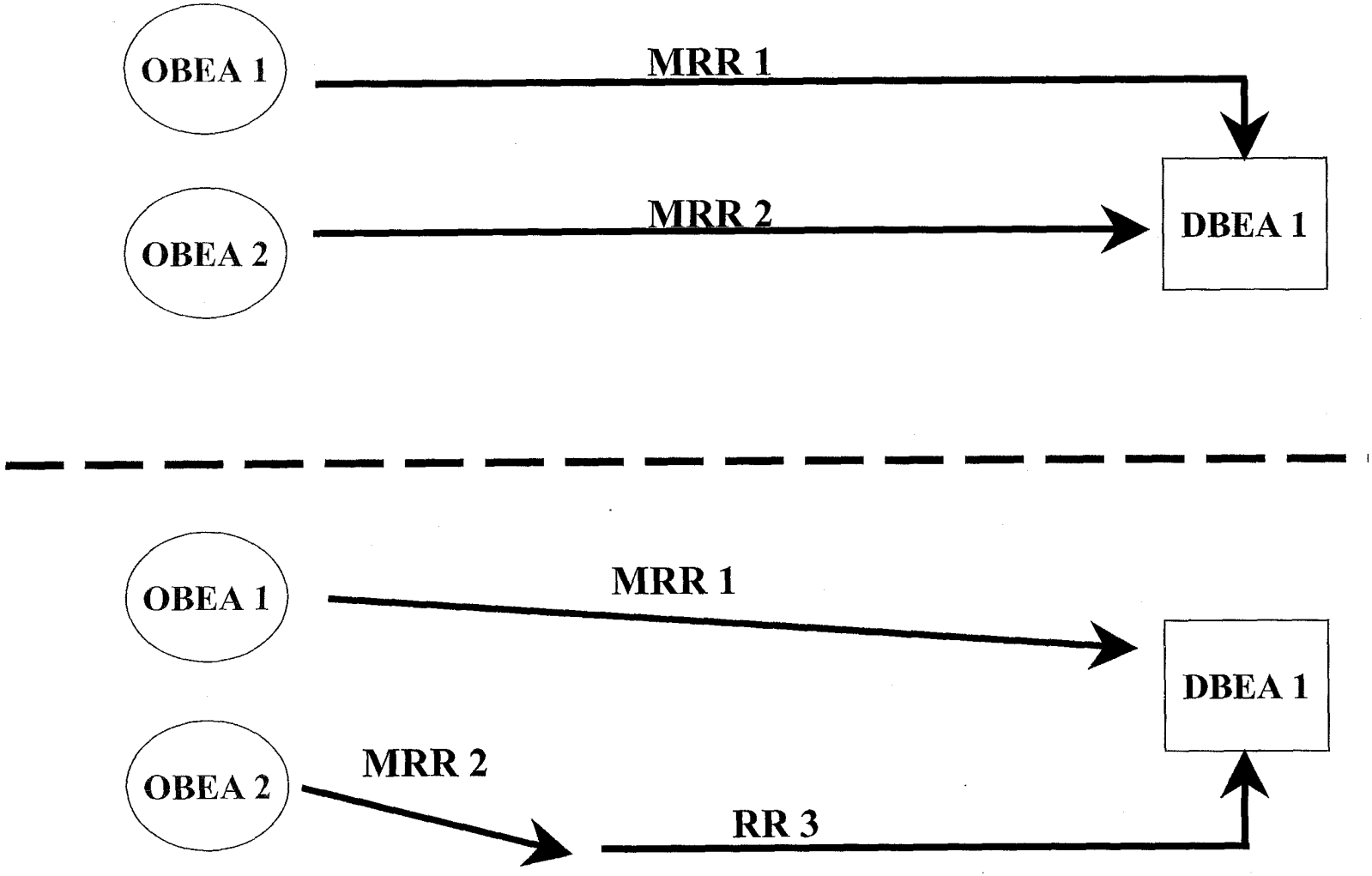


Exhibit 2
Product/BEA Pairs for 50/10 Analysis

PRR 50/10 Analysis of DBEAs

DBEA	Destination BEA Name	STCC7	Commodity Code Name	Carloads by CN/WC
64	Chicago-Gary-Kenosha, Il-In-Wi	0113215	Corn Exc Popcorn	14,384
64	Chicago-Gary-Kenosha, Il-In-Wi	2499110	Oriented Strand Board, Nec	4,200
63	Milwaukee-Racine, Wi	2621115	Newsprint	1,320
100	Des Moines, Ia	2631117	Pulpboard/Fiberboard	1,240
71	Nashville, Tn	2621216	Groundwood Paper,Uncoated	1,200
63	Milwaukee-Racine, Wi	2421184	Lumber Rough/Dressed	1,180
11	Harrisburg-Lebanon-Carlisle, Pa	2621345	Printing Paper Assorted Varieties	1,160
49	Cincinnati-Hamilton, Oh-Ky-In	2611135	Woodpulp	1,040
151	Reno, Nv	2621216	Groundwood Paper,Uncoated	880
57	Detroit-Ann Arbor-Flint, Mi	2621345	Printing Paper Assorted Varieties	876
15	Richmond-Petersburg, Va	2621216	Groundwood Paper,Uncoated	600
109	Duluth-Superior, Mn-Wi	2821245	Synthetic Rubbers	520
27	Augusta-Aiken, Ga-Sc	2621345	Printing Paper Assorted Varieties	520
70	Louisville, Ky-In	2621345	Printing Paper Assorted Varieties	440
170	Seattle-Tacoma-Bremerton, Wa	3295980	Roofing Granules	320
102	Davenport-Moline-Rock Island, Ia-Il	2819450	Muriatic Acid	280
67	Indianapolis, In	2621345	Printing Paper Assorted Varieties	280
41	Greenville-Spartanburg-Anderson, Sc	2621216	Groundwood Paper,Uncoated	240
2	Portland, Me	2821245	Synthetic Rubbers	200
3	Boston-Worcester-Lawrence-Lowell-Brockton, Ma-Nh	2631119	Pulpboard/Fiberboard	200
104	Madison, Wi	2621345	Printing Paper Assorted Varieties	200
51	Columbus, Oh	3312253	Iron Or Steel Plates	120
75	Tupelo, Ms	2621216	Groundwood Paper,Uncoated	120
6	Syracuse, Ny	3331115	Primary Copper,Alloy,Pig/Slab/Ingot	120
11	Harrisburg-Lebanon-Carlisle, Pa	2621216	Groundwood Paper,Uncoated	120
131	Houston-Galveston-Brazoria, Tx	3612911	Specialty Transformers Nec	120
109	Duluth-Superior, Mn-Wi	2812220	Caustic Soda	80
72	Paducah, Ky	2812410	Caustic Potassium	80
101	Peoria-Pekin, Il	2499110	Oriented Strand Board, Nec	80
51	Columbus, Oh	4024115	Paper Waste/Scrap	80
63	Milwaukee-Racine, Wi	2421195	Lumber Rough/Dressed	80

ORR 50/10 Analysis of DBEAs

DBEA	Destination BEA Name	STCC7	Commodity Code Name	Carloads by CN/WC
108	Wausau, Wi	2611135	Woodpulp	5,600
63	Milwaukee-Racine, Wi	2621345	Printing Paper Assorted Varieties	5,300
68	Champaign-Urbana, Il	2621345	Printing Paper Assorted Varieties	2,280
59	Green Bay, Wi	2821245	Synthetic Rubbers	960
59	Green Bay, Wi	2421184	Lumber Rough/Dressed	640
108	Wausau, Wi	2421184	Lumber Rough/Dressed	520
105	La Crosse, Wi-Mn	2499610	Wood Particle Board	440
59	Green Bay, Wi	2432158	Veneer/Plywood/Built Up Wood	320
63	Milwaukee-Racine, Wi	2621216	Groundwood Paper,Uncoated	320
59	Green Bay, Wi	2499610	Wood Particle Board	280
60	Appleton-Oshkosh-Neenah, Wi	2621990	Paper Nec	240
59	Green Bay, Wi	2499110	Oriented Strand Board, Nec	200
108	Wausau, Wi	4611110	Misc. Mixed, Tofc	200
59	Green Bay, Wi	2411115	Sawlogs	180
59	Green Bay, Wi	2813320	Carbon Dioxide	160
108	Wausau, Wi	2499610	Wood Particle Board	160
2	Portland, Me	4611110	Misc. Mixed, Tofc	120
108	Wausau, Wi	2819315	Sulphuric Acid	120
60	Appleton-Oshkosh-Neenah, Wi	3312468	Iron Bars	80
108	Wausau, Wi	1471620	Sulphur Crude	80
72	Paducah, Ky	4021125	Iron/Steel Scrap/Waste	80

Exhibit 3
50/10 Product/DBEA Pairs

PANEL 1: Participating Railroad 50/10 Product/DBEA Pairs

Product		Destination	Participating Carloads							Critical Loss Required to Defeat 5% Price Increase		Direct Divertible Capacity ("DDC")			Supplemental Divertible Capacity ("SDC")		
			Canadian National		Wisconsin Central		Combined Railroad										
7-digit STCC	Product Description	Destination BEA ("DBEA")	Carloads	% of Traffic Into DBEA	Carloads	% of Traffic Into DBEA	Carloads	% of Traffic Into DBEA	Bottleneck Destination?	At 50% Marginal Profit (Carloads)	At 80% Marginal Profit (Carloads)	Carloads	Ratio to Critical Loss (50% Marginal Profit)	Ratio to Critical Loss (80% Marginal Profit)	Carloads	Ratio to Critical Loss (50% Marginal Profit)	Ratio to Critical Loss (80% Marginal Profit)
0113215	Corn Exc Popcorn	Chicago-Gary-Kenosha, Il-In-Wi	7,292	29%	7,092	28%	14,384	57%	No	1,438	899	127,154	88.40	141.44			
2499110	Oriented Strand Board, Nec	Chicago-Gary-Kenosha, Il-In-Wi	2,520	42%	1,800	30%	4,200	70%	No	420	263	18,440	43.90	70.25			
2621115	Newsprint	Milwaukee-Racine, Wi	920	51%	480	27%	1,320	73%	No	132	83	18,580	140.76	225.21			
2631117	Pulpboard/Fiberboard	Des Moines, Ia	600	27%	640	29%	1,240	55%	No	124	78	57,120	460.65	737.03			
2621216	Groundwood Paper,Uncoated	Nashville, Tn	760	45%	440	26%	1,200	71%	No	120	75	7,260	60.50	96.80			
2421184	Lumber Rough/Dressed	Milwaukee-Racine, Wi	980	75%	860	66%	1,180	91%	No	118	74	27,560	233.56	373.69			
2621345	Printing Paper Assorted Varieties	Harrisburg-Lebanon-Carlisle, Pa	200	14%	960	67%	1,160	81%	No	116	73	20,240	174.48	279.17			
2611135	Woodpulp	Cincinnati-Hamilton, Oh-Ky-In	440	23%	800	42%	1,040	54%	No	104	65	12,308	118.35	189.35			
2621216	Groundwood Paper,Uncoated	Reno, Nv	280	29%	600	63%	880	92%	No	88	55	2,120	24.09	38.55			
2621345	Printing Paper Assorted Varieties	Detroit-Ann Arbor-Flint, Mi	440	36%	436	35%	876	71%	No	88	55	16,080	183.56	293.70			
2621216	Groundwood Paper,Uncoated	Richmond-Petersburg, Va	320	42%	280	37%	600	79%	No	60	38	1,960	32.67	52.27			
2821245	Synthetic Rubbers	Duluth-Superior, Mn-Wi	240	40%	280	47%	520	87%	No	52	33	280	5.38	8.62	1,160	22.31	35.69
2621345	Printing Paper Assorted Varieties	Augusta-Aiken, Ga-Sc	280	28%	240	24%	520	52%	No	52	33	30,336	583.38	933.42			
2621345	Printing Paper Assorted Varieties	Louisville, Ky-In	360	60%	80	13%	440	73%	No	44	28	15,600	354.55	567.27			
3295980	Roofing Granules	Seattle-Tacoma-Bremerton, Wa	120	38%	200	63%	320	100%	P	32	20	0	0.00	0.00	3,940	123.13	197.00
2819450	Muriatic Acid	Davenport-Moline-Rock Island, Ia-Il	200	63%	80	25%	280	88%	No	28	18	1,160	41.43	66.29			
2621345	Printing Paper Assorted Varieties	Indianapolis, In	80	25%	200	63%	280	88%	No	28	18	2,740	97.86	156.57			
2621216	Groundwood Paper,Uncoated	Greenville-Spartanburg-Anderson, Sc	160	50%	80	25%	240	75%	No	24	15	1,120	46.67	74.67			
2821245	Synthetic Rubbers	Portland, Me	80	33%	120	50%	200	83%	No	20	13	2,080	104.00	166.40			
2631119	Pulpboard/Fiberboard	Boston-Worcester-Lawrence-Lowell-Brockton, Ma-Nh	120	40%	80	27%	200	67%	No	20	13	560	28.00	44.80			
2621345	Printing Paper Assorted Varieties	Madison, Wi	100	25%	100	25%	200	50%	No	20	13	2,160	108.00	172.80			
3312253	Iron Or Steel Plates	Columbus, Oh	40	33%	80	67%	120	100%	P	12	8	0	0.00	0.00	400	33.33	53.33
2621216	Groundwood Paper,Uncoated	Tupelo, Ms	40	33%	80	67%	120	100%	P	12	8	0	0.00	0.00	3,820	318.33	509.33
3331115	Primary Copper,Alloy,Pig/Slab/Ingot	Syracuse, Ny	80	50%	40	25%	120	75%	No	12	8	280	23.33	37.33			
2621216	Groundwood Paper,Uncoated	Harrisburg-Lebanon-Carlisle, Pa	80	40%	80	40%	120	60%	No	12	8	3,500	291.67	466.67			
3612911	Specialty Transformers Nec	Houston-Galveston-Brazoria, Tx	80	40%	40	20%	120	60%	No	12	8	0	0.00	0.00	40	3.33	5.33
2812220	Caustic Soda	Duluth-Superior, Mn-Wi	40	50%	40	50%	80	100%	P	8	5	0	0.00	0.00	1,160	145.00	232.00
2812410	Caustic Potassium	Paducah, Ky	40	50%	40	50%	80	100%	P	8	5	0	0.00	0.00	120	15.00	24.00
2499110	Oriented Strand Board, Nec	Peoria-Pekin, Il	40	50%	40	50%	80	100%	P	8	5	0	0.00	0.00	40	5.00	8.00
4024115	Paper Waste/Scrap	Columbus, Oh	40	33%	40	33%	80	67%	No	8	5	40	5.00	8.00	580	72.50	116.00
2421195	Lumber Rough/Dressed	Milwaukee-Racine, Wi	40	33%	40	33%	80	67%	No	8	5	27,560	3,445.00	5,512.00			

Exhibit 3
50/10 Product/DBEA Pairs

PANEL 2: Originating Railroad 50/10 Product/DBEA Pairs

Product		Destination	Originating Carloads							Critical Loss Required to Defeat 5% Price Increase		Direct Divertible Capacity ("DDC")			Supplemental Divertible Capacity ("SDC")		
			Canadian National		Wisconsin Central		Combined Railroad										
7-digit STCC	Product Description	Destination BEA ("DBEA")	Carloads	% of Traffic Into DBEA	Carloads	% of Traffic Into DBEA	Carloads	% of Traffic Into DBEA	Bottleneck Destination?	At 50% Marginal Profit (Carloads)	At 80% Marginal Profit (Carloads)	Carloads	Ratio to Critical Loss (50% Marginal Profit)	Ratio to Critical Loss (80% Marginal Profit)	Carloads	Ratio to Critical Loss (50% Marginal Profit)	Ratio to Critical Loss (80% Marginal Profit)
2611135	Woodpulp	Wausau, Wi	1,840	22%	3,760	44%	5,600	66%	No	560	350	22,000	39.29	62.86			
2621345	Printing Paper Assorted Varieties	Milwaukee-Racine, Wi	1,200	13%	4,100	43%	5,300	56%	No	530	331	37,056	69.92	111.87			
2621345	Printing Paper Assorted Varieties	Champaign-Urbana, Il	800	20%	1,480	37%	2,280	57%	No	228	143	36,076	158.23	253.16			
2821245	Synthetic Rubbers	Green Bay, Wi	600	60%	360	36%	960	96%	Yes								
2421184	Lumber Rough/Dressed	Green Bay, Wi	360	45%	280	35%	640	80%	Yes								
2421184	Lumber Rough/Dressed	Wausau, Wi	240	35%	280	41%	520	76%	No	52	33	18,860	362.69	580.31			
2499610	Wood Particle Board	La Crosse, Wi-Mn	120	19%	320	50%	440	69%	No	44	28	4,940	112.27	179.64			
2432158	Veneer/Plywood/Built Up Wood	Green Bay, Wi	40	13%	280	88%	320	100%	Yes								
2621216	Groundwood Paper,Uncoated	Milwaukee-Racine, Wi	200	50%	120	30%	320	80%	No	32	20	2,200	68.75	110.00			
2499610	Wood Particle Board	Green Bay, Wi	80	29%	200	71%	280	100%	Yes								
2621990	Paper Nec	Appleton-Oshkosh-Neenah, Wi	40	17%	200	83%	240	100%	P	24	15	0	0.00	0.00	1,040	43.33	69.33
2499110	Oriented Strand Board, Nec	Green Bay, Wi	40	20%	160	80%	200	100%	Yes								
4611110	Misc. Mixed, Tofc	Wausau, Wi	120	43%	80	29%	200	71%	No	20	13	98,788	4,939.40	7,903.04			
2411115	Sawlogs	Green Bay, Wi	40	13%	140	47%	180	60%	Yes								
2813320	Carbon Dioxide	Green Bay, Wi	80	50%	80	50%	160	100%	Yes								
2499610	Wood Particle Board	Wausau, Wi	120	75%	40	25%	160	100%	P	16	10	0	0.00	0.00	40	2.50	4.00
4611110	Misc. Mixed, Tofc	Portland, Me	80	67%	40	33%	120	100%	P	12	8	0	0.00	0.00	300	25.00	40.00
2819315	Sulphuric Acid	Wausau, Wi	40	20%	80	40%	120	60%	No	12	8	120	10.00	16.00	900	75.00	120.00
3312468	Iron Bars	Appleton-Oshkosh-Neenah, Wi	40	50%	40	50%	80	100%	P	8	5	0	0.00	0.00	0	0.00	0.00
1471620	Sulphur Crude	Wausau, Wi	40	50%	40	50%	80	100%	P	8	5	0	0.00	0.00	608	76.00	121.60
4021125	Iron/Steel Scrap/Waste	Paducah, Ky	40	33%	40	33%	80	67%	No	8	5	832	104.00	166.40			

Exhibit 4
50/10 Product/DBEA Pairs - Truck Divertibility Analysis

PANEL 1: Participating Railroad 50/10 Product/DBEA Pairs

Product			Destination	Combined Railroad			Critical Loss Required to Defeat 5% Price Increase (7-digit STCC)		1999 Rail 7 digit STCC into DBEA (tons)	1999 Rail 4 digit STCC into DBEA (tons)	Truck Shar of Truck+Rail 4-digit STCC into DBEA	1999 Truck 4-Digit STCC into 50/10 DBEA				Truck Divertible Capacity from Origins in Radius of Weighted Average Inbound Truck Miles to 50/10 DBEA destined for all US/Canada other DBEAs			Ratio of Estimated 7 Digit STCC Truck t 7-Digit STCC Rail Critical Loss	
7-digit STCC	4-digit STCC	Product Description	Destination BEA ("DBEA")	Originating Carloads	% of Traffic Into DBEA	Bottleneck Destination?	At 50% Marginal Profit (Carloads)	At 80% Marginal Profit (Carloads)				Truck/ Y=Canada Only	Tons	Carloads	Weighted Avg Inbound Truck Miles	4-digit STCC (Tons)	4-digit STCC (Carloads)	Estimated 7-digit STCC (Carloads)*	50% Marginal Profit (7-digit STCC)	80% Marginal Profit (7-digit STCC)
2821245	2821	Synthetic Rubbers	Duluth-Superior, Mn-Wi	520	87%	No	52	33	51,040	100,978	11.2%		12,732	142	723	4,640,647	51,590	26,077	501	802
3295980	3295	Roofing Granules	Seattle-Tacoma-Bremerton, Wa	320	100%	P	32	20	31,920	202,803	56.8%		266,598	2,900	866	12,069,560	131,307	20,667	646	1,033
3312253	3312	Iron Or Steel Plates	Columbus, Oh	120	100%	P	12	8	9,880	130,582	75.2%		396,854	4,663	402	13,094,562	153,844	11,640	970	1,552
2621216	2621	Groundwood Paper,Uncoated	Tupelo, Ms	120	100%	P	12	8	8,160	140,894	33.2%		70,054	1,145	744	14,713,918	240,505	13,929	1,161	1,857
3612911	3612	Specialty Transformers Nec	Houston-Galveston-Brazoria, Tx	120	60%	No	12	8	20,600	20,552	49.6%		20,265	423	979	606,421	12,649	12,678	1,057	1,690
2812220	2812	Caustic Soda	Duluth-Superior, Mn-Wi	80	100%	P	8	5	7,520	25,608	38.9%		16,274	169	305	3,319,675	34,385	10,097	1,262	2,019
2812410	2812	Caustic Potassium	Paducah, Ky	80	100%	P	8	5	7,720	63,918	53.7%		74,274	769	420	16,214,834	167,953	20,285	2,536	4,057
2499110	2499	Oriented Strand Board, Nec	Peoria-Pekin, Il	80	100%	P	8	5	6,160	9,034	61.8%		14,610	191	637	19,846,252	259,254	176,777	22,097	35,355
4024115	4024	Paper Waste/Scrap	Columbus, Oh	80	67%	No	8	5	5,800	25,104	2.8%	Y	712	14	504	784,291	15,241	3,521	440	704

PANEL 2: Originating Railroad 50/10 Product/DBEA Pairs

Product			Destination	Combined Railroad			Critical Loss Required to Defeat 5% Price Increase (7-digit STCC)		1999 Rail 7 digit STCC into DBEA (tons)	1999 Rail 4 digit STCC into DBEA (tons)	Truck Shar of Truck+Rail 4-digit STCC into DBEA	1999 Truck 4-Digit STCC into 50/10 DBEA				Truck Divertible Capacity from Origins in Radius of Weighted Average Inbound Truck Miles to 50/10 DBEA destined for all US/Canada other DBEAs			Ratio of Estimated 7 Digit STCC Truck t 7-Digit STCC Rail Critical Loss	
7-digit STCC	4-digit STCC	Product Description	Destination BEA ("DBEA")	Originating Carloads	% of Traffic Into DBEA	Bottleneck Destination?	At 50% Marginal Profit (Carloads)	At 80% Marginal Profit (Carloads)				Truck/ Y=Canada Only	Tons	Carloads	Weighted Avg Inbound Truck Miles	4-digit STCC (Tons)	4-digit STCC (Carloads)	Estimated 7-digit STCC (Carloads)*	50% Marginal Profit (7-digit STCC)	80% Marginal Profit (7-digit STCC)
2621990	2621	Paper Nec	Appleton-Oshkosh-Neenah, Wi	240	100%	P	24	15	3,040	240,796	53.2%		274,162	4,481	433	6,078,950	99,363	1,254	52	84
2499610	2499	Wood Particle Board	Wausau, Wi	160	100%	P	16	10	11,520	53,372	80.5%		220,385	2,879	374	3,913,159	51,118	11,034	690	1,103
4611110	4611	Misc. Mixed, Tofc	Portland, Me	120	100%	P	12	8	1,280	1,280	100.0%		11,179,313	736,461	229	74,751,938	4,924,440	4,924,440	410,370	656,592
3312468	3312	Iron Bars	Appleton-Oshkosh-Neenah, Wi	80	100%	P	8	5	7,400	7,406	88.5%		56,836	668	371	4,240,731	49,823	49,783	6,223	9,957
1471620	1471	Sulphur Crude	Wausau, Wi	80	100%	P	8	5	7,760	27,310	0.8%	Y	212	2	1,244	395,172	3,973	1,129	141	226

*Note: Estimated 7-digit STCC Truck (Carloads) = {[Rail 7-digit STCC (tons)/Rail 4-digit STCC (tons)]*4-digit STCC Truck (Carloads)}

Exhibit 5
Schematic Representation of Direct Divertible Rail Capacity

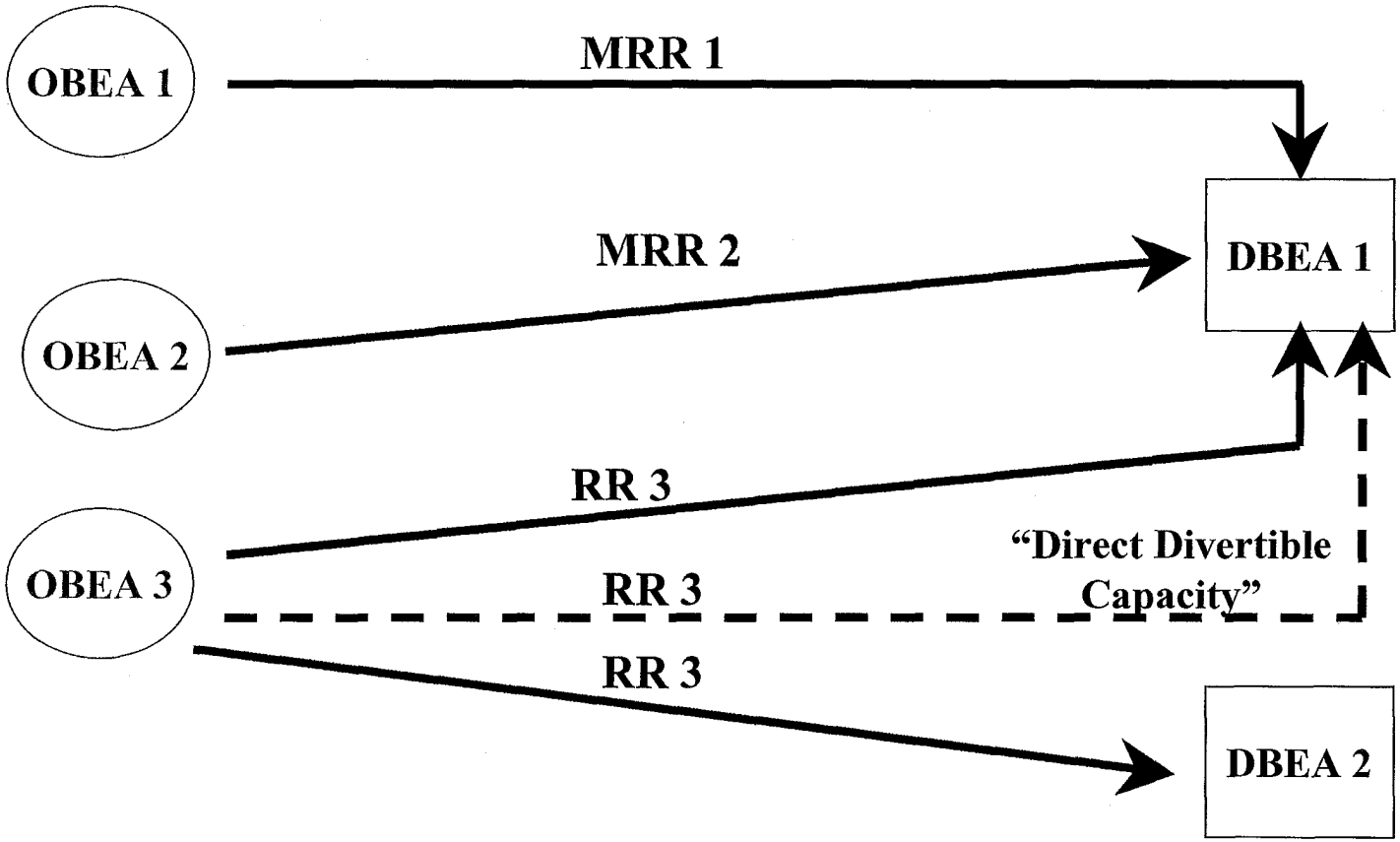


Exhibit 6
Algorithm for Direct Divertible Capacity

For those products where CN-WC originates less than 100% of shipments into DBEA 1, if RR3 ships the product (7-digit STCC) from OBEA 3 to DBEA 1, movements of that product by RR3 to other DBEAs (e.g., DBEA2) are considered Direct Divertible Capacity (DDC) if

•RR3 ships the product between OBEA 3 and DBEA 1 without using CN-WC to originate/terminate/interchange the shipment.

or

•If RR3 uses CN-WC to originate/terminate/interchange the shipment between OBEA 3 and DBEA 1 and RR3 has an alternative route between OBEA 3 and DBEA 1 that is less than 1.35 times the weighted average of RR3's route over CN-WC between OBEA 3 and DBEA 1, then the shipment is considered DDC.

Exhibit 7
Schematic Representation of Supplemental Divertible Rail Capacity

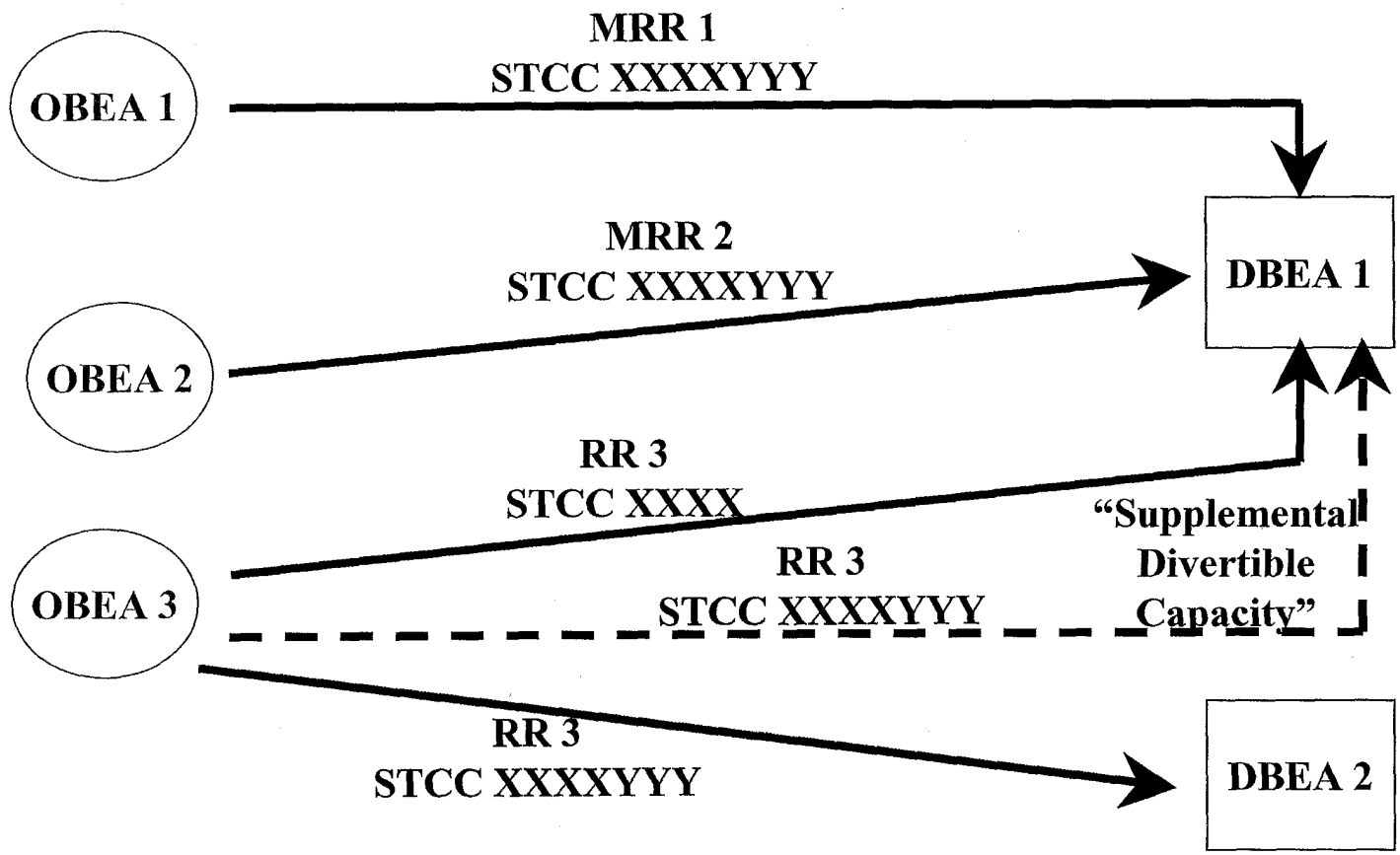


Exhibit 8
Algorithm for Supplemental Divertible Capacity

Movements of a product (7 digit STCC) from OBEA 3 to DBEA 2 in Exhibit 7 are considered Supplemental Divertible Capacity (SDC) for DBEA 1 if

•RR3 ships products in the same 4 digit STCC from OBEA 3 to DBEA 1 on a non-CN-WC route, then the shipment of the product from OBEA 3 to DBEA 2 is considered SDC.

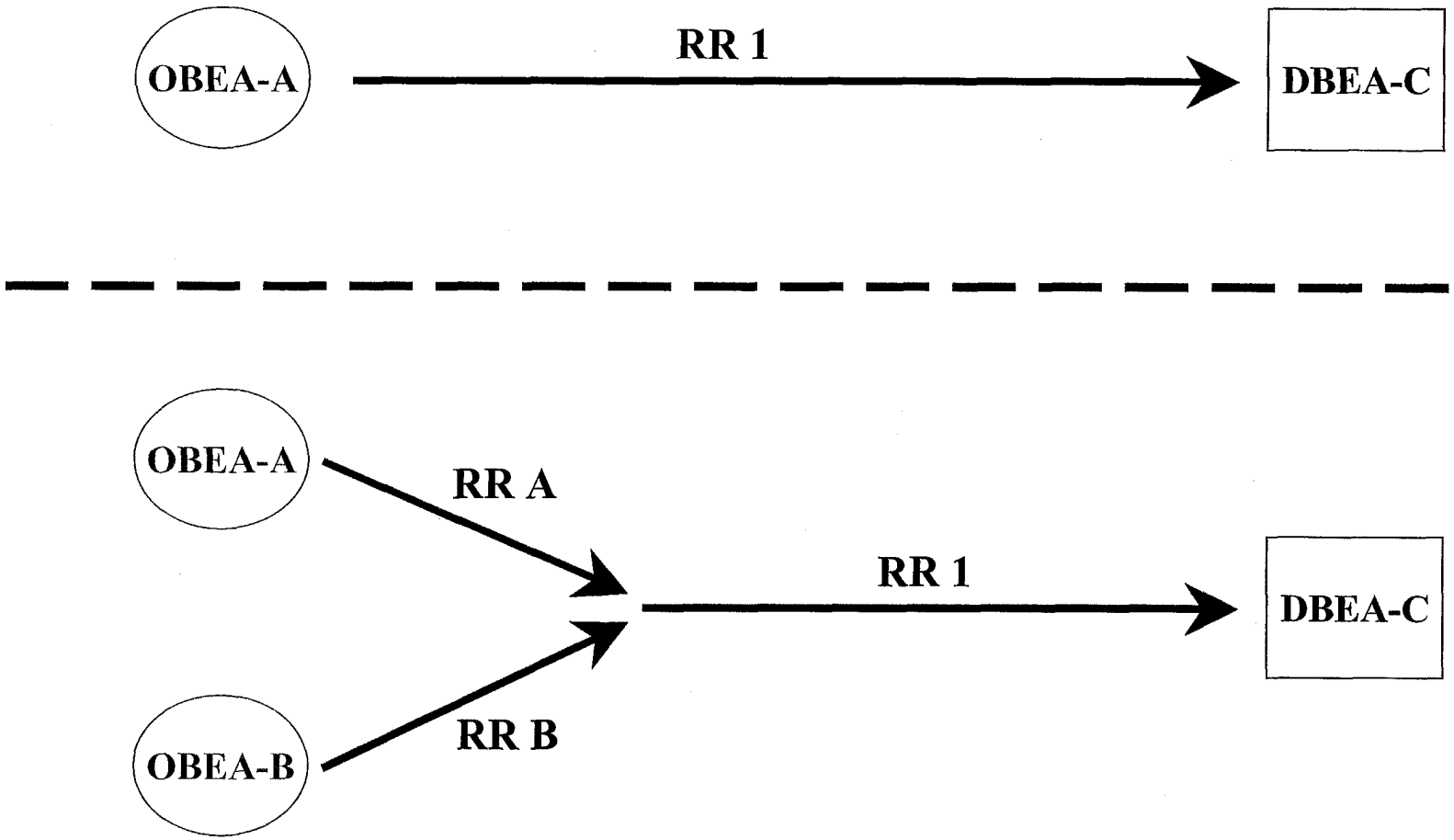
or

•If RR3 uses CN-WC to originate/terminate/interchange the 4 digit STCC shipment between OBEA 3 and DBEA 1 and RR3 has an alternative route between OBEA 3 and DBEA 1 that is less than 1.35 times the weighted average of RR3's route over CN-WC between OBEA 3 and DBEA 1, then the shipment is considered SDC.

or

•If RR3 has an alternative route between OBEA 3 and DBEA 1 that is less than the distance traveled by the 90th percentile-distant carload (e.g., the distance traveled by the 180th most-distant carload of a total of 200 carloads) of CN/WC shipments of the 7 digit STCC to DBEA 1, then the shipment is considered SDC.

Exhibit 9
Example of One-Lump Theory



VERIFIED STATEMENT
OF
GEORGE C. WOODWARD AND RICHARD L. BOTTORFF

I. INTRODUCTION

My name is George C. Woodward. I am a transportation consultant, with nearly 30 years of experience with the railroad industry. From 1991 to 2000, I was senior vice president of ALK Associates, Inc. (now ALK Technologies, Inc.) ("ALK"), a management consulting and information technology development firm located in Princeton, New Jersey. At the time of my departure from ALK, I led its decision systems division. During my tenure at ALK I participated in numerous studies of major rail industry transactions, including the CN/IC merger, the BN/SF merger, the proposed Conrail acquisition of SP's eastern lines, and KCS's joint venture with TMM involving Tex-Mex and TFM, including the privatization of the FNM. Prior to joining ALK, I was executive vice president of distribution services, and earlier senior vice president of marketing and sales, at SP from 1987 to 1991. Prior to that, I was vice president of marketing with Conrail from 1978 to 1987. Before Conrail, I was with SP from 1972 to 1978 in various engineering, operating, and marketing positions. I hold a B.S. in Physics from the Georgia Institute of Technology and I am completing the M.B.A. program with a concentration in finance at the Wharton School of the University of Pennsylvania. I have completed the Advanced Management Program at Harvard Business School.

My name is Richard L. Bottorff. My background and experience are presented in my separate verified statement on competition.

We were asked by Applicants to oversee a study to determine the volume of rail traffic likely to be gained by the integrated system after full implementation of the proposed CN

acquisition of WC (the "Transaction"). As discussed below, based on this study we estimate that CN/WC would gain approximately 40,344 carloads of additional traffic and $65.2 in gross revenues as a result of the full implementation of the proposed Transaction.

II. SCOPE OF THE ANALYSIS

The scope of our analysis included potential traffic gains due to the proposed Transaction from customers who might otherwise use other rail carriers or modes of transportation. Thus, as described more fully in the next section of our statement, our analysis was based on the proposed operation of CN and WC as a single commercially integrated system.

We examined two broad categories of traffic - existing business and new business:

(1) Existing business opportunities: These are opportunities for CN and WC to increase their participation in traffic carried by one or both of them in connection with another carrier (or other carriers) during 1999. These are traffic gains to CN/WC from all or part of the non-CN/WC portion of a movement, including any potential shifts in interchange junctions and potential mixed modal moves, such as destination transloading.

(2) New business opportunities: These are opportunities to gain traffic in which neither CN nor WC had any participation in 1999. As with existing business opportunities, these include mixed modal moves.

The traffic data used for the analysis included: (1) 100% CN 1999 waybill traffic data, (2) 100% WC 1999 waybill traffic data, (3) the 1999 confidential STB Waybill Sample for other North American rail carriers, and (4) information, including additional waybill information, supplied by the marketing staffs of CN and WC.

Our analysis generally did not address potential changes in rail traffic origin and/or destination patterns (source alternatives) or growth or decline in traffic due to general economic conditions.[1] As noted, we did consider potential shifts in traffic between rail and other transportation modes. This included, among others, potential shifts of rail traffic utilizing a rail-truck transloading facility at the destination. Because our analysis of potential transload opportunities involved gains from former rail-to-rail movements, our analysis did not in any way overlap with the analysis of Reebie Associates of potential rail intermodal gains from former over-the-road dry-van truck movements.

III. GENERAL ASSUMPTIONS

Our analysis relied on the following general assumptions:

1. The CN/WC system will operate as a single-line system designed to promote the best interests of the integrated system.

2. The 1999 traffic data is the best general source of available information about likely traffic gains as a result of the Transaction.[2]

3. The environment of the railroad industry is that which existed in calendar year 1999 except for:

   (i) the restructuring of Conrail by CSX and NS, which we assumed to be fully implemented;

   (ii) the CN/IC combination, which we assumed to be fully implemented;

---

[1]Based in part on a shipper's expression of interest, an exception was taken to this limitation in order to recognize the potential shift of the shipper's intermodal traffic destined to a local WC point from existing joint-line service through a port not served by CN to new single-line CN/WC service through a CN-served port. Given the relatively large size of this movement, and the fact that its volume grew substantially between 1999 and 2000, year 2000 data were used to estimate volume gains from this movement.

[2]In order to avoid any possibility of understating potential traffic gains, an exception was taken to this assumption in order to consider a major movement in which WC participated in 1999, but lost in 2000 when it was moved by other rail carriers, and which was identified by market managers as a potential CN/WC gain. After analysis, the full estimated movement was included as a potential traffic gain resulting from the CN/WC transaction.

(iii) the direct affect of the Transaction on traffic, which we estimated as if the Transaction was fully implemented;

(iv) the impact of abandonments and shortline sales between December 31, 1999 and March 1, 2001.

With these exceptions, we assumed all other Class I railroads will continue to operate just as they did in 1999.

4. The new CN/WC system and other carriers will maintain and keep open all routes, rates, transit arrangements, and channels of trade via junctions and gateways as they existed in 1999.

5. There will continue to be restrictions on WC's trackage rights into Minneapolis/St. Paul and Milwaukee in keeping with the original grant of those rights.

6. CN and WC have sufficient equipment and facilities to handle all potential traffic gains.

7. Transportation contracts that will remain in effect through December 31, 2004 preclude CN/WC gains of the traffic committed to other carriers under such contracts. This assumption was applied to certain movements of potash from Saskatchewan under long-term contract to another carrier.

IV. METHODOLOGY

The study conducted under our direction was performed in two basic steps. First, CN and WC marketing personnel were asked to make their own assessment of what traffic they thought would be gained by CN/WC as a result of the Transaction. Second, with the information and advice provided by the marketing personnel, we made an independent review and determination as to the likely traffic gains.

As noted above in Part II, in addition to other information, we used waybill data in the analysis. The waybill data was prepared for use by initially excluding from further analysis traffic that appeared to present no reasonable opportunities for gains to CN/WC. This included the elimination, for example, of local CN and WC traffic, and traffic handled by either CN or WC to territories where there was no possible additional involvement by the other applicant

carrier. A.T. Kearney ("Kearney"), a management-consulting firm, assisted us by implementing this selection process and more generally by processing waybill data under our direction.

For ease of use, the waybill data was converted to spreadsheet form with relevant fields. These fields included commodity (at the 5-digit or 7-digit STCC code level), full routing information and carrier participation, car type, volume in carloads, origin and destination, and information indicating the rail competitive circumstances at origin and destination. Through four separate designations, the competitive circumstance information indicated whether a point is directly served physically (including through reciprocal switching) (i) only by CN or WC, (ii) jointly by CN or WC and other carriers, (iii) by a single carrier other than CN or WC, or (iv) not by CN or WC, but by more than one other carrier. An information field to indicate the reason for any traffic gain and for other comments was also provided.

Special spreadsheets were prepared in order to estimate potential traffic gains through rail-to-truck transloading centers. The analysis considered commodities that could practically be transloaded, including sand/gravel, lumber (including oriented strand board and particle board), paper/pulp (including woodpulp, newsprint, groundwood paper, printing paper, paper board, and pulpboard), plastics, metals (including iron and steel plate, sheet/strip, and bars, primary or copper slaps/ingots, and primary aluminum), auto parts, and engines. Recognizing the possibility of establishing new rail-to-truck transload centers by using third-party facilities, the study was not limited to existing CN/WC reload centers. The analysis included as candidates for traffic gains those movements originating on CN or WC that terminate on other railroads at stations not directly served by CN or WC but within a business economic area served by CN or WC. These movements were included for review as potentially being within a reasonable drayage distance for a CN/WC transload.

In the first step of the analysis, 100% CN and WC waybill data was provided to marketing teams from CN and WC for review of potential traffic gains. CN and WC personnel received only the 100% traffic data for their own railroad. In accordance with confidentiality restrictions, the STB's confidential Waybill Sample data was reserved for our exclusive review as Study Leaders. The 100% CN and WC waybill data was supplemented by the marketing staffs with additional information available to them, including information from their files, discussions with customers, and from their own knowledge of various circumstances. The marketing teams assigned the traffic volume gains they believed would be realized for the various traffic movements that they had reviewed or added, and indicated the reasons for any such gains as well as providing other comments as appropriate.

In the second step of the analysis, we jointly reviewed the spreadsheets completed by the marketing personnel and made final determinations concerning all of the potential traffic gains. We did so in consultation with one another, and in consultation with the various marketing groups as required. As part of this process, we also reviewed the confidential STB Waybill Sample not only as a check on new business opportunities identified by the marketing departments of both railroads, but also to identify additional new business opportunities. Given the modest traffic volumes potentially affected by the Transaction, we were able to review individually all movements within origin and destination pairs by commodity. We completed the study by determining, with the assistance of marketing personnel, Kearney, and ALK, the final volume and revenue gains for CN/WC.

We understand that the traffic gain information generated by our study was used to assess the revenues and efficiencies likely to result from the proposed Transaction and, after processing

by ALK, was used for the operating plan and for assessing the potential for environmental impacts due to the Transaction.

V. FINDINGS AND CONCLUSIONS

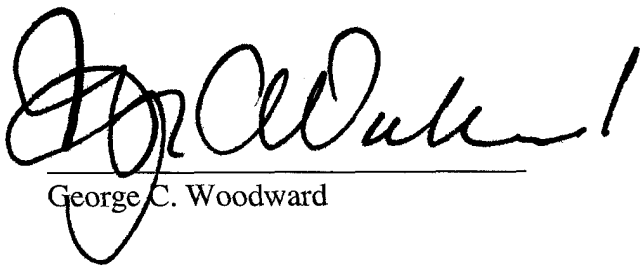
Based on the study described above, we estimate that CN/WC will gain approximately 40,344 carloads in additional rail traffic and $65.2 million in annual gross revenues due to the Transaction within approximately three years of consummation. In our judgment, these results are based on a reasonable assessment of the traffic likely to be gained by CN/WC as a result of the Transaction. Because our data was going to be used for assessing the potential for environmental impacts, we sought to assure that our estimates did not understate the potential traffic gain. Accordingly, as noted above in our discussion of the scope and assumptions of our analysis, we designed our study to consider potential traffic gains quite broadly and we took appropriate precautions whenever we were concerned that potential traffic gains might not otherwise be fully reflected. *See, e.g.,* footnotes 1 and 2, above.

In addition to the gains from our analysis, with the assistance of CN and WC marketing personnel, Reebie Associates estimates that the fully-implemented Transaction will result in 173 carload equivalents (1,124 trailers/containers) in truck-to-rail intermodal gains representing a gross revenue gain to CN/WC of $0.74 million. *See* Verified Statement of Joseph G. B. Bryan. Together these analyses indicate that the total gain in traffic resulting from CN's acquisition of WC will be approximately 40,517 carloads and approximately $65.9 million of gross revenue.

VERIFICATION

I, George C. Woodward, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.



George C. Woodward

VERIFICATION

I, Richard L. Bottorff, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.

Richard L. Bottorff

VERIFIED STATEMENT
OF
JOSEPH G. B. BRYAN

I. INTRODUCTION

I am Joseph G. B. Bryan, President of Reebie Associates, a consulting and research firm specializing in matters pertaining to freight transportation, distribution, and logistics, with offices at 2777 Summer Street in Stamford, Connecticut. For over 30 years, we have applied our experience to issues such as:

- Freight transportation planning;
- Goods movements analysis and economics;
- Merger and consolidation studies and analysis;
- Intermodal planning and marketing; and
- New business development.

I hold a bachelor's degree in philosophy from Princeton University and a master's degree in business administration from the Amos Tuck School at Dartmouth College. In 1980, I began work in freight transportation with Conrail in Philadelphia, Pennsylvania, serving first as a marketing analyst and then as a business unit manager. In 1984, I joined Emery Air Freight Company as a market research manager, and later held various marketing and operating positions in the trucking industry, ending as Vice President of Operations for nationwide truckload carrier P.A.M. Transport of Tontitown, Arkansas. In 1992, I joined Reebie Associates, where I have advised railroad, motor carrier, and government clients concerning freight markets, operations, policy, and strategy.

Many of my consulting assignments for private and governmental clients have related to transportation market analysis, including examination of corridor dynamics, modal competition and market position, evaluation of new business opportunities, assessment of industry trends and their policy or strategic implications, and analysis of the potential impacts of railroad mergers. Reebie Associates has presented over-the-road ("OTR") truck-to-intermodal rail traffic analyses in most of the major merger and control transactions considered by the STB and its predecessor (the ICC) over the past decade. These include the BN/SF merger, the UP/SP merger, the CSX application to acquire a portion of Conrail, and the CN/IC transaction; for the latter two applications, I served as an expert witness for the applicant.

The Applicants retained Reebie Associates to assess the prospects for attracting OTR truck traffic to rail intermodal service as a result of CN's proposed acquisition of WC (the "Transaction"). We were told that our results were for use in their operating plan and also for purposes of assessing the potential environmental impacts of the Transaction. Specifically, with the assistance of CN's and WC's intermodal marketing personnel, we were asked to determine the volume of dry-van traffic that would switch from highway to intermodal service as a result of the efficiencies produced by combining the CN and WC networks.[1] Dry-van freight constitutes the majority of intercity traffic, particularly OTR truck traffic that may switch to intermodal rail service.

Based on our analysis, we estimate that as a result of the proposed Transaction, CN/WC will gain a total of 173 new carloads of intermodal traffic, representing 1,124 annual truckloads, and $0.74 million in gross revenues. As discussed below, these modest gains primarily reflect a small anticipated reduction in the cost profile for the unified CN/WC network.

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[1]We were also asked to review refrigerated traffic. The volumes of such traffic in our selected lanes proved insufficient to support any significant diversions, however, so we eliminated refrigerated traffic from further analysis.

II. SUMMARY OF METHODOLOGY

As with prior studies, our quantification of potential shifts of freight traffic from OTR trucks to the new rail intermodal system was centered on an evaluation of specific individual traffic lanes (one origin linked to one destination). Working with Applicants, we selected lanes based on projections for intermodal service resulting from the proposed Transaction, the volumes of highway traffic and potential of such traffic to contribute to trains, and the likelihood that diversions would be successful. Our study eliminated from further detailed consideration those locations that can presently be served effectively by both of the merging carriers, and those lanes where CN/WC routes were found to be more circuitous and less competitive than those of other operators. We also eliminated potential interline opportunities between CN/WC and other rail carriers, because none appeared to offer significant volumes that could be attracted as a result of the proposed Transaction.

Ultimately, our analysis focused on movements between (1) the areas served by WC in Wisconsin and Upper Michigan, and (2) the population and manufacturing centers of Canada and eastern Michigan (served by CN) and locations in the Mississippi valley (served by the former IC). In total, we estimated that 172,700 loaded dry vans (loads) moved during 1999 between those territories. Of this, 164,200 loads traveled entirely by highway; less than five percent of the total loads were handled with rail intermodal service.

Our assessment of potential rail intermodal gains from the remaining OTR dry van traffic included two major steps. First, we asked the in-house CN and WC intermodal marketing personnel to review our traffic data and to identify potential traffic gains. This analysis and our discussions with the marketing personnel provided us with useful insights concerning the markets at issue and potential traffic gains.

Second, taking those results and discussions into consideration, we used the tools and techniques that Reebie developed and has used in prior ICC and STB proceedings to assess independently the potential traffic gains from the proposed Transaction. This assessment involved weighing competitive alternatives against the new intermodal offerings brought to market by the combination. In particular, we determined the relative changes in modal shares that would result from the changes in costs and service arising from the benefits of CN's proposed acquisition of WC on a lane-by-lane basis. For purposes of this analysis, we used information on 1999 shipment flows and volumes, which was translated into modal shares and then correlated with the underlying changes in the carriers' estimated costs. We also examined service competition to assure that the new CN/WC service offering would meet or exceed market standards. Thus, for example, we analyzed the competitiveness of CP and Eastern U.S. roads in relevant joint line service lanes, whether they compete via direct rail service or in combination with truck drays. Where CN/WC offered no competitive advantage as compared to existing rail products, we did not shift traffic from the highways.

Recognizing that rail-truck intermodal traffic increasingly operates between hub centers (usually located in or near major metropolitan areas),[2] our study took into account the fact that intermodal facilities located in some cities could economically be used to reach other metropolitan markets outside of those immediate areas, even some distance from the terminal. Such a long "reach" would require the use of an extended dray, but this is not uncommon,

[2]In Eastern Ontario, for example, intermodal traffic generally accumulates at the CN intermodal facility in Toronto (Brampton).

particularly as part of a long rail line-haul movement.[3] Our analysis recognized and accounted for the higher costs and added time related to the use of such relatively long drays.

The two appendices to my statement provide a more detailed review of (1) our diversion methodology (Appendix A), and (2) data sources for traffic volumes and costs (Appendix B).

III. DIVERSION PROJECTIONS

CN and WC today handle the majority of their intermodal traffic via Chicago. Although Applicants are planning few changes in operations for their intermodal service, the combination will complement the CN/IC merger by allowing for the further integration of services through this key intermodal nexus. In particular, improvements in information exchange and, of particular significance to our analysis, moderate improvements in equipment utilization for WC, are anticipated as a result of the proposed transaction. These improvements are likely to benefit primarily existing intermodal shippers. In addition, however, they will enable CN/WC to offer somewhat improved single-line service in a number of lanes, such as that between Toronto and the Wisconsin markets of Green Bay and Stevens Point.

Reliable service, of course, remains a critical component for OTR truck-to-intermodal rail traffic shifts over the long-run. CN's intermodal service has a strong history of reliability. Given the operating design for the Transaction, and its few anticipated changes, Applicants can be expected to continue to provide extremely reliable intermodal service.

Our study results were consistent with the fact that minimal changes are anticipated in intermodal costs and services as a result of the Transaction. We found that the Transaction would result in only small and dispersed traffic gains across the CN/WC system. The lanes

[3]We identified candidates for extended drays in such movements as Duluth, MN, to Tupelo, MS, and La Crosse, WI , to Trois Rivieres, PQ.

gaining the most traffic were those between upper Wisconsin on the one hand, and Toronto on the other. In total, however, we found no intermodal terminal that would generate more than one diverted truckload per day inbound or outbound, and the sum of all traffic gains was less than 200 rail carloads per year.

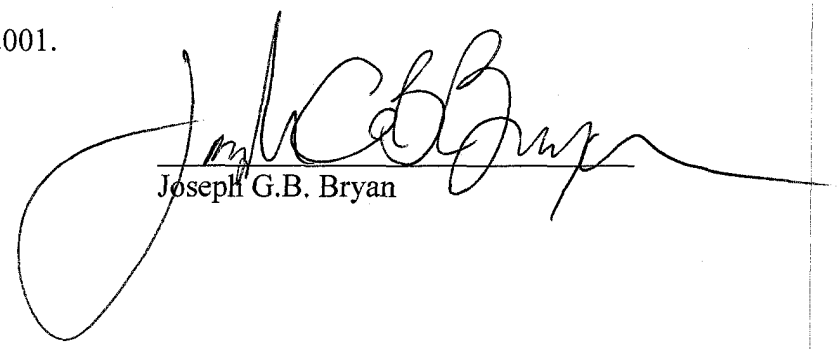
IV. SUMMARY AND CONCLUSION

CN's proposed acquisition of WC will result in minimal changes to intermodal services or markets. Nevertheless, the transaction offers continued reliable intermodal service with minor new efficiencies, links Wisconsin businesses and consumers to a viable, long-term railroad system, and provides new, single line service alternatives to other U.S. and Canadian customers. Motor carriers as well as shipping and receiving industries stand to profit from competitive through service and from an efficient linehaul network, at a time when over-the-road cost pressures are mounting. Our analysis suggests that approximately 1,124 highway loads per year, worth $0.74 million in additional gross revenues to the CN/WC system and accounting for 173 additional carloads, will be attracted to CN/WC once this acquisition is fully implemented (three years from consummation of the proposed acquisition). CN's acquisition of WC will create a unified and sustainable intermodal service network that will ensure continuing benefits both to shippers and the general public.

VERIFICATION

I, Joseph G.B. Bryan, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.



Joseph G.B. Bryan

APPENDIX A

DIVERSION METHODOLOGY

Intermodal market penetration is a function of two primary factors: (1) relative length of haul and (2) concentration of volume in traffic lanes. As the distance between the origin and the destination increases and lane volume (density) grows, intermodal service becomes more competitive relative to highway, and its cost advantage increases. A statistical interpretation of this principle underlies the diversion model applied to the CN/WC lanes. This Appendix describes the development and application of this model. Section 1 discusses the dependent variables of modal shares and the statistical relationship of modal share to cost that underlie our diversion model; Section 2 discusses our methodology for identifying lanes with over-the-road ("OTR") truck traffic that might potentially be converted to rail intermodal as a result of the Transaction; Section 3 describes the application of our analytical model to those lanes.

1. Diversion Model

Modal shares: In developing our modal share analysis, we examined the correlation of intermodal shares with mileage and freight lane density. We established three density categories based on the volumes transported between Business Economic Areas ("BEA"): (i) under 100,000 tons per year, (ii) 100,000 to 400,000 tons, and (iii) over 400,000 tons. These three groupings relate to the character and consistency of intermodal train operations; they bear strongly on market share and prove important in elasticity measurement. Using the TRANSEARCH database, we then drew all BEA-origin to BEA-destination pairings containing shipments moving distances greater than 500 miles and aggregated them by mileage blocks of 100-mile intervals. For each distance and density group, we evaluated the difference between average

costs per mile of intermodal versus highway transport, and the modal share of traffic. Using the simple Pearson correlation coefficient for initial analysis, we found high negative correlations for each density group: -.92, -.78 and -.84 for respective densities low to high. The negative relationship signifies that a decrease in the relative cost of intermodal produces an increase in its relative share. In other words, intermodal carriers can translate economic advantages into greater shares of traffic.

Elasticity: We interpret the relationship of intermodal/highway cost and share in terms of elasticity, meaning that a change in cost for a mode will produce a corresponding change in its market share. Based on that association, we use a cross-elasticity analysis to predict diversions across modes. Specifically, the elasticity measurement is a statistical coefficient by which we can quantify the effect of change in the intermodal cost on the demand for highway service.

Transportation researchers routinely apply discrete choice models to measure elasticity in mode selection. Our analysis adopts modal share as the dependent variable, since share supplies a comparable measure of modal activity for business areas differing in traffic volume. To estimate elasticity where the variable is modal share, the model must restrict results to values between 0% and 100%, in effect estimating the probability of customers selecting intermodal transportation over highway, given some independent attribute. The selected attribute is the difference in average cost between intermodal and highway. In sum, the model we employ measures the elasticity of intermodal share with respect to the difference between highway and intermodal costs, and it follows a logit design. The model enables us to predict, with some measure of reliability, how intermodal share will change after operating cost efficiencies are achieved.

2. Traffic Lanes

The great majority of freight travels only a short distance, and thus is not conducive to intermodal transportation. Likewise, many freight movements occur in volumes and at frequencies not generally appropriate for intermodal service. Additionally, many freight movements, by the nature of the commodities shipped (*e.g.*, bulk chemicals or asphalt), are also not conducive to intermodal transport. In the course of our analysis, we developed a series of tests to identify those lanes of traffic that, by virtue of their commodity, distance, density, geography, and circuitry, could benefit from efficiencies resulting from the Transaction.

First, for all origin to destination lanes within the U.S. and between the U.S. and Canada (with endpoints specified as BEAs or Canadian Metropolitan Areas ("CMA")), we identified volumes of freight suitable for dry-van carriage in the following categories: for-hire truckload, less-than-truckload, private truck, and rail intermodal. (For purposes of our lane analysis and application of our diversion model, "lanes" represent a directional flow of traffic between a defined origin and destination.)

Second, we screened these lanes to eliminate those less than 500 miles long. Intermodal participation is less than 3% for all van shipments of less than 500 miles, and is negligible for local movements. Conventional intermodal products are generally not considered competitive for this traffic. These conclusions and the resulting decision to drop from further consideration lanes of less than 500 miles were reviewed and approved by marketing and operating personnel from both railroads, and are consistent with our analysis in prior STB control proceedings.

Third, we identified those lanes that represented new single-line service opportunities. We did so by first grouping pre-combination service alternatives for each BEA or CMA endpoint based on which carrier could effectively serve them: (1) CN served; (2) WC served; (3) not

effectively served by either carrier;[1] or (4) effectively served by both CN and WC. Using this endpoint grouping, we then identified and carried forward in the analysis those lanes that could be served by CN and WC only through interlined (*i.e.*, joint) movements. We dropped from the analysis those lanes that could **not** be served effectively by either carrier (either jointly or through single-line service) and those lanes that could **already** be served effectively by either or both carriers through single-line service.

Fourth, we identified those lanes for which a door-to-door intermodal product was significantly more circuitous than OTR services. Lanes of less than 1,000 miles for which the total of origin and destination drayage exceeded 25% of the door-to-door highway miles were rejected, and lanes in excess of 1,000 door-to-door highway miles where the total drayage distance exceeded 35% were rejected. This test was developed in concert with marketing and operating representatives of CN and WC based on their knowledge of the intermodal marketplace.

Finally, we combined the surviving lanes into ramp-to-ramp pairs for the purpose of testing those pairs for sufficient density. First, we assigned the traffic from each BEA and CMA to the CN or WC intermodal ramp that would most appropriately service that region, based on proximity and the directional flow of current and potential traffic. These ramp assignments were reviewed and approved by CN and WC personnel. We then combined the lanes into ramp-to-ramp pairs and analyzed those pairs to determine if sufficient density exists to support intermodal operations. We eliminated as economically unattractive the ramp-to-ramp pairs (and

[1]We developed a list of endpoints not effectively served by either carrier by constructing hypothetical door-to-door intermodal products from the closest available intermodal facility of CN or WC. We designated endpoints as "not effectively served by either carrier" where the drayage distance to the nearest existing intermodal facility exceeded 500 miles (generally the maximum for single-driver movement). Marketing and operating personnel from CN and WC reviewed this list and added or removed particular endpoints based on their knowledge and experience.

thus the lanes they contained) that could not generate at least one intermodal rail carload of traffic in either direction each day.

As a result of this winnowing process, 287 lanes remained for application of our diversion model.

3. Steps In Applying The Diversion Model To The Selected Lanes

The first step of the diversion model was the application to the surviving lanes of two additional competitive hurdles. The first hurdle was based on service, the second on cost.

Service Hurdle: To meet the service hurdle, new intermodal service must be competitive with OTR truck delivery on a door-to-door basis. OTR transit times include travel time empty from the last load to the origin, plus loading, the linehaul, and the destination delivery time, including unloading or dropping the trailer. We assumed 63 miles per hour in the calculation of transit times over the high-speed highway system - chiefly the linehaul portion of service - and 30 miles per hour for truck local travel time.

We considered a similar set of activities for intermodal service. We based linehaul transit time for intermodal on the proposed post-combination CN/WC train-running times, terminal-to-terminal, adjusted for overall corridor density. At origins we included additional dwell time for trailer arrival processing and trailer loading (cutoff to departure delay), and at destinations we included dwell time for trailer unloading and trailer departure processing (arrival to availability delay). In this way, dwell times in the analysis reflect "cut off" and "available" times as the measure of service most useful for mode-to-mode comparison.[2] Finally, in order to complete intermodal schedules, we added time for drayage (the truck movement between the rail

[2]In practice, customers schedule pickup and delivery appointments to suit their own needs and capacities, and often cause highway trailers, as well as intermodal trailers, to wait in terminals or carrier drop yards. While this practice reduces overall equipment cycles, the lost time is at the behest of the customer and not relevant to the door-to-door service comparison.

terminal and the customer dock), considering distance, local and linehaul drive time, loading and unloading.

We then compared final door-to-door rail intermodal schedules to OTR truck service. If the rail service for a given lane was within one transit day of the comparative truck service, the lane passed the service hurdle. For lanes that initially failed the service threshold test, we retested by allowing one additional day for rail service, but we reduced available volumes from such lanes by 70% in order to recognize the diminished ability of CN/WC to gain traffic in such a lane. This percentage adjustment, which was based on information developed independently by Reebie Associates from industry sources, is meant to reflect the reduced ability of a rail carrier to capture baseload or weekday traffic in such lanes and its greater reliance on capturing weekend or overflow traffic. We did not predict any diversions for lanes that failed both service comparison tests.

The lanes that ultimately did not meet the service hurdle were generally characterized by circuitous rail mileage, low lane density, or both.

Cost Hurdle: To meet the cost hurdle, new door-to-door intermodal costs must be lower than OTR truck costs, and lower than current intermodal costs. Unless the new service can offer an advantage to shippers relative to the next best alternative, the elasticity model suggests that shipper behavior is unaffected. We did not divert traffic for any lane that failed this test.

We constructed rail costs from carrier long-term variable costs plus a profit margin. We added drayage individually estimated for each lane pair to produce a total door-to-door cost. We used a similar methodology for calculating competitive highway costs, by adding a representative profit margin. We utilized an average 88.9% operating ratio (which is the ratio achieved by the body of efficient motor carriers whose composite expense profile was used by us to generate

OTR costs) in calculating the profit margin. This cost-plus-profit factor established the full (directional) cost in each lane.

For purposes of establishing for each lane the appropriate rail margin over variable cost (and also for purposes of applying a cap to intermodal share gains, as discussed below), we categorized each lane either as "headhaul" or "backhaul." Our categorization depended upon whether the direction of the lane pointed toward a relative surplus (headhaul) or deficit (backhaul) area for truck equipment, which we based on rate patterns in the dry van market. In headhaul lanes we set rail margins at 130% over variable costs. In backhaul lanes, where carriers may substantially reduce market prices versus the headhaul direction in order to address such potential traffic imbalances, we set rail margins at 110% for both old and new rail costs. For the same reason, as discussed in Appendix B, highway costs were lowered in the backhaul direction.

Current (pre-combination) rail costs reflected either current CN-WC operations (interlined as independent carriers) or competing railroad operations. We identified lanes where CP, UP, or other North American railways -- whether alone, combined with motor carriers, or with one another -- offered the best present alternative.[3] We then measured the change in intermodal economics (post-combination) by comparing CN/WC's costs to the current lowest cost alternative. Diversions were not permitted for any lane in which there was no post-combination cost reduction.

Diversion: For those lanes passing the service and cost hurdles, we determined diversions in four steps:

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[3]We selected competing alternatives based on the highest volume carrier-route combination as reported in the 1999 waybill database prepared for us by A. T. Kearney. Several lanes showed little or no volume via carriers other than CN or WC. In such cases, a pre-merger CN-WC joint-line cost was constructed as the pre-transaction "competition."

1. Categorize lane density;

2. Calculate the change in differential between old rail costs versus highway and new rail costs versus highway;

3. Multiply the change in differential by the relevant coefficient from the market share model; and

4. Apply the multiplied differentials to present intermodal market share, yielding the new intermodal share of the market and the volume diverted.

This last step produces an estimate of CN/WC intermodal diversions from highway.

In applying the diversion model to individual lanes, however, a limited set of modifications is required. First, we capped intermodal share gains in headhaul lanes at a 15% increase, and in backhaul lanes at a 20% increase. This cap reflects our judgment, and that of CN and WC marketing and operating personnel, as to the outer limit of diversions likely to occur in the three-year time frame established for this study absent technological innovation. The differential between headhaul and backhaul lanes recognizes the relative importance that carriers attach to capturing volume from backhaul markets for the sake of balancing equipment in their systems. It also recognizes the fact that, because backhaul lanes tend to have lower volumes of traffic than headhaul lanes, any given level of traffic gain will tend to equate to a larger market share increase in backhaul lanes than in headhaul lanes.[4] Second, where current rail intermodal market share in a lane was below 4%, we substituted a floor value of 4% to allow the application of the differential in costs to intermodal market share, which is the last of the four steps for the diversion analysis (noted above). This is consistent with our practice in prior cases before the STB and represents a conservative procedure: even in light density lanes, intermodal market

[4]We also recognize that there are practical limits on the volumes of traffic that can move via intermodal service. Accordingly, as a standard feature of our model, we cap intermodal share at 90%. In this case, however, we found that only one lane marginally exceeded the cap, so that application of the limitation was unnecessary. Had we applied the cap, it would not have changed the number of diverted rail carloads.

share averages 9% at distances over 500 miles.[5] Finally, we calculated revenue conversions by applying a market-based rate of $0.59 per highway mile for rail intermodal (terminal-to-terminal) rates to the diverted volumes.[6] Revenues are for the CN/WC system only.

[5] Because of the small operational changes anticipated in this transaction, there were cases where the post-transaction change in cost was very slight - less than one half of one percent. In these lanes - and provided the post-transaction profile was otherwise competitive - we substituted a floor value of 1%. This lesser value recognized a positive but still very limited possibility of obtaining new traffic.

[6] We developed the $0.59 per highway mile rate from input provided by CN and WC marketing personnel.

APPENDIX B

TRAFFIC & COST INPUTS

1. Traffic Volumes

Freight traffic statistics used in this study were drawn from the 1999 STB Railroad Waybill Sample, carrier data from CN, IC, and WC, and Reebie's TRANSEARCH databases. The TRANSEARCH sources include 1999 forecasts of 1998 U.S./Canada and domestic U.S. highway traffic (1999 data were not yet released).

TRANSEARCH is a database of intercity freight movements by specific commodity and mode of transport. The domestic database covers all of the United States in 172 geographic areas, and is drawn from numerous sources, including a data exchange program with major U.S. long-haul motor carriers. The U.S./Canada database is founded on traffic information by mode and commodity published by Statistics Canada. Since its introduction in 1980, over 700 clients have used TRANSEARCH for information planning and marketing applications. TRANSEARCH data covering U.S. and transborder markets also have been submitted in prior proceedings before the STB (and its predecessor, the ICC) and other regulatory agencies, including major control proceedings.

TRANSEARCH defines commodities at a four-digit Standard Transportation Commodity Code ("STCC") level. The more aggregated two-digit STCCs describe industries: for instance, STCC 20 is Food or Kindred Products. Four-digit codes are used to distinguish among products. Thus, #2012 denotes Frozen Meat, and #2047 denotes Pet Foods. In our analysis, for example, we studied Pet Foods that are known to move in dry-van vehicles, but excluded Frozen Meats that move in refrigerated vans. We also excluded other commodities that do not typically move in van-type vehicles at all (*e.g.*, #3511, Steam Engines and Turbines). In addition to commodity

detail, TRANSEARCH describes U.S. origins and destinations in terms of Business Economic Area ("BEA"), and Canadian points in terms of Canadian Metropolitan Area ("CMA") or non-CMA portions of Provinces. TRANSEARCH provides reports showing what freight commodities are moving between New York and New Orleans, for example, broken into seven modes of transport: rail carload; rail intermodal; for-hire truckload; less-than-truckload; private truck; air; and water. Origin-to-destination spatial patterns in TRANSEARCH are confirmed for motor carriers through real-world information obtained primarily through motor carrier data exchange programs, and are confirmed for rail carriers through the STB's confidential Waybill Sample. TRANSEARCH shows freight volumes as annual tons.

The establishment of intermodal volumes required partial interpolation. The STB Waybill Sample identifies domestic U.S. and southbound Canadian activity, but does not include movements terminated in Canada. In order to address the Canadian data issue, we used 100% waybill data from CN to augment the STB waybill sample and more accurately represent U.S./Canada cross-border intermodal volumes.

As discussed in Appendix A, after excluding lanes clearly unaffected by the combination, 287 origin-destination lane pairs remained for evaluation. Of those, 217 lanes ultimately yielded some divertible traffic.

2. Intermodal Cost Inputs

The probability that CN/WC would attract highway traffic depends on an improvement in the long-term competitiveness of the new system. Our assessment of traffic shifts is built on the analysis of change, specifically contrasting carrier costs and service produced in the following circumstances: current over-the-road ("OTR") service; intermodal service by CN and WC under pre-combination conditions; intermodal service by CN/WC under post-combination conditions; and competitive intermodal service by other railroads.

We estimated potential traffic shifts based on a comparative evaluation of the underlying costs for the present highway and the expected rail intermodal service substitute. For both modes, we added a reasonable markup to costs to reflect profits. Traffic shifts were driven by the measurement of differences in costs and service between present and post-combination operations of rail intermodal and truckload carriers.

Cost Analysis Models: We conducted our evaluation using inputs from reports developed by Reebie's Carrier CostLine Models. These supplied a quantification of the modal and carrier economics. We used two models:

1. Intermodal Cost Analysis Model ("ICAM"), for railroad intermodal operations
2. Truck Cost Analysis Model ("TCAM"), for the existing highway operations

Intermodal Costs: ICAM is based upon the Uniform Rail Cost System ("URCS") methodology. The entire file is updated on a quarterly basis, while carrier-specific costs are updated annually. Reports and data based on URCS have been used in a number of regulatory proceedings over the years, including the CN/IC, CSX/Conrail, UP/SP and BN/SF applications. For the CN/WC analysis, we used Board-generated 1999 URCS for the ICAM data files for U.S. carriers, supplemented for the WC (which does not report to the Board) by proprietary WC cost information. Reebie developed comparable 1999 costs for individual Canadian railroads using 1998 financial reports published by Statistics Canada adjusted with input from costing executives at CN.[1]

In addition to URCS factors, ICAM allows for the substitution of more specific data, where available. For this analysis, we supplemented carrier files in the model with intermodal cost inputs furnished by CN and WC costing representatives. Some of these items were:

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[1] CN personnel developed a series of cost adjustment factors for CN and CP. These factors were applied to CN and CP 1998 cost factors, and resulted in both upward and downward adjustments in cost for both carriers.

1. Average intermodal train length
2. Average intermodal slot/hitch utilization
3. Average intermodal empty return ratios for cars and Trailer/Container Units (TCUs)
4. Average intermodal train cost per day for locomotives and cars
5. Average miles per car per day
6. Average intermodal horsepower to ton ratio
7. Specific terminal drayage costs
8. Specific terminal handling expenses

We used this information as the basis for train size and consist assumptions. For purposes of the analysis, we utilized the relative characteristics of the individual carrier's consists pre- and post-combination to develop the specifications for CN and WC train profiles. Individual carrier train profiles were further adjusted (with input from CN and WC operating personnel) to recognize the "best practices" of the integrated system. Representatives from CN and WC then reviewed the cost specifications for the integrated system and each of the competitors, drawing on their knowledge of the market. The average train performance for the CN/WC system shows a slight overall improvement versus the pre-merger performance. We developed terminal-to-terminal mileages using Reebie's Rail Operating Mileage Model ("ROMM") which reflects actual carrier operating mileages. These mileages were rechecked for consistency with the preliminary CN/WC operating plan routings.

Our analyses determined terminal-to-terminal costs appropriate to the carrier, volume, and balance, based on the Association of American Railroad's Intermodal Service Code 25 (commonly known as "Plan 2 ½"). The Codes were designed to define the relationships between intermodal shippers and carriers with respect to service, equipment, and rates. Service Code 25 indicates an arrangement where the railroad provides terminal-to-terminal service with railroad-owned equipment, but does not supply drayage beyond the ramp. We therefore added drayage costs separately to provide for the complete measurement of door-to-door costs and times. (In practical terms, Code 25 was the functional equivalent of Code 15, which is an identical service

except that it uses private trailer/container equipment. The cost profile of equipment was essentially the same in the analysis for railroad units and for private units in OTR service.)

Intermodal operations vary considerably in terms of train types and equipment, and their consequences for cost. We used the most typical configurations to compose train profiles, meaning 48-foot containers and trailers on CN/WC and competing railroads. CN runs mainly double-stacked containers in well cars; WC operations are predominantly single-stacked containers and trailers-on-flatcars (COFC/TOFC). We adopted these patterns for pre- and post-combination costing. We constructed similar consists for NS, CSX, BNSF, UP, KCS, and CP based on their relative percentage of stack, spine, and conventional flatcar equipment as provided by CN and WC personnel.

There is a long record of technological improvement in the intermodal business affecting equipment and train operations, and there is reason to expect continuation of the trend. However, much the same can be said of highway operators, whose fleet hardware and control systems have made steady gains, and it is not clear that the modal balance will be tipped one way or the other. Acknowledging that technological progress will contribute to competitiveness and profitability, we have viewed it as a factor exogenous to this combination.

3. Truck Cost Inputs

The truck cost model we applied for this analysis incorporates a range of expenses covering driver, fuel, tractor, trailer, insurance, taxes and overhead elements, as well as operating factors. The model is updated annually, using inputs from carriers and information from trade associations, publications, and government agencies. Our assessment depends in part on the relative cost of operation in cross-border traffic. There are differences in the composition of expenses for U.S.-based and Canadian-based motor carriers, including wages, taxes, and the repositioning costs consequent to immigration and cabotage restrictions. Consistent with our

approach in the CN/IC proceeding (and after further review and discussions with truck lines and the Applicants' marketing and operating personnel), we concluded that U.S. motor carriers present a realistic profile for the CN/WC lanes. Accordingly, U.S. motor carrier expense components were used for all aspects of highway cost comparison.

In this study, cost levels reflect the 1999 expense and operating profiles of longer haul, U.S. truckload carriers, whose size, profits, or growth have made them industry leaders. Cost levels incorporate an 11.1% profit, in keeping with the actual performance of the current profile motor carriers. We checked the costs against rate patterns in the dry-van market. Rate levels were substantially lower in a number of markets where there is a chronic surplus of empty trailers, approximating variable costs as generated by the model. We applied variable costs where this held true; otherwise we used full costs.

We used a 53-foot trailer as the standard for the motor carrier portion of the analysis, as this is the most common size in general use today. The analysis assumes a 15-ton payload per trailer, which is the average per trailer for truckload carriers for which we have data and is consistent with our industry experience, as well as with prior railroad control applications. Since the analysis looks at traffic shifts from the highway, we used this "typical" payload in both the intermodal and truck costing.

We based highway mileages on specific city pairs, using "Practical Route" distances derived from ALK's PC*Miler 2000. The highway service levels include travel time attributed to positioning to the loading point, loading, origin travel on local roads, highway linehaul, destination travel on local roads, and unloading. The influence of each aspect varies with the trip. We have developed a representative profile for the time consumed in highway operations, with assumptions that produce realistic OTR service and reasonably efficient utilization of

trucking equipment. We used this profile to generate transit performance and related cost factors for each lane, and integrated the results into the model.

Repositioning of empty equipment is a basic component of freight operations and an important determinant of efficiency. Traffic volumes are imbalanced, to some degree, for most lanes and geographic areas. Carrier efforts to overcome imbalance are complicated by the distance between unloading and loading points and by variance in the availability of freight, by day of week, time of month, and season. We evaluated patterns of imbalance in this study for intermodal and OTR operations.

Our analysis of repositioning patterns began with the identification of "surplus" or "deficit" geographic areas. The status connotes the demand for equipment and reflects the relative balance of inbound and outbound interstate freight. Thus, a surplus area has a larger number of empty trailers available than loads to fill them and a deficit area has the reverse. In order to capture the efficiency that highway operators are able to produce, we based U.S. surplus and deficit ratios on the composite pattern of trailer loadings (by state) from a number of large motor carriers. We based Canadian ratios on a detailed estimate of reloading opportunities and empty movements developed by Reebie Associates after several interviews with executives in the Canadian Motor Carrier Industry. This method gave results comparable to efficient U.S. operations.

A portion of equipment is always balanced: if there are two trailers for one load, one trailer is balanced and the other not. Even so, the balanced trailer will have to travel some distance locally to reach its load. Once empty movement ratios were developed, we calculated repositioning by area as a weighted average of empty miles, combining the local movement of balanced equipment with the longer movement of imbalanced equipment between surplus and

deficit regions. Finally, for each lane we shared the burden of repositioning between origin and destination areas, so that empty costs reflect balance dynamics at both ends of a shipment.

VERIFIED STATEMENT

OF

AMI HAASZ

I. INTRODUCTION

I am Ami Haasz, Vice President – Financial Planning, of Canadian National Railway Company ("CN"). I have served in this position since last November. My duties include supervision of CN's operating and capital budget process, the assessment of trends in CN's business environment, financial planning, and the monitoring of CN's employment and asset levels and evaluation of the financial impact of changes therein. Since 1974, I have served in various management positions at CN in the areas of economic forecasting, capital budgeting and strategic and financial planning. I hold a double baccalaureate degree (in Economics and in Sociology) from Tel Aviv University, and a Master of Business Administration degree in Finance (cum laude) from Concordia University in Canada, and have performed additional graduate work at that University towards the doctoral degree in Economics.

In this Verified Statement I will present evidence regarding the quantified public benefits that will result from the proposed Transaction. These quantified public benefits reflect improvements in the efficiency with which we will provide our transportation service.

II. BACKGROUND AND CN/WC'S APPROACH TO QUANTIFICATION OF EFFICIENCIES

This proposed Transaction is a modest one as WC is a Class II carrier whose network and operations are substantially smaller than those of CN or other Class I railroads. Also, the transaction is end-to-end, and therefore does not afford opportunities to consolidate parallel lines or adjacent facilities. In addition, as was the case with the CN/IC merger, CN and WC plan to move cautiously, and to ensure the presence of adequate personnel and other resources during the implementation process and thereafter. CN/WC does not want to maximize short-term cost reductions at the expense of its quality of service or ability to achieve long-term productivity improvement. Nonetheless, CN/WC has found that the Transaction will result in significant efficiency savings that qualify as public benefits, and that will strengthen the merged railroad operationally and financially, permitting it to serve its customers even better in the future. As the Operating Plan and the Joint Verified Statement of Messrs. Trafton and Terbel make clear, these benefits could not be realized without this Transaction.

The quantified public benefit savings described below, and reflected in the Summary of Benefits Exhibit (Appendix A of the Application), were calculated under my direction. They reflect the efficiencies identified by a number of knowledgeable personnel from both railroads who were charged with analyzing how CN/WC could operate more efficiently, while maintaining safety and service quality. These personnel collaborated on the preparation of the Operating Plan and the other parts of this Application.

In estimating the quantified public benefits, CN/WC personnel adjusted data as necessary to avoid inclusion of benefits from actions that already are being planned or are being carried out by either CN or WC independently of the Transaction. Where necessary monetary values were converted from Canadian to U.S. dollars.

Finally, I believe that the quantified public benefit savings presented here have been conservatively estimated. We have not attempted exhaustively to quantify all likely savings opportunities. For example, we did not attempt to measure the lower level of resources that would be needed by the efficient merged railroad solely to handle pre-Transaction traffic volumes. Rather, CN/WC added into the post-merger scenario the resources needed to handle the additional traffic that will be gained by the combined system. Although this simplifying approach yielded significant quantifiable efficiencies, it quite likely depressed our benefits estimates.

III. THE PROPOSED TRANSACTION WILL PRODUCE SIGNIFICANT QUANTIFIED PUBLIC BENEFITS

Overall, the Applicants estimate that CN/WC will realize about $52 million annually in quantified public benefit savings from efficiencies made possible by the Transaction. These efficiencies arise from several sources. First, as described in the Operating Plan, CN/WC anticipates that the improved operation of the combined equipment and locomotive fleets over the expanded network will permit the railroad to save 1580 freight cars and 87 locomotive units, while continuing to carry its traffic safely and reliably. These equipment and locomotive savings translate into net annual benefits of $5.4 million and $4.3 million respectively.

In addition, the Operating Plan shows that improvements in equipment maintenance and repair practices and the projected reduction in the number of cars and locomotive units will permit significant resource savings in the equipment (and locomotive) repair areas. These efficiencies will permit CN/WC to realize annual savings of $4.8 million per year. Similarly, efficiencies in the engineering area will yield resource savings further reducing CN/WC's costs by $14.1 million annually. Other transportation efficiencies described in the Operating Plan undoubtedly will give rise to additional savings, but these were not quantified.

As in the operating area, experienced personnel from both CN and WC conducted a thorough analysis of general and administrative ("G&A") savings opportunities. WC's entire administrative organization was examined with a view towards the needs of the WC as it evolves to be the sixth division of CN. This review encompassed both human resource as well as non-personnel resource requirements. The review has also taken into account the benefits that would result from the implementation of common information systems, as well as the resource requirements to affect a smooth and safe transition which will be largely invisible to WC's customers. Based on these studies, CN/WC estimates that the combined railroad would be able to save a total of $20.8 million each year in personnel and non-personnel G&A expenditures.

Finally, we believe that there will be significant opportunities for savings in annual expenditures on purchased goods and services. Based on analyses by an experienced study group, which included supply management personnel from both railroads, CN/WC estimates that annual purchasing savings attributable to the

Transaction which qualify as public benefits will be approximately $2.4 million. In addition, the railroads expect to realize additional purchasing-related savings of $4.4 million. Because these additional savings may not arise from productive efficiencies, some may not consider them to be public benefits. They do, however, represent resource savings which will strengthen the rail freight transportation sector and benefit its customers. To be conservative, these additional savings were not included in our overall public benefits estimate. The total anticipated supply management savings of $6.8 million represents less than one percent of the combined supply and outside services expenditures of the two railroads and likely represents a conservative estimate.

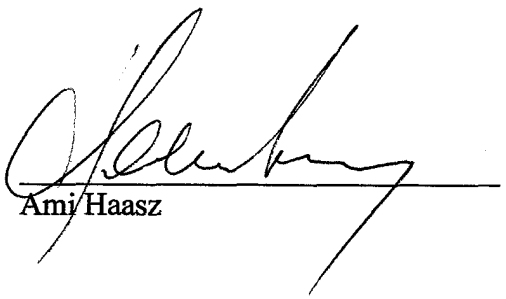
IV. CONCLUSION

In sum, the proposed Transaction will give rise to significant efficiencies that are quantifiable public benefits. Combined with the anticipated additional revenue from traffic gains and the non-quantifiable benefits of our expanded single line service, these efficiency savings will help to make CN/WC stronger financially and operationally, with ample capacity to continue to make service-oriented investments in the WC territory and across our system.

VERIFICATION

I, Ami Haasz, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.



Ami Haasz

JOINT VERIFIED STATEMENT

OF

GORDON T. TRAFTON II AND J. EDWARD TERBELL

We are Gordon T. Trafton II and J. Edward Terbell. We are, respectively, Vice President, Operations Integration, Canadian National Railway ("CN"), and Vice President and General Manager, Wisconsin Central System. Together, we were responsible for developing the CN/WC Operating Plan attached as Exhibit 15 to the Application. The Operating Plan describes in detail how the merger of the CN and WC systems will significantly improve service to rail customers. We were also involved in the development and elaboration of the Service Assurance Plan included as part of this Application. The Service Assurance Plan describes the approaches CN and WC are taking to ensure that implementation of their merger will proceed without creating service disruptions of the sort that have followed some other recent major rail consolidations.

Mr. Trafton: I received a Bachelor of Science in Transportation and Traffic Management from the University of Colorado. I started working for Burlington Northern Railroad in 1978 as a Corporate Management Trainee. Thereafter, I held the following positions: Assistant Terminal Trainmaster (1978-1979); Trainmaster (1979-1980); Supervisor of Freight Equipment (1980); Assistant Manager of General Service Equipment (1981-1982); Manager of Intermodal Schedules and Train Service (1982-1984); Manager of Intermodal Lanes (1984-1986); Director of Operations Service Planning (1986-1987); General Superintendent of Transportation (1987-1988); Service Director (1988-1990); Director of Schedule Development (1990-1992); General Manager of Service Design (1992-1994); and General Manager of Network Planning and Scheduling (1994-1995). In 1996 I joined Illinois Central Railroad as General Manager

Transportation. I became Vice President Transportation and Information Systems and Services in 1997, and assumed my present position in 1999 after the merger of CN and IC. I was also involved in planning, coordination and communications concerning the implementation of the CN/IC merger.

Mr. Terbell: I joined WC in 1987, when it first began operations, as Chief Engineer Construction. Subsequently I served as Division Manager and assumed my present position in 1993. Prior to joining WC I spent 14 years working for the Chicago and Northwestern Railroad where I held various positions in the engineering department. These positions included Roadmaster, Manager of Maintenance and Assistant Division Manager Engineering. Prior to commencing my career in the railroad industry I attended Northwest Missouri State University.

I. DEVELOPMENT OF THE CN/WC OPERATING PLAN

The CN/WC Operating Plan describes the expected operations of the merged CN/WC network in the U.S. and Canada after the merger of CN and WC and their lines, properties, equipment and work forces. Among our objectives in developing the new train service to be reflected in the Operating Plan were : (a) to improve service by seeking routings and handling that will allow more single-line service and improve consistency; (b) to identify options for reducing traffic in Chicago by consolidating trains or reducing handling; and (c) to provide for a safe and smooth implementation without disrupting service for our customers.

This Operating Plan was developed by a team of CN and WC employees working under our direction from the time the transaction was announced until shortly before the filing of the Application. The Operating Plan team focused on train scheduling, traffic routing, network capability and capacity, blocking plans, physical operations, existing plant, and construction requirements. Commercial teams focused on current and likely traffic flows and the special

needs of shippers of particular commodities, including automobiles, metals and minerals, chemicals, fertilizer, grain, coal, and forest products, and intermodal service. Other specialized teams supporting the Operating Plan team were involved in mechanical, engineering, freight equipment, passenger, safety, labor, and environmental matters.

These teams were assisted in their work by expert transportation consultants -- including George C. Woodward, Richard L. Bottorff, ALK Technologies, Inc. ("ALK"), A.T. Kearney, Inc. ("Kearney"), and Reebie Associates. Pre-merger traffic flows were established based on waybill data. Post-merger traffic gains were determined by two processes. First, with the assistance of CN and WC market managers, a quantitative market analysis of post-merger traffic gains was performed under the direction of Messrs. Woodward and Bottorff, as described in their Joint Verified Statement. Second, over-the-road truck-to-intermodal rail gains were determined by Reebie Associates. The Operating Plan Team worked with experienced CN and WC commercial personnel and the consultants to determine the appropriate post-merger handling of these flows. The Operating Plan team assessed schedules, blocking plans, and line and yard capacity. Outputs from the Plan were made available to our financial team for their analysis of cost impacts and synergies. See Verified Statement of Ami Haasz. The Operating Plan describes the present and future operations of both CN and WC, including their principal routes, yards and terminals, train operations and schedules, traffic mix, line density and passenger/commuter operations.

The Operating Plan team members were either already familiar with, visited, or consulted with knowledgeable personnel about the locations likely to be affected by the Transaction. We have identified no potential capacity constraints on handling the projected traffic, and have had no need to develop expansion plans. The safety team worked with the transportation planners to

ensure that the planned operational and other changes will be consistent with the merged railroads' fundamental safety practices and procedures. The commercial teams worked with the Operating Plan team to ensure that the proposed operations will meet the needs of shippers and will deliver on CN/WC's promise of efficient, reliable, competitive rail service. Our labor experts worked with the Operating Plan team to develop the best approach to enable the Operating Plan to be implemented effectively while minimizing adverse impacts on the railroads' employees.

In developing the Operating Plan, CN and WC made special efforts to identify and address the concerns of all affected constituencies. Even though this is a minor transaction, we also addressed the concerns about major railroad consolidations in the U.S. raised in the STB's public hearing on March 7-10, 2000, (Ex Parte No. 582), and in the resulting rulemaking proceeding (Ex Parte No. 582 (Sub-No. 1)). In developing the Operating Plan our focus was on safety and improvement of service to shippers. Thus, the Operating Plan team's identification of new operations by CN/WC was guided by how service could be improved, *e.g.*, by increasing single-line service, by eliminating car handlings, and by combining trains. The potential operational changes also reflected input from marketing personnel on the commercial team as to the need for or desirability of particular potential new movements from a customer-service and marketing perspective.

As noted, a guiding principle of the Operating Plan is to provide service that meets the transportation needs of customers of CN and WC and of potential new customers. Therefore, CN and WC representatives consulted with customers to identify customer needs and desires and to see how to accommodate them in the Operating Plan.

Through their respective analytical perspectives, the Operating Plan team also focused on improved service through increased single-line service, faster transit time, and reducing car handling and switching activity, particularly in Chicago. Finally, as discussed in the Service Assurance Plan and the Joint Verified Statement of James M. Foote and William R. Schauer, CN/WC believe that their Operating Plan will assure that their customers will receive post-merger service as good as, if not better then, their present good service.

We also sought to accommodate Amtrak and commuter passenger service on our lines in ways that will promote maximum safety and minimal disruption to either passenger or freight service. Accordingly, CN and WC conferred with the local commuter representatives at METRA in the Chicago area to address the potential impact of the Transaction on lines over which they operate. In fact, there will be no adverse impact, as the integrated system will add only one train each way (three days per week) to lines used for passenger (including commuter) operation, and there will be fewer trains per week on the WC segment used by METRA between Antioch and Chicago.

When the service design was initially completed, and the various related integration decisions were provisionally made, the Operating Plan team produced a variety of operating data that the financial team used to assist the railroads in assessing the benefits of the Transaction. The results of these analyses were also reviewed by members of the Operating Plan team and the commercial team. These and other operating statistics were also produced for the environmental team to confirm that none of the environmental thresholds in 49 C.F.R. § 1105.7(e)(4) or (5) would be exceeded and for the safety teams to use in putting together the Safety Integration Plan that the Applicants will be filing separately with FRA.

The Operating Plan was prepared for the integrated CN/WC network, including changes in operations and effects in Canada as well as in the U.S. It describes the existing CN and WC systems (principal routes and yards) and service, and the changes expected from the Transaction, as well as the benefits and other impacts of the operations under the Operating Plan. The Joint Verified Statement of James M. Foote and William R. Schauer addresses separately the commercial effects of the new and improved service as to particular commodities.

II. IMPORTANCE OF CONTROL AND ADVANTAGES OF MERGER OVER AGREEMENT

Based on our experience, it is our judgment that the service and other benefits that should result from the Transaction could not be realized by voluntary agreements short of unified control of the two railroads. It is inherent in the nature of freight railroading as a network industry that efficiencies and consistency are made possible by increased volume and length of haul, larger blocks, and a reduction in car handling. The handling of a particular shipment by multiple railroads tends to increase the potential for delays and inefficiencies, compared to a single-line movement. Even when the move may be handled relatively efficiently on a run-through or other interline basis, disagreements about such important matters as train size and the proper division of revenue (particularly if one segment of the haul is longer than the other) are barriers to broadly applicable, lasting agreements for interline movements. Such differences are difficult to avoid if the railroads involved have differing competitive priorities, and resources, which is invariably the case if they are not under common control.

With joint operations there can be an array of operational decisions where there is a range of reasonable choices to be made (*e.g.*, concerning meets and passes, or conflicts in yard work between handling intermodal trains and hump operations), and the resolution can be different if

the railroads involved are not under common control. Such matters ultimately limit what railroads can reasonably accomplish with joint operations. Such agreements also entail administrative burdens and expense.

It is occasionally possible for two different railroads, after extensive negotiations, to reach agreement on some specific operational coordinations, typically limited in scope. In fact, CN and WC have done so over the past several years with respect to WC's handling of CN traffic under the haulage agreements between the two railroads. They have adopted run-through operations and blocking plans that have made movements under the haulage agreements as efficient as possible under the circumstances.

However, the haulage agreements do not allow CN to serve customers on the WC lines directly, do not cover all traffic, and are for limited terms. Moreover, there is no assurance that the good working relationship with WC would continue, or that extension of the agreements on acceptable terms would be agreeable to WC or WC's then-owners, if WC were acquired by a railroad other than CN.

In our experience, moreover, it is simply not feasible for two substantial independent railroads with separate systems to reach agreement on large-scale operating coordination to provide the substantial equivalent of what can be provided when they are merged. Unified, efficient management of the overall pool of locomotives and other equipment over the expanded network of the two railroads also facilitates more effective and efficient management of such resources than is possible through contracts, which are necessarily limited in time and scope and whose implementation is subject to the changing perceptions and priorities of each railroad. We believe that substantially all of the improvements in operations possible through arm's length

agreement between an independent CN and WC have already been achieved in connection with CN's haulage rights over WC.

III. CN/WC'S SERVICE ASSURANCE PLAN

CN and WC have been particularly concerned about assuring that implementation of our merger would not result in service deterioration. That concern has been given added weight by (a) the service problems following some recent rail consolidations, (b) the Board's public hearings in Ex Parte No. 582, and (c) the Board's resulting proposed rulemaking proceeding in Ex Parte No. 582 (Sub-No. 1). This concern was reflected in the voluntary commitment of our respective CEOs to include in our application a Service Assurance Plan, even though it is not now required (and would be required under the Board's proposed rule only for major transactions). The CN/WC Service Assurance Plan is attached to the Application. The Operating Plan team was substantially involved in preparation of this Plan, with input from others throughout the two railroads.

The Service Assurance Plan discusses many reasons why there will not be significant risk of service disruptions. following implementation of this Transaction. They include the facts that: (1) the traffic changes expected to occur at any given location are relatively modest in scope; (2) we are merging two end-to-end systems that have a limited number of common points; (3) few significant changes in terminals will occur (other than the reduction in the need for interchanges at Chicago and Superior); (4) at all of the potentially affected terminals there are service recovery options; and (5) the resulting enterprise will have ample assets to implement the Transaction safely, smoothly, and expeditiously. Those assets include sufficient line, yard, and terminal capacity; ample car supply and locomotive supply; a corps of experienced, trained

personnel; and experience in planning and implementing mergers that have not been beset by implementation problems.

In short, while we do not anticipate service problems with implementation, CN/WC will be well equipped to deal with them.

IV. SAFETY INTEGRATION PLAN

As is discussed in the Operating Plan and will be discussed in greater detail in the Safety Integration Plan, safety has a high priority at both railroads. That will continue, and be enhanced, with this Transaction. CN and WC both have strong commitments to safety and strong safety records.

Safety Integration Plans provide a useful vehicle for helping to focus attention in the ongoing planning stage to a variety of matters calculated to assure safe implementation. We believe that the Safety Integration Plan process, with which CN is very familiar from the CN/IC merger, is a significant feature contributing to the prospects for safe implementation. That Plan, in conjunction with consultation with FRA, provides a useful framework for assuring proper attention to safety issues. There have been no safety problems associated with implementation of the CN/IC merger.

Our Safety Integration Plan, developed in consultation with FRA, will show how CN/WC will handle the merger of the two rail systems to avoid adverse safety impacts. We are committed to working closely with FRA and to providing the resources, plans, organization, and training necessary to combine safely.

V. CONCLUSION

The Transaction will result in improved service in numerous ways: *e.g.*, extended market reach for shippers and receivers served by CN or WC; more extensive single-line service opportunities; and improved consistency and speed of service.

The complementary fit of CN's and WC's systems also yields other important operating benefits. Because there is no overlap between our systems, we can integrate them with minimum disruption and maximum focus on enhancing reliable, improved service to shippers served by CN or WC. CN and WC already work together to move traffic between Western Canada and Chicago and points beyond via Superior. The proposed merger will generate more opportunities for pre-blocking and other operational changes that will reduce traffic and handling in the Chicago area and elsewhere and enhance the reliability of our service.

In addition to the normal single-line synergies that can be expected in an end-to-end merger, CN and WC will benefit from the sharing of the most efficient operating and safety practices across their systems. We will continually monitor our capacity, as traffic develops, to make sure that high levels of safety and reliability of our services are maintained and continually enhanced.

VERIFICATION

I, Gordon T. Trafton II, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.

Gordon T. Trafton II

VERIFICATION

I, J. Edward Terbell, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on April 6, 2001.

J. Edward Terbell

DENSITY CHARTS
(Exhibit 14)

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
ABERDEEN	N BATTLEFORD	DENHOLM		14.5	260	3,654	28	45	3,987
	DENHOLM	WARMAN		67.8	256	3,715	28	45	4,044
	WARMAN	TOTZKE		40.5	361	5,236	28	45	5,670
	TOTZKE	HUMBOLDT		24.9	363	5,228	27	44	5,662
	----------	TOTAL ----------		147.7	303	4,381	28	45	4,757
ALBREDA	BLUE RIVER	VON ZUBIN		62.5	1,852	50,821	96	165	52,934
	VON ZUBIN	CHARLES	2	3.4	981	26,932	51	87	28,051
	CHARLES	SPICER		1.0	1,618	40,384	101	174	42,277
	SPICER	RED PASS JCT		26.9	2,069	52,029	141	200	54,439
	RED PASS JCT	JASPER	2	87.4	1,257	33,933	71	100	35,361
	----------	TOTAL ----------		181.2	1,579	42,349	90	137	44,155
ALEXANDRIA	OTTAWA	HAWTHORNE		3.8	0	0	427	408	835
	----------	TOTAL ----------		3.8	0	0	427	408	835
ALLANWATER	ARMSTRONG	SAVANT LAKE		78.6	1,240	25,372	81	136	26,829
	SAVANT LAKE	SUPERIOR JCT		53.9	1,240	25,374	81	136	26,831
	SUPERIOR JCT	SIOUX LOOKOT		6.4	1,240	25,374	81	136	26,831
	----------	TOTAL ----------		138.9	1,240	25,373	81	136	26,830
ALLIANCE	CAMROSE	FORESTBURG		45.5	15	109	0	0	124
	FORESTBURG	ALLIANCE		14.2	14	59	0	0	73
	----------	TOTAL ----------		59.7	15	97	0	0	112
AMIENS	SPIRITWOOD	ENGLAND		25.6	10	98	0	0	108
	----------	TOTAL ----------		25.6	10	98	0	0	108
ARBORFIELD	CRANE	ARBORFIELD		19.4	2	3	0	0	5
	----------	TOTAL ----------		19.4	2	3	0	0	5

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		* * TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
ASHCROFT	BOSTON BAR	KAMLOOPS JCT		137.9	1,865	48,632	131	196	50,824
	----------	TOTAL ----------		137.9	1,865	48,632	131	196	50,824
ASSINIBOINE	CANORA	STURGIS		22.0	217	3,706	45	39	4,007
	STURGIS	LILIAN		2.0	333	4,930	45	39	5,347
	LILIAN	RESERVE		39.6	137	2,640	45	39	2,861
	RESERVE	MUTCHLER		29.1	137	2,635	45	39	2,856
	MUTCHLER	HUDSON BAY		1.5	137	2,635	45	39	2,856
	----------	TOTAL ----------		94.2	160	2,936	45	39	3,180
ATHABASCA	LEGAL	MORIN JCT		11.3	25	143	0	0	168
	----------	TOTAL ----------		11.3	25	143	0	0	168
AVONLEA	MOOSE JAW JCT	GRAVELBOURG J		35.1	2	13	0	0	15
	GRAVELBOURG J	PARRY		23.0	0	0	0	0	0
	----------	TOTAL ----------		58.1	1	8	0	0	9
B.C. HARBOUR	PRATT	ROBERTS BANK		23.3	275	5,661	0	0	5,936
	----------	TOTAL ----------		23.3	275	5,661	0	0	5,936
B.C. HYDRO	LIVINGSTONE	PRATT		7.5	275	5,661	0	0	5,936
	----------	TOTAL ----------		7.5	275	5,661	0	0	5,936
BALA	TORONTO DON	M.P 6.00		3.8	268	3,693	105	130	4,196
	M.P 6.00	DONCASTER		12.5	425	5,856	167	207	6,655
	DONCANSTER	RICHMOND HI	2	10.2	908	16,929	98	131	18,066
	RICHMOND HIL	WASHAGO		67.7	1,780	33,700	196	262	35,938
	WASHAGO	SO PARRY		58.2	1,535	30,019	85	139	31,778
	SO PARRY	SUDBURY		115.0	1,534	29,963	85	139	31,721
	SUDBURY	CAPREOL		14.0	1,587	29,297	85	139	31,108
	----------	TOTAL ----------		281.4	1,507	28,942	116	171	30,736

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	* FREIGHT LOCOS	* FREIGHT CARS	* PASSENGER LOCOS	* PASSENGER CARS	** TOTAL
BARRHEAD	CARLEY JCT	BARRHEAD		26.1	27	248	0	0	275
	----------	TOTAL ----------		26.1	27	248	0	0	275
BATTLEFORD	BATTLEFORD JCT	CUTKNIFE JCT		5.6	323	6,342	0	0	6,665
	CUTKNIFE JCT	BATTLEFORD		2.2	323	6,342	0	0	6,665
	----------	TOTAL ----------		7.8	323	6,342	0	0	6,665
BEACHBURG	WASS	FEDERAL		0.7	0	0	385	384	769
	BRENT	NIPISSING		51.5	12	140	0	0	152
	----------	TOTAL ----------		52.2	11	138	5	5	159
BECANCOUR	ST GREGOIRE	BECANCOUR		10.5	170	3,233	0	0	3,403
	ST GREGOIRE	ASTON JCT		14.4	170	3,253	0	0	3,423
	----------	TOTAL ----------		24.9	170	3,244	0	0	3,414
BEDFORD	HALIFAX	ROCKINGHAM	2	12.0	202	1,260	77	127	1,666
	ROCKINGHAM	WINDSOR JCT	2	19.6	392	4,621	77	127	5,217
	WINDSOR JCT	EAST MILFORD		20.8	988	13,126	155	254	14,523
	EAST MILFORD	HYDE		24.9	649	9,212	155	254	10,270
	HYDE	TRURO	2	5.0	322	4,658	77	127	5,184
	FAIRVIEW JCT	HALIFAX INT		1.8	261	1,418	0	0	1,679
	----------	TOTAL ----------		84.1	582	7,538	118	193	8,431
BLACKFOOT	VERMILLION	LLOYDMINSTER		40.0	282	5,988	27	44	6,341
	LLOYDMINSTER	BATTLEFORD JCT		78.3	280	5,033	27	44	5,384
	BATTLEFORD JCT	N BATTLEFORD		6.1	281	4,924	27	44	5,276
	----------	TOTAL ----------		124.4	281	5,335	27	44	5,687
BLAINE LAKE	SHELLBROOK	SPEERS		66.9	0	1	0	0	1

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		* * TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	SPEERS	DENHOLM		20.9	5	119	0	0	124
	----------	TOTAL ----------		87.8	1	29	0	0	30
BOLNEY	SPRUCE LAKE J	PARADISE HILL		15.4	13	103	0	0	116
	----------	TOTAL ----------		15.4	13	103	0	0	116
BONNYVILLE	ABILENE JCT	BONNYVILLE		36.6	7	32	0	0	39
	BONNYVILLE	GRAND CENTRE		24.5	7	27	0	0	34
	----------	TOTAL ----------		61.1	7	30	0	0	37
BRAZEAU	ALIX S	RED DEER JCT		36.5	240	2,311	0	0	2,551
	RED DEER JCT	RCK MNT HSE		55.2	139	1,810	0	0	1,949
	RCK MNT HSE	ULLIN JCT		4.2	116	1,667	0	0	1,783
	----------	TOTAL ----------		95.9	176	1,995	0	0	2,171
BRIDGE	LIMOILOU	ALLENBY		3.2	182	2,231	0	0	2,413
	ALLENBY	CAP ROUGE		4.9	182	2,230	312	237	2,961
	CAP ROUGE	STE FOY		2.0	337	3,755	312	237	4,641
	STE FOY	CHARNY		3.3	335	3,932	312	237	4,816
	CHARNY	JOFFRE		0.3	713	8,605	73	1	9,392
	ALLENBY	QUEBEC PALAIS		5.2	0	0	312	237	549
	----------	TOTAL ----------		18.9	183	2,176	255	193	2,807
BROOKSBY	NAISBERRY JCT	CARROT RIVER		51.1	95	620	0	0	715
	----------	TOTAL ----------		51.1	95	620	0	0	715
BULKLEY	TERRACE	SMITHERS		135	532	16,267	38	24	16,861
	----------	TOTAL ----------		135	532	16,267	38	24	16,861
CAMROSE	BRETVILLE JCT	BARLEE JCT		46.4	484	7,151	0	0	7,635
	BARLEE JCT	CAMROSE JCT		1.0	474	6,892	0	0	7,366

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	* FREIGHT LOCOS	* FREIGHT CARS	* PASSENGER LOCOS	* PASSENGER CARS	** TOTAL
	CAMROSE JCT	CAMROSE		0.7	474	6,892	0	0	7,366
	CAMROSE	FERLOW JCT		6.2	405	6,328	0	0	6,733
	FERLOW JCT	MIRROR		40.8	401	6,343	0	0	6,744
	----------	TOTAL ----------		95.1	443	6,746	0	0	7,189
CARAMAT	HORNEPAYNE	HILLSPORT		42.3	1,411	27,919	83	139	29,552
	HILLSPORT	LONGLAC		59.0	1,409	27,889	83	139	29,520
	LONGLAC	NAKINA		30.3	1,270	25,480	82	136	26,968
	NAKINA	ARMSTRONG		112.2	1,268	25,442	82	136	26,928
	----------	TOTAL ----------		243.8	1,327	26,469	82	137	28,015
CARBERRY	PETREL JCT	BRANDON JCT		12.9	379	9,977	0	0	10,356
	BRANDON JCT	M.B. JCT		25.3	165	3,716	0	0	3,881
	M.B. JCT	BRANDON		1.4	165	3,715	0	0	3,880
	----------	TOTAL ----------		39.6	235	5,755	0	0	5,990
CARMAN	CARMAN JCT	OAK BLUFF		5.5	11	169	0	0	180
	OAK BLUFF	GRAYSVILLE		45.0	12	107	0	0	119
	----------	TOTAL ----------		50.5	12	114	0	0	126
CASO	HEWITT	HAGERSVILLE		36.2	0	0	0	0	0
	HAGERSVILLE	TILLSONBURG		35.1	1	0	0	0	1
	TILLSONBURG	ST THOMAS		24.5	17	9	0	0	26
	ST THOMAS	FARGO		54.5	15	75	0	0	90
	FARGO	COMBER		26.2	246	3,990	0	0	4,236
	COMBER	ESSEX		14.5	244	3,991	0	0	4,235
	ESSEX	VAN DE WATER	2	13.5	244	3,991	0	0	4,235
	VAN DE WATER	FLATROCK		23.4	16	257	0	0	273
	----------	TOTAL ----------		227.9	66	994	0	0	1,060
CENTRAL BUTTE	WARRELL	KALIUM		24.4	157	2,457	0	0	2,614

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		* * TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	KALIUM	MOOSE JAW JCT		14.6	110	661	0	0	771
	----------	TOTAL ----------		39.0	139	1,784	0	0	1,923
CHAMPLAIN	ST FOY	WOLFES COVE		5.1	2	13	0	0	15
	----------	TOTAL ----------		5.1	2	13	0	0	15
CHAPAIS	BARRAUTE	QUEVILLON		54.6	139	1,177	0	0	1,316
	QUEVILLON	FRANQUET		17.5	39	271	0	0	310
	CHAPAIS	FARIBAULT		20.5	68	896	0	0	964
	FARIBAULT	CHIBOUGAMAU		8.0	220	2,087	0	0	2,307
	----------	TOTAL ----------		100.6	113	1,034	0	0	1,147
CHATHAM	KOMOKA	GLENCOE		20.4	254	4,254	213	245	4,966
	GLENCOE	CHATHAM E	2	65.6	142	2,135	207	241	2,725
	CHATHAM E	BLOOMFIELD	2	6.6	47	717	207	241	1,212
	BLOOMFIELD	WINDSOR STN		41.8	0	0	415	481	896
	----------	TOTAL ----------		134.4	110	1,723	273	316	2,422
CHELAN	CROOKED RIVER	RESERVE		47.1	3	11	0	0	14
	----------	TOTAL ----------		47.1	3	11	0	0	14
CLEARWATER	KAMLOOPSJCT	BLUE RIVER		166.7	1,641	45,008	85	146	46,880
	----------	TOTAL ----------		166.7	1,641	45,008	85	146	46,880
CONQUEST	CONROSE JCT	CONQUEST JCT		50.5	30	604	0	0	634
	CONQUEST JCT	BEECHY		43.8	11	112	0	0	123
	----------	TOTAL ----------		94.3	21	375	0	0	396
CORONADO	ST PAUL JCT	REDWATER		29.6	45	407	0	0	452
	REDWATER	ABILENE		78.9	10	63	0	0	73
	ABILENE	ST PAUL		11.7	1	7	0	0	8

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	ST PAUL	MP 151.8		31.6	2	1	0	0	3
	----------	TOTAL ----------		151.8	15	113	0	0	128
COWAN	NORTH JCT	SIFTON JCT		14.8	0	1	0	0	1
	SIFTON JCT	THUNDERHILL		82.0	23	258	0	0	281
	THUNDERHILL	SWAN RIVER		1.7	121	1,336	0	0	1,457
	----------	TOTAL ----------		98.5	21	238	0	0	259
CRAIK	WARRELL	CRAIK		71.8	27	290	0	0	317
	CRAIK	NEWCROSS		82.3	35	594	0	0	629
	----------	TOTAL ----------		154.1	31	452	0	0	483
CRAN	TRIQUET	CONSOLIDATED		99.0	158	1,428	0	0	1,586
	CONSOLIDATED	DUCHARME		2.0	153	1,408	0	0	1,561
	DUCHARME	FARIBAULT		32.2	153	1,409	0	0	1,562
	----------	TOTAL ----------		133.2	157	1,423	0	0	1,580
CROMER	BRANDON	SCARTH		47.2	122	3,150	0	0	3,272
	SCARTH	MARYFIELD		28.4	122	3,145	0	0	3,267
	MARYFIELD	KIPLING		53.0	13	119	0	0	132
	----------	TOTAL ----------		128.6	77	1,900	0	0	1,977
CUDWORTH	TOTZKE	SASK WHT POOL		46.1	8	56	0	0	64
	----------	TOTAL ----------		46.1	8	56	0	0	64
DARTMOUTH	WINDSOR JCT	WRIGHTS COVE		10.1	523	5,428	0	0	5,951
	WRIGHTS COVE	DARTMOUTH		2.4	523	1,549	0	0	2,072
	----------	TOTAL ----------		12.5	523	4,683	0	0	5,206
DENISON	MOOSE HORN	CLOVER HILL		11.7	197	777	0	0	974
	----------	TOTAL ----------		11.7	197	777	0	0	974

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	* FREIGHT LOCOS	* FREIGHT CARS	* PASSENGER LOCOS	* PASSENGER CARS	** TOTAL
DEUX MONTAGNE	MONTREAL	MOUNT ROYAL	2	7.4	89	1,825	13	10	1,937
	MOUNT ROYAL	E J TOWER	2	2.8	180	2,262	13	10	2,465
	E J TOWER	VAL ROYAL	2	4.0	65	285	0	0	350
	VAL ROYAL	ROXBORO		5.0	31	151	0	0	182
	ROXBORO	DEUX MONTAGNE		4.7	0	0	0	0	0
	DEUX MONTAGNE	OKA JCT		1.1	0	0	0	0	0
	----------	TOTAL ----------		25.0	63	869	5	4	941
DIAMOND	ST CHARLES	DIAMOND		13.8	1,659	23,888	128	276	25,951
	DIAMOND	JOFFRE		1.5	1,659	23,887	128	276	25,950
	JOFFRE	WEST JCT		1.5	1,835	30,229	218	287	32,569
	----------	TOTAL ----------		16.8	1,675	24,454	136	277	26,542
DRUMHELLER	SARCEE JCT	ROSEDALE		75.1	199	3,312	0	0	3,511
	ROSEDALE	DRUMHELLER		4.4	199	3,225	0	0	3,424
	DRUMHELLER	DINOSAUR		12.1	198	3,190	0	0	3,388
	DINOSAUR	HANNA		40.3	198	3,065	0	0	3,263
	----------	TOTAL ----------		131.9	199	3,223	0	0	3,422
DRUMMONDVILLE	WEST JCT	CHAUDIERE		0.5	2,010	33,178	482	568	36,238
	CHAUDIERE	M P 10.5		1.2	2,010	33,178	482	568	36,238
	MP 10.5	VILLEROY		36.5	1,883	31,134	482	568	34,067
	VILLEROY	ASTON JCT		25.0	1,876	30,993	482	568	33,919
	ASTON JCT	DRUMMONDVILLE		26.3	2,056	33,757	482	568	36,863
	DRUMMONDVILLE	STE ROSALIE		26.3	2,052	34,291	482	568	37,393
	STE ROSALIE	MONTBEC JCT		2.5	2,048	34,207	469	544	37,268
	----------	TOTAL ----------		118.3	1,963	32,483	482	567	35,495
DUNDAS	BAYVIEW	HAMILTON W	2	0.8	1,333	22,734	289	333	24,689
	HAMILTON W	DUNDAS	2	8.6	1,399	23,545	289	333	25,566

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	DUNDAS	LYNDEN	2	18.6	1,399	23,549	289	333	25,570
	LYNDEN	BRANTFORD	2	18.0	1,399	23,555	289	333	25,576
	BRANTFORD	PARIS JCT	2	15.8	1,406	23,297	289	333	25,325
	PARIS JCT	LONDON	2	94.6	1,459	23,867	296	341	25,963
	----------	TOTAL ----------		156.4	1,436	23,712	293	338	25,779
EDMONTON TERM	N EDMONTON	CALDER		3.7	2,173	43,741	18	30	45,962
	CALDER	WEST JCT		1.6	2,715	63,467	28	48	66,258
	WEST JCT	N A R JCT	2	1.4	1,358	31,734	48	82	33,222
	N A R JCT	UNION JCT	2	2.2	1,221	29,553	48	80	30,902
	UNION JCT	BISSELL	2	2.4	1,114	27,609	48	80	28,851
	N EDMONTON	EDMONTON		3.3	0	0	68	115	183
	EDMONTON	WEST JCT	2	8.4	0	0	34	58	92
	----------	TOTAL ----------		23	854	19,091	40	67	20,052
EDSON	JASPER	SWAN LANDING	2	64.2	1,507	39,888	54	91	41,540
	SWAN LANDING	HINTON		14.8	2,405	65,253	96	161	67,915
	HINTON	BICKERDIKE	2	69.2	1,556	41,405	63	106	43,130
	BICKERDIKE	EDSON	2	14.9	1,383	34,486	60	100	36,029
	EDSON	WABAMUN		91.0	2,077	52,026	90	151	54,344
	WABAMUN	BISSELL	2	60.3	1,370	34,102	59	99	35,630
	----------	TOTAL ----------		314.4	1,693	43,563	70	117	45,443
ELROSE	CONQUEST JCT	MATADOR JCT		55.9	19	356	0	0	375
	MATADOR JCT	GLIDDEN		48.3	15	112	0	0	127
	----------	TOTAL ----------		104.2	17	243	0	0	260
ERWOOD	END OF TRACK	SWAN RIVER		21.5	46	69	0	0	115
	----------	TOTAL ----------		21.5	46	69	0	0	115
FOOTHILLS	BICKERDIKE	COALSPUR		36.6	675	12,006	0	0	12,681

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	COALSPUR	FOOTHILLS		13.3	102	2,362	0	0	2,464
	----------	TOTAL ----------		49.9	522	9,436	0	0	9,958
FORT FRANCES	ATIKOKAN	DULUTH JCT		87.9	457	11,219	1	1	11,678
	DULUTH JCT	FT FRANCES		1.0	1,753	36,879	1	2	38,635
	FT FRANCES	RAINY RIVER		54.6	1,527	33,682	1	2	35,212
	----------	TOTAL ----------		143.5	873	19,944	1	1	20,819
FRASER	PR GEORGE	HUTTON		58.7	561	16,380	40	25	17,006
	HUTTON	MCBRIDE		87.4	560	16,172	40	25	16,797
	----------	TOTAL ----------		146.1	561	16,255	40	25	16,881
FREIGHT CON	HIBERNIA	VICTORIA BR	2	2.4	1,601	24,584	0	0	26,185
	----------	TOTAL ----------		2.4	1,601	24,584	0	0	26,185
GLADSTONE	PORTAGE	GLADSTONE		37.0	306	6,515	72	83	6,976
	GLADSTONE	NEEPAWA JCT		46.4	305	6,464	72	83	6,924
	NEEPAWA JCT	OCHRE RIVER		25.2	305	6,411	72	83	6,871
	OCHRE RIVER	DAUPHIN		13.6	305	6,385	72	83	6,845
	----------	TOTAL ----------		122.2	306	6,460	72	83	6,921
GLENAVON	KIPLING	PEEBLES		14.4	2	14	0	0	16
	PEEBLES	MCCALLUM		73.1	9	75	0	0	84
	----------	TOTAL ----------		87.5	8	65	0	0	73
GORT	MONCTON	MARSH JCT	2	4.2	765	7,907	141	125	8,938
	MARSH JCT	GORT		1.5	1,184	11,510	247	220	13,161
	GORT	PACIFIC JCT		8.3	1,224	17,336	143	253	18,956
	PACIFIC JCT	CATAMOUNT		1.6	0	0	137	243	380
	----------	TOTAL ----------		15.6	971	12,459	152	214	13,796

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		* * TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
GRANDE CACHE	SWAN LANDING	WINNIANDY		109.2	143	2,505	0	0	2,648
	WINNIANDY	SHAVER JCT		113.5	70	1,175	0	0	1,245
	SHAVER JCT	GRAND PRAIRI		9.3	74	1,199	0	0	1,273
	----------	TOTAL ----------		232.0	104	1,802	0	0	1,906
GRANDE PRA	RYCROFT	GRANDE PRAIRIE		49.7	38	349	0	0	387
	GRANDE PRAIRIE	DAWSON CREEK		88.3	19	124	0	0	143
	----------	TOTAL ----------		138.0	26	205	0	0	231
GRIMSBY	BRIDGE	NIAGARA FALL		0.6	80	556	0	0	636
	NIAGARA FALL	CLIFTON JCT	2	3.2	197	1,639	96	142	2,074
	CLIFTON JCT	MERRITTON	2	14.6	414	6,469	96	142	7,121
	MERRITTON	ST CATHERINE	2	4.6	573	8,428	96	142	9,239
	ST CATHERINE	GRIMSBY	2	31.2	550	8,387	96	142	9,175
	GRIMSBY	WINONA	2	9.4	548	8,385	96	142	9,171
	WINONA	STONEY CREEK	2	11.0	548	8,385	96	142	9,171
	STONEY CREEK	HAMILTON	2	12.2	639	8,495	96	142	9,372
	----------	TOTAL ----------		86.8	524	7,778	96	142	8,540
HALTON	MACMILLAN YD	SNIDER WEST	2	3.0	1,804	30,273	23	33	32,133
	SNIDER WEST	HUMBER	2	7.6	1,675	28,339	14	21	30,049
	HUMBER	HALWEST	2	13.6	1,795	28,481	28	42	30,346
	HALWEST	PEEL	2	6.4	1,470	23,781	85	97	25,433
	PEEL	BRAMPTON E		0.9	2,940	47,562	169	194	50,865
	BRAMPTON E	CREDIT	2	14.6	1,360	23,153	85	97	24,695
	CREDIT	GEORGETOWN	2	2.0	1,357	23,136	85	97	24,675
	GEORGETOWN	SILVER	2	1.2	1,357	23,141	85	97	24,680
	SILVER	SPEYSIDE	2	7.8	1,323	22,538	39	46	23,946
	SPEYSIDE	MANSEWOOD		4.3	2,647	45,076	79	91	47,893
	MANSEWOOD	MILBASE	2	4.0	1,307	22,428	39	46	23,820
	MILBASE	ASH		5.2	2,554	44,450	79	91	47,174

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	ASH	TANSLEY	2	7.2	1,277	22,225	39	46	23,587
	TANSLEY	BURLINGTON	2	12.3	1,308	22,767	40	47	24,162
	----------	TOTAL ----------		90.1	1,602	26,983	53	63	28,701
HARTNEY	BELMONT	ELGIN		42.0	8	27	0	0	35
	----------	TOTAL ----------		42.0	8	27	0	0	35
HUMBERSTONE	NICKEL	YAGER		5.9	86	449	0	0	535
	----------	TOTAL ----------		5.9	86	449	0	0	535
IMPERIAL	WATROUS	DILKE		60.0	1	18	0	0	19
	----------	TOTAL ----------		60.0	1	18	0	0	19
JOLIETTE	GARNEAU YD	GARNEAU		0.5	1,003	14,654	54	42	15,753
	GARNEAU	GRANDMERE		3.6	1,003	14,654	54	42	15,753
	GRANDMERE	SHAWIGAN		5.3	1,002	14,013	54	42	15,111
	SHAWINIGAN	M.P 100.0		50.6	772	12,778	54	42	13,646
	M.P 100.0	JOLIETTE		1.8	769	12,776	54	42	13,641
	JOLIETTE	PARADIS		10.6	771	13,247	54	42	14,114
	PARADIS	PTE AUX TRMB		15.3	770	13,169	54	42	14,035
	----------	TOTAL ----------		87.7	796	13,065	54	42	13,957
KASHABOWIE	THUNDER BAY	MP 1.5		1.5	123	2,123	1	3	2,250
	MP 1.5	NEEBING	2	15.0	23	419	0	1	443
	NEEBING	CONMEE	2	53.4	4	97	0	0	101
	T.BAY(NEEBING)	CONMEE	2	53.4	194	4,837	0	0	5,031
	CONMEE	HURONIAN		60.4	396	9,897	1	1	10,295
	HURONIAN	ATIKOKAN		45.3	396	9,927	1	1	10,325
	----------	TOTAL ----------		229.0	231	5,766	0	0	5,997
KINGHORN	T.BAY(NEEBING)	CURRENT JCT		9.8	33	864	0	0	897

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	THUNDER BAY	CURRENT JCT		2.1	123	2,123	1	3	2,250
	CURRENT JCT	RED ROCK		63.3	125	2,150	1	3	2,279
	RED ROCK	NIPIGON		4.6	125	2,267	1	3	2,396
	NIPIGON	MACASKILL		13.1	126	2,267	1	3	2,397
	MACASKILL	JELLICOE		64.8	126	2,264	1	3	2,394
	JELLICOE	GERALDTON		28.9	129	2,457	1	3	2,590
	GERALDTON	LONGLAC		20.8	129	2,493	1	3	2,626
	----------	TOTAL ----------		207.4	122	2,212	1	3	2,338
KINGSTON	DORVAL	COTEAU JCT	2	55.4	1,447	28,368	495	499	30,809
	COTEAU JCT	COTEAU WEST	2	3.6	1,233	25,751	281	295	27,560
	COTEAU WEST	CORNWALL	2	56.4	1,236	25,774	281	295	27,586
	CORNWALL	MORRISBURG	2	49.2	1,267	26,020	281	295	27,863
	MORRISBURG	PRESCOTT	2	42.4	1,269	26,084	281	295	27,929
	PRESCOTT	MAITLAND	2	17.8	1,270	26,157	281	295	28,003
	MAITLAND	BROCKVILLE	2	5.8	1,307	26,749	281	295	28,632
	BROCKVILLE	GANANOQUE JCT	2	56.6	1,283	26,320	450	463	28,516
	GANANOQUE JCT	KINGSTON	2	38.2	1,284	26,325	450	462	28,521
	KINGSTON	CATARAQUI	2	10.8	1,318	26,369	488	490	28,665
	CATARAQUI	NAPANEE	2	41.0	1,282	26,298	488	491	28,559
	NAPANEE	BELLEVILLE	2	43.6	1,275	26,374	488	492	28,629
	BELLEVILLE	TRENTON JCT	2	24.2	1,273	26,819	488	492	29,072
	TRENTON JCT	COBOURG	2	62.4	1,273	26,791	488	492	29,044
	COBOURG	PORT HOPE	2	13.4	1,273	26,754	488	492	29,007
	PORT HOPE	CLARKE	2	32.6	1,273	26,763	488	492	29,016
	CLARKE	OSHAWA	2	30.4	1,268	26,844	488	492	29,092
	OSHAWA	PICKERING JCT	2	18.6	1,830	31,775	488	492	34,585
	PICKERING JCT	DURHAM JCT	2	5.2	263	2,197	488	491	3,439
	DURHAM JCT	SCARBORO	2	22.0	263	2,217	488	491	3,459
	SCARBORO	DANFORTH	2	7.2	299	2,303	488	491	3,581
	DANFORTH	TOR CHERRY	2	7.8	328	2,788	492	497	4,105

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					GROSS TON MILES PER MILE OF TRACK IN 1000'S				
					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	----------	TOTAL ----------		644.6	1,238	25,117	427	435	27,217
KITIMAT	TERRACE	KITIMAT		38.5	236	2,819	0	0	3,055
	----------	TOTAL ----------		38.5	236	2,819	0	0	3,055
LA TUQUE	CAP ROUGE	DONNACONA		22.5	171	1,673	0	0	1,844
	DONNACONA	ST PROSPER		29.9	170	1,816	0	0	1,986
	ST PROSPER	HERVEY		19.2	170	1,895	0	0	2,065
	HERVEY	LA TUQUE		50.6	320	5,448	37	25	5,830
	LA TUQUE	FITZPATRICK		3.2	370	6,014	37	25	6,446
	----------	TOTAL ----------		125.4	236	3,375	16	11	3,638
LAC ST.JEAN	TR. GARNEAU	HERVEY		18.7	1,140	14,037	54	41	15,272
	HERVEY	RIV A PIERRE		21.2	654	6,832	25	20	7,531
	RIV A PIERRE	LAC EDOUARD		55.4	655	6,815	25	20	7,515
	LAC EDOUARD	CHAMBORD		64.2	650	6,748	25	20	7,443
	CHAMBORD	SAG POWER		23.7	439	3,576	25	20	4,060
	SAG POWER	JONQUIERE		18.3	440	3,306	25	20	3,791
	JONQUIERE	ARVIDA		2.8	410	3,090	0	0	3,500
	----------	TOTAL ----------		204.3	650	6,716	28	21	7,415
LAMPMAN	MARYFIELD	LAMPMAN		67.4	109	2,847	0	0	2,956
	LAMPMAN	BIENFAIT		17.3	109	2,788	0	0	2,897
	----------	TOTAL ----------		84.7	109	2,835	0	0	2,944
LEAMINGTON	COMBER	LEAMINGTON		13.8	9	16	0	0	25
	----------	TOTAL ----------		13.8	9	16	0	0	25
LETELLIER	PORTAGE JCT	ST.NORBERT		6.2	163	3,036	0	0	3,199
	ST. NORBERT	MORRIS		31.2	163	3,018	0	0	3,181
	MORRIS	EMERSON JCT		24.7	153	2,198	0	0	2,351

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		* * TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	EMERSON JCT	EMERSON		1.3	304	4,101	0	0	4,405
	----------	TOTAL ----------		63.4	162	2,723	0	0	2,885
LEWVAN	MINARD JCT	TALMAGE		49.4	1	3	0	0	4
	TALMAGE	WHITMORE		66.1	4	20	0	0	24
	----------	TOTAL ----------		115.5	3	13	0	0	16
LUMBY	LUMBY JCT	LUMBY		14.4	108	301	0	0	409
	----------	TOTAL ----------		14.4	108	301	0	0	409
MANTARIO	ALSASK	SOD SULPH SASK		5.0	26	547	0	0	573
	SOD SULPH SASK	EYRE		7.3	26	540	0	0	566
	EYRE	MANTARIO		5.9	26	540	0	0	566
	MANTARIO	GLIDDEN		25.5	24	533	0	0	557
	----------	TOTAL ----------		43.7	25	537	0	0	562
MARGO	CANORA	MUENSTER		117.0	268	4,420	27	44	4,759
	MUENSTER	HUMBOLDT		5.4	306	4,976	27	44	5,353
	----------	TOTAL ----------		122.4	270	4,444	27	44	4,785
MATADOR	MATADOR JCT	KYLE		29.6	5	43	0	0	48
	----------	TOTAL ----------		29.6	5	43	0	0	48
MATAGAMI	FRANQUET	MATAGAMI		61.1	36	187	0	0	223
	----------	TOTAL ----------		61.1	36	187	0	0	223
MATANE	MONT JOLI	END OF TRACK		35.8	18	177	0	0	195
	----------	TOTAL ----------		35.8	18	177	0	0	195
MIAMI	MORRIS	BELMONT		102.0	8	75	0	0	83
	----------	TOTAL ----------		102.0	8	75	0	0	83

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					GROSS TON MILES PER MILE OF TRACK IN 1000'S				
					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
MONT JOLI	CAMPBELLTON	TIDE HEAD		4.7	0	0	137	243	380
	TIDE HEAD	MATAPEDIA		8.1	0	0	137	243	380
	MATAPEDIA	LAC AU SAUMN		42.4	0	0	137	243	380
	LAC AU SAUMN	MONT JOLI		50.2	4	0	137	243	384
	----------	TOTAL ----------		105.4	2	0	137	243	382
MONTMAGNY	RIV DU LOUP	ST ANDRE JCT		15.3	351	5,752	146	313	6,562
	ST ANDRE JCT	ST CHARLES		86.0	1,523	23,664	153	320	25,660
	ST CHARLES	LEVIS		13.5	136	154	24	44	358
	LEVIS	CHARNY		8.1	263	2,300	24	44	2,631
	CHARNY	WEST JCT	2	1.4	87	1,477	276	284	2,124
	----------	TOTAL ----------		124.3	1,130	17,264	131	271	18,796
MONTREAL	CENTRAL STAT	WELLINGTON	2	2.2	91	1,825	751	794	3,461
	WELLINGTON	HIBERNIA	2	2.0	90	1,827	510	510	2,937
	HIBERNIA	ST HENRI	2	2.6	1,580	23,273	510	510	25,873
	ST HENRI	TASCHEREAU	2	11.2	1,720	25,254	510	510	27,994
	TASCHEREAU	DORVAL	2	5.2	1,440	28,346	496	499	30,781
	----------	TOTAL ----------		23.2	1,347	21,484	530	534	23,895
MOUNTAIN PARK	COALSPUR	LEYLAND		22.0	562	8,991	0	0	9,553
	----------	TOTAL ----------		22.0	562	8,991	0	0	9,553
MURRAY BAY	LIMOILU	ST. ANNE		19.9	1	0	0	0	1
	----------	TOTAL ----------		19.9	1	0	0	0	1
NAPADOGAN	PACIFIC JCT	CHIPMAN		45.8	1,219	17,344	3	5	18,571
	CHIPMAN	NAPADOGAN		60.8	1,224	17,147	3	5	18,379
	NAPADOGAN	SUMMIT		28.4	1,178	17,143	3	5	18,329
	SUMMIT	LONGLEY		13.4	1,157	17,139	3	5	18,304

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	LONGLEY	CYR JCT		42.7	1,227	17,168	3	5	18,403
	CYR JCT	ST LEONARD		3.0	1,239	17,200	3	5	18,447
	ST LEONARD	INR JCT		1.4	1,262	17,983	3	5	19,253
	INR JCT	FRASER JCT		22.6	1,262	17,983	3	5	19,253
	FRASER JCT	EDMUNSTON		1.3	1,262	17,983	3	5	19,253
	----------	TOTAL ----------		219.4	1,218	17,288	3	5	18,514
NECHAKO	ENDAKO	VANDERHOOF		46.0	538	16,476	39	25	17,078
	VANDERHOOF	PR GEORGE		69.4	538	16,649	39	25	17,251
	----------	TOTAL ----------		115.4	538	16,580	39	25	17,182
NEWCASTLE	GLOUCESTER	BATHURST		4.8	0	0	137	243	380
	----------	TOTAL ----------		4.8	0	0	137	243	380
NEWMARKET	PARKDALE	M.P 6.4		4.0	370	5,232	0	0	5,602
	M.P 6.4	SNIDER		6.7	421	5,496	0	0	5,917
	SNIDER	HOLLAND LAN		25.9	38	106	0	0	144
	HOLLAND LAND	BRADFORD		2.5	37	84	0	0	121
	BRADFORD	BARRIE		21.5	4	70	0	0	74
	BARRIE	ORILLIA		23.3	4	70	0	0	74
	ORILLIA	WASHAGO		12.5	20	89	0	0	109
	WASHAGO	GRAVENHURST		13.4	291	3,808	111	123	4,333
	GRAVENHURST	NIPPISSING		105.7	261	3,654	111	123	4,149
	NIPISSING	TRANSFER YD		7.8	244	3,545	111	122	4,022
	TRANSFER YD	YELLEK		8.1	64	931	15	17	1,027
	----------	TOTAL ----------		231.4	172	2,323	62	68	2,625
NORTHGATE	LAMPMAN	DOMEX		8.0	0	0	0	0	0
	DOMEX	NORTHGATE		31.3	0	0	0	0	0
	----------	TOTAL ----------		39.3	0	0	0	0	0

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
OAKVILLE	FORT YORK	MIMICO EAST	4	17.6	246	3,601	173	215	4,235
	MIMICO EAST	CANPA	3	6.6	328	4,795	231	287	5,641
	CANPA	PORT CREDIT	3	13.2	336	4,770	231	287	5,624
	PORT CREDIT	CLARKSON	2	6.6	509	7,163	346	430	8,448
	CLARKSON	OAKVILLE	2	9.0	509	7,163	346	430	8,448
	OAKVILLE	BURLINGTON	3	22.8	899	9,881	346	430	11,556
	BURLINGTON	BAYVIEW	2	9.8	2,110	32,033	386	476	35,005
	BAYVIEW	HAMILTON JC	2	0.8	706	9,459	96	142	10,403
	HAMILTON JCT	HAMILTON	2	3.2	796	10,622	96	142	11,656
	----------	TOTAL ----------		89.6	705	9,492	280	348	10,825
OKANAGAN	KAMLOOPS JCT	VERNON		85.4	210	1,604	0	0	1,814
	VERNON	LUMBY JCT		2.2	196	836	0	0	1,032
	LUMBY JCT	KELOWNA		31.3	89	353	0	0	442
	----------	TOTAL ----------		118.9	178	1,261	0	0	1,439
OYEN	HANNA	BATTER JCT		4.6	193	3,012	0	0	3,205
	BATTER JCT	OYEN		65.1	193	3,023	0	0	3,216
	OYEN	ALSASK		22.7	193	3,261	0	0	3,454
	ALSASK	M.P. 1.9		42.1	192	3,332	0	0	3,524
	M.P. 1.9	KINDERSLEY		1.9	192	3,352	0	0	3,544
	----------	TOTAL ----------		136.4	192	3,162	0	0	3,354
PAYNES	ST THOMAS	SOUTHWOLD		1.6	181	641	202	236	1,260
	SOUTHWOLD	GLENCOE		26.1	40	135	202	236	613
	----------	TOTAL ----------		27.7	48	164	202	236	650
PELLETIER	EDMUNDSTON	BAKER BROOK		12.3	1,297	18,058	3	5	19,363
	BAKER BROOK	ESTCOURT		41.6	1,295	17,994	3	5	19,297
	ESTCOURT	PELLETIER		13.7	1,225	17,877	3	5	19,110
	PELLETIER	ST ANDRE		19.3	1,175	17,860	3	5	19,043

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	----------	TOTAL ----------		86.9	1,257	17,955	3	5	19,220
PINE FALLS	BEACH JCT	PINE FALLS		67.3	20	234	0	0	254
	----------	TOTAL ----------		67.3	20	234	0	0	254
POINT DU CHEN	PAINSEC JCT	SCOUDOUC		5.4	103	248	0	0	351
	----------	TOTAL ----------		5.4	103	248	0	0	351
PREECEVILLE	PREECEVILLE	LILIAN		4.7	197	2,293	0	0	2,490
	STURGIS	PELLY		29.6	79	1,005	0	0	1,084
	PELLY	BENITO		16.9	79	904	0	0	983
	BENITO	THUNDERHILL		18.9	79	910	0	0	989
	----------	TOTAL ----------		70.1	87	1,041	0	0	1,128
QUAPPELLE	QUAPPELLE JCT	BIRMINGHAM JCT		93.8	584	4,391	0	0	4,975
	----------	TOTAL ----------		93.8	584	4,391	0	0	4,975
RAM RIVER	ULLIN	STRACHAN SPR		11.0	91	1,579	0	0	1,670
	STRACHAN SPR	STRACHAN		4.5	33	234	0	0	267
	STRACHAN SPR	RAM RIVER		16.0	65	1,367	0	0	1,432
	----------	TOTAL ----------		31.5	70	1,280	0	0	1,350
RAWLISON	HYDRO	LIVINGSTONE		2.5	318	7,165	0	0	7,483
	----------	TOTAL ----------		2.5	318	7,165	0	0	7,483
RED DEER	RED DEER JCT	RED DEER		5.3	168	1,314	0	0	1,482
	----------	TOTAL ----------		5.3	168	1,314	0	0	1,482
REDDITT	MP 237	HARDY		87.6	1,236	25,516	81	137	26,970
	HARDY	MCNULTY	2	18.8	618	12,757	40	69	13,484
	MCNULTY	REDDITT		17.3	1,236	25,514	81	137	26,968

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		* * TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	REDDITT	CARROLL JCT		72.6	1,271	25,563	81	137	27,052
	CARROLL JCT	SIOUX LOOKOT		50.5	1,274	25,684	81	137	27,176
	----------	TOTAL ----------		246.8	1,207	24,592	78	132	26,009
REGINA TERM	REGINA	DEWDNEY AVE		0.5	4	41	0	0	45
	DEWDNEY AVE	QUAPPELLE JCT		1.1	4	41	0	0	45
	QUAPPELLE JCT	NORTH REGINA		1.0	486	3,707	0	0	4,193
	NORTH REGINA	WARRELL		0.8	184	2,791	0	0	2,975
	----------	TOTAL ----------		3.4	188	1,766	0	0	1,954
RHEIN	WROXTON	HAMTON		24.5	7	46	0	0	53
	HAMTON	CAMPBELL		5.2	22	136	0	0	158
	----------	TOTAL ----------		29.7	10	62	0	0	72
RIMOUSKI	MONT JOLI	RIMOUSKI		18.0	45	656	142	256	1,099
	RIMOUSKI	TROIS PISTOL		38.3	45	656	142	256	1,099
	TROIS PISTOL	RIV DU LOUP		27.1	45	655	142	256	1,098
	----------	TOTAL ----------		83.4	45	656	142	256	1,099
RIVERS	MELVILLE	CANA JCT		1.2	2,470	46,531	68	114	49,183
	CANA JCT	CANA	2	14.0	1,157	22,623	34	57	23,871
	CANA	YARBO		33.1	2,321	45,244	68	114	47,747
	YARBO	CUTARM		4.1	2,321	45,361	68	114	47,864
	CUTARM	WELBY		16.3	2,241	45,782	68	114	48,205
	WELBY	LATIMER	2	18.2	1,120	22,931	34	57	24,142
	LATIMER	MINIOTA		29.4	2,237	48,841	68	114	51,260
	MINIOTA	STENBERG	2	22.4	1,053	23,222	34	57	24,366
	STENBERG	RIVERS		25.7	2,105	46,521	68	114	48,808
	RIVERS	PETREL JCT		38.5	2,108	46,657	68	114	48,947
	PETREL JCT	PORTAGE		49.4	2,248	49,833	68	114	52,263
	PORTAGE	CARMAN JCT	2	94.0	1,287	28,309	70	98	29,764

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	----------	TOTAL ----------		346.3	1,788	38,379	63	101	40,331
ROBERVAL	CHAMBORD	ST FELICIEN		29.5	335	2,995	0	0	3,330
	ST FELICIEN	TRIQUET		2.6	333	2,307	0	0	2,640
	TRIQUET	NORMANDIN		10.6	176	767	0	0	943
	NORMANDIN	DOLBEAU		14.7	176	545	0	0	721
	----------	TOTAL ----------		57.4	265	1,925	0	0	2,190
ROBINHOOD	SPEERS	ENGLAND		55.0	5	90	0	0	95
	ENGLAND	GLASLYN		14.6	5	28	0	0	33
	----------	TOTAL ----------		69.6	5	77	0	0	82
ROBSON	SPICER	LUBIN		1.4	451	11,662	39	25	12,177
	CHARLES	LUBIN		1.7	343	13,479	0	0	13,822
	LUBIN	PETERSON		3.5	794	25,141	40	25	26,000
	PETERSON	TAVERNA		4.4	334	12,531	0	0	12,865
	TAVERNA	RED PASS JCT		20.2	779	25,494	1	0	26,274
	PETERSON	HARVEY		4.8	331	8,594	39	25	8,989
	----------	TOTAL ----------		36.0	633	20,517	11	7	21,168
ROSETOWN	ROSKIN JCT	CONROSE JCT		20.7	280	5,282	0	0	5,562
	CONROSE JCT	KINDERSLEY		100.6	249	4,291	0	0	4,540
	----------	TOTAL ----------		121.3	254	4,460	0	0	4,714
ROUSES POINT	ROUSES POINT	CANTIC		5.1	14	71	0	0	85
	CANTIC	ST JOHNS		17.1	250	3,123	0	0	3,373
	ST JOHNS	BROSSARD		13.3	305	3,760	0	0	4,065
	BROSSARD	CASTLE GARDENS		4.4	408	4,770	0	0	5,178
	CASTLE GARDENS	CANNON JCT		2.8	436	4,888	0	0	5,324
	MARIEVILLE	CHAMBLY		5.8	29	102	0	0	131
	CHAMBLY	CASTLE GARDENS		7.9	37	195	0	0	232

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					GROSS TON MILES PER MILE OF TRACK IN 1000'S				
					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	ST ISIDORE JCT	ST REMI		6.5	94	24	0	0	118
	ST ISIDORE JCT	ST CONSTANT		3.7	94	24	0	0	118
	ST CONSTANT	DELSON		1.2	94	24	0	0	118
	DELSON	LAPRAIRIE		4.2	101	846	0	0	947
	LAPRAIRIE	BROSSARD		2.4	392	6,175	0	0	6,567
	----------	TOTAL ----------		74.4	193	2,140	0	0	2,333
ROUYN	WAITE	NORANDA		7.4	50	20	0	0	70
	----------	TOTAL ----------		7.4	50	20	0	0	70
RUEL	CAPREOL	MILNET		8.8	1,455	27,909	84	140	29,588
	MILNET	FOLEYET		139.5	1,455	27,868	84	140	29,547
	FOLEYET	OBA		109.3	1,456	27,873	84	140	29,553
	OBA	HORNEPAYNE		38.5	1,458	27,860	84	140	29,542
	----------	TOTAL ----------		296.1	1,456	27,870	84	140	29,550
SANGUDO	UNION JCT	VILLENEUVE		12.8	223	4,052	0	0	4,275
	VILLENEUVE	WHITECOURT		90.3	215	3,956	0	0	4,171
	WHITECOURT	MP 120.5		17.2	63	1,887	0	0	1,950
	MP 120.5	WINDFALL		6.2	60	1,726	0	0	1,786
	MP 120.5	MP 143.8		23.3	46	1,386	0	0	1,432
	MP 143.8	BENBOW		3.4	66	1,882	0	0	1,948
	MP 143.8	MP 158.7		14.9	34	920	0	0	954
	MP 158.7	GRIZZLY		14.6	28	455	0	0	483
	MP 158.7	KAYBOB		8.9	34	917	0	0	951
	----------	TOTAL ----------		191.6	137	2,711	0	0	2,848
SASKATOON T	CHAPPELL JCT	SASKATOON		0.7	2,660	49,798	68	115	52,641
	SASKATOON	SASKATOON Y		0.3	3,547	66,397	91	153	70,188
	SASKATOON Y	BURTON		0.3	2,082	44,884	68	115	47,149
	BURTON	ROSKIN JCT		1.6	1,822	39,273	60	101	41,256

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	----------	TOTAL ----------		2.9	2,229	45,200	66	111	47,606
SKEENA	PR RUPERT	WATSN ISLD		8.2	152	1,757	39	25	1,973
	WATSN ISLD	TERRACE		86.4	437	13,385	39	25	13,886
	----------	TOTAL ----------		94.6	413	12,377	39	25	12,854
SOREL	BRUNO JCT	LONGUEUIL		7.5	500	5,883	0	0	6,383
	LONGUEUIL	VARENNES		7.9	472	5,370	0	0	5,842
	VARENNES	CONTRECOEUR		15.7	373	2,949	0	0	3,322
	CONTRECOEUR	TRACY		14.3	168	1,692	0	0	1,860
	TRACY	SOREL		0.8	23	8	0	0	31
	----------	TOTAL ----------		46.2	341	3,399	0	0	3,740
SPRAGUE	RAINY RIVER	SPRAGUE		57.6	1,459	33,459	1	2	34,921
	SPRAGUE	SOUTH JCT		5.9	1,459	33,401	1	2	34,863
	SOUTH JCT	MP 145.5		82.0	1,459	33,381	1	2	34,843
	----------	TOTAL ----------		145.5	1,459	33,413	1	2	34,875
SPRINGHILL	TRURO	BELMONT	2	15.2	427	6,069	77	127	6,700
	BELMONT	FOLLY LAKE		17.0	853	12,124	154	253	13,384
	FOLLY LAKE	OXFORD JCT		22.1	856	12,337	154	253	13,600
	OXFORD JCT	SPRINGHILL JCT		12.9	854	12,451	154	253	13,712
	SPRINGHILL JCT	MACCAN		9.0	854	12,457	154	253	13,718
	MACCAN	SACKVILLE		18.1	855	12,473	154	253	13,735
	SACKVILLE	PAINSEC JCT		30.8	867	12,554	154	253	13,828
	PAINSEC JCT	MONCTON	2	14.8	479	6,402	77	127	7,085
	----------	TOTAL ----------		139.9	771	11,086	138	226	12,221
ST CLAIRE	SARNIA	SARNIA INT BND		1.6	2,495	42,715	89	141	45,440
	SARNIA INT BND	PORT HURON		1.5	2,495	42,715	89	141	45,440
	----------	TOTAL ----------		3.1	2,495	42,715	89	141	45,440

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GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		* * TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
ST.BRIEUX	HUMBOLT JCT	ST.BRIEUX JCT		54.1	208	2,636	0	0	2,844
	----------	TOTAL ----------		54.1	208	2,636	0	0	2,844
ST.HYACINTHE	RICHMOND	MONTBEC JCT		40.6	351	5,120	0	0	5,471
	MONTBEC JCT	ST HYACINTHE	2	0.6	1,217	19,433	295	383	21,328
	ST HYACINTHE	ST HILAIRE	2	26.8	1,213	19,513	241	284	21,251
	ST HILAIRE	BELOEIL	2	2.2	1,214	19,512	241	284	21,251
	BELOEIL	SOUTHWARK	2	25.0	1,294	20,461	241	284	22,280
	SOUTHWARK	CANNON JCT	2	0.8	1,514	22,769	241	284	24,808
	CANNON JCT	VICTORIA BR	2	7.4	1,652	24,816	241	284	26,993
	VICTORIA BR	WELLINGTON	2	2.2	1	2	241	284	528
	----------	TOTAL ----------		105.6	909	14,193	149	175	15,426
ST.LAURENT	PTE AUX TRMB	RIV DES PRAI		5.0	1,021	14,306	54	42	15,423
	RIV DES PRAI	MTL NORD		2.8	1,080	18,306	54	42	19,482
	MTL NORD	NATL QUARRIES		1.9	1,080	18,306	54	42	19,482
	NATL QUARRIES	GOHIER		3.8	1,080	18,306	54	42	19,482
	GOHIER	JCT DE L'EST		0.4	1,080	18,306	54	42	19,482
	JCT DE L'EST	TASCHEREAU YD		4.5	1,027	15,198	29	21	16,275
	----------	TOTAL ----------		18.4	1,051	16,459	48	37	17,595
ST.MALO	ALLENBY	ST MALO		1.5	0	0	0	0	0
	----------	TOTAL ----------		1.5	0	0	0	0	0
ST.MAURICE	FITZPATRICK	PARENT		118.9	304	4,978	37	26	5,345
	PARENT	MONET		56.4	302	4,044	37	26	4,409
	MONET	BOURMONT		9.3	303	4,012	37	26	4,378
	BOURMONT	GAGNON FILS		14.8	303	4,012	37	26	4,378
	GAGNON FILS	SENNETERRE		57.8	303	4,012	37	26	4,378
	----------	TOTAL ----------		257.2	303	4,466	37	26	4,832

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
ST.RAYMOND	LIMOILOU	CHARLESBOURG		2.9	85	1,037	0	0	1,122
	CHARLESBOURG	VALCARTIER		12.8	2	0	0	0	2
	----------	TOTAL ----------		15.7	17	192	0	0	209
STAMFORD	CLIFTON JCT	PT ROBINSON		9.8	1,222	15,103	0	0	16,325
	PT ROBINSON	YAGER		5.8	1,267	15,509	0	0	16,776
	YAGER	ROBBINS		3.6	983	14,852	0	0	15,835
	ROBBINS	FORT ERIE		10.8	1,011	14,801	0	0	15,812
	FORT ERIE	BL ROCK BRIDGE		1.7	1,149	17,255	0	0	18,404
	----------	TOTAL ----------		31.7	1,127	15,161	0	0	16,288
STRATHROY	LONDON	HYDE PARK	2	8.2	1,496	25,185	197	243	27,121
	HYDE PARK	KOMOKA	2	11.8	1,496	25,179	197	243	27,115
	KOMOKA	SARNIA STN	2	97.8	1,306	22,260	88	116	23,770
	----------	TOTAL ----------		117.8	1,338	22,756	106	138	24,338
SUDBURY TERM	SUDBURY	CN JUNCTION		6.6	46	205	0	0	251
	----------	TOTAL ----------		6.6	46	205	0	0	251
SUSSEX	MARSH JCT	BEND	2	4.2	204	2,103	0	0	2,307
	BEND	PETITCODIAC		18.5	306	3,078	0	0	3,384
	PETITCODIAC	MCCULLYS		17.9	641	3,763	0	0	4,404
	MCCULLYS	MOOSEHORN		18.7	629	4,924	0	0	5,553
	MOOSE HORN	ST.JOHN		29.7	437	4,142	0	0	4,579
	----------	TOTAL ----------		89.0	480	3,913	0	0	4,393
SWANTON SPUR	CANTIC	E ALBURG		9.8	236	3,051	0	0	3,287
	----------	TOTAL ----------		9.8	236	3,051	0	0	3,287
TALBOT	LONDON	ST THOMAS		15.6	228	1,403	202	236	2,069

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

					GROSS TON MILES PER MILE OF TRACK IN 1000'S				
					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	----------	TOTAL ----------		15.6	228	1,403	202	236	2,069
TASCHEREAU	SENNETERRE	BARRAUTE		17.9	251	1,988	0	0	2,239
	BARRAUTE	AMOS		25.4	112	738	0	0	850
	AMOS	TASCHEREAU		28.1	172	374	0	0	546
	TASCHEREAU	LA SARRE		25.9	57	324	0	0	381
	----------	TOTAL ----------		97.3	140	753	0	0	893
TELKWA	SMITHERS	ENDAKO		125.2	564	16,242	39	25	16,870
	----------	TOTAL ----------		125.2	564	16,242	39	25	16,870
TETE JAUNE	TAVERNA	HARVEY		1.9	347	11,788	0	0	12,135
	HARVEY	MCBRIDE		41.5	563	16,171	40	25	16,799
	----------	TOTAL ----------		43.4	554	15,979	38	24	16,595
THOROLD	PT ROBINSON	THOROLD		5.7	690	6,268	0	0	6,958
	----------	TOTAL ----------		5.7	690	6,268	0	0	6,958
THREE HILLS	SARCEE JCT	THREE HILLS		66.0	215	2,670	0	0	2,885
	THREE HILLS	ALIX S JCT		52.3	215	3,186	0	0	3,401
	ALIX S JCT	MIRROR		7.9	556	6,310	0	0	6,866
	----------	TOTAL ----------		126.2	237	3,111	0	0	3,348
TISDALE	NORTHWAY	MELFORT		43.7	13	158	0	0	171
	MELFORT	TISDALE		25.9	86	875	0	0	961
	TISDALE	CROOKED RIVER		13.3	76	196	0	0	272
	CROOKED RIVE	R CRANE		2.1	14	26	0	0	40
	CRANE	MUTCHLER		55.9	7	10	0	0	17
	----------	TOTAL ----------		140.9	30	233	0	0	263
TOGO	DAUPHIN	NORTH JCT		2.8	316	6,244	72	83	6,715

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	NORTH JCT	CANORA		122.1	316	6,118	72	83	6,589
	----------	TOTAL ----------		124.9	316	6,121	72	83	6,592
TURNBERRY	HUDSON BAY	THE PAS		88.1	106	2,232	44	38	2,420
	----------	TOTAL ----------		88.1	106	2,232	44	38	2,420
TURTLEFORD	N BATTLEFORD	SPRUCE LAKE J		71.9	7	124	0	0	131
	SPRUCE LAKE J	ST WALBURG		5.1	7	43	0	0	50
	----------	TOTAL ----------		77.0	7	119	0	0	126
UXBRIDGE	STOUFFVILLE	HAGERMAN		10.5	157	139	0	0	296
	HAGERMAN	MILLIKEN		1.6	155	179	0	0	334
	MILLIKEN	SCARBORO		8.3	105	177	0	0	282
	----------	TOTAL ----------		20.4	136	157	0	0	293
VAL D'OR	SENNETERRE	VAL D'OR		36.4	218	2,120	0	0	2,338
	VAL D'OR	NORANDA		65.1	216	1,617	0	0	1,833
	----------	TOTAL ----------		101.5	217	1,798	0	0	2,015
VALLEYFIELD	CANTIC	LACOLLE		1.8	267	4,576	0	0	4,843
	CECILE	VALLEYFIELD		2.6	446	5,615	0	0	6,061
	VALLEYFIELD	M P 45.8		4.0	447	7,296	0	0	7,743
	M.P. 45.8	COTEAU		1.3	447	7,296	0	0	7,743
	----------	TOTAL ----------		9.7	413	6,341	0	0	6,754
VEGREVILLE	N EDMONTON	ST PAUL JCT		3.5	1,006	19,579	27	44	20,656
	ST PAUL JCT	FT SASKTCHWN		10.2	924	18,319	27	44	19,314
	FT SASKTCHWN	VEGREVILLE JCT		54.7	365	7,548	27	44	7,984
	VEGREVILLE JCT	VEGREVILLE		0.9	303	6,616	27	44	6,990
	VEGREVILLE	VERMILLION		57.1	303	6,391	27	44	6,765
	MAIN LINE	BEAMER		11.2	288	5,814	0	0	6,102

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	----------	TOTAL ----------		137.6	390	8,025	25	41	8,481
WAINWRIGHT	N EDMONTON	BRETVILLE JC		3.2	2,566	49,537	68	115	52,286
	BRETVILLE JC	TOFIELD		34.0	1,833	41,020	68	115	43,036
	TOFIELD	RYLEY		11.5	1,825	40,961	68	115	42,969
	RYLEY	WAIWRIGHT		74.6	1,825	40,858	68	115	42,866
	WAIWRIGHT	UNITY		82.2	1,824	40,731	68	115	42,738
	UNITY	BIGGAR		57.9	1,862	40,176	68	115	42,221
	----------	TOTAL ----------		263.4	1,843	40,799	68	115	42,825
WALKLEY	WALKLEY	WASS		3.7	0	0	0	0	0
	WALKLEY	HAWTHORNE		2.1	0	0	0	0	0
	----------	TOTAL ----------		5.8	0	0	0	0	0
WARMAN	CHAPPELL JCT	WARMAN		17.1	323	4,849	0	0	5,172
	----------	TOTAL ----------		17.1	323	4,849	0	0	5,172
WATROUS	BIGGAR	ROSKIN JCT		53.6	1,802	39,586	68	115	41,571
	CHAPPELL JCT	NEWCROSS		5.1	2,261	44,868	68	115	47,312
	NEWCROSS	YOUNG JCT		42.3	2,170	42,884	68	115	45,237
	YOUNG JCT	WATROUS		14.5	2,106	42,193	68	115	44,482
	WATROUS	BERRY	2	13.6	1,059	21,995	34	58	23,146
	BERRY	BAILEY		118.9	2,004	42,504	68	115	44,691
	BAILEY	MELVILLE WEST	2	4.6	1,002	21,318	34	58	22,412
	MELVILLE WEST	MELVILLE		1.0	2,583	47,193	68	115	49,959
	----------	TOTAL ----------		253.6	1,933	40,515	66	111	42,625
WESTLOCK	DUNVEGAN JCT	DUNVAGEN YD		0.7	299	4,566	0	3	4,868
	DUNVEGAN YD	BANGO JCT		13.6	299	4,566	0	3	4,868
	BANGO JCT	MORIN JCT		5.9	299	4,543	0	3	4,845
	MORIN JCT	CARLEY JCT		15.0	273	4,217	0	3	4,493

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

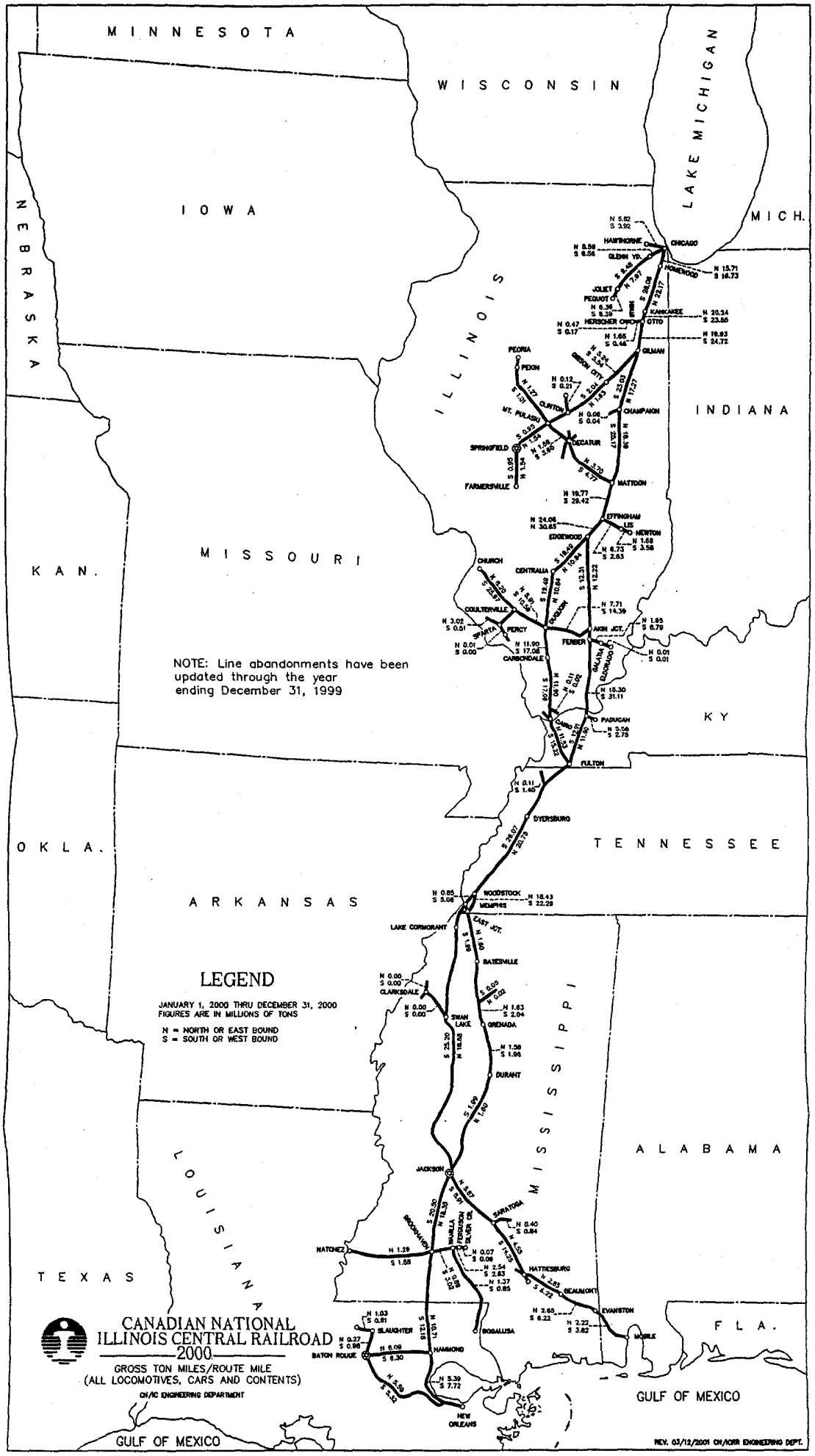
GROSS TON MILES PER MILE OF TRACK IN 1000'S

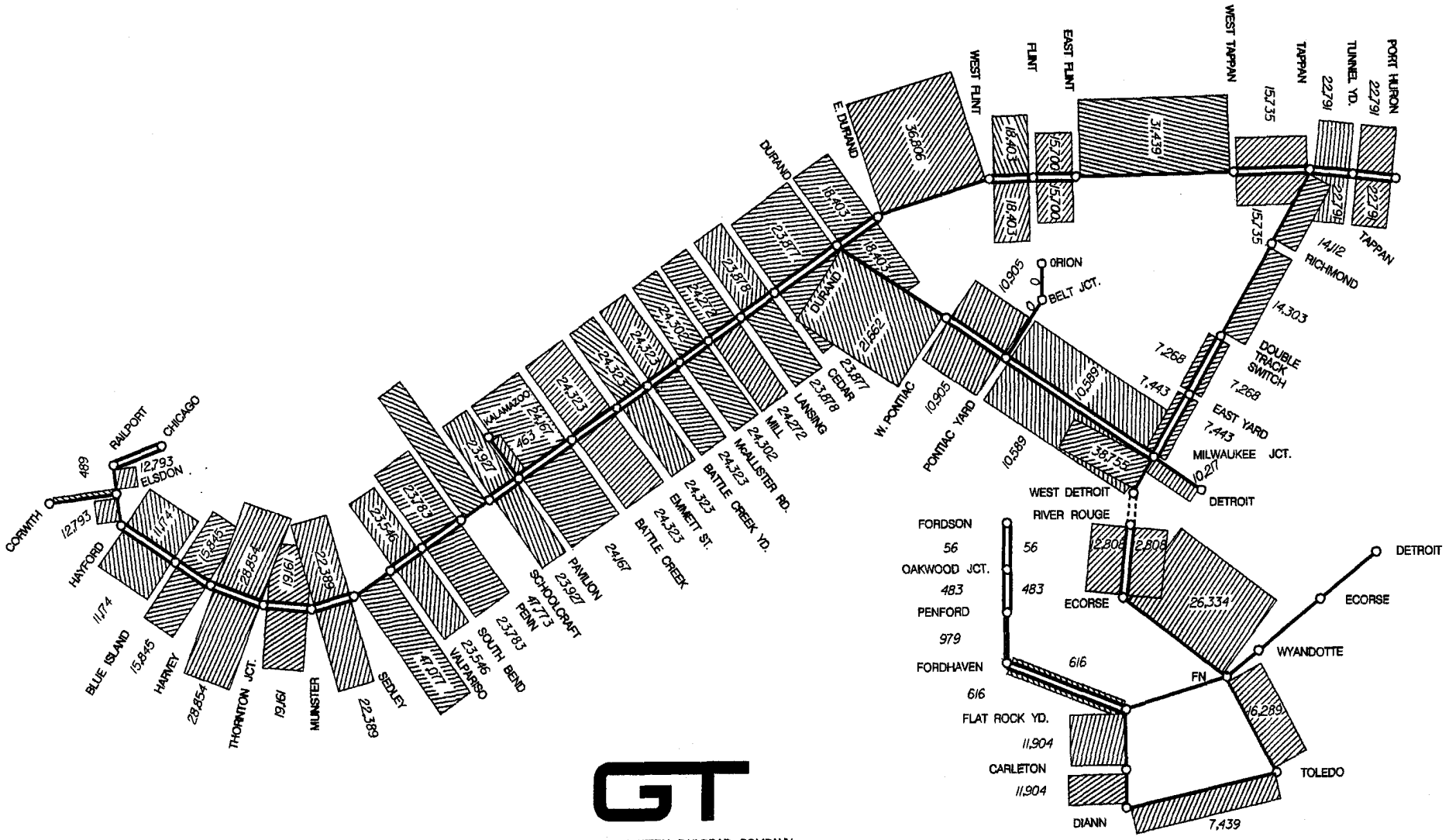
					* FREIGHT		* PASSENGER		* * TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	CARLEY JCT	SMITH		95.7	245	3,836	0	2	4,083
	----------	TOTAL ----------		130.9	256	3,991	0	2	4,249
WESTON	TORONTO BATH	PARKDALE	2	2.6	238	3,204	99	123	3,664
	PARKDALE	W TORONTO	2	5.4	54	609	99	123	885
	W TORONTO	M.P 7.5		2.5	111	1,221	198	247	1,777
	M.P 7.5	HALWEST		9.4	339	2,051	198	247	2,835
	----------	TOTAL ----------		19.9	220	1,706	158	197	2,281
WHITE BEAR	LACADENA	ESTON JCT		24.2	16	35	0	0	51
	----------	TOTAL ----------		24.2	16	35	0	0	51
WINNIPEG TERM	CARMAN JCT	PACIFIC JCT	2	2.8	1,295	28,488	70	98	29,951
	PACIFIC JCT	ST JAMES JCT	2	4.2	1,295	28,488	70	98	29,951
	ST JAMES JCT	PORTAGE JCT	2	4.2	1,295	28,488	70	98	29,951
	PORTAGE JCT	FORT ROUGE	2	0.8	1,376	30,006	70	98	31,550
	FORT ROUGE	WINNIPEG	2	4.4	1,775	30,749	70	98	32,692
	WINNIPEG	W. BEACH JCT	2	7.2	1,292	27,156	41	68	28,557
	E. BEACH JCT	TRANSCONA	2	9.2	690	14,091	40	69	14,890
	W. BEACH JCT	SYMINGTON	2	6.2	1,449	31,059	1	2	32,511
	TRANSCONA	MP 237		6.5	1,236	25,525	81	137	26,979
	SYMINGTON	MP 145.5		5.3	451	10,315	0	1	10,767
	WINNIPEG	MP 149.5		4.9	379	7,076	0	1	7,456
	----------	TOTAL ----------		55.7	1,083	22,466	42	66	23,657
YALE	VANCOUVER VIA	VANCOUVER		0.3	0	0	119	213	332
	TUNNEL JCT	VANCOUVER		4.8	83	1,323	58	107	1,571
	PORT MANN	TUNNEL JCT		11.5	571	13,634	31	56	14,292
	N. VANCOUVER	TUNNEL JCT		6.0	536	12,103	0	0	12,639
	PORT MANN	HYDRO	2	24.9	1,034	26,169	22	40	27,265
	HYDRO	PAGE	2	20.2	1,237	31,597	23	42	32,899

TRAFFIC DENSITY REPORT YEAR-TO-DATE DECEMBER 1999 CANADIAN NATIONAL RAILWAY CO.

GROSS TON MILES PER MILE OF TRACK IN 1000'S

					* FREIGHT		* PASSENGER		** TOTAL
SUBDIVISION	STATION FROM	STATION TO	MULT TRKS	TRACK MILES	LOCOS	CARS	LOCOS	CARS	
	PAGE	CHILLIWACK		21.1	1,757	44,650	110	166	46,683
	CHILLIWACK	BOSTON BAR		71.8	2,006	52,828	144	215	55,193
	----------	TOTAL ----------		160.6	1,507	38,984	89	137	40,717
YORK	PICKERING	BEARE EAST		5.0	3,215	60,266	1	2	63,484
	BEARE EAST	BEARE	2	3.0	1,606	30,125	0	1	31,732
	BEARE	MCCOWANS		5.7	3,212	60,250	1	2	63,465
	MCCOWANS	HAGERMAN	2	3.6	1,606	30,125	0	1	31,732
	HAGERMAN	DONCASTER	2	8.8	1,628	30,192	0	1	31,821
	DONCASTER	SNIDER	2	10.4	2,480	44,495	28	42	47,045
	SNIDER	MACMILLAN YD	3	7.5	1,801	31,897	0	0	33,698
	----------	TOTAL ----------		44.0	2,241	41,165	7	11	43,424
YORKTON	MELVILLE	YORKTON		25.0	156	1,287	0	0	1,443
	YORKTON	CANORA		29.7	167	1,298	0	0	1,465
	----------	TOTAL ----------		54.7	162	1,293	0	0	1,455


MINNESOTA
WISCONSIN
LAKE MICHIGAN
IOWA
MICH.
NEBRASKA
ILLINOIS
INDIANA
MISSOURI
KAN.
KY
OKLA.
TENNESSEE
ARKANSAS
MISSISSIPPI
ALABAMA
LOUISIANA
TEXAS
FLA.
GULF OF MEXICO
GULF OF MEXICO
CHICAGO
HAWTHORNE
GLENN YD.
HOMEWOOD
JOLIET
PEQUOT
KANKAKEE
OTTO
HERSCHER
GILMAN
PEORIA
PEKIN
CLINTON
CHAMPAIGN
MT. PULASKI
SPRINGFIELD
DECATUR
FARMERSVILLE
MATTOON
EFFINGHAM
EDGEWOOD
LIS
NEWTON
CHURCH
CENTRALIA
COULTERVILLE
DU QUOIN
PERCY
AKIN JCT.
FENDER
CARBONDALE
GALATIA
ELDORADO
PADUCAH
FULTON
DYERSBURG
WOODSTOCK
MEMPHIS
LAKE CORMORANT
EAST JCT.
BATESVILLE
CLARKSDALE
SWAN LAKE
GRENADA
DURANT
JACKSON
SARATOGA
BROOKHAVEN
HAZLEHURST
NATCHEZ
HATTIESBURG
BEAUMONT
EVANSTON
MOBILE
SLAUGHTER
BOGALUSA
HAMMOND
BATON ROUGE
NEW ORLEANS
NOTE: Line abandonments have been updated through the year ending December 31, 1999
LEGEND
JANUARY 1, 2000 THRU DECEMBER 31, 2000
FIGURES ARE IN MILLIONS OF TONS
N = NORTH OR EAST BOUND
S = SOUTH OR WEST BOUND
CANADIAN NATIONAL
ILLINOIS CENTRAL RAILROAD
2000
GROSS TON MILES/ROUTE MILE
(ALL LOCOMOTIVES, CARS AND CONTENTS)
CN/IC ENGINEERING DEPARTMENT
REV. 03/12/2001 CN/ICRR ENGINEERING DEPT.



GT

GRAND TRUNK WESTERN RAILROAD COMPANY

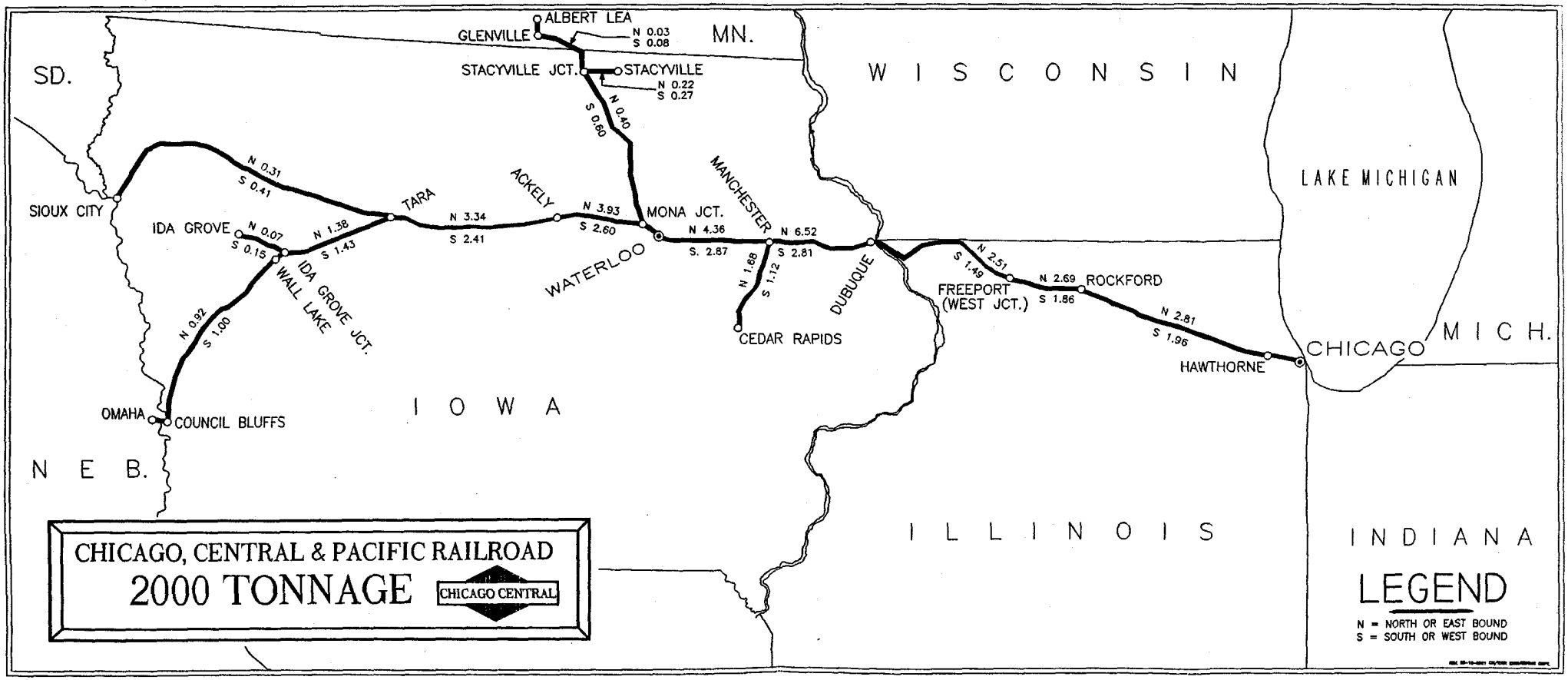
1999

TRAFFIC DENSITY

IN GROSS TONS PER MILE BETWEEN STATIONS

XX.XXX — GROSS TONS PER MILE (000) / BETWEEN STATIONS

NOTE:
YARD MOVES NOT INCLUDED IN FIGURES


ALBERT LEA
GLENVILLE
N 0.03
S 0.08
MN.
SD.
STACYVILLE JCT.
STACYVILLE
N 0.22
S 0.27
N 0.40
S 0.60
WISCONSIN
LAKE MICHIGAN
N 0.31
S 0.41
SIOUX CITY
IDA GROVE
N 0.07
S 0.15
N 1.38
S 1.43
TARA
N 3.34
S 2.41
ACKELY
N 3.93
S 2.60
MONA JCT.
MANCHESTER
N 4.36
S. 2.87
N 6.52
S 2.81
WATERLOO
DUBUQUE
N 1.68
S 1.12
CEDAR RAPIDS
N 2.51
S 1.49
FREEPORT
(WEST JCT.)
N 2.69
S 1.86
ROCKFORD
N 2.81
S 1.96
HAWTHORNE
CHICAGO
MICH.
IDA GROVE JCT.
WALL LAKE
N 0.92
S 1.00
OMAHA
COUNCIL BLUFFS
IOWA
NEB.
ILLINOIS
INDIANA
CHICAGO, CENTRAL & PACIFIC RAILROAD
2000 TONNAGE
CHICAGO CENTRAL
LEGEND
N = NORTH OR EAST BOUND
S = SOUTH OR WEST BOUND

1999 Traffic Density–DWP

District	Total Route Miles Within District	Trailing GTM per Route Mile (000)
Rainy	156.17	24,916

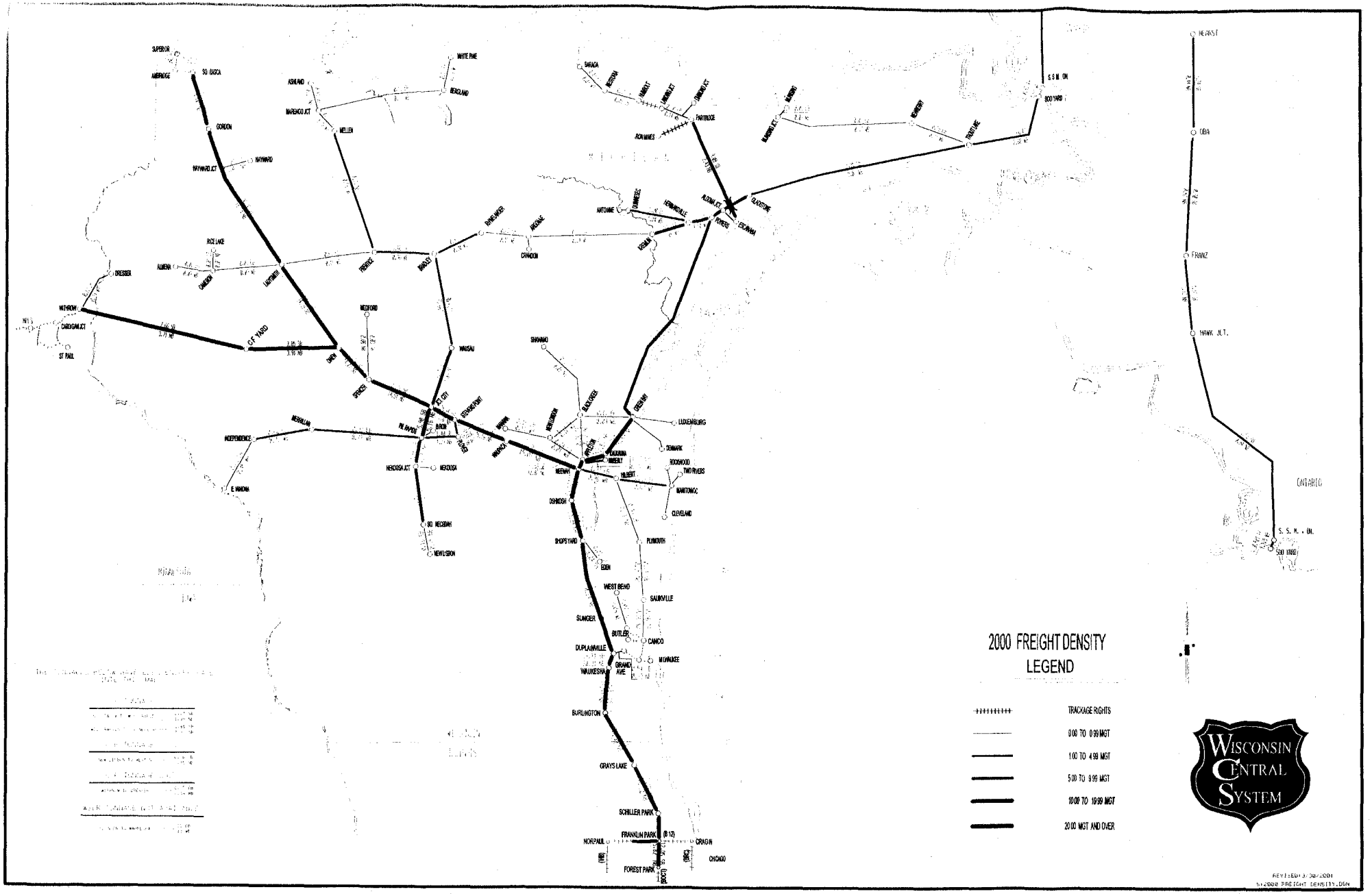

SUPERIOR
AMBRIDGE
SO. USCA
GORDON
HAYWARD JCT.
HAYWARD
ASHLAND
MARENGO JCT.
MELLEN
WHITE PINE
BERGLAND
SARACA
ALSTON
MIDDLE JCT.
MONOLIT
DIMONDALE
PARTRIDGE
IRONMINES
MARENISCO JCT.
BESSEMER
NORWAY
POINTAIRE
S S M ON
BOO YARD
RICE LAKE
ALMENA
DRESSER
HUTHROW
CARGIANI JCT.
ST PAUL
C F YARD
DMIN
MEDFORD
SPENCER
WAUSAU
RHINELANDER
ARGONNE
CRANDON
ANTOINE
SUMMERSET
HEMMINGWAY
ALGOMA JCT.
ASHAM
RIVERS
ESCANABA
GLADSTONE
SHAWANO
BLACKCREEK
GREENWAY
LUXEMBURG
DENMARK
KAUKAUNA
WRIGHT
APPLETON
KEWAUNEE
MANITOWOC
CLEVELAND
ROCKWOOD
TWO RIVERS
WEENAH
YELBERT
OSHKOSH
FOND DU LAC
PLYMOUTH
EDEN
WEST BEND
SAUKVILLE
BUTLER
CANCO
MILWAUKEE
GRAND AVE
SLINGER
DUPLAINVILLE
WAUKESHA
BURLINGTON
GRAYS LAKE
SCHILLER PARK
FRANKLIN PARK
(B12)
NORPAUL
CRAGIN
CHICAGO
FOREST PARK
(BRC)
(BRC)
(BRC)
INDEPENDENCE
MERRILLAN
WINONA
E WINONA
HERCOSA JCT.
HERCOSA
BD HEGEMAN
NEW LISBON
BATON
ROUGE
STEVENSPOINT
WAUNA
KENSINGTON
HEARST
OBA
FRANZ
HAWK JCT.
ONTARIO
S. S. M. + ON.
SOO YARD
2000 FREIGHT DENSITY
LEGEND
TRACKAGE RIGHTS
0.00 TO 0.99 MGT
1.00 TO 4.99 MGT
5.00 TO 9.99 MGT
10.00 TO 19.99 MGT
20.00 MGT AND OVER
WISCONSIN CENTRAL SYSTEM
REVISED 1/30/2001
W2000 FREIGHT DENSITY.DGN

EXHIBIT 15 – OPERATING PLAN – MINOR

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1.0 INTRODUCTION

1.1 Purpose and Scope

This Operating Plan describes how the railroad system that will result from the CN/WC Transaction will operate to serve its customers. The Operating Plan focuses on the changes in operations that will result from the Transaction and describes how CN/WC will manage those changes. It shows how CN and WC activities, personnel, and facilities in the U.S. and Canada will be integrated and describes the limited impacts on service, traffic density, terminal operations, and labor.

The quantifiable public benefits resulting from the operating efficiencies described here are summarized in Appendix A to the Application, "Summary of Benefits."

1.2 Summary of Basic Transaction and Operating Plan

On January 29, 2001, CN and WC entered into the Merger Agreement. Under that agreement, subject to STB authorization, WC will become an indirect wholly-owned subsidiary of CN. It will operate as the sixth CN division. *See* Section 9.0 *infra*.

For two basic reasons, CN and WC do not expect to make any significant physical changes to their systems. First, CN and WC today are highly complementary systems. They have no overlapping or redundant lines and do not cross anywhere in the U.S. (and at only one location in Canada). They are entirely end-to-end systems, connecting only at the northern and southern ends of WC's main line at Superior, WI, and Chicago, IL. *See* Verified Statement of Richard L. Bottorff.

Second, for several years, CN and WC have already been cooperating under limited-term haulage agreements to move CN traffic over WC's line between Superior and Chicago. They

have developed a close, coordinated working relationship and have sought to achieve as many of the efficiencies as possible out of a contractual relationship between independent companies. This was done to provide CN with a link between Superior and Chicago that did not require CN to interchange with another carrier. *See* Section 3.2.1.2 *infra*.

The Operating Plan contemplates that this end-to-end Transaction will be simple and straightforward:

- Modest increases in traffic, yet ample capacity to accommodate growth
  - Capacity available in lines, yards, terminals
  - No need for new facilities
- Few changes in traffic patterns and operations
  - No changes in routing and a net total of only one new train pair
  - No impact on passenger or commuter service
  - Only one small yard consolidation and no line abandonments
- No major changes in operating organization
  - WC continues as a distinct entity – the sixth division of CN
  - Essential continuity of major functions – *e.g.*, dispatching, crew calling, customer service
  - Only modest reductions in labor force
- No major implementation risks
  - No abrupt "day-one" changes
  - Information technology transition by experienced team with proven track record
  - No identifiable safety risks or significant environmental impact

The modest nature of the changes expected reflects the fact that the Transaction was not driven by a desire to enter new markets. Rather, it is the result of (a) WC's conclusion that it could not continue to serve its customers in the future as it has in the past without becoming a part of a larger system with more resources, and (b) CN's desire to secure permanent control

over the important Superior-Chicago connection. *See* Verified Statement of Paul M. Tellier; Verified Statement of Thomas F. Power, Jr.

CN/WC will maintain their strong dedication to safety, quality service, customer focus, and operational efficiency and stability shared by CN and WC today. The benefits of the Transaction will come from extended and expanded single-line service, additional market reach for CN and WC, more efficient equipment utilization, train capacity synergies, through-blocking opportunities, reduced car handlings, improved use of information technology, and improved communications systems made possible by the Transaction. *See* Sections 3.3, 4.0, 8.0, 10.0, 11.0 *infra*.

By comparison with the recent successfully implemented CN/IC merger, or other recent transactions involving the integration or division of substantially overlapping, major railroad operations, the CN/WC merger will, as noted, involve relatively few operating changes. Nevertheless, an important principle underlying the Operating Plan is measured, careful step-by-step integration of CN and WC without compromising safety or service. *See* Sections 13.0, 14.0 *infra*. CN and WC are committed to seeing that the changes that do take place will be implemented without any diminution in service for shippers. The Operating Plan incorporates substantial capacity and operational flexibility to implement the relatively limited and few changes anticipated.

CN and WC are two of the most efficiently run railroads in North America, and their combined experience and expertise enable them to assure that service levels will be the same or better for their customers. Further detail regarding CN/WC's service planning and service commitment is set forth in the Service Assurance Plan included as part of the Application. *See* Section 13.0 *infra*.

2.0 DEVELOPMENT OF THE OPERATING PLAN

2.1 Overview

This Operating Plan was developed by a team of CN and WC employees. The Operating Plan team focused on scheduling, traffic routing, network capability and capacity, blocking plans, physical operations, existing plant, and construction requirements. The commercial team focused on current and likely traffic flows and the special needs of particular commodities, including forest products and paper, metals and minerals, chemicals, fertilizer, grain, coal, automobiles, and intermodal. Other specialized support for the Operating Plan team involved mechanical, engineering, equipment utilization, passenger, safety, labor, and environmental matters.

These teams were assisted in their work by expert transportation consultants – including George C. Woodward, Richard L. Bottorff, ALK Technologies, Inc. ("ALK"), A.T. Kearney, Inc. ("Kearney"), and Reebie Associates. The pre-merger traffic flows were first established. Post-merger traffic gains were determined by two processes. First, with the assistance of CN and WC market managers, an analysis of post-merger traffic gains was performed under the direction of Messrs. Woodward and Bottorff, as described in their Joint Verified Statement. Second, potential over-the-road truck-to-intermodal rail gains were determined by Reebie Associates. Using these data, the Operating Plan Team worked with experienced CN and WC commercial personnel and the consultants to determine the appropriate post-Transaction handling of these flows.[1] The Operating Plan team assessed train schedules, blocking plans, and

[1] There was a very small difference between the initial study results of the consultants, which the operating plan team used, and the final study estimate of carload gains. This small difference (59 carloads per year system-wide) was inconsequential to the operating plan analyses.

line and yard capacity. *See* the Verified Statement of Gordon T. Trafton II and J. Edward Terbell.

2.2 Car Flows, Blocking Plans, Line Segment Changes and Changes in Yard and Terminal Activities

Traffic Flows. Knowledgeable operations staff from CN and WC reviewed historical traffic flows to determine opportunities to develop more efficient blocking and train service plans.

Blocking Plans. The Operating Plan team developed a classification plan for yards and a train plan for the new CN/WC network. It suggested changes in blocking plans which were used both to design service and to evaluate the levels of post-merger yard and terminal activities.

The Operating Plan team developed the final CN/WC Operating Plan by determining market-responsive, feasible schedules and refining them with different blocking and train plan scenarios, analyzing the results, and choosing the most service-oriented and efficient approach. Throughout the process, the CN and WC planners focused on the need to ensure that the proposed schedules, train sizes, blocking plans, and terminal functions were realistic and would accommodate the forecasted incremental traffic.

Line Segment Changes and Changes in Yard and Terminal Activities. The Operating Plan team estimated counts of trains and gross tonnages by line segment and car handlings by yard. The pre-merger train counts, gross tonnages, and yard volumes were taken from the operating plan, which were derived in part from the historical traffic flows. The team calculated the changes (if any) in train volumes and gross tonnages by line segment, as well as any changes in yard activities. Line and yard activity changes are set forth in Application Appendix D, Exhibit 4.

2.3 Realization of Traffic Gains and Transaction Benefits

The Operating Plan reflects the phased realization, over the three-year implementation period, of traffic gains estimated in the Traffic Study. The Plan assumes full realization of traffic gains by the third year and describes only operations expected after full implementation. Due to the time required to implement operating initiatives, some efficiencies may not be immediately realized.

3.0 PATTERNS OF SERVICE

3.1 Principal CN and WC Routes

The principal rail lines and routes of CN and WC are shown on the maps submitted as Exhibit 1 to the Application.

3.2 Main Line Operations

The CN and WC systems are entirely end-to-end and do not overlap in the U.S. The Transaction will create no redundant lines. There are no major operational changes planned.

3.2.1 CN's Current Operations

3.2.1.1 CN Rail System

On July 1, 1999, CN consummated its merger with IC, which is a wholly-owned subsidiary of CN. That merger created a combined system which now includes 3,912 owned route miles in 14 U.S. states and 11,620 owned route miles in eight Canadian provinces. CN is the only railroad with lines linking the Atlantic, Pacific, and Gulf Coasts of North America. CN has approximately 1,900 locomotives, 78,000 freight cars, and 22,500 employees. CN operates an average of 424 freight trains per day (including 156 locals).

Chicago lies at the heart of CN's service routes between the South or Southwest and Canada and the U.S. Northeast. CN's principal U.S. routes from Chicago run south through

Memphis, TN, to the Gulf; east to Detroit and Port Huron, MI, Buffalo, NY, Toronto, ON, and Montreal, PQ, and Halifax, NS; and west to Council Bluffs and Sioux City, IA. As noted, by virtue of the WC haulage agreements or interchange with WC or other carriers, CN's routes also run north to western Canada.

CN operates 14 major freight car classification yards in the U.S. and Canada, the most pertinent of which for purposes of this Application are Symington Yard (Winnipeg, MB), and Markham/Glenn/Hawthorne Yards (Chicago, IL). CN operates 22 intermodal facilities, the most pertinent of which is Gateway/Moyers Intermodal Terminal in Chicago. CN also operates 18 automotive distribution facilities in the U.S. and Canada.

Major urban areas served by CN include:

- Baton Rouge, LA
- Buffalo, NY
- Calgary, AB
- Chicago, IL
- Cincinnati, OH
- Detroit, MI
- E. St. Louis, IL/St. Louis, MO
- Edmonton, AB
- Halifax, NS
- Jackson, MS
- Memphis, TN
- Mobile, AL
- Montreal, PQ
- New Orleans, LA
- Omaha, NE/Council Bluffs, IA
- Quebec City, PQ
- Sarnia, ON
- Sioux City, IA
- Toledo, OH
- Toronto, ON
- Vancouver, BC
- Winnipeg, MB

CN serves other major markets, including Shreveport, Dallas, Beaumont, and Houston, Texas, and reaches the Mexican market, at the Laredo, Texas, gateway, through a marketing arrangement with KCS (the "Alliance Agreement").[2]

Major ports served by CN include:

- Halifax, NS
- Kitimat, BC
- Mobile, AL
- Montreal, PQ
- New Orleans, LA
- Prince Rupert, BC
- Quebec City, PQ
- Thunder Bay, ON
- Vancouver, BC

CN also serves a number of river ports on major rivers in the U.S. Midwest and Gulf regions.

CN operates through a regional division structure, adopted in 1999 in conjunction with consummation of the CN/IC merger, comprised of the Midwest and Gulf divisions in the U.S. and the Pacific, Prairie, and Eastern Canada divisions in Canada.

3.2.1.2 CN/WC Haulage Agreements

CN's line from western Canada terminates at Superior and does not physically reach Chicago. Prior to 1998, CN had separate haulage agreements with BNSF and WC to move traffic for CN between CN's facilities in Superior and Chicago.[3] WC handled intermodal traffic for CN's account over WC's line through Fond du Lac, WI, under a 10-year agreement made in 1997, and BNSF handled bulk and merchandise traffic over its longer-distance route through

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[2]Further detail regarding the Alliance is provided in CN's First Progress Report filed July 3, 2000, in Docket No. 33556 (Sub-No. 4).

[3] CN's lines do not physically connect with WC's line. From a point north of Superior, CN operates pursuant to a trackage rights agreement over a 17-mile segment of DMIR's line, which connects with a WC line south of Superior. Traffic moves between WC and the CN lines and yards in Chicago over various terminal connections.

Minneapolis/St. Paul, MN and East Dubuque, IL. CN could also interchange traffic moving between Duluth/Superior and Chicago with WC or other carriers. In 1998, CN terminated the BNSF agreement and entered into a 20-year agreement with WC to handle CN's bulk and merchandise haulage traffic, using WC's route between Superior and Chicago. However, the 1998 agreement, like the intermodal agreement, applies only to overhead (through) traffic in addition to other exceptions. WC had not been willing to permit CN direct access to shippers located on the WC system.

As discussed in the Joint Verified Statement of Gordon T. Trafton II and J. Edward Terbell, CN and WC have taken various steps to maximize the efficiency of their contractual haulage relationship. For example, through train operations for haulage traffic have been designed to take advantage of improved blocking plans, locomotive plans, and enhanced interline connections with other carriers.

The WC haulage arrangement permits the CN traffic involved to move to or from Chicago with other carriers (*e.g.*, to the Southeast or Northeast), and to take advantage of key terminal facilities in Chicago (*e.g.*, CN's Gateway and Moyers intermodal terminals). Some of the traffic moving via WC haulage is block-swapped at WC's Fond du Lac Yard for direct connection to CSX and NS in Chicago, thereby reducing switching and handling in Chicago.

However, the haulage terms limit CN and WC's ability to mix trains by including CN and WC traffic on the same train without specific agreements, which have been short-term in duration when made. These contractual limitations, commonly found in haulage arrangements, reflect the fact that issues concerning such matters as fuel cost allocation and impacts of performance goals can arise with mixed trains. Any haulage agreement also entails the service reliability risks associated with having another railroad handling CN's business in trains over

which CN does not have control As further explained in the Trafton/Terbell Verified Statement, there are other limitations with reliance upon haulage arrangements, no matter how efficiently conducted, as opposed to use and control of one's own line.

3.2.1.3 CN's Traffic Base

CN's revenues derive primarily from the transportation of chemicals and metals and minerals, forest products, coal, sulfur, and fertilizers, agricultural commodities, and automotive products, and intermodal transportation.

CN serves substantial chemicals, plastics, metals, and petroleum and gas producers in Louisiana, Mississippi, Ontario, Quebec, and Alberta. From the Gulf, CN generally carries these products up its main north-south line through the Chicago area and other gateways to the large consuming area in the Midwest and Northeast. From eastern Canada, CN generally carries such products both south through Montreal and Toronto to Chicago (via the St. Clair Tunnel) and beyond, and west along CN's Canadian transcontinental route for domestic Canadian consumption or processing. From western Canada, CN generally carries these products south into the U.S. (through Superior over WC to Chicago, and beyond) and east on the transcontinental route to markets in eastern Canada.

The forest products category includes lumber and wood products, newsprint and paper, fiberboard and pulpboard, and woodpulp and chips. CN has superior access to the western and eastern Canadian fiber producing regions and its geographic position is a significant factor in attracting mills to locate on its network. CN carries forest products from Quebec to the Northeast and to Chicago and beyond for consumption in the Midwest and South. From British Columbia, significant amounts of forest products move to the same consuming areas via WC or another connection between Superior and Chicago. CN's north-south line between Chicago and

the Gulf is also strategically located to attract traffic from the Southeast and other regions served by other railroads and destined to end markets or gateways served by CN. Such traffic moving to western Canada moves over WC between Chicago and Superior.

CN has substantial domestic Canadian intermodal business, particularly in eastern Canada, and both domestic and international traffic running over its transcontinental line between eastern and western Canada. It has international business moving over its low-cost double-stack corridor running from the Port of Halifax through the St. Clair Tunnel to Chicago. International intermodal traffic also moves from Vancouver over WC between Superior to Chicago and beyond. CN provides daily RoadRailer® service – bi-modal trailers that can operate on the highway or the rails – between Montreal and Toronto and, more recently, between Toronto and Chicago.

Although the majority of CN's coal traffic originates in the U.S., there is also significant coal traffic from western Canada. Most of the coal CN transports for producers in Canada is either metallurgical coal, which largely moves over CN's western lines for export from coal terminals in British Columbia (Vancouver and Prince Rupert) to steelmakers in Japan and other Asian markets, or thermal coal, which moves west to Vancouver for export, or, in some cases, east to Canadian utilities. In the U.S., CN serves a number of Midwestern utilities and, in conjunction with other carriers, carries coal to those utilities which originates both in the Powder River Basin area of Wyoming and Montana and in Appalachia. CN also serves several Illinois mines, from which it moves thermal coal direct to U.S. utilities, to river terminals for domestic consumption and export, and to the Gulf for export.

The majority of CN's sulfur and fertilizer traffic originates in western Canada. CN serves directly or has access to nearly all major potash mines in Saskatchewan, where western

Canadian production is centered. It carries potash west for export through Vancouver and Portland, south over WC from Superior to Chicago and from there to points beyond, and also to eastern Canada. CN also moves significant quantities of sulfur from western Canada destined via the Superior-Chicago connection to phosphate fertilizer production facilities in the U.S., and to other countries via New Orleans.

In Canada, most of the grain moved by CN originates in western Canada and the vast majority is exported through Vancouver, Prince Rupert, or Thunder Bay. CN moves grain from western Canada via its Canadian transcontinental east-west line or over WC's connection between Superior and Chicago to points south on CN. CN also moves some grain to eastern Canada from U.S. Midwest origins via Chicago and from western Canada to the U.S. Midwest, via WC or another connection between Superior and Chicago. In the U.S., CN originates significant amounts of grain in Iowa and Illinois, and serves large grain processors in Illinois, Iowa, Tennessee, Mississippi, and Louisiana. CN also provides direct service to the major grain export facilities located on the Gulf.

CN is the leading carrier of automotive products originating in southern Ontario and Michigan and moves finished vehicles and auto parts within Canada and the U.S. and in both directions across the border. CN's GTW operation has long been highly integrated into U.S. auto production, and, with its St. Clair Tunnel, CN has the most direct route from Southern Ontario to the Chicago terminal area and south. Through its Alliance with KCS, CN also has access to the Southwest and Mexico.

3.2.2 WC's Current Operations

WC's North American rail system comprises approximately 2,464 owned or operated route miles in four U.S. states and 296 owned or operated route miles in Ontario. It has 243

locomotives, about 13,200 railcars, and approximately 2,200 employees. WC operates an average of 106 freight trains per day (including 53 locals).[4]

WC's main route extends from outside Chicago north through the Fox River Valley region of Wisconsin through Fond du Lac to Neenah, and then northwestward through Stevens Point to Superior, WI. Another main route diverges from this line and extends to Withrow, MN, and via trackage rights over CP to Minneapolis/St. Paul. Other WC lines extend to Green Bay, Milwaukee, Wausau, Wisconsin Rapids, Ashland, and East Winona, WI; to Sault Ste. Marie, MI; and between the iron ore ranges around Ishpeming, MI, and the lake docks at Escanaba, MI.

Chicago is the principal gateway for WC traffic moving between Chicago, the Midwest, West, South and East, on the one hand, and Minnesota, Wisconsin, Northern Michigan, and Ontario on the other. WC's main line between Superior, its other main gateway, and Chicago terminates about six miles south of its small facility at Schiller Park and connects with other line-haul carriers in Chicago directly or through the various terminal railways. At locations in Chicago and other gateways on its system WC interchanges traffic with some two dozen other railroads.

WC operates in the U.S. through a structure of management territories focused on either operating facilities or geographic areas, including WC's ACRI subsidiary, which operates its line in Ontario as a stand-alone unit.

WC handles a wide variety of paper products, woodpulp, pulpboard, lumber and wood fibers. Direct rail service is provided to several major woodpulp and paper manufacturers in central and northeastern Wisconsin, the Upper Peninsula of Michigan, and Ontario.

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[4] Because of differences in internal definitions, the WC and CN numbers of trains per day may not be directly comparable.

The principal minerals that WC hauls are metallic ore, coal, clay products and roofing granules. Metallic ore consists primarily of shipments to steel producers in Ohio and Ontario, as well as shipments to Escanaba, MI, for transload to lake vessels. Low sulfur coal is carried inbound to electric utility plants in Wisconsin and high sulfur coal is carried inbound to paper mills and other industries. Inbound clay is used for paper production and in the iron ore pelletizing process. Outbound roofing granules originate at manufacturing facilities in Wisconsin. Other mineral products hauled are sand and stone.

WC hauls industrial products, including chemicals and petroleum products used by the paper companies and fertilizer distributors in the WC service area. Steel is also hauled primarily from Canadian producers to various points throughout North America.

Corn, barley, malt and canned and frozen vegetables make up most of WC's food and grain traffic. Outbound corn is hauled primarily to processors in the Chicago area. Barley is used at malt houses in Eastern Wisconsin. Canned and frozen vegetables are hauled from central Wisconsin origins to various points throughout North America.

WC offers intermodal service between Wisconsin and Chicago (to CN's intermodal facility) in conjunction with interline connections to and from points throughout North America. WC's intermodal service also connects with CN as part of "The Superior Connection," which provides service between Chicago and Western Canada. WC offers intermodal service in trailers and containers primarily through intermodal marketing companies, steamship lines, and truckload carriers. Interline service arrangements with connecting carriers permit through billing to points throughout the U.S. and Canada. All intermodal terminals on WC, located at Green Bay, Neenah, Stevens Point, and Arcadia (private ramp), are equipped with lift devices capable of handling both containers and trailers.

3.3 Proposed Merged Operations

CN's and WC's main line operations are entirely end-to-end. As evidenced by the maps appended as Exhibit 1 to the Application, CN and WC connect with each other at WC's northern end point in Superior and southern end point in Chicago, and they have no parallel or overlapping routes.[5] Because there are no redundancies between their lines, and because of the efficiency gains already made through the cooperative CN/WC relationship, there will be relatively few changes made to actual train operations and no significant changes in the existing route structure. The benefits of integrating CN and WC rail operations will flow largely from the single-line service, improved coordination, and greater length-of-haul and equipment utilization efficiencies that are possible as a single carrier. Planned improvements in scheduling, blocking, equipment utilization, and operational control will enhance the capacity of both railroads, thereby improving the safety, reliability, and efficiency of their operations.

CN and WC do expect traffic to increase on some current routes, but their main lines are in excellent condition, and have more than adequate capacity to handle the traffic forecasted. No investments in track and terminal facilities will be needed to facilitate the operating integration of CN and WC or to accommodate increased workload at any yard.

3.3.1 Proposed Train Service

After consummation of the Transaction, CN and WC will be able to implement revisions or new schedules and services to take advantage of optimized train capacity efficiencies by making trains combining CN and WC traffic, and extended single-line routes resulting from the

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[5] WC's ACRI subsidiary in Canada, which is operated separately out of Steelton (Sault Ste. Marie), ON, consists of a north-south line between Sault Ste. Marie and Hearst, ON, which crosses CN's east-west line at remote Oba, ON, where they interchange traffic but serve no common customers. *See* Verified Statement of Richard L. Bottorff. ACRI will continue to operate as part of the WC division. No changes in its operations are contemplated.

Transaction. We expect these efficiencies to result in some new traffic, for which we have made provisions in the Operating Plan.

The vast majority of CN and WC freight schedules are not expected to change as a result of the Transaction. Attached in Appendix C are identifications of trains that are (1) new, (2) extended, modified, or improved, or (3) discontinued or replaced by new service.

The Transaction is not expected to result in any significant changes to main line train service in any of the areas in the U.S. or Canada served by CN or WC. CN/WC will make minor adjustments to the service plan to take advantage of the opportunity for integrated operations, increased traffic volumes and new through train services. These changes reflect the new single-line service, more efficient blocking and longer trains made possible by the Transaction.

CN/WC also expects to be able to improve service for intermodal traffic from Western Canada to Arcadia, WI. By carrying Arcadia-bound double-stack cars on CN's Vancouver/Chicago intermodal train as far as Stevens Point, and then by WC local service to Arcadia via Wisconsin Rapids, CN/WC expects to improve car transit time by as much as 24-36 hours over the present interline routing over Minneapolis/St. Paul. (Applicants' traffic study estimates that nine double-stack cars of overseas import traffic per week could take advantage of the improved routings.)

3.3.2 Effect on Routes

After the Transaction, some of the north-south traffic over the WC line between Superior and Chicago will be moved more efficiently. This is particularly true of traffic that is now interchanged with BRC and UP, and can be efficiently handled at WC's Fond du Lac yard for direct delivery to trains destined to the connecting carriers at Chicago. Such changes in the interchanges with BRC and UP are expected to save about a day in one-way car transit times.

Connecting carriers in Chicago reciprocally can and do block northbound traffic destined for WC or CN at Fond du Lac already. Although the routings used by CN/WC through Chicago, and the facilities used, are not expected to change as a result of the Transaction, much CN/WC traffic moving through the Chicago terminal will benefit from the improved coordination and efficiencies – including reduced car handling – that are possible with single-line service.

The new plan will take advantage of CN's modern facilities at Symington yard, which now makes up a daily WC block that is set out at Stevens Point yard. In the new plan, Symington will build two WC blocks, for a Superior and a Neenah set out. This will remove an estimated 40 cars per day from Stevens Point. The new plan will also take advantage of existing northbound through train service to move the Superior interchange traffic that formerly moved out of Stevens Point on local service.

The traffic blocked at Symington for delivery to BRC at Chicago will be switched at WC's Fond du Lac yard and combined with WC's BRC traffic into direct train service from Fond du Lac to BRC's Clearing yard in Chicago. This will result in the handling of approximately 10 more cars per day in each direction at Fond du Lac, and a corresponding reduction at CN's Hawthorne yard in Chicago. Traffic to UP's Proviso yard in Chicago, presently moving from Winnipeg to Hawthorne, will also be handled at Fond du Lac and be set out for a UP direct train. The remaining cars previously blocked for Hawthorne will be handled through to CN's Markham yard in Chicago or its Champaign yard. Certain traffic moving both directions between WC points and points on CN south of Chicago will be blocked to or from Champaign and will not require handling in Chicago.

Overall, operations at Hawthorne will benefit from a reduction in the number of cars handled per day of about 70. While there will be an increase of about 70 cars a day handled at

Markham, that facility is much larger than Hawthorne and has sufficient capacity to absorb the additional cars.[6]

Routings for traffic moving to and from points on CN's system east of Chicago will not change as a result of the Transaction. However, for the first time, traffic moving from WC-served points will be able to reach CN-served points south and east of Chicago and in Canada in single-line service.

3.3.3 Local Train Service

The primary function of local trains and road switchers is to gather and distribute traffic to and from customers in metropolitan areas, on main lines between terminals, and on branch lines. The Transaction is not expected to result in any substantial changes to local train service in any of the areas in the U.S. or Canada served by CN or WC. A minor change in local service is expected on the Superior subdivision as a result of blocking improvements on main line trains. The origin point of WC's Superior subdivision local service will be moved from Stevens Point to Wisconsin Rapids, further reducing car handling at Stevens Point by 75 cars per day and reducing transit schedules on affected traffic. Cars destined to other customers in northwest Wisconsin are currently handled from Superior to Stevens Point for blocking to local services. The new plan will block such cars at Symington to connect with new local services at WC's Ladysmith yard.

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[6] Some of the switching activity eliminated in Chicago will instead be performed at CN's Champaign Yard, but that facility has adequate capacity to handle that relatively minor increase.

3.4 Terminal Trackage Rights

The Transaction of CN and WC will not require the imposition of involuntary terminal trackage rights on any carrier.

3.5 Abandonments

There are no line abandonments planned as a result of the Transaction.

4.0 YARD AND TERMINAL CHANGES

Only a small number of yards and terminals on the CN/WC rail system will experience discernible increases in activity as a result of the Transaction. They are identified in Application Appendix D, Exhibit 4, which sets forth projected changes in average daily cars switched, handled in blocks, or lifted at the CN and WC yards and terminals in the U.S. and Canada that are expected to experience changes. The operating impact of anticipated changes in activity levels is discussed in this Section.

The Chicago terminal area is the center point of CN's system and the most important gateway on WC's system. CN and WC do not expect that the Transaction will result in any new routings or changes in facilities in the Chicago area. However, we recognize the particular importance of operations there, and begin by discussing the Chicago Terminal and then turn to other areas that have particular importance, or where more notable changes are expected.

4.1 Chicago Terminal Area

4.1.1 Current Operations

CN's Merchandise Yards. CN's largest general merchandise rail yard in the Chicago metropolitan area is Markham yard, which is located in Harvey, IL, just south of Chicago and adjacent to CN's Gateway/ Moyers Intermodal Terminal. It has four receiving tracks and 16 classification tracks. Its support facilities include seven car repair tracks, an 11-track support

yard (F Yard), and locomotive and car repair shops. Markham handles north-south and inbound-outbound Illinois-Iowa mixed freight business for CN, as well as handling classification and delivery of some connecting carriers' traffic at Chicago. In addition to the switching capacity of the yard itself, two three-mile thoroughfares next to the yard can be used for building trains and for short-term storage. Two 10-mile thoroughfares between Harvey and 79th Street also can be used for interchanges between CN and IHB, CSX, CSS, CRL, and UP. Attached in Appendix B is a schematic of the yard.

CN's second major rail yard in the Chicago area is Glenn yard, located in Forest View, just west of the City on CN's Joliet District. Glenn operates primarily as an industry support yard. It has five receiving tracks and 14 classification tracks. An adjacent support yard (D Yard) has five tracks. Glenn serves the Joliet District's local industries. In addition to making up blocks and trains for CN's line-haul operations, Glenn handles interchanges to EJE, IHB, BRC, NS, UP, WSOR, IMRL, BNSF, and MJ. CP operates directly to and from Glenn. Attached in Appendix B is a schematic of the yard.

CN's Hawthorne Yard has 16 tracks averaging 2,800 feet in length and serves primarily as an industry support yard. Attached in Appendix B is a schematic of the yard.

Intermodal Terminal. CN operates the Gateway/Moyers Intermodal Terminal in the Chicago area, located at Harvey. Its physical assets include ten loading/unloading tracks with a total pad capacity of approximately 36,000 feet, two overhead cranes, nine side loaders, and 28 yard tractors. Gateway/Moyers handles traffic moving between Chicago and Canada's East and West Coasts, as well as containers and trailers into and out of Chicago from the south. It also provides terminal services for other carriers, such as UP and WC. The terminal also contains a

bulk transfer facility. Attached in Appendix B is a schematic showing the location of the terminal.

Schiller Park. WC has a small facility at Schiller Park. It operates as an industrial yard primarily serving local industries. In addition to the single-track main line, it has four short tracks of between 2500 and 3200 feet, which can hold cars for local industry or interchange cuts for pickup or delivery, and handles 25 trains per day.

4.1.2 Proposed Operations

CN and WC expect a limited reduction in the overall the level of switching activity in Chicago. The capacity of main lines used by CN and WC in the Chicago terminal area is sufficient to accommodate any foreseeable growth in freight service resulting from the Transaction. Interchange routes will remain as they are today. The merger of CN and WC will require no significant changes in operations in Chicago. The existing merchandise yards will remain open and no changes in their general functions are anticipated as a result of the Transaction. Similarly, CN's intermodal terminals will continue to function in their existing roles.

CN and WC also expect that their dispatching operations will continue as they are today. CN's U.S. operations will continue to be dispatched from its dispatching offices in Homewood, IL, Troy, MI, and Superior, WI. WC's U.S. operations will continue to be dispatched from Stevens Point. *See* Section 9.3 *infra*.

4.2 Superior

4.2.1 Current Operations

CN's Pokegama yard provides support for local industry as well as crew change and locomotive servicing facilities. Traffic is interchanged in Pokegama with WC, BNSF, CP, UP,

and DMIR. CN also delivers and receives haulage trains at Pokegama under its agreement with WC for haulage between Superior and Chicago. It has two arriving and departure tracks, nine classification tracks, three bad order support and repair tracks, and a substantial mechanical repair facility. Attached in Appendix B is a schematic of the yard.

WC has a small facility located at South Itasca, comprised of a main line and two passing sidings, used to provide local industry service and crew change facilities for WC main line trains. This facility is primarily used for interchange of traffic to BNSF, CN, CP, and DMIR.

4.2.2 Proposed Operations

CN/WC will keep the existing yards and facilities in Superior, but plans to combine operations at CN's Pokegama yard. There will be a limited increase in switching activity at Pokegama of 57 cars a day (about 15% of present yard activity), but there is ample capacity to handle it.

4.3 Other Areas

4.3.1 Fond du Lac

The Fond du Lac yard, located approximately 140 miles north of Chicago, is the largest and busiest yard on the WC system. All WC traffic to and from the Chicago gateway is handled at or passes through the yard. Fond du Lac blocks cars for direct delivery to major interchange carriers in Chicago, including CN, CP, CSXT, NS, UP, BRC, EJE, and IHB. Seven southbound trains per day and five northbound trains per day are made up at Fond du Lac. Northbound cars are blocked for Neenah, Green Bay, Stevens Point, Wisconsin Rapids, and Wausau.

Tracks in the switch yard range from 1,200 feet to over 7,400 feet in length. The "North Yard" has 10 classification tracks used for the makeup of the northbound locals and through trains. The "South Yard" has 16 classification tracks, and is used primarily for the makeup of

Chicago trains. The 12-track "Industry Yard" is used for makeup of the local services as well as Milwaukee traffic. While there is no dedicated main line through the yard, there are at least eight "receiving/departure" tracks as well as a run-through track that provides a route around the yard.

Support facilities include the largest locomotive shop and car shop on the WC system. The locomotive shop handles the bulk of all locomotive maintenance. The car shop is equipped with a full length transfer table, as well as storage tracks to support the shop activities. Virtually all program work on the WC car fleet is done at the Fond du Lac shop.

Attached in Appendix B is a schematic of the yard.

Applicants do not plan any changes in operations at Fond du Lac as a result of the Transaction, other than eliminating four Chicago starts per week each way and making other minor blocking adjustments. There will be an average increase of about 28 cars per day (less than 3%) in the number of cars handled, due to additional traffic that CN/WC expects to be able to carry as a result of the Transaction.

4.3.2 Neenah

The Neenah yard serves a high concentration of local industry in the Fox Valley area in central Wisconsin. Neenah also does some classification of southbound traffic to assist Fond du Lac and handles minor block swaps. The yard has 15 classification tracks. The single track main line through Neenah is supplemented by a "runner" track which parallels the main. This track is used to avoid delay to other through trains when picking up or setting out at Neenah. South of the classification yard there are two former CNW main tracks, which provide alternate routes or set-off tracks for through trains and there is a single 1,300 foot track used for intermodal service.

Attached in Appendix B is a schematic of the yard.

In the proposed plan, Neenah will see a slight increase (5.4%) in cars handled. This is a result of cars formerly handled at Stevens Point for Green Bay and north destinations being set out at Neenah with other local Neenah traffic. This will result in a comparable reduction in Stevens Point handlings. Traffic from western Canada to destinations served by Neenah will see car transit time reduced by 24 hours.

4.3.3 Stevens Point

Stevens Point Yard, located about 60 miles west of Neenah, serves as the focus for all train activity in the western portion of the WC system. The yard is made up of the "A" and "B" yard, each with 12 tracks for northbound and southbound classification. There is a "non-signaled" bypass track, which reduces conflicts with switching operations, and a single track of 1,675 feet used for transloading and intermodal operations. Other support functions at Stevens Point include round the clock locomotive and car maintenance and repair facilities. Contractors clean WC-owned box cars at the car repair facility.

Attached in Appendix B is a schematic of the yard.

Changes in blocking will reduce the numbers of cars handled at Stevens Point by more than 150 cars a day. This reduction of slightly more than 20% will improve the fluidity of the yard. The transfer of switching activity to other yards (including Pokegama and Neenah) is unlikely to have any adverse effects on those yards, which will experience a small percentage increase in yard activity, and which have sufficient capacity to absorb the new work.

5.0 IMPACTS ON TRAFFIC DENSITIES

5.1 Impacts on Train Volumes

Most line segments in the CN/WC system will experience no increase in train volume as a result of the Transaction, and none will experience an increase of three or more trains per day. *See* Application Appendix D, Exhibit 4. Most of the expected growth in business can be accommodated on existing trains.

5.2 Impacts on Gross Ton-Miles

The net effect of the proposed train operations on the gross ton-mile density of the CN and WC line segments will not exceed 50% on any segment in either the U.S. or Canada. *See* Application Appendix D, Exhibit 4.

6.0 LINE INFRASTRUCTURE, NEW CONSTRUCTION, AND OTHER CAPITAL INVESTMENTS

CN and WC have not identified any need to invest in line infrastructure, and do not plan to build any new connections as a result of the Transaction. One-time implementation costs for information technology systems and telecommunications are estimated to total $13.1 million, including $3.6 million in training costs. Other potential capital investments are expected to be less than $1 million.

7.0 IMPACTS ON PASSENGER AND COMMUTER SERVICE

There are intercity passenger and commuter operations on both CN's and WC's systems in the U.S. and Canada. Virtually all of these operations will be unaffected by the Transaction of the two railroads, and none will experience any identifiable adverse effects.

7.1 Intercity Passenger Operations

In the U.S., intercity passenger rail operations are conducted by the National Railroad Passenger Corporation ("Amtrak") over a number of CN's lines. As required by law, Amtrak's trains receive operating priority over freight trains operated by CN. CN's Amtrak operations are governed by operating contracts. CN will continue to honor those contracts after the merger of their freight operations.

CN is committed to promoting the provision of quality passenger service on its lines. CN's merger with IC did not cause problems with Amtrak's passenger service.

No intercity passenger operations are conducted over WC's lines in the U.S.

After the Transaction, CN's passenger operation group will work to assist Amtrak in further improving its on-time performance and to do so with maximum safety for its passengers.

7.1.1 Existing Passenger Operations on CN and WC Lines

Intercity Amtrak Operations Over CN Lines. The following Amtrak trains currently operate over CN lines connecting with Chicago:

- *Chicago-New Orleans ("City of New Orleans" and "Illini")*. Amtrak operates one train per day in each direction between Chicago and New Orleans and one train per day in each direction between Chicago and Carbondale. From Chicago's Union Station, each of these trains operates over CN's line between Chicago and Edgewood, IL, where CN's line splits to Fulton, KY. The City of New Orleans uses CN's westerly line segment to Fulton, and The Illini uses the westerly line segment as far as Carbondale. Between Fulton and Memphis, the City of New Orleans uses CN's single main line. At Memphis, CN's line again splits, and Amtrak's trains follow the westerly line segment to Jackson, MS. From Jackson to New Orleans, Amtrak operates over CN's single main line. The entire route is Centralized Traffic Control ("CTC") territory. Most of the route is single track, with up to four-mile-long meet/pass sidings and sections of double track.

- *Chicago-Joliet ("Ann Rutledge," "Eagle," and "State House")*. Amtrak operates three trains per day in each direction over CN's line between Chicago (21st Street) and Joliet, IL. This is presently double track Automated Block Signaling ("ABS") territory but a signal upgrade will convert this to CTC territory in approximately two years.

- *Chicago-Detroit ("Wolverine," "Lake Cities," "Twilight Limited")*. Amtrak operates three trains per day in each direction between Chicago and Detroit. The service is

provided over NS track, except for a 28-mile segment of CN double CTC track between Pontiac, MI, and Monterm and ABS double CTC track between Monterm and Detroit Vinewood Tower.

- *Chicago-Indianapolis ("Hoosier State").* Amtrak operates four trains per week in each direction between Chicago and Indianapolis. A small portion of this service is provided over CN two main track CTC between Munster, IN, and Thornton Junction, IL, a distance of approximately six miles.

- *Toronto-Chicago ("International").* Amtrak, in conjunction with VIA Rail Canada, operates a daily train in each direction between Toronto, Ontario and Chicago. The portion in Canada, between Toronto and Sarnia, ON, is operated by VIA Rail Canada over CN's main line which is primarily a combination of single track CTC and two main track CTC. In the U.S., Amtrak operates over CN's line between Port Huron and Battle Creek, which is single track CTC (then over NS's line segment to Kalamazoo, MI, Amtrak's own line segment to Porter, IN, and NS's line segment to Chicago).

Intercity VIA Operations Over CN Lines. VIA Rail Canada trains currently operate over CN's lines entirely within Canada. These are nearly all in eastern Canada.

Intercity Passenger Operations Over WC Lines. As noted, there are no Amtrak or VIA operations over WC in the U.S. or Canada. Passenger operations are conducted over WC's ACR in Ontario.

7.1.2 Effects of CN/WC Merger on Passenger Operations

The merger of CN and WC is not expected to have any impact on intercity passenger operations in either the U.S. or Canada. There will be no significant change in the number of freight trains using CN routes used by intercity passenger trains. In the one instance where train volume over lines used for passenger service is projected to increase (an additional train each way three days a week between Chicago and Memphis), track and terminal capacity is more than adequate to accommodate the growth in that service without degrading the quality of intercity passenger service.

The Transaction will not require any changes in the routing, dispatching procedures, equipment, or protocols for passenger trains. Freight division management functions will remain largely as they are today.

7.2 Commuter Operations

7.2.1 Existing Commuter Operations on CN and WC Lines

Commuter Operations on CN Lines in the U.S. Commuter rail service is conducted on CN lines or right of way by METRA in metropolitan Chicago, by CN under contract to METRA between Chicago and Joliet, IL, and by the Northwestern Indiana Commuter Transportation District ("NICTD") between Chicago and northern Indiana.

- *Metropolitan Chicago.* METRA provides extensive commuter service between Chicago and University Park, Illinois, over tracks known as the "METRA Electric Line." Although METRA's tracks occupy the same right of way as a portion of CN's main north-south line, METRA's trains do not operate over any of CN's adjacent freight tracks. However, CN does cross METRA's track at 16th Street.

- *Chicago-Joliet.* CN operates six commuter trains three in each direction, weekdays only) under contract with METRA over CN's lines between Chicago (21st Street) and Joliet, IL. As noted earlier, certain Amtrak trains also use this CN line segment.

- *Chicago-Northern Indiana.* NICTD does not operate over any CN line, but uses the METRA Electric Line (under trackage rights) to reach Chicago (Randolph Street Station). CN crosses this line at Kensington.

Commuter Operations on WC Lines in the U.S. Under contract to METRA, WC operates METRA commuter rail service on WC lines or right of way between Chicago and Antioch, IL. Ten METRA trains run five days a week, two each way in the morning, one each way midday, and two each way in the evening windows. WC and METRA have commenced a five-year project to build a second track and make other enhancements to capacity at certain portions of the line to handle future increases in the frequency of METRA trains by 2005.

Commuter Operations on CN Lines in Canada. Commuter operations are conducted on CN lines in Canada in the Toronto and Montreal metropolitan areas. There are no commuter operations over WC lines in Canada.

7.2.2. Effects of CN/WC Transaction on Commuter Operations

CN and WC do not expect that their merger will have any significant impact on commuter operations that use or cross CN/WC lines.

CN/WC expects, as a result of the Transaction, to reduce slightly the number of trains operating per week over WC's line between Antioch and Chicago, which is also used by METRA for commuter rail operations.

While NICTD does not operate over CN or WC track, its commuter trains do cross the CN main north-south line at grade at Kensington (115th Street) in order to connect with the METRA Electric Line. The CN line is expected to experience an increase in freight train traffic at that point of only one train each way three days a week as the result of the Transaction. The Kensington Interlocking is controlled by METRA.

With one minor exception, CN's freight trains do not operate today over either METRA Electric or NICTD tracks. WC operates over METRA between Tower B-12 and Cragin under trackage rights allowing up to eight trains per day. Such operations will not be affected by the Transaction.

The Transaction is not expected to have any impact on intercity passenger or commuter operations involving CN/WC in Canada.

7.3 Management of Passenger Operations

At CN, Amtrak operations are the responsibility of the NRPC Operations Officer, who reports through the General Superintendent Transportation to the Vice President Transportation.

As WC conducts no Amtrak operations, there will be no need for changes in CN's Amtrak management structure. After the Transaction, CN/WC will work to coordinate its CN/WC operations in the Chicago area with Amtrak and commuter operations.

8.0 EQUIPMENT REQUIREMENTS AND UTILIZATION

8.1. Freight Car Utilization and Synergies

CN and WC currently possess a total of over 90,000 cars in their freight car fleets. The various car types in the two fleets included in the utilization/synergies study are set forth in the following table:

CAR FLEET SIZES[7]

CATEGORY	*CN*	*WC*	*TOTAL*
Boxcars	24,005	5,558	29,563
Flatcars	11,426	1,125	12,551
Gondolas/Open Tops	13,141	3,928	17,069
Cov. Hoppers	26,513	2,323	28,836
Tankcars	35		35
Multi-levels	3,202		3,202
TOTALS	78,322	12,934	91,256

Integrating the CN and WC freight car fleets and operations will permit the CN/WC system to improve freight car utilization in several ways.[8] First, the Transaction will permit positioning and triangulation efficiencies. CN/WC will be able to minimize empty movements by taking advantage of backhaul opportunities created by the Transaction and by repositioning empty cars more efficiently for loaded service at closer locations. *See* Verified Statement of Ami Haasz; Joint Verified Statement of James M. Foote and William R. Schauer.

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[7] The totals exclude WC cars on short-term leases to others and non-revenue service cars. The total of all WC cars is approximately 13,200.

[8] CN/WC also expects to achieve some economies from integration of non-revenue car fleets, which are more than adequate to meet the needs of the integrated system.

Second, the merger of CN's and WC's car fleets will permit CN/WC to take advantage of significant car fleet synergies, including complementary demand and supply peaks and other fleet sharing opportunities within the integrated system. For example, the Transaction will permit use of some WC open-top hoppers, when these are not in demand on WC, to be used in service on IC lines. Also, some CN flatcars can be made available at certain times to meet demand for pulpwood transportation on the WC. Other types of CN equipment similarly can be used to support customers on WC lines.

Third, CN/WC will be able to reduce car cycle time through improvements in car scheduling and trip planning. Interchanges will be eliminated and it is expected that dwell time in originating, intermediate, and terminating facilities will be reduced. In addition, CN and WC anticipate efficiencies from improved scheduling, which will improve the velocity of empty cars through destination queues.

In sum, by joining their rail systems and through equipment optimization opportunities, CN and WC expect to achieve significant improvements in the efficiency of their car fleet. Overall, CN and WC estimate that these efficiencies will permit a reduction of 1,580 cars. CN/WC will achieve these improvements while maintaining or improving service quality and reliability for our customers, and while meeting requirements for new traffic. For the ongoing annual savings resulting from this reduction, *see* the Haasz Verified Statement.

8.2 Locomotive Utilization and Synergies

CN and WC currently maintain a total of nearly 2,200 locomotives in the their respective fleets. CN possesses 1,192 high horsepower units, and 741 medium and low horsepower units. WC possesses 173 high horsepower road units and 70 lower horsepower/switching units. The CN locomotive fleet is significantly newer and more reliable than WC's.

The Transaction will give rise to numerous opportunities to utilize the aggregated locomotive fleet more efficiently, handling the business of the entire system with an integrated fleet that is smaller than CN and WC now have operating as separate companies.

Improved operating practices will result in more efficiently matching available power to the demands of particular types of service. Further, integrating CN's and WC's fleets will allow the cascading of older high horsepower locomotives into less demanding services on CN and WC. This process ultimately will allow the disposition of older WC locomotives, reduction of the average age of the CN/WC fleet, and improvement of overall fleet reliability.

Finally, the Transaction will permit CN/WC to make improvements in locomotive scheduling which could not be realized by CN and WC operating as separate companies with their individual fleets and networks. CN/WC will work to optimize scheduling and to implement improved performance monitoring techniques on their larger and more flexible fleet. It is anticipated that these kinds of operating efficiencies will permit a reduction of 87 locomotive units. For the ongoing annual savings resulting from this reduction, *see* the Haasz Verified Statement.

9.0 ORGANIZATIONAL STRUCTURE AND CENTRALIZED FUNCTIONS

9.1 Divisional Structure

WC will join CN as a new, separate sixth division of CN while implementation proceeds and CN/WC further studies the optimal organizational structure, functions, and responsibilities. CN's divisional structure relies upon regional and local autonomy within the context of a fully integrated system. The resulting continuity and responsibility for WC operations should permit CN/WC to maintain the high standards of safety and shipper service they have established as separate systems.

9.2 Customer Service Centers

CN operates a centralized Customer Service Center ("CSC") in Winnipeg; the former IC's customer service operations, however, remain largely decentralized at Homewood, Memphis, Jackson, Waterloo, IA, Troy, and Markham yard. WC operates a centralized Customer Service/Transportation Center based at Stevens Point with additional support at outlying areas such as Fond du Lac, Neenah, Green Bay, Gladstone, and Rosemont. The responsibilities of CN and WC personnel at these locations include taking customer car orders, receiving shipping instructions, waybilling, tracking and tracing shipments, giving arrival notifications, and generally handling day-to-day business contacts with customers. CN and WC customer service operations are highly computerized and provide electronic data interchange with customers today. Customer account representatives have direct access to customers' car orders and waybills in digital form as well as their respective railroad's traffic monitoring and information systems. These locations are the central point of contact for resolving most customer service problems. They have extensive communications links with all parts and departments of their railroads.

CN and WC are well aware of the importance of high-quality stable customer service operations, and they recognize the need for very careful implementation of the integration of those operations. We will rely on the customer support operations and facilities that CN and WC have in place today. As described in the Information Technology Section of this Operating Plan, improved CN/WC data transfers regarding train and car status on each network, as well as direct access to each other's traffic systems, will provide improved visibility of traffic across the systems on day one of the implementation period. Moreover, CN and WC will have in place procedures and technology that will permit customers to handle their customer service needs

across the CN/WC system through contact with a single CSC or customer service representative. CN/WC's customer service will be designed to provide the same seamless efficiency as its train operations.

9.3 Train Dispatching

The train dispatching function is critically important for both the safety and the efficiency of rail operations. CN's principal dispatching centers are located in Edmonton, Toronto, Montreal, and Homewood (Chicago). CN also has smaller dispatching operations in Troy and Superior.

WC's dispatching of U.S. operations is handled at Stevens Point; ACRI is dispatched from Steelton (Sault Ste. Marie), ON.

As is common with other large railroads, CN has different dispatching systems on different parts of its network. For years, those systems have worked safely and efficiently together to move trains across the CN network, and to and from CN's connections. Unrelated to the Transaction, CN is upgrading its existing dispatching system to a new common system for operations over the former IC and GTW lines. WC's different dispatching system and operating practices are integrated across its system in the U.S. Here again, WC's systems have worked well, both for train movements within its system and for hand-offs to and from its connections, including CN. Applicants have no plans to integrate the railroads' existing dispatching systems during the three-year merger implementation period.

9.4 Crew Management

CN's principal crew management operations are in Moncton, NB, Edmonton, and Homewood. CN also has smaller crew management operations in Troy and Superior. WC operates a centralized crew management operation in Stevens Point. WC is installing a crew

management system similar to that of CN. However, CN and WC do not presently plan to integrate their crew management operations during the three-year implementation period.

9.5 Clearance Bureaus

CN's clearance activity is performed from its bureaus in Montreal and Homewood. These bureaus utilize computerized systems to maintain data on clearance restrictions and to process clearance requests. Clearance dimensions on the CN system are precisely determined using CN's state-of-the-art laser car. WC clearance activity is performed in Stevens Point by personnel using a computer-assisted system. Insofar as movements are scheduled to traverse both railroads, the bureaus will continue to share clearance data and provide one-stop service. There are no plans to integrate these bureaus.

10.0 EQUIPMENT MAINTENANCE, MAINTENANCE OF WAY, AND SIGNAL MAINTENANCE

CN has extensive locomotive and car maintenance, repair, and servicing facilities. In the U.S., locomotive repair work is done primarily at Woodcrest Shops at Homewood, and Johnston Roundhouse at Memphis, while car heavy repair work is done primarily at Centralia, IL.

WC has locomotive and car repair facilities at Fond du Lac, Stevens Point, and Sault Ste. Marie. The Fond du Lac car shop has the capacity to build freight cars and perform complete locomotive overhaul work. The Stevens Point car department performs running repairs to freight cars. In addition to heavy repairs, Fond du Lac and Stevens Point also do repair work for other firms on a contract basis. Freight car repairs and servicing of locomotives is also performed as needed at Green Bay, Gladstone, Escanaba, and Sault Ste. Marie.

The merged operation is expected to offer opportunities to make CN/WC's mechanical functions more efficient. Improved productivity of the locomotive and car fleets will allow

CN/WC to eliminate most locomotive repair work at Stevens Point, relying instead on Fond du Lac, and to reduce the need for car repair work at Stevens Point and Fond du Lac.

CN and WC have identified changes in the planning and execution of maintenance of way projects that will result in greater efficiency in capital programs and in the use of the non-revenue equipment that supports those programs. However, CN/WC does not currently plan any major changes in the day-to-day maintenance of way and signal maintenance operations as a result of the Transaction.

11.0 INFORMATION TECHNOLOGY SYSTEMS/COMMUNICATIONS

11.1 Information Technology Systems

WC now operates with information technology systems that generally are different from CN's. To maximize the efficiency of the integrated railroad over the longer term, CN/WC plan to adopt common IT applications. In most instances, it makes sense to extend CN's highly functional and scalable applications to the much smaller WC system. This process will be made much easier by its similarity to the successful CN/IC systems integration effort. WC's operating system applications are similar to those that CN successfully replaced on the much larger IC in October 2000. This Section describes the existing CN and WC IT resources, and summarizes the principles and goals that will guide the integration of the IT systems.

11.2 Information Technology Principles and Goals

CN and WC recognize that information technology is a vital element in their railroad's success in achieving current high levels of safety, efficiency, and service. In order to integrate information systems without any adverse effect on their safety or service, CN/WC will adhere to the following important principles.

First, the IT implementation team's highest priorities will be safety and service quality.

The transition to common systems must not be disruptive to operations. Rather, it must be seamless to our customers, and must maintain and enhance our transportation service and the quality of the customer's interaction with the railroad.

Second, CN/WC will establish a realistic and flexible timetable for implementation of systems changes. Both of our organizations are well aware that completing the job safely and effectively should not be compromised by the need to meet an internal management deadline. In both the short and long term, our business success depends on a trouble-free IT integration. Applicants believe that CN/WC will be able to begin its careful, phased integration of the information systems within 12-18 months following STB approval. This IT implementation timetable will allow employees to absorb new business practices and new information systems fully, in steps over time, rather than trying to teach and implement everything at once. Also, the plan will be flexible.

Third, CN/WC will ensure that it has adequate trained and experienced personnel, not only to ensure careful and effective management of the IT integration process, but also to provide high quality IT support throughout the transition period and beyond. The benefits of such advance training were demonstrated in the IC integration process.

Today, CN and WC each has a team of IT professionals experienced both in supporting their existing systems and in meeting the challenges of upgrading and integrating IT systems on operating railroads. The CN team in particular has considerable experience and a proven track record in successful, large scale-implementations of complex new IT systems. Most recently, CN replaced several major systems in its implementation of the CN/IC transaction without any difficulties. Many of these are the same systems that will be implemented or replaced on WC. CN/WC will be able to take advantage of an experienced team and an already well-developed

and proven implementation plan. Thus, CN/WC's confidence that the Transaction can be handled smoothly from the standpoint of IT integration is well-founded.

11.3 Transportation Systems

Operating Systems. Currently, CN and WC each possess operating systems that are adequate to their respective needs. To maintain safe and reliable operations, Applicants plan to continue to use these existing systems following approval of the Transaction, after which WC will eventually be migrated to the CN system, which offers optimal functionality and long-term benefits.

The CN operating system, known as the Service Reliability Strategy ("SRS") system, is a sophisticated operating system originally developed by IBM with ATSF. CN successfully installed this system across its network in the mid-1990s. CN uses SRS and its closely-related asset planning and revenue management systems to support network planning and operations, including the development of trip plans, performance reporting, and day-to-day management of traffic (including assembly and routing of car blocks and trains) throughout the system. On the customer service side, SRS supports the establishment, implementation, and monitoring of service commitments with customers, as well as car and container tracking, the generation of trip plans and the capture of waybill data.

In connection with the CN/IC merger, CN carefully modified and enhanced SRS to accommodate fully the language, currency, customs, and operations requirements of all of its Canadian and U.S. business operations, making it a truly international system. CN also incorporated within SRS a number of efficient business practices adopted from IC. As a first step, these SRS enhancements were implemented on CN. The smooth cutover of IC's operations to SRS was accomplished in October 2000.

The operating system used by WC, known as the Transportation Control System ("TCS"), was developed and is maintained by Transcentric (formerly UP Technologies). WC uses this system to support service scheduling, building and tracking trains, car management, and other traffic activities. As of January 1, 2000, this system was similar to the version of TCS that was successfully replaced on IC. As was the case in the IC merger, on "day one" CN and WC will continue to operate with SRS and TCS, respectively. CN's and WC's operating systems will be linked through electronic data interchange ("EDI") using enhanced protocols and will support efficient single-line service. Changes in the operating systems of the two railroads will be made gradually and only after careful training. As with IC, SRS will be implemented on WC through a project management approach. First, the implementation team will carefully identify and take into account any differences in CN and WC operating procedures. The railroads will ensure training of responsible personnel in any new business procedures. Thereafter, the implementation of the entire SRS system on WC will be resolved into a number of discrete steps, which will be carefully planned and sequenced. The implementation will include adequate time and training for employees to become fully accustomed to the new technology and any new business practices. In this process, CN/WC will take full advantage of the detailed implementation strategies, schedules, and training materials that were prepared in connection with the CN/IC implementation process, and of the lessons learned in the process.

All WC personnel will receive training followed by field testing. SRS will be set up well ahead of the planned cutover date, and comprehensive testing will be done using near real-time WC data. WC operations personnel will gain extensive live experience from running traffic events and information in real time on SRS in parallel with TCS. Waybills will be captured using SRS several weeks before the scheduled cutover to ensure that the system can

accommodate all customer conditions. The results of this extensive testing will be catalogued and improvements made until all systems and personnel are ready to proceed with cutover. This phased implementation will be carefully monitored by WC's skilled IT team and by the same team of skilled and experienced CN personnel who successfully handled the much larger-scale installation of SRS in place of TCS on former IC lines. CN and WC personnel will be on hand to support the cutover and will remain on site until WC personnel are self-sufficient in their handling of the new systems.

Crew Management Systems. CN uses a crew calling system called Crew Assignment and Timekeeping System ("CATS"), which interfaces very efficiently with SRS. Independently of the proposed transaction, WC currently is installing a similar system (System for Crew Assignment and Tracking, or "SCAT") on its own rail system. CN/WC expects that this implementation will proceed, further facilitating a smooth overall integration of the railroads' operations-related systems.

Dispatching Systems. Unlike other IT areas, CN and WC do not plan to change their existing dispatching systems in connection with the Transaction. CN and WC each currently operates using different dispatching systems. Independently of the Transaction, CN is upgrading its dispatching systems on most of its U.S. lines to a common platform. CN and WC have not identified any need to integrate their existing dispatching systems. If CN/WC were to decide to integrate these systems, it would do so only after consultation with FRA.

11.4 Customer Service and Administrative Systems

Customer Service. CN maintains sophisticated IT systems facilitating customer car ordering, tracking and locating shipments, receiving bills of lading and invoicing customers, and communicating with customers regarding schedules and prices. In the customer service area,

WC uses an application that supports the scheduling of customer service representatives' activities. These systems are largely complementary. CN and WC currently believe that their existing high levels of customer service can best be maintained and enhanced by implementing CN's sophisticated systems, while also retaining some of WC's existing applications.

Administrative Support Systems. In 1999, CN successfully completed a company-wide implementation of phase I of the System Application Products in Data Processing, a sophisticated suite of multifunctional "back office" systems. Phase I included general ledger, accounts payables, miscellaneous receivables, inventory and certain human resources applications. In January 2001, CN implemented phase II of this system, including payroll (time capture), asset management, recoverables, and other modules, and also implemented all of its applications on IC, again without disruption.

WC presently uses the Infinium and Computer Associates suites of administrative support applications.

In the administrative area, CN/WC has determined that the efficient course will be to replace WC's suite of systems with the CN system. This implementation will be guided by the same philosophy that CN followed in implementing this system on IC. The new information system will be launched only after careful teaching of any new business operations, and with sufficient time and training for employees to adjust to the new technology. In order to further ensure that employees become fully comfortable and productive with the new systems, it has been decided that this system and SRS will be implemented several months apart from each other.

11.5 Technology Organization and Infrastructure

Technology Organization. During the implementation period, CN and WC personnel

will support the smooth operation of their respective existing systems and the transition to a new unified system. Thereafter, WC's and CN's IT organizations will work together to help to support the common applications as members of CN's IT team. At all times, CN/WC will have sufficient trained and experienced personnel to ensure safe and efficient rail operations. CN/WC operations in the U.S. will also have the benefit of support from CN's extensive IT expertise and resources in Canada.

Infrastructure. WC currently outsources its data processing operations. As a result, there is no need for a physical consolidation of data centers or for extensive retraining of operations personnel. Rather, CN/WC plans to migrate gradually from existing outsourcing contracts and thereafter to accommodate WC's data processing and storage needs using CN's extensive computing resources.

Communications. CN and WC's communication infrastructures use common standards and will require little effort other than linking one network to the other. This can be accomplished quickly and seamlessly as transpired with the similar CN/IC communications integration.

11.6 Transaction-Related Savings and Implementation Cost

Significant cost savings will result from the integration of CN and WC IT systems. Contributing to these savings will be a number of factors, including eliminating outsourcing contracts and a reduction in ongoing software maintenance costs. The total annual savings expected as well as one-time IT implementation costs to be incurred are reflected in the Haasz Verified Statement and the Summary of Benefits Schedule, Appendix A to the Application.

12.0 LABOR IMPACT

Applicants are committed to maintaining the high levels of safety and customer service

that we both presently deliver and that our shippers and employees have come to expect. Applicants intend to follow an orderly process of integration and to provide adequate training well in advance of operating and business practice changes. We also intend to do this with WC as the sixth division of CN. As a result, we believe we will have abundant well-trained employees to deliver on our commitments.

As shown in the Labor Impact Statement, found at Appendix A to the Operating Plan, the Transaction will have a relatively small impact on CN/WC's employment levels. More specifically, Applicants foresee that throughout the implementation period the major mechanical shops in Stevens Point and Fond du Lac will remain in place, as will the Stevens Point customer service, train dispatching, crew management and clearance bureau operations. Furthermore, as new systems are implemented and CN/WC proceeds with implementation, we will focus significantly on training to ensure that all present employees acquire the necessary skills to continue operating safely and efficiently in their new environments.

The merger will generate efficiency gains that will likely affect employment levels in three primary areas. First, duplicative administrative activities will be streamlined. This primarily will affect executive and senior management personnel in WC's Rosemont corporate headquarters, and to some extent, clerical and professional ranks. Of the expected reductions in general and administrative ("G&A") positions, most are anticipated to be from the ranks of executive and management employees. Applicants would prefer, however, to retain as many of WC's talented personnel as possible, any reductions will be done with this goal in mind.

Second, the Transaction will give rise to significant improvements in equipment utilization and maintenance activities, which will reduce our need for mechanical shop employees. By making available a pool of newer or otherwise more reliable locomotives, and by

introducing changes in the way trains are powered, the size of the needed locomotive fleet will decline. Similarly, operating our larger and more flexible CN/WC car fleet more efficiently over our expanded network will yield significant operating efficiencies, reducing the need for equipment assets and, in turn, permitting the reduction of car maintenance activity. The smaller and more reliable equipment fleet, as well as a concurrent realignment in workload between the Stevens Point and Fond du Lac shops, will affect mechanical positions in these two locations.

Third, the Transaction comes at a time when ample route capacity is available and the network can support meaningful maintenance of way efficiencies while continuing to meet the high safety standards expected of CN/WC. The program maintenance equipment and resources of the new CN/WC system, and system-wide standardization of maintenance practices and inspections, will permit the achievement of these efficiencies. We expect these changes to make possible a reduction in maintenance of way activity, mostly affecting temporary/seasonal employees across the WC service territory.

Applicants anticipate that some of these expected employment reductions will be accomplished through normal attrition. In addition, these estimated reductions do not take into account potential business growth unrelated to the Transaction, which we consider likely, and the related employment opportunities.

Applicants will apply the employee protective conditions established by the ICC in *New York Dock*, for the benefit of eligible employees who are adversely affected as a result of changes necessary to implement the efficiencies and other benefits of the Transaction.[9]

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[9] *See New York Dock Ry. – Control – Brooklyn E. Dist. Term.*, 366 I.C.C. 60, 84-90, *aff'd sub nom. New York Dock Ry. v. United States*, 609 F.2d 83 (2d Cir. 1979). These labor protective conditions provide both substantive benefits for adversely affected employees and a procedural mechanism for resolving disputes regarding implementation of particular transactions.

If WC employees transfer to a CN workplace covered by the terms of collective bargaining agreements, when applicable we will need to discuss such issues as seniority of WC employees with the union leaders representing CN's current employees. We will involve WC employees and managers in this process and will also include union leaders where they currently represent WC people. Consistent with CN's established practice, if Applicants require any changes to existing collective bargaining agreements to implement any of the operational changes necessary to achieve the efficiencies of this Transaction, they would seek to do so through negotiation.

Our objective is to retain good people and to ensure that the outcome is fair to all employees.

In this Application, Applicants have described those changes that they now foresee to be needed to implement the Transaction. Additional changes necessary to implement the Transaction may become apparent only after Applicants have had an opportunity to gain experience in the course of implementation of the Transaction and the actual operation of the CN/WC system.

13.0 SERVICE ASSURANCE PLAN

Although not required by the Board's rules, CN and WC have voluntarily provided as part of the Application a Service Assurance Plan. It shows

- how CN/WC will plan for step-by-step implementation of the Transaction to ensure good service;
- what resources – management, technology, equipment, and facilities – CN/WC will apply to the implementation;
- how CN/WC plans to handle service at specific common points between the two railroads;

- how CN/WC will monitor and integrate service performance; and
- what steps we will take to avoid or recover from any service problems that may arise.

CN and WC are today two of the most efficient railroads in North America, and they have demonstrated their ability to successfully accomplish substantial integrations of facilities, personnel, and operations. The Transaction being proposed here is end-to-end. Most of CN/WC's facilities and personnel will not be directly affected, and at the two common points that are affected the operational changes will be relatively small and implemented in a carefully planned and measured process.

Their Service Assurance Plan and Operating Plan provide the basis for CN and WC's assurance that after the Transaction their customers will have service as good as or better than what they have had. The Joint Verified Statement of James M. Foote and William R. Schauer discuss this assurance further.

14.0 SAFETY INTEGRATION PLAN

CN and WC are committed to carefully implementing the Transaction of the railroads so as to continuously improve the level of safety. CN has shown that it continues to build on its already strong safety record, with its U.S. operations showing a 7.5% reduction in its overall FRA accident/incident ratio from 1998 (the last full year prior to the CN/IC merger) to 2000. Since an overhaul of WC's safety program in conjunction with FRA in 1996, its accident/incident ratio has improved by 23%.

While there is no formal requirement for a Safety Integration Plan ("SIP") in a minor transaction proceeding, CN and WC have made plans to file a SIP. Based on consultations with FRA, CN/WC expect to file the SIP within about 30 days of the Application. The SIP will review the safety-related programs and policies that CN and WC already have in place and

address the ways in which the CN/WC system will ensure that the Transaction of the railroads' operations will be implemented with all of the planning, resources, organization, and training that are necessary for safe operations and appropriate in view of the limited nature and scope of the Transaction. CN and WC are committed to working closely with FRA in this regard.

APPENDIX A
LABOR IMPACT STATEMENT

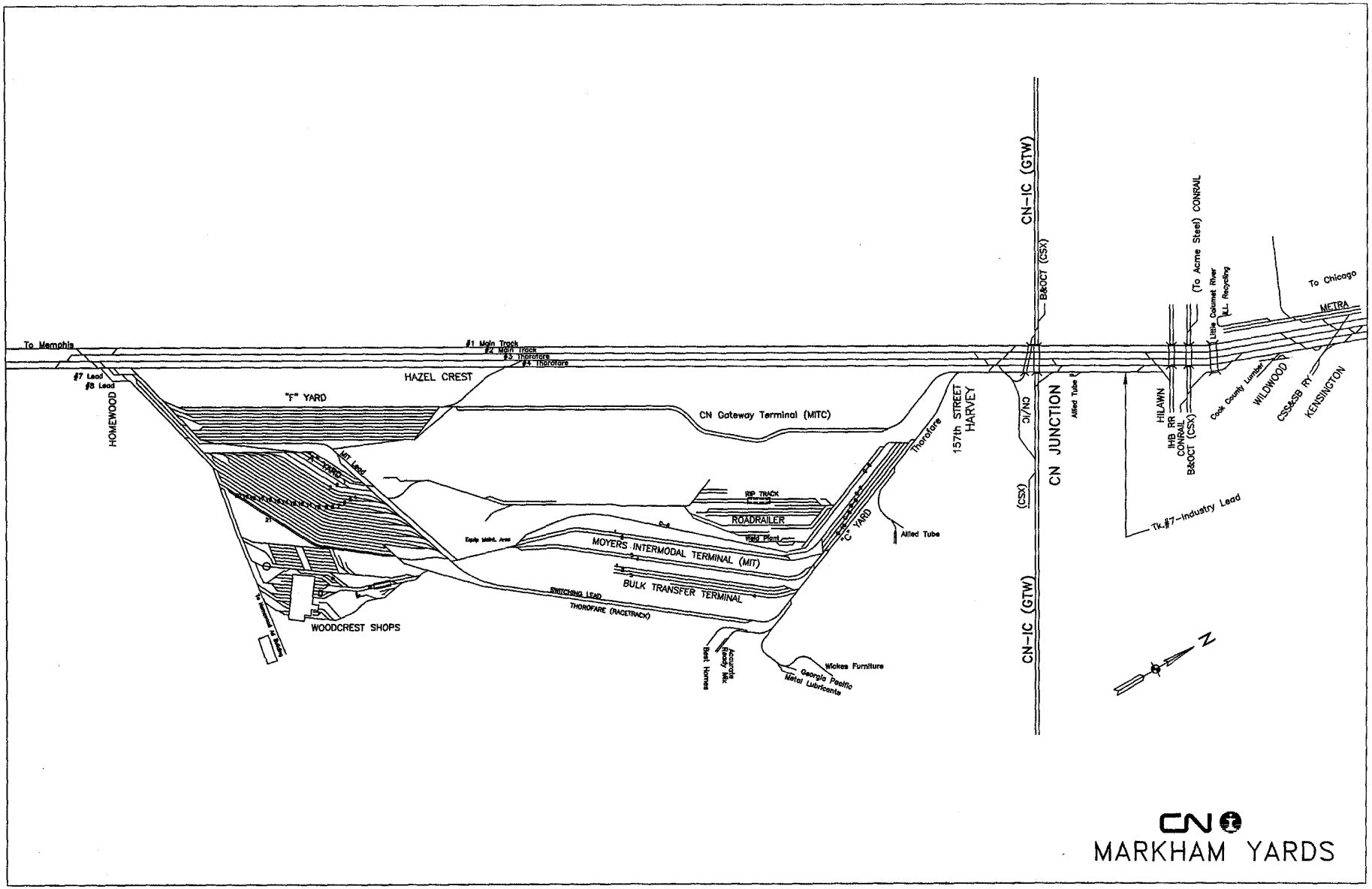
CN – WC Labor Impact Statement

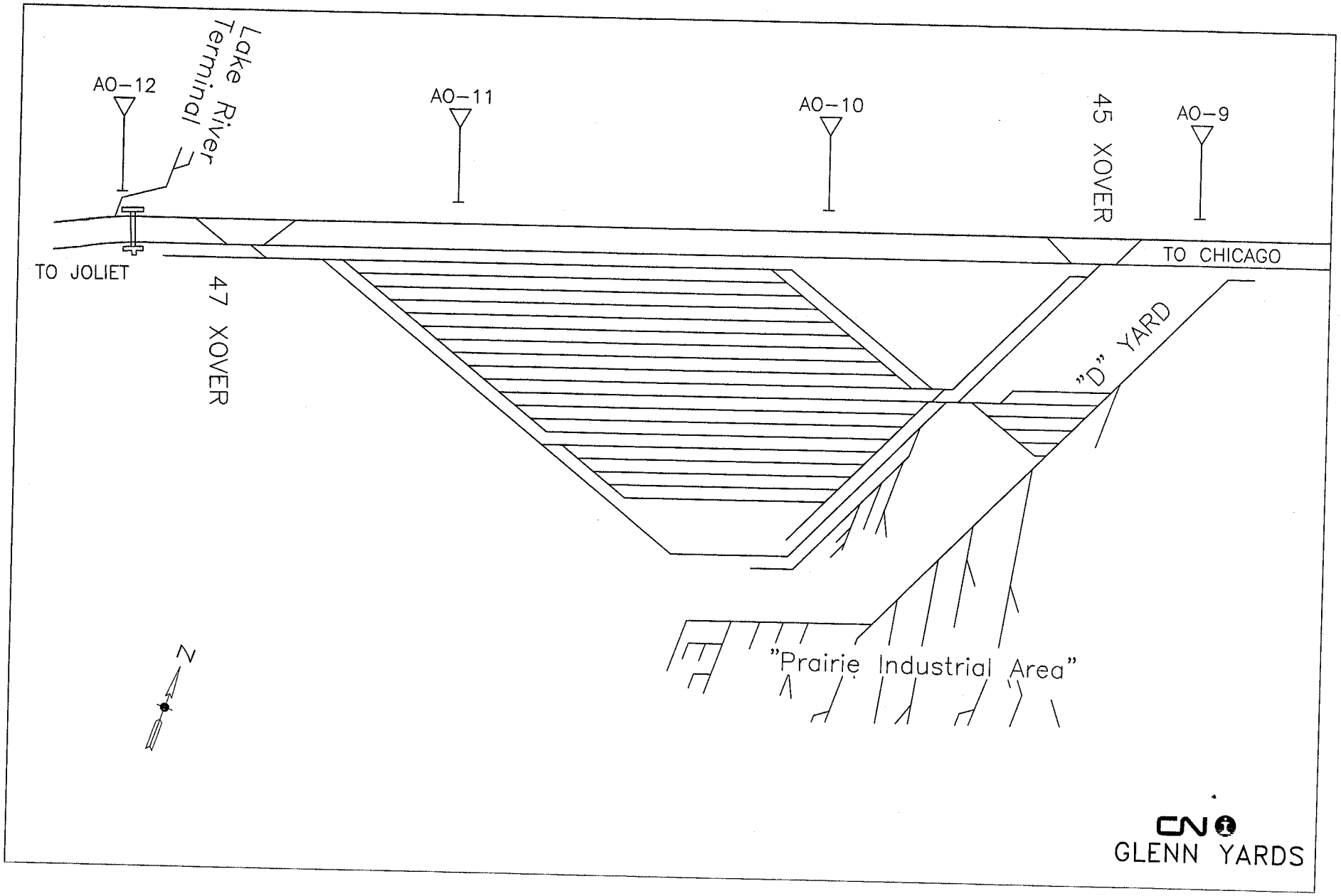
Location		Classification	Jobs Trans-ferred	Jobs Abol-ished	Jobs Created	Transferred To		Year
Rosemont	IL	Management	2	31		Chicago	IL	1
Rosemont	IL	Management		23				2
Rosemont	IL	Management	1	7		Homewood	IL	3
Rosemont	IL	Clerical		4				1
Rosemont	IL	Clerical						2
Rosemont	IL	Clerical						3
Stevens Pt	WI	Management	2			Chicago	IL	1
Stevens Pt	WI	Management		4				2
Stevens Pt	WI	Management		4				3
Stevens Pt	WI	Clerical						1
Stevens Pt	WI	Clerical						2
Stevens Pt	WI	Clerical		1				3
Stevens Pt	WI	Car/Locomotive Mechanics		43				1
Stevens Pt	WI	Car/Locomotive Mechanics		2				2
Stevens Pt	WI	Car/Locomotive Mechanics		10				3
Stevens Pt	WI	Conductor		2				1
Stevens Pt	WI	Conductor						2
Stevens Pt	WI	Conductor						3
Stevens Pt	WI	Engineer		2				1
Stevens Pt	WI	Engineer						2
Stevens Pt	WI	Engineer						3
Green Bay	WI	Management		2				1
Green Bay	WI	Management	1			Chicago	IL	2
Green Bay	WI	Management						3
Fond du Lac	WI	Management						1
Fond du Lac	WI	Management	1	2		Chicago	IL	2
Fond du Lac	WI	Management						3
Fond du Lac	WI	Clerical						1
Fond du Lac	WI	Clerical		2				2
Fond du Lac	WI	Clerical						3
Fond du Lac	WI	Car/Locomotive Mechanics		10				1
Fond du Lac	WI	Car/Locomotive Mechanics		9				2

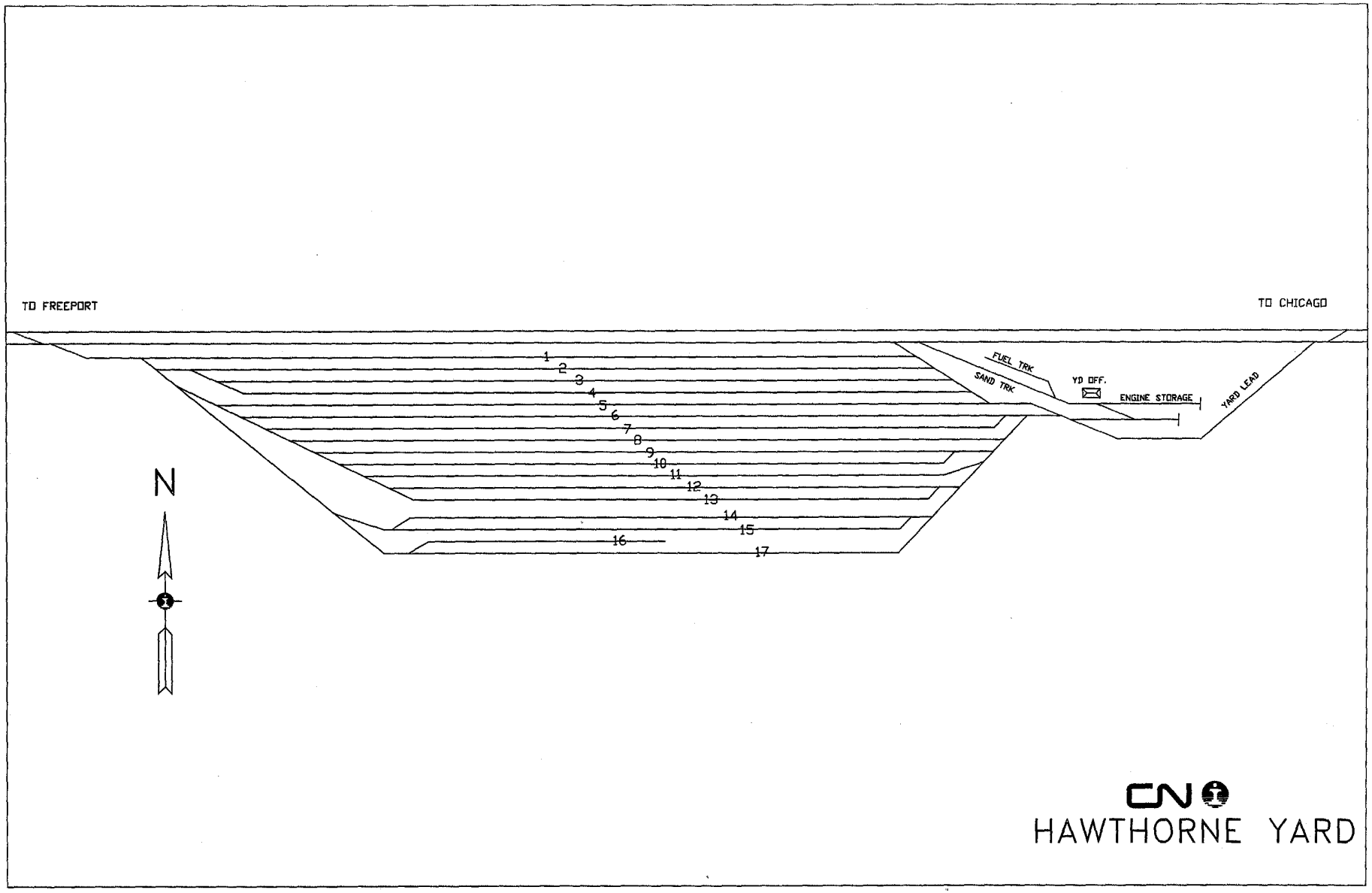
Location		Classification	Jobs Trans-ferred	Jobs Abol-ished	Jobs Created	Transferred To		Year
Fond du Lac	WI	Car/Locomotive Mechanics		2				3
Gladstone	MI	Car/Locomotive Mechanics		5				1
Gladstone	MI	Car/Locomotive Mechanics						2
Gladstone	MI	Car/Locomotive Mechanics						3
System		Management						1
System		Management		2				2
System		Management		2				3
System		Maintenance of Way		85				1
System		Maintenance of Way						2
System		Maintenance of Way						3
Superior	WI	Conductors		1				1
Superior	WI	Conductors						2
Superior	WI	Conductors						3
Superior	WI	Engineers		1				1
Superior	WI	Engineers						2
Superior	WI	Engineers						3
Schiller Park	IL	Conductor		2				1
Schiller Park	IL	Conductor						2
Schiller Park	IL	Conductor						3
Schiller Park	IL	Engineer		2				1
Schiller Park	IL	Engineer						2
Schiller Park	IL	Engineer						3
Champaign	IL	Conductor			1			1
Champaign	IL	Conductor						2
Champaign	IL	Conductor						3
Champaign	IL	Engineer			1			1
Champaign	IL	Engineer						2
Champaign	IL	Engineer						3
Fulton	TN	Conductor			1			1
Fulton	TN	Conductor						2
Fulton	TN	Conductor						3
Fulton	TN	Engineer			1			1
Fulton	TN	Engineer						2

Location		Classification	Jobs Trans-ferred	Jobs Abol-ished	Jobs Created	Transferred To		Year
Fulton	TN	Engineer						3
Memphis	TN	Conductor			1			1
Memphis	TN	Conductor						2
Memphis	TN	Conductor						3
Memphis	TN	Engineer			1			1
Memphis	TN	Engineer						2
Memphis	TN	Engineer						3
Markham	IL	Conductor			1			1
Markham	IL	Conductor						2
Markham	IL	Conductor						3
Markham	IL	Engineer			1			1
Markham	IL	Engineer						2
Markham	IL	Engineer						3
Total			7	260	8			

APPENDIX B
YARD SCHEMATICS

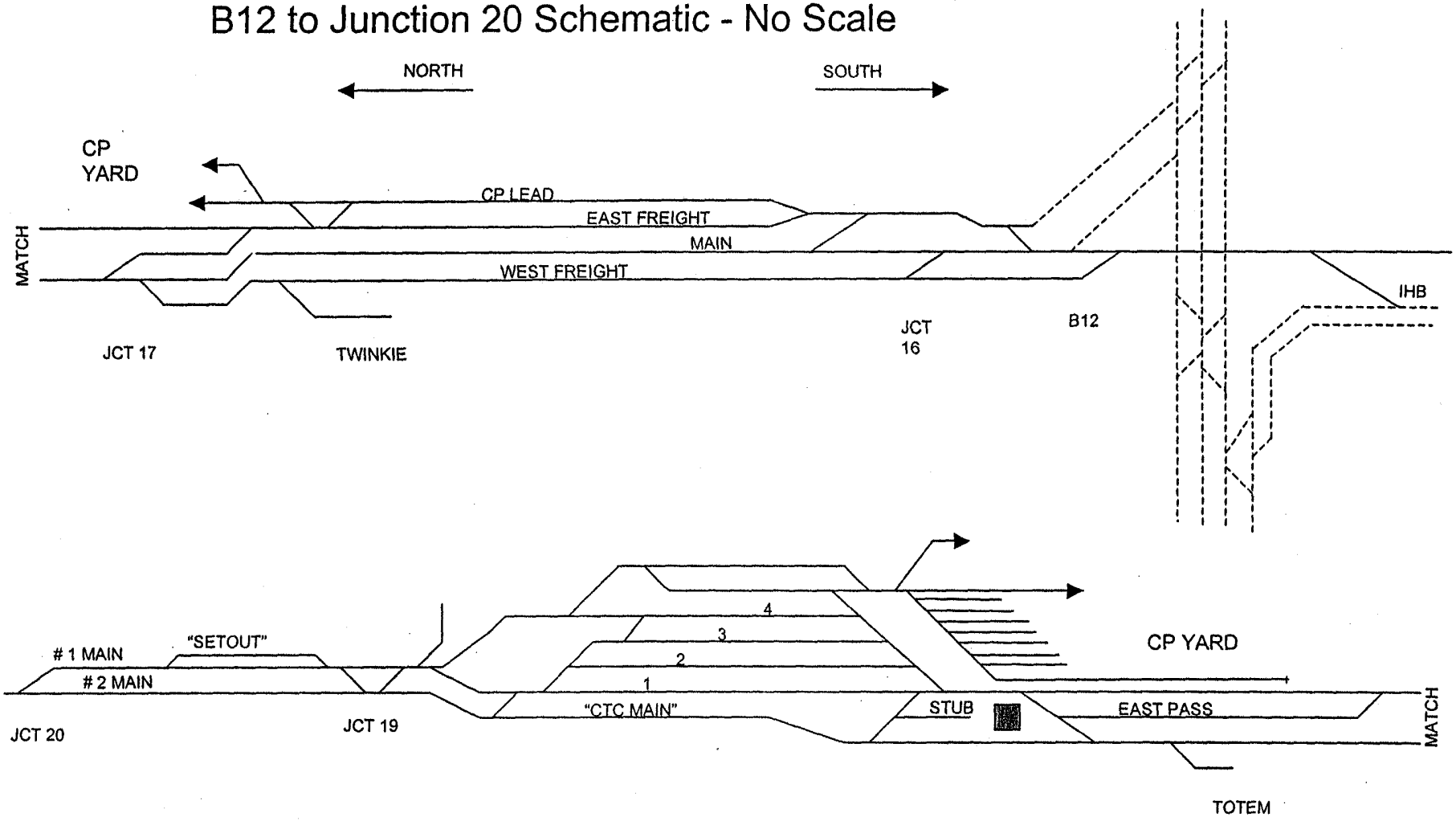

To Memphis
#1 Main Track
#2 Main Track
#3 Thorofare
#4 Thorofare
#7 Lead
#8 Lead
HOMEWOOD
HAZEL CREST
"F" YARD
CN Gateway Terminal (MITC)
MIT Lead
"A" YARD
WB TRACK
ROADRAILER
Weld Plant
Equip Maint. Area
MOYERS INTERMODAL TERMINAL (MIT)
BULK TRANSFER TERMINAL
SWITCHING LEAD
THOROFARE (RACETRACK)
WOODCREST SHOPS
Thorofare
157th STREET
HARVEY
"C" YARD
Allied Tube
CN-IC (GTW)
B&OCT (CSX)
CN/IC
(CSX)
CN JUNCTION
Allied Tube
Tk.#7-Industry Lead
HILAWN
NYB RR
CONRAIL
B&OCT (CSX)
(To Acme Steel) CONRAIL
Little Calumet River
M.L. Recycling
Cook County Lumber
WILDWOOD
To Chicago
METRA
CSS&SB RY
KENSINGTON
Wickes Furniture
Georgia Pacific
Metal Lubricants
Best Homes
Ready Mix
N
CN
MARKHAM YARDS


AO–12
Lake River Terminal
AO–11
AO–10
45 XOVER
AO–9
TO JOLIET
47 XOVER
TO CHICAGO
"D" YARD
"Prairie Industrial Area"
N
CN
GLENN YARDS

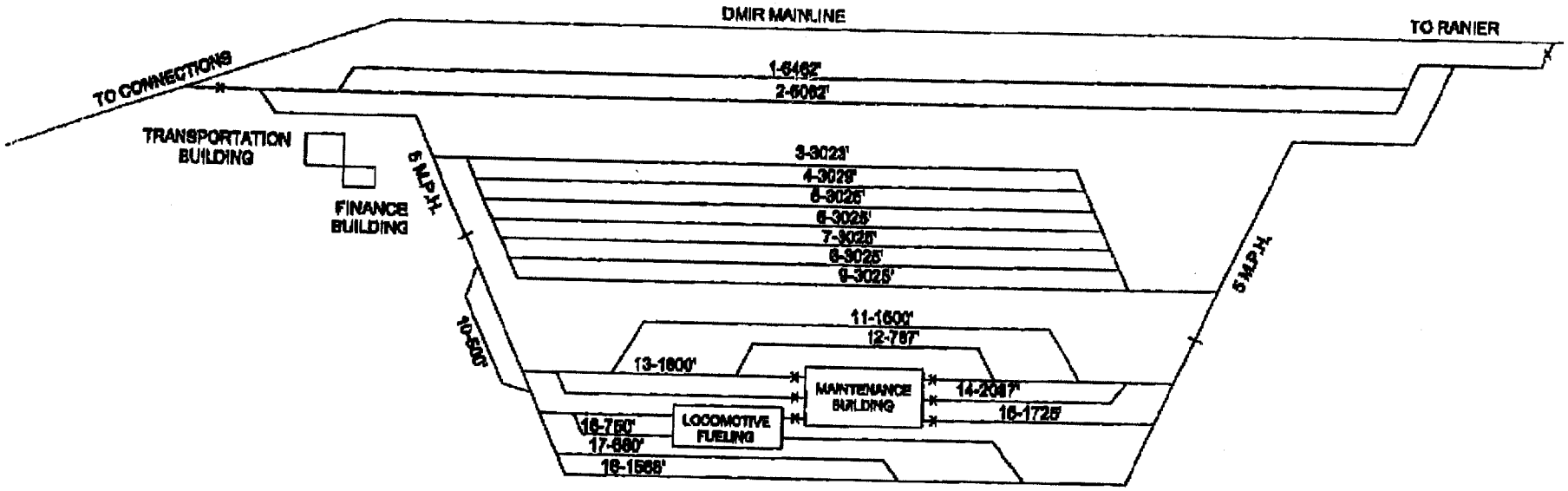

TO FREEPORT
TO CHICAGO
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
FUEL TRK
SAND TRK
YD OFF.
ENGINE STORAGE
YARD LEAD
N
CN
HAWTHORNE YARD

SCHILLER PARK

B12 to Junction 20 Schematic - No Scale

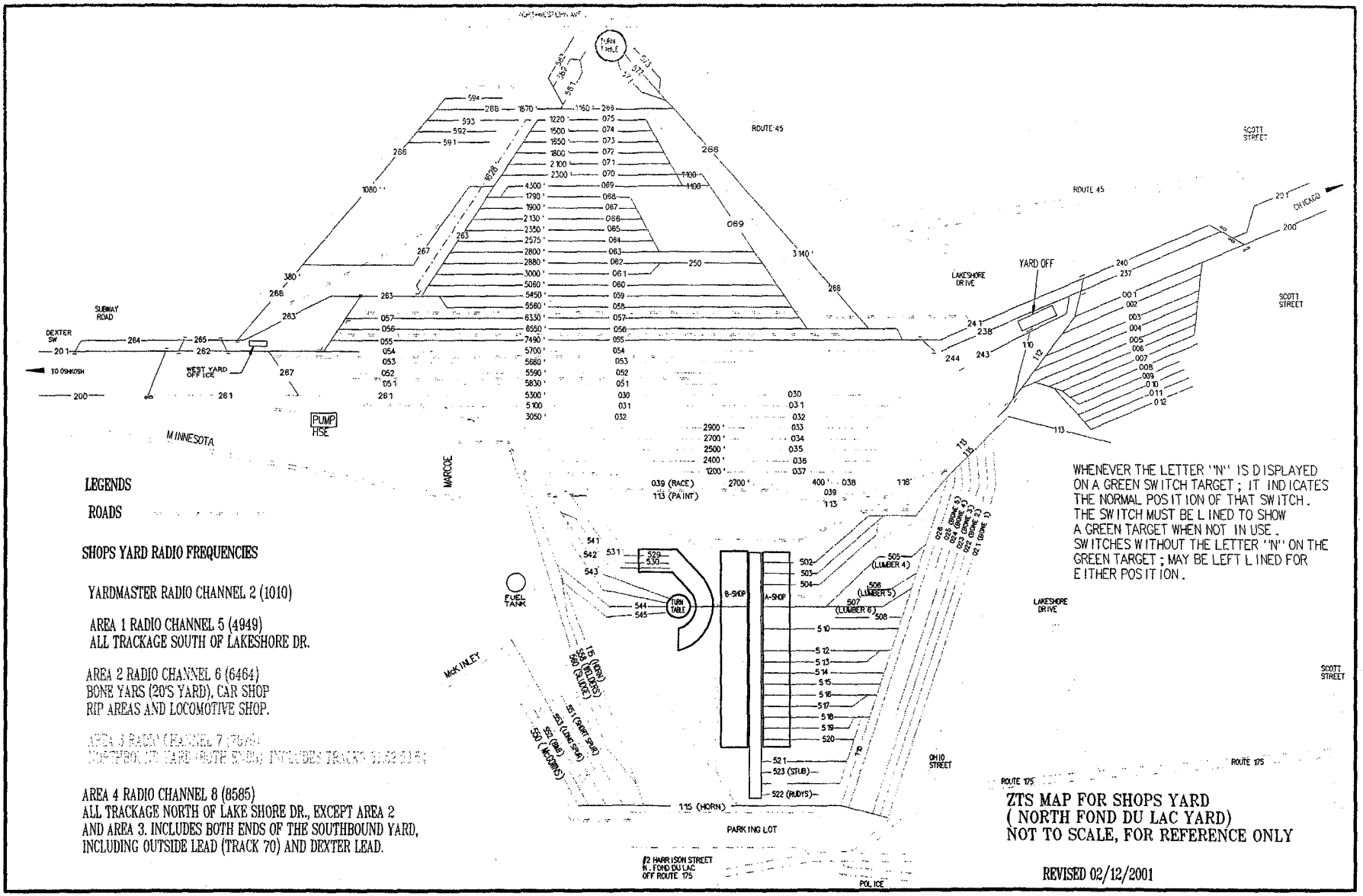


DWP
POKEGMA YARD

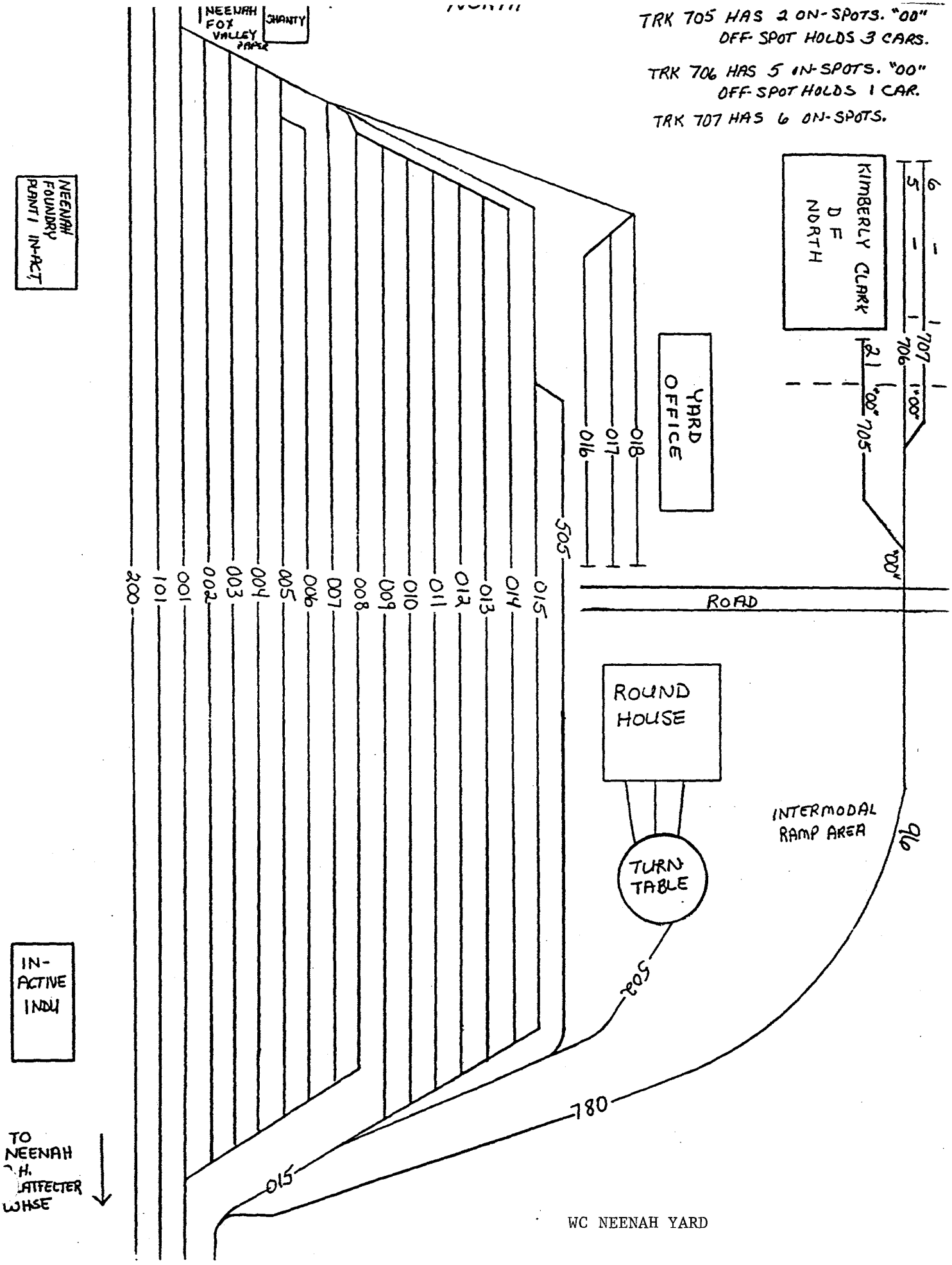


X DERAIL LOCATION

DWP

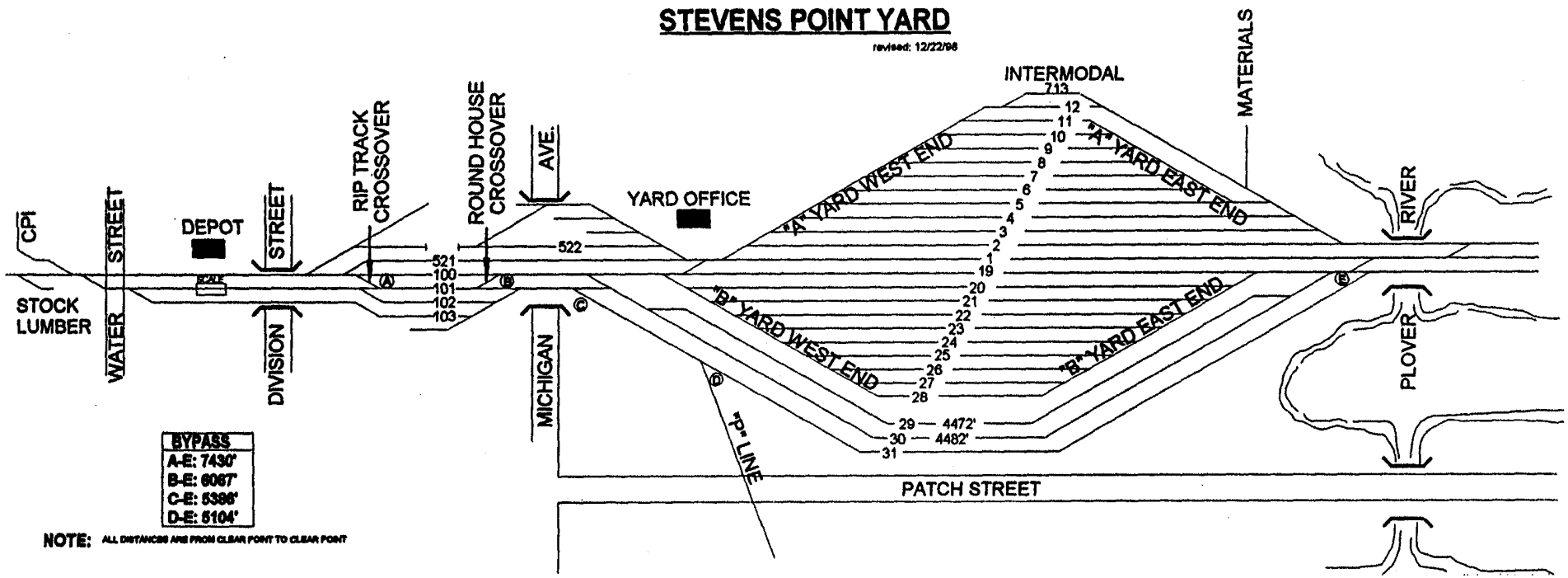


WC FOND DU LAC YARD


TRK 705 HAS 2 ON-SPOTS. "00" OFF-SPOT HOLDS 3 CARS.
TRK 706 HAS 5 IN-SPOTS. "00" OFF-SPOT HOLDS 1 CAR.
TRK 707 HAS 6 ON-SPOTS.
NEENAH FOX VALLEY PAPER
SHANTY
NEENAH FOUNDRY PLANT I IN-ACT.
KIMBERLY CLARK D F NORTH
YARD OFFICE
ROUND HOUSE
TURN TABLE
INTERMODAL RAMP AREA
ROAD
IN-ACTIVE INDU
TO NEENAH
H. ATTECTER WHSE
WC NEENAH YARD
200
101
001
002
003
004
005
006
007
008
009
010
011
012
013
014
015
016
017
018
505
705
706
707
"00"
180
205
015

STEVENS POINT YARD

revised: 12/22/98



BYPASS
A-E: 7430'
B-E: 6067'
C-E: 5386'
D-E: 5104'

NOTE: ALL DISTANCES ARE FROM CLEAR POINT TO CLEAR POINT

APPENDIX C
TRAIN AND BLOCKING CHANGES

APPENDIX C
TRAIN AND BLOCKING CHANGES

New CN/WC Trains

TYPE	TRAIN	ORIGIN CITY	ST	DESTINATION CITY	ST	FREQ	COMMENTS
UNIT	ORE S/B	STEELTON	MN	MEMPHIS	TN	3.18	ORE TRAIN
UNIT	ORE N/B	MEMPHIS	TN	STEELTON	MN	3.18	ORE TRAIN
MDSE	M34241	FOND DU LAC	WI	MARKHAM	IL	3	REPLACES M34641 FOND DU LAC TO CHICAGO
MDSE	M34361	MARKHAM	IL	FOND DU LAC	WI	3	REPLACES M34761 FOND DU LAC TO CHICAGO

Trains Modified

TYPE	TRAIN	ORIGIN CITY	ST	DESTINATION CITY	ST	FREQ	COMMENTS
MDSE	M34641	WINNIPEG (SYMINGTON)	MB	HAWTHORNE	IL	7	TERMINATES @ FOND DU LAC
MDSE	M34761	HAWTHORNE	IL	WINNIPEG (SYMINGTON)	MB	7	ORIGINATES @ FOND DU LAC
							LIFT GREEN BAY-WINNIPEG BLOCK @ STEVENS PT
							LIFT SUPERIOR (BNSF) BLOCK @ STEVENS PT
							LIFT SUPERIOR (OTHER) BLOCK @ STEVENS PT
							LIFT LADYSMITH BLOCK @ STEVENS PT
I/M	Q11851	VANCOUVER (VANINTTER)	BC	CHICAGO (CHIINTTER)	IL	7	SETOFF ARCADIA TRAFFIC @ STEVENS PT
I/M	Q11951	CHICAGO (CHIINTTER)	IL	VANCOUVER (VANINTTER)	BC	7	LIFT ARCADIA TRAFFIC @ STEVENS PT
MDSE	M34041	WINNIPEG (SYMINGTON)	MB	FOND DU LAC	WI	7	COMBINE WITH FDNS1T & EXTEND TO ASHLAND AVE
MDSE	M34161	FOND DU LAC	WI	WINNIPEG (SYMINGTON)	MB	7	COMBINE WITH NSFD1T & ORIGINATE AT ASHLAND AVE

Trains Not Operated After the Transaction

TYPE	TRAIN	ORIGIN CITY	ST	DESTINATION CITY	ST	FREQ	COMMENTS
MDSE	FDNS1T	FOND DU LAC	WI	ASHLAND AVE	IL	7	CONSOLIDATE WITH M34041
MDSE	NSFD1T	ASHLAND AVE	IL	FOND DU LAC	WI	7	CONSOLIDATE WITH M34141

Blocking Changes at Major Terminals

TERMINAL	ST	BLOCK ADDED	ST	TYPE	BLOCK DELETED	ST	TYPE
WINNIPEG (SYMINGTON)	MB	FOND DU LAC	WI	MDSE	HAWTHORNE	IL	MDSE
		SUPERIOR	WI	MDSE	STEVENS PT	WI	MDSE
		NEENAH	WI	MDSE			
VANCOUVER (VANINTTER)	BC	ARCADIA	WI	I/M			
GREEN BAY	WI	WINNIPEG (SYMINGTON)	MB	MDSE			

SERVICE ASSURANCE PLAN

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APPENDIX B – AVERAGE DWELL TIME, WC TERMINALS AFFECTED BY CN/WC TRANSACTION

SERVICE ASSURANCE PLAN

INTRODUCTION

The CN/WC Transaction will not cause rail service to any shipper on either rail system to decline. Instead, as explained in the Operating Plan, it will in many instances improve the quality of rail service. CN/WC's management and employees understand that good service, with an emphasis on safety, is essential for a competitive rail business, and they will therefore protect and continually work to improve service for customers on our service planning and implementation process.

Applicants are aware, however, that shippers and the public may not be willing to accept on faith a railroad's claims of equal or improved service, particularly after the disruptions of rail service that have followed implementation of certain recent major rail control transactions. Applicants are therefore submitting this Service Assurance Plan, based on rules proposed by the Board in its rulemaking on *Major Rail Consolidation Procedures*, STB Ex Parte No. 582 (Sub-No. 1),[1] to demonstrate to the Board and the public that Applicants can and will implement the proposed Transaction without imposing Transaction-related service problems on any shipper. The proposed transaction bears little resemblance to the transactions whose uneven implementation has provided the impetus for the STB's current SAP proposal. Unlike those

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[1] Major Rail Consolidation Procedures, 65 Fed. Reg. 58,974, 58,980-81 (proposed Oct. 3, 2000) (to be codified at 49 C.F.R. § 1180.10). The Board proposed these rules in response to concerns raised by various shipper, government, and railroad interests in the rulemaking proceeding and in the earlier public hearing and related proceedings on Public Views on Major Rail Consolidations, STB Ex Parte No. 582. Under the Board's proposal, Applicants in major transactions would be required to submit a SAP describing their plans to prevent any disruptions in service to shippers resulting from the transaction, as well as contingency plans to deal with unexpected difficulties in implementing the transaction. CN has endorsed the Board's proposal that SAPs be required for major transactions.

transactions, the CN/WC Transaction is entirely end-to-end, with only two common points in the U.S., no parallel corridors, and almost no duplication of facilities. There will be no major restructuring of operations, either in a single "day one" cutover or over the entire implementation period. To the contrary, the Transaction would integrate CN, the most efficient Class I railroad in North America, with WC, one of the most efficient regional railroads, so as to provide the benefits of single-line service throughout their joint very well-maintained railroads, with no deferred maintenance that could adversely affect operation of the CN/WC system.

This is a minor transaction, not only by definition in the Board's rules, but also in terms of the limited extent of anticipated changes in operations, as set forth in the Operating Plan. CN/WC will carry only modest amounts of new traffic as a result of their Transaction, so there is no reasonable possibility that the facilities or resources of the new system could be overwhelmed by massive shifts in traffic. As discussed below, CN and WC have ample line capacity, yard and terminal capacity, equipment capacity, personnel resources, and merger experience to implement the proposed transaction smoothly. Applicants plan few facility rationalizations or changes in rail operations. The changes that are contemplated are relatively small, incremental ones, such as railroads typically make in response to changing circumstances. WC's organizational structure will remain largely the same, as WC's system will be maintained as a new, separate operating division of CN. Because no major restructurings are needed or planned to make the Transaction work, there will be limited transfers of, or reductions in, CN/WC's operating workforce. For the most part, the same people conducting rail operations today will continue to conduct them after consummation of the Transaction, and will do so at the same locations.

The integration of CN and WC would be led by the same management team that has been implementing the much larger CN/IC transaction without any disruptions to rail service. CN's successful experience with that transaction demonstrates CN's ability to implement an even more extensive rail integration than proposed here, while providing a model for successful implementation of the smaller, simpler CN/WC transaction. Just as CN did with its acquisition of IC, CN and WC will integrate their systems with care and flexibility, to make sure our safety and service do not suffer. Where changes in facilities or operations are slated, they will be made gradually and sequentially. They will also be closely monitored at every level to ensure that we do not try to force a particular change that is not working as anticipated simply because it has been planned. Good customer service requires flexibility. Local, divisional, and regional managers will be empowered to act as needed to prevent application of the plan from undermining the paramount goal of quality service.

I. PLANNING FOR SERVICE IMPLEMENTATION

Shortly after concluding our Merger Agreement, CN and WC began making plans for implementing the Transaction in a way that would assure no degradation of service to our customers. We did so because we recognized from our past experiences the challenges and rewards that proper implementation of a rail transaction presents, and because we were sensitive to the heightened concerns of railroads, shippers, governments, and others about the need for carefully planned, smooth implementation of rail consolidation transactions. In this part of the SAP, we review CN's demonstrated success in planning and implementing the much larger CN/IC transaction, and discuss the continuous planning process that we have put in place to make sure that the CN/WC transaction also proceeds smoothly.

Although the difficulties faced by other railroads in implementing certain control transactions are still fresh in everyone's memory, most consolidation transactions have not encountered comparable problems. In particular, the implementation of CN's acquisition of IC in 1999 has been virtually trouble-free. This is not CN's view alone. According to the Board, the submissions it has received in the General Oversight proceeding regarding that transaction indicate that "the integration of CN and IC has been successful to date and has not resulted in service failures or operating problems."[2] CN has gained valuable experience from implementing that transaction that Applicants can draw on when integrating their own operations.

Most of CN's and WC's systems will not be structurally affected by the Transaction. Thus, integration planning can focus on those relatively few lines and yards where changes will occur as a result of the Transaction. We describe in some detail in Part III below how we presently expect to proceed to implement the plan regarding individual lines and yards. But these preliminary plans are only the beginning of the integration process; none of them is set in concrete. While the Application is pending, we intend to continue gathering information and consulting with our customers and Class I, regional, and short line connections about our plans. We also intend to pay careful attention to the comments and recommendations of FRA, DOT, rail

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[2] *Canadian Nat'l Ry. - Control - Illinois Cent. Corp. [General Oversight]*, STB Finance Docket No. 33556 (Sub-No. 4), Decision No. 2, slip op. at 5 (STB served Nov. 29, 2000). The only shippers to have submitted comments in that proceeding, BASF Corporation and Gaylord Container Corporation, "commend[ed] CN for its problem-free implementation of the CN/IC merger." *Id.* at 3.

Similarly, rail analysts have reported: "The integration of Illinois Central into Canadian National's system continues to run smoothly and represents the best rail merger situation in recent history," and "We have heard virtually no feedback from customers that would indicate that service has deteriorated from pre-merger levels." James M. Higgins, Rail Analyst, DLJ Securities, Oct. 20, 1999; James J. Valentine, Rail Analyst, Morgan Stanley Dean Witter, Oct. 21, 1999. And FRA, in its second semi-annual summary of progress made by CN/IC on its Safety Integration Plan Action items ("SIPAs"), informed the Board's General Counsel that "[o]ur field observations continue to report little backup or congestion since the merger."

labor, and other interested parties. Our plans necessarily will evolve and become even more specific, although we will not permit them to become inflexible. One of the key lessons learned from past consolidation experience is that flexibility is a necessary ingredient in good implementation planning and execution.

Even after approval of the Application, CN/WC will review its integration plans periodically and augment them as necessary to take into account new information and ideas. CN/WC will provide service equal to or better than that received by our customers before the Transaction, and we have every incentive to make sure that inflexible adherence to a plan does not stand in the way of maximizing the quality of service we provide. In making and revising those plans, we will draw on the expertise of virtually every discipline within our organizations.

Moreover, all of our planning has been, and will continue to be, joint planning, with both CN and WC participating in the planning process. Both have the same interest in safety and service.

Once implementation begins, CN/WC will not blindly adhere to plans or timelines in the face of experience showing that some aspect of a plan is not working. Local, divisional, and regional management will be encouraged - indeed, expected - to question plans developed by others if, in light of their on-the-ground expertise and experience, those plans do not make sense. In addition, they will be authorized and expected to use their judgment to address any immediate problems arising in their service areas and to coordinate postponements or changes in the railroads' implementation plans. Safety and service will be the paramount objectives of the

integrated system.[3] We will maintain the flexibility at every level to make sure that neither of these objectives is compromised.

II. THE RESOURCES OF CN AND WC

A substantial part of the reason that CN and WC can assure service equal to or better than the service we are now providing is the resources that we bring to bear on the implementation process. CN is a company with a strong balance sheet, and it is a leader among Class I railroads in generation of free cash flow. CN's financial strength will ensure that the Transaction can be implemented smoothly. As discussed below, we have ample trained personnel, facilities, and equipment. CN and WC are two of the most efficient railroads in North America, with substantial track, yard, and equipment capacity and no deferred maintenance. Thus, there is no pressing infrastructure problem that CN/WC will have to rush to fix in the aftermath of the Transaction. Nor will there be major structural changes, accompanied by sudden and massive operational changes and shifts in personnel that could strain the managerial and financial resources of the system. We will be able to proceed carefully to bring the two companies together, step-by-step, without any need for undue haste.

CN and WC have each developed substantial expertise in operating our respective rail systems, which are among the most efficient in North America. Moreover, CN/WC will be able to draw on the expertise and experience that CN (including IC) personnel have gained from their successful integration of IC into the CN system. We are also aided considerably in our planning

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[3] In addition to planning for service integration, CN/WC is also developing a Safety Integration Plan, discussed further in section 14.0 of the Operating Plan. Based on consultation with FRA, we expect to file a Safety Integration Plan with the Board and FRA within 30 days of filing the Application. There is obviously an interrelationship between good service and safe service. One depends on the other. Accordingly, our safety experts have been and will continue to be closely involved in CN/WC's service integration planning.

by the fact that many of the managers and executives at CN and WC have had experience on the rail systems of other Class I carriers as well as on our own systems. Thus, in assessing possible downstream operating effects on other railroads of our implementation plans, we can draw on these managers' and executives' knowledge of the physical plant and operations of our connections. (We will also consult with each of our connections about any questions or concerns they may have about our plans, and we invite any comments they may have on a railroad-to-railroad basis, outside the forensic context of a Board proceeding.)

While capacity-constrained rail lines and yards can interfere with effective and efficient implementation of a major rail consolidation, this will not be a problem for CN and WC. As discussed in the Operating Plan, Applicants have found no potential deficiencies in their infrastructure that would impede the smooth implementation of the Transaction and efficient handling of the modestly increased traffic to be carried on the CN/WC system. Applicants do not anticipate any significant capital expenditure on rail infrastructure or related facilities in connection with this Transaction, as the existing infrastructure should be fully adequate for post-Transaction operations, including the modest increases in traffic that are anticipated.

CN and WC have well maintained rail networks and facilities that will readily handle the limited changes in traffic expected as a result of the Transaction. As discussed in more detail in Part III.C below, all yards affected by the Transaction will have ample capacity to handle the traffic projected, and only one small WC facility is planned to be consolidated with a nearby CN yard. Even if an unexpected surge in traffic were to occur as a result of the Transaction, ample capacity is available, and alternative facilities would be available, either in the same terminal or downstream on CN/WC's lines, providing the system with flexibility to handle the increase.

There should be no "ripple effect" from congestion in one yard on the CN/WC system, because the capacity of the the system.

Equipment shortages resulting from operating problems have plagued the implementation of some large consolidation transactions in the past. Equipment shortages are not always the result of the consolidation itself. Bad weather and surges in demand because of changed market conditions can create temporary shortages of cars or motive power in some areas. However as provided for in the Operating Plan, the substantial equipment resources of the two companies are and will be ample to meet projected business volumes.

CN already operates extensive fleets of freight cars and locomotives, and the joint resources of both companies will give CN/WC even more flexibility to meet customers' needs. CN has made a substantial investment in new locomotives - since 1996 it has acquired 405 units – and the CN/WC Transaction will enable the railroads to cull out the least reliable and least efficient units, improving the overall reliability and serviceability of freight cars and equipment, to the benefit of CN/WC customers.

III. PLANNING IN SPECIFIC AREAS

The Board's Notice of Proposed Rulemaking on *Major Railroad Consolidation Procedures* calls for SAPs to include details regarding 10 substantive areas relating to planning for post-Transaction service. In the remainder of this document, we address those substantive areas.

A. Integration of Operations

There will be few significant operational changes as a result of the CN/WC Transaction, and what changes are planned will, if anything, make deterioration of service less rather than

more likely. There will be minimal re-routing of traffic, and with one minor exception, there will be no net increase of train traffic exceeding one train a day on existing routes.[4] Applicants expect traffic added to the CN/WC system as a result of their Transaction to amount to about 40,517 carloads a year, or approximately 111 cars a day. This additional traffic (apart from a movement of iron ore that CN/WC hopes to attract to the system and that would be carried on unit trains running three days a week) can easily be handled on existing trains. Indeed, because of more efficient use of train capacity, a net of four merchandise trains a week now operating in each direction between Fond du Lac and Chicago can be eliminated, and freight carried by those trains will be handled on existing trains operating between those points. Other than the planned consolidation of switching operations from WC's small facility at South Itasca into CN's Pokegama Yard, there will be no facility consolidations.

The CN/WC Transaction will therefore simply not present the same opportunities for degradation of service that arose in other transactions, where the merged systems had to adjust to massive changes in operations on far larger and more complex systems than WC, where most Transaction-related changes will occur. To the extent that changes are made, their effect on the quality of service to shippers will be positive. Blocking changes will reduce transit time to and from points on WC, and CN's operating system will make it possible to monitor trip plans and otherwise manage traffic on WC lines more efficiently. There will be a net decrease in car handlings in the Chicago terminal, because the Transaction will enable CN/WC to make blocks of cars to move through Chicago directly to or from Champaign, or directly to connecting carriers

[4] On one short segment (approximately one mile long) leading into CN's Markham/Gateway/Moyers facilities in the Chicago terminal segment, there will be a net increase of 1.77 trains per day

in Chicago, and to reduce use of terminal carriers for intermediate switching. Moreover, by gradually identifying and adopting the best practices from each of the two railroad systems, and carefully extending them throughout the entire system, as appropriate, CN/WC should be able to further improve its operations and thus the quality of its service to shippers.

CN has systems of quantitative measurements in place that will enable CN/WC to monitor its performance and confirm that service remains at or above pre-Transaction levels of quality. CN, like other Class I railroads, publishes four performance measures each week on the AAR's Website - Total Cars on Line, Average Train Speed, Average Terminal Dwell Time, and Bill of Lading Timeliness - which CN/WC will continue to publish after the Transaction. WC measures Total Cars on Line and Average Terminal Dwell Time, and CN/WC will continue to keep and monitor those metrics to ensure that operations are not being degraded as a result of the Transaction. Implementation of the Transaction will build on these measurements, processes and capabilities to ensure, on a broader scale, that service to our customer is preserved and enhanced, and that problems are identified, monitored, and resolved quickly. Eventually, as the Service Reliability Strategy ("SRS," CN's operating system) is extended to WC, measurements of Average Train Speed and Bill of Lading Timeliness will become possible on WC lines as well. Together, these performance measures will give CN/WC management a good sense of the system's overall service improvement and of its success in implementing the Transaction.

Indeed, CN and WC already use daily metrics from their operating systems to produce a variety of reports and measures for internal monitoring, review, and to manage resources and traffic volumes and flows, ensure service quality, and address problem areas proactively.

B. Coordination of Freight and Passenger Operations

As indicated in the Operating Plan, the CN/WC Transaction will not cause a net increase in the number of freight trains operating on any line north of Chicago used for passenger (including commuter) rail service. Indeed, eight trains per week (four in each direction) will be eliminated on the WC line used by METRA between Antioch and Chicago. Even counting the unit train of iron ore that CN/WC hopes to add three days a week, and which will use the Antioch-Chicago line, there will be a net reduction in the number of freight trains using this line, and thus even less likelihood than today for interference with passenger operations on that line.

While CN/WC hopes to operate an additional three trains a week in each direction (new unit trains carrying iron ore) on CN lines between Chicago and Memphis that are now used by Amtrak, there is no reason to expect this small amount of additional traffic to interfere with Amtrak's operations. Not only will CN/WC be obligated by law to give Amtrak priority in use of those tracks, but there is ample track capacity to absorb the additional traffic.[5]

C. Yard and Terminal Operations

The principal classification yards on the CN and WC systems that would be affected by the proposed Transaction are CN's Symington (Winnipeg), Pokegama (Superior), Hawthorne (Chicago), and Markham (Harvey) yards, and WC's yards at Fond du Lac, Neenah, and Stevens Point. As described below, and more fully in the Operating Plan, Applicants do not plan

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[5] In reviewing the recent CN/IC transaction, the Board's Section of Environmental Analysis ("SEA") determined that the segment between Cairo and Carbondale was the portion of the line between Chicago and Memphis that was most restricted in terms of capacity, and that that segment could accommodate a total of 26 trains a day. 2 Draft Environmental Assessment at D-4 (served Nov. 9, 1998), *Canadian Nat'l Ry. - Control - Illinois Cent. Corp.*, STB Finance Docket No. 33556. At present, a total of 16 passenger and freight trains per day operate on this segment, so the addition of three unit trains in each direction per week (averaging .91 additional trains per day) would be comfortably below the estimated capacity of this segment.

extensive changes in operations at any of those locations, and they expect that service to customers will be improved or unaffected.

CN/WC will be aided in the execution of the system's service integration plans by the fact that both railroads already have the processes, systems, organizations, capacity and experience to closely monitor the classification and throughput demand for their terminals 24 and 48 hours in advance. They also are accustomed to establishing individual production metrics for different terminals and monitoring the performance of terminals against those metrics.[6] As an initial matter, CN/WC will continue to use the metrics already maintained on WC yards and terminals, and will modify them as experience indicates would be appropriate.

CN/WC will also be able to monitor terminal inventory and performance metrics at a network level. When implementation of the Transaction begins, the Network Operations Center in Edmonton, AB, and the operations center at Stevens Point, WI, will monitor the status of major terminals and compare current conditions with 24- and 48-hour demand. If any operating change is seen to be producing unexpected capacity problems, the operations centers and field management will develop a course of action that will relieve or prevent the problem. (These procedures are substantially the same as the effective procedures that CN and WC follow today in responding to unexpected problems in yards and terminals.)

In the remaining sections of this Part C, we describe the modest changes in operations at the individual major yards and terminals affected by the Transaction, so as to make apparent the

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[6] Appendices A and B set forth dwell time information for the principal CN and WC terminals that will be affected by the Transaction and for which the railroads have relevant information. Information is only presented for the first quarter of 2001, because CN changed its methodology for computing this data, and earlier numbers would not provide a valid basis for comparison. Applicants will continue to collect this data after consummation of the Transaction. Applicants expect no increase in dwell time as a result of the Transaction, and anticipate that at some terminals dwell times will decrease to some extent.

extreme implausibility of any disruptions in service at those yards and terminals as a result of the Transaction.

1. Chicago Terminal Area

CN/WC will not close any of the yards used by CN or WC in Chicago, nor does it plan to change the functions of any of those yards. No CN or WC lines will be abandoned, and CN/WC will continue to use the same routes through the Chicago terminal that they do today.

This does not mean that the CN/WC Transaction will have no effect on the efficiency of yard and terminal operations in Chicago. The Transaction will reduce the net number of train and car handlings in the Chicago terminal by permitting CN/WC to move more traffic in through trains (which can move through Chicago without yard processing). In particular, there will be a reduction in transit time of one day for certain traffic moving from WC points to points south of Chicago on CN, or vice versa, because the traffic will be blocked to or from Champaign and will not require handling in Chicago. Operations at CN's Hawthorne Yard will benefit from a reduction in the number of cars handled per day by about 70. (About 20 cars a day will save a day in transit time because they will be blocked directly to or from BRC's Clearing Yard instead of being switched at Hawthorne Yard.) While the reduction in car handlings at Hawthorne is balanced by an increase in about 70 cars a day handled at CN's Markham Yard, that facility is much larger than Hawthorne and has sufficient capacity to absorb the additional cars, and the increase of yard activity at Markham will be a smaller percentage than the reduction at

Hawthorne.[7] The net effect of these changes in operations will be to improve the fluidity of CN's movements through Chicago.

In none of CN's or WC's Chicago yards will there be any significant increase in the amount of traffic interchanged with our connections. Because the rail lines and yards of the railroads serving the Chicago terminal area are highly interconnected, any improvements in the velocity of traffic through the terminal tend to benefit all of the railroads using the terminal area. Thus, there is no basis for concern that the Transaction will have any adverse "downstream" operational effect on other carriers or their shippers. In fact, the Transaction should slightly reduce volume at several yards operated by other carriers (Ashland Avenue (NS), Barr (CSX), Clearing (BRC), Proviso (UP), and Schiller Park (CP)) by reducing the number of cars handled at those facilities.

2. Superior

The CN/WC Transaction will enable the system to make up a new block of cars at Symington Yard that will be set out at CN's Pokegama Yard in Superior. (This block, along with a second block set out at Neenah, will replace a block presently made up at Symington and set out at Stevens Point.) The only other change in operations that is anticipated in or around Superior is the planned integration of WC's small South Itasca Yard and CN's Pokegama Yard. Together, these changes will increase the number of cars switched at Pokegama by 57 a day. This increase, which is about 16% over present yard activity, is within the capacity of the facility.

[7] Some of the switching activity eliminated in Chicago will instead be performed at CN's Champaign Yard, but that facility has adequate capacity to handle that relatively minor increase.

And although Applicants plan to integrate switching operations at CN's yard, the WC facility will not be closed, but will be kept available for use as needed.

3. Winnipeg

Operations at Symington Yard, CN's classification yard in Winnipeg, will experience very little change as a result of the CN/WC Transaction. Applicants anticipate a 2.5% increase in number of cars handled daily (approximately 40 cars per day), and there will be slight changes in blocking plans. A block of cars that Symington makes today for set-out at Stevens Point will be replaced with two new blocks, to be set out at Pokegama Yard (Superior) and Neenah. In addition, a block that is today made at Symington for set out at Hawthorne Yard in Chicago will be replaced with a block to be set out at Fond du Lac.

4. Stevens Point

Changes in blocking will reduce the numbers of cars handled at Stevens Point by more than 150 cars a day. This reduction of slightly more than 20% will improve the fluidity of the yard. The transfer of switching activity to other yards (mainly Pokegama and Neenah) is unlikely to have any adverse effects on those yards, which will experience a relatively low percentage increase in yard activity, and have sufficient capacity to absorb the new work.

5. Fond du Lac

Applicants do not plan any changes in operations at Fond du Lac as a result of the Transaction, other than the elimination of three train starts a week and minor blocking adjustments. There will be an increase of less than 3% in the number of cars handled (about 28 cars per day), due to additional traffic that CN/WC expects to be able to carry as a result of the Transaction.

6. Neenah

WC's yard at Neenah will experience a slight (5.4%) increase in car handling, because a block now made by CN at Symington Yard and set out at Stevens Point will be replaced by blocks set out at Neenah (approximately 21 cars per day) and Superior. Not only will this change reduce the cars switched at Stevens Point, but it also will reduce car transit time for southbound traffic to Neenah by a day, through elimination of one handling at Stevens Point.

D. Infrastructure Improvements

Because of the relatively limited amount of new traffic that CN/WC expect to divert to their system as a result of the proposed Transaction, CN and WC have planned only minor changes in operations, and consequently do not expect that any infrastructure improvements will be needed in order to implement their Transaction.

E. Information Technology Systems

The information technology ("IT") systems that are most critical to efficient transportation operations are operating systems employed by CN and WC, including their traffic information system and the associated asset, personnel, and revenue management systems. CN and WC presently employ two different operating systems: CN, including its U.S. subsidiaries, uses SRS, a modified and improved version of a system originally developed by IBM and ATSF, while WC uses the Transportation Control System ("TCS"), a system developed and maintained by Transcentric (formerly UP Technologies). For an initial period of up to 12 to 18 months following consummation of the Transaction, WC and the remaining divisions of CN/WC will continue to use their respective systems, while carefully preparing to convert WC to SRS. That

conversion will take place only after thorough training of affected personnel and detailed planning to ensure a seamless switchover.

We are especially confident of our ability to convert WC smoothly from TCS to SRS, because CN has already carried out a virtually identical exercise on IC. Before its acquisition by CN, IC too used a version of TCS. Only after a transition period of 15 months was SRS extended to IC lines, and CN/IC's careful and deliberate planning ensured that, when it happened, the conversion took place smoothly. As a result of CN's experience with IC, CN/WC has a head start in determining the best way to implement the conversion of WC lines to SRS when the time to do so comes.

CN and WC expect to devote substantial resources not only to the integration of their IT systems but also to the continuing development of the most modern and efficient communications, customer service, and train control technology. The railroads will not, however, adopt new technology at the expense of safety or service - even in the short term. There will be no abrupt "day one" transition to a different technology in any area, either when the integration of CN and WC begins or after it is underway. As with CN and IC, applicants are committed to incremental changes spread out over whatever period is necessary to avoid any service disruptions.

Either before or after SRS has been extended to WC, Applicants will develop plans for replacing WC's existing suite of administrative support applications with CN's. These changes, as well, would only be made after careful preparation, including training and testing. CN and WC will schedule several months between the implementation of SRS and of CN's

administrative systems, to ensure that employees have adequate time to absorb and adjust to changes.

Applicants have no plans to integrate their different train dispatching or crew calling operations or systems during the implementation period.[8] Of course, maintaining these familiar and proven train dispatching systems will not compromise safety or service. Most major railroads in the U.S. operate different parts of their networks using different dispatching systems. CN, for one, has done so safely for years.

F. Customer Service

CN/WC expects to maintain the customer service organizations, facilities, and personnel that the two railroads have in place today. Until implementation of the SRS operating system on WC's lines, the principal change in customer service will be to provide employees of each company with access to the systems of the other, and to improve the transfer of data between the CN and WC networks regarding train and car status, so as to improve markedly the visibility of traffic across the systems at the beginning of the implementation period. Over time, as SRS and other sophisticated CN systems are implemented across the network, CN/WC will provide customers with unified tracking and tracing services for cars and shipments anywhere on the CN/WC system.

G. Labor

CN and WC recognize the importance of good employee relations to the successful implementation of any rail combination. Quality rail service ultimately rests on the experience

[8] Independently of its merger plans, WC is installing a crew calling system on its system that is very similar to the one that is already employed by CN. Also, CN is currently upgrading its U.S. lines to a common dispatching platform. CN and WC anticipate that their respective systems will continue to be operated independently.

and dedication of our operating personnel. We intend to follow an orderly process for integrating CN and WC, and to involve our employees and their representatives in the safe and effective implementation of our service integration plans. CN/WC will have sufficient trained and experienced employees at the proper locations as they integrate the two systems.

The labor aspects of the proposed Transaction are discussed more fully in Section 12 of the Operating Plan.

H. Training

Before making operating or business changes as a result of the proposed Transaction, we will ensure that relevant personnel receive appropriate training. Applicants recognize the necessity, for safe and effective business operations, to provide training to employees involved with all areas of its operations, including customer service, train and engine service, payroll and timekeeping, data entry, safety and hazardous material compliance. CN/WC will provide adequate training well in advance of operating or business practice changes. In addition, in the IT area, CN/WC expects to spend about $3.6 million specifically for extensive training in new information systems as they are gradually introduced beginning within 12 to 18 months after approval of the Transaction. CN/WC also will be able to use the proven training techniques and training materials developed by CN in the course of its successful IT implementation following its acquisition of IC. CN/WC expect that principal training areas will be those described in the following paragraphs.

Operating and Related Systems. Training for implementation of SRS and its related systems on WC will be a carefully staged process. CN/WC will use the extensive training techniques and materials developed by CN for IC's successful transition from TCS to SRS. The

training materials will be adapted to the WC context and to any new SRS modifications. Training on SRS will be provided to personnel who input data or waybills or who run inquiries. Training of WC personnel will be include field training. During the time immediately preceding the cutover to SRS, WC operating personnel will gain live experience from running traffic events and information in real time on SRS in parallel with TCS (WC's existing operating system). Training on Revenue Management System ("RMS"), which is closely tied to the SRS waybilling module, will be provided for revenue management center employees at the same time and in the same manner as SRS training. In the months following implementation of SRS and RMS, CN/WC will provide training and support, for those requiring it, until they are self-sufficient.

Sales and Marketing. CN/WC will provide training on sales and marketing systems for pricing and customer data. We anticipate that this will proceed in two steps. First, immediately after consummation of the Transaction, there will be training on information exchange and business protocols that will give each railroad's sales and marketing personnel access to each other's pricing information. Later, before implementation of SRS on WC, relevant sales and marketing personnel will be trained on its use, to enable them to respond efficiently to inquiries regarding train scheduling, waybilling, and invoicing.

Intermodal Systems. Training on intermodal systems will be staged with the SRS implementation as required.

Finance and Administration. CN has recently implemented the System Application Products in Data Processing, a sophisticated integrated suite of software applications developed by a German enterprise called SAP AG, for CN's finance, human resources, and supply management functions. CN/WC expects to implement this system on WC at the appropriate

time, and in a manner that will not overlap with training in or implementation of SRS. Training on WC will be implemented well in advance of the time the new system is rolled out and will be based on the extensive training material developed for its successful implementation on CN. The new system will be implemented on WC only after careful training regarding any new business processes, and after adequate time to adjust to the new technology.

Operating Rules. CN/WC have no immediate plans to change operating rules on WC's lines. If the decision is made to implement new operating rules, timely training will be provided to dispatchers, train and engine service employees, and engineering employees to ensure operating safety and compliance with the rules.

Safety and Hazardous Materials. The existing level of training, as prescribed by FRA rules, will be maintained on both railroads. Any changes to safety procedures or systems, or to hazardous materials compliance, will be preceded with appropriate training. This subject will be reviewed with FRA in the SIP.

Contractor Support Functions. No changes are expected in existing levels of training on either system.

I. Contingency Plans for Transaction-Related Service Disruptions

CN and WC recognize that rapid change is frequently the cause of service problems, and we intend to implement our Transaction deliberately and with the utmost care. The process will start with careful attention to early warning signs of a possible problem. CN/WC will constantly monitor the system's vital signs - systemwide, by terminal, and line by line. If a problem arises with a change, CN/WC will suspend or change plans, and we will stop the change until the problem is fixed.

As discussed earlier, CN and WC have now and will have substantial terminal capacity, line capacity, equipment capacity, and personnel. Particularly in light of the relatively modest magnitude of the changes expected, there is no reason to expect either that problems will develop as a result of the Transaction or, if they do, that CN/WC will not be able to recover quickly using the alternatives and resources at our disposal.

When implementation of the Transaction begins, the railroads' network operations centers will monitor yard inventory and production for major terminals and compare the existing conditions against the expected demand. If it appears that a change in operations is creating capacity problems, the operating centers and field personnel will develop a plan to resolve the problem and prevent operational difficulties at that terminal that could adversely affect other parts of the system.

In the following sections, we describe CN/WC's contingency plans for recovery from service disruptions in the major terminals and yards expected to be affected by the transaction. Like other implementation plans, these contingency plans will not be static in nature, but rather will evolve as experience warrants.

1. Chicago

Through the Chicago Transportation Coordination Office ("CTCO"), CN and WC already cooperate with other railroads in the Chicago terminal in planning for contingencies involving operations in that terminal. CTCO has issued a Chicago Alert Plan, identifying indicators (i.e., weather, operating, and volume conditions) that would trigger progressive "alert stages" and setting forth actions to be taken at each stage to respond to the conditions. The CTCO holds daily conference calls, at which its members' representatives review and discuss the indicators

identified in the Alert Plan and, if the indicators show that an alert stage exists or is anticipated, set in motion the appropriate response to those conditions. The Alert Plan will be updated and modified as needed to stay current with emerging conditions and traffic patterns for Chicago, and to plan for more rapid recovery from emergency conditions.

It is highly unlikely, however, that the Transaction will create any service problems in the Chicago area, where the total number of car handlings will be reduced and a portion of CN/WC's traffic will move more quickly through the terminal. If Transaction-related service problems nevertheless develop in Chicago, there are service recovery options available for CN/WC. The building of bypass blocks in other terminals is an approach that both CN and WC have successfully used in the past to deal with congestion in Chicago. CN/WC can limit the use of Chicago yards by performing any necessary blocking or classifying before or after transiting Chicago – *e.g.*, in Fond du Lac, Stevens Point, Green Bay, Battle Creek, Toronto, Superior, Winnipeg, or Champaign. If necessary, CN/WC could use alternative routes to bypass Chicago entirely. As these examples illustrate, in the event of service problems in Chicago, CN/WC will have several options for quickly and effectively reducing use of the Chicago terminal.

2. Superior

In the unlikely event that any congestion developed at Pokegama Yard as a result of the Transaction, CN/WC could readily reduce it by moving some switching, blocking, and classification activity on a temporary basis out of Pokegama to Symington Yard (Winnipeg), which has ample available capacity.

3. Winnipeg

There is no realistic possibility of congestion in Symington Yard resulting from the CN/WC Transaction, since the yard today is operating at substantially below its capacity. Even if, for some reason, Symington Yard were to become congested, CN/WC will be prepared to relieve the switching burden on the yard by pre-blocking cars and making up trains in Edmonton, Saskatoon, Superior, Chicago, or Toronto - depending on the routing of the traffic involved.

4. Stevens Point

As described above and in the Operating Plan, Applicants intend to reduce car handlings at Stevens Point by transferring switching work now performed there to Superior or Neenah. As a result of those changes, the Stevens Point Yard will have greater unused capacity. But even if unexpected surges should overwhelm that capacity, switching work could be transferred on an emergency basis to yards at Superior, Green Bay, Winnipeg, or Neenah.

5. Fond du Lac

Applicants expect to make changes in blocking at Fond du Lac that, on balance, will leave the yard handling about the same number of cars as before the Transaction. Nevertheless, they will have the options, in case of unexpected congestion, to rely on Stevens Point Yard as a backup, as that yard will have extra capacity as a result of the transfer of some switching operations to Superior and Neenah.

J. Timetable

Major milestones in implementation of the Transaction are set forth in the following schedule, in which "D" represents the date on which the Transaction is consummated through

CN's acquisition of WC, "D+x" represents x days after the acquisition, and "D+y months" represents y months after the acquisition of control.

D	Acquisition of WC by CN
	Establishment of WC as the sixth operating division of CN
	CN and WC customer service personnel given access to one another's waybill information
	Implementation of electronic data interchange giving CN and WC personnel access to train and car information in each other's operating systems.
D+30	Establishment of new blocking and train schedules
When new business is developed	Institution of new ore train and intermodal service
D+12 to 18 Months[9]	Beginning of implementation of SRS on WC Division
After implementation of SRS[10]	Implementation of CN's finance and administration systems on WC division; integration of customer service systems

CONCLUSION

CN and WC appreciate the concern that shippers, other railroads, and government interests have about the possibility that implementation of any rail combination could lead to the kinds of service problems that afflicted certain recent transactions. The proposed Transaction, however, does not involve the kinds of wrenching changes that made implementation of those

[9] Tentative. It has not been determined definitively whether implementation of SRS will precede or follow implementation of CN's finance and administration software suite on WC.

[10] Tentative. See note 9, above.

combinations so difficult. Not only is there little risk of significant service problems arising from this Transaction, but we have ample resources, and many options, to address any that do arise.

We take our service obligations seriously, and we are taking nothing for granted. This Service Assurance Plan outlines the structure for an ongoing process. We will continue to consult with our customers and other interested parties and to refine our plans as this proceeding advances and we get closer to actual implementation of the proposed Transaction.

APPENDIX A

Average Terminal Dwell Time
CN Terminals Affected by CN/WC Transaction

Station Name	Date (Year-Month or Year-Quarter)	Total Cars	Total Dwell Hours	Average Dwell Hours
WINNIPEG (SYMINGTON YARD)	2001-01	60185	1358283	**22.6**
WINNIPEG (SYMINGTON YARD)	2001-02	62103	1553094	**25.0**
WINNIPEG (SYMINGTON YARD)	2001-03	68915	1204156	**17.5**
BATTLE CREEK	2001-01	57745	538666	**9.3**
BATTLE CREEK	2001-02	63973	584063	**9.1**
BATTLE CREEK	2001-03	71654	447840	**6.3**
CHAMPAIGN	2001-01	42143	584382	**13.9**
CHAMPAIGN	2001-02	42726	502060	**11.8**
CHAMPAIGN	2001-03	47738	526603	**11.0**
MARKHAM	2001-01	32758	812908	**24.8**
MARKHAM	2001-02	33702	697437	**20.7**
MARKHAM	2001-03	37880	598056	**15.8**
WINNIPEG (SYMINGTON YARD)	2001-Quarter 1	191203	4115534	**21.5**
BATTLE CREEK	2001-Quarter 1	193372	1570570	**8.1**
CHAMPAIGN	2001-Quarter 1	132607	1613046	**12.2**
MARKHAM	2001-Quarter 1	104340	2108401	**20.2**

APPENDIX B

Average Terminal Dwell Time
WC Terminals Affected by CNWC Transaction

Station Name	Date (Year-Month or Year-Quarter)	Cars/Day	Average Normal Dwell Hours
FOND DU LAC	2001-01	1,078.7	**22.7**
FOND DU LAC	2001-02	1,100.8	**20.5**
FOND DU LAC	2001-03	1,090.8	**19.6**
NEENAH	2001-01	393.9	**13.6**
NEENAH	2001-02	389.8	**16.2**
NEENAH	2001-03	400.2	**15.1**
STEVENS POINT	2001-01	691.1	**22.7**
STEVENS POINT	2001-02	654.3	**20.6**
STEVENS POINT	2001-03	692.6	**18.5**
FOND DU LAC	2001-Quarter 1	1,089.8	**20.9**
NEENAH	2001-Quarter 1	394.8	**14.9**
STEVENS POINT	2001-Quarter 1	680.2	**20.6**

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SURFACE TRANSPORTATION BOARD

CN/WC-2

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BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34000

CANADIAN NATIONAL RAILWAY COMPANY, GRAND TRUNK CORPORATION, AND WC MERGER SUB INC.
–CONTROL–
WISCONSIN CENTRAL TRANSPORTATION CORPORATION, WISCONSIN CENTRAL LTD., FOX VALLEY & WESTERN LTD., SAULT STE. MARIE BRIDGE COMPANY, AND WISCONSIN CHICAGO LINK

RAILROAD CONTROL APPLICATION

VOLUME 2 OF 2

STATEMENTS OF PUBLIC OFFICIALS, OTHER RAILROADS, AND SHIPPERS IN SUPPORT OF THE APPLICATION, AND AGREEMENT AND PLAN OF MERGER

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Counsel for Canadian National Railway Company, Grand Trunk Western Railroad Incorporated, Illinois Central Railroad Company, and North American Railways, Inc.

April 9, 2001

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VOLUME 2 OF APPLICATION CN/WC-2

STATEMENTS OF PUBLIC OFFICIALS, OTHER RAILROADS, AND SHIPPERS IN SUPPORT OF THE APPLICATION, AND AGREEMENT AND PLAN OF MERGER

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State and Local Officials, Chambers of Commerce & Others

VERIFIED STATEMENT
OF
JAMES K. LYONS
On behalf of
CANADIAN NATIONAL RAILWAY COMPANY

1. Witness name, title, responsibilities and credentials

- James K. Lyons, Director and Chief Executive Officer, Alabama State Port Authority, 250 North Water Street, Mobile, Alabama 36602

- As Director of the Alabama State Port Authority, I am responsible for all marketing, operations and finances for Alabama's only deep-water seaport. The seaport's facilities handle approximately 16 million tons of cargo each year. I have been employed by the Port Authority for three years. Prior to that time, I spent thirty years in the transportation business with the bulk of that time working for one of the largest stevedoring and marine terminal operations company in the United States. This company had operations in twenty six U. S. seaports.

2. Description of the company, its products and/or raw materials, facilities (including servicing carriers), traffic patterns, and use of rail transportation

- Alabama State Port Authority operates deep-water port facilities in Mobile and shallow-water ports in ten locations throughout the state of Alabama. The Port's facilities offer transfer and storage services for bulk cargoes, general cargo, container cargo and bulk liquids. The Authority also operates a short line railroad, Terminal Railroad, which serves as the interface of the five Class I railroads that serve the area and our own facilities, as well as private industry in the area. The Terminal Railroad has approximately seventy miles of track and eight locomotives.

- The Canadian National began serving our Port after their merger with the Illinois Central. The Illinois Central and its predecessor railroads have served the Authority's facilities since its beginning in 1928. The other carriers that serve our facilities are Burlington Northern/Santa Fe, CSX, Kansas City Southern and Norfolk Southern.

- The Canadian National/Illinois Central routes are our best services to serve the U. S., Midwest and Canada and is an important part of the success of our Port. The merger of the Illinois Central and Canadian National was, in our opinion, one of the best service enhancements that has happened to our Port in many years.

- It must be noted that our Port recently inaugurated a rail ferry service connecting our Port with the Port of Coatzacoalcos, Mexico with service every

four days carrying rail cars between the U. S. and Mexico. This service enables shippers in the eastern U. S. and Canada excellent alternate access to important markets in our NAFTA partner country, Mexico.

3. Statement of position on CN's acquisition of WC

- Alabama State Port Authority strongly supports the Canadian National's proposed acquisition of the Wisconsin Central. We believe this addition to the CN system will enable shippers in the area served by the WC much better access to markets served through our Port and could enable them to boost their business opportunities substantially.

4. Supporting reasons for the statement

- Approval of the CN/WC application would bring significant service enhancements to our shippers. We are working on a number of business opportunities today where this link would provide for better service than can be offered on an interline basis. The principle market of beneficiaries would be in the area of grain and forest products, however, other traffic could also benefit from this acquisition.

- After the merger of the CN and IC, we saw considerably improved service at our Port. We believe the addition of the WC to the network would also show more efficient service and improvements. We are especially excited about more direct access for additional traffic to feed into our new Mexican connection.

- We can honestly see no negatives in regards to competition from this combination. One of our other intermodal rail carriers actually uses the CN/IC system to handle some of their intermodal traffic, as it is a much more direct route to Chicago and beyond.

5. Smooth Transition

- As the IC was one of our major rail links, we were obviously very concerned about the merger with the Canadian National especially in regards to the problems that occurred with other railroad mergers. What we saw with this merger was an absolutely seamless merger with no service interruptions or other problems that accrued. Conversely, the service in and out of our Port has actually improved. We believe that the integration of the WC should proceed just as smoothly and efficiently.

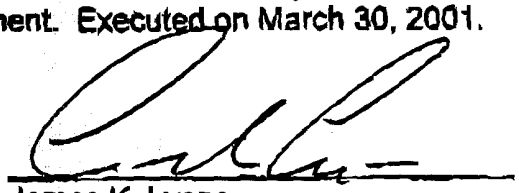
6. Conclusion

- In conclusion, the Alabama State Port Authority wholeheartedly supports the acquisition of the WC by the CN, as we believe it will significantly strengthen

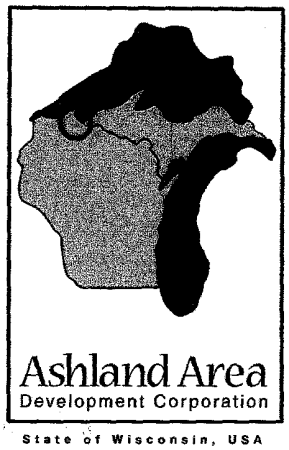
our already impressive rail connections and benefit all shippers that use our Port. We also believe it will help our Port develop new trade by having access to a broader, more efficient system.

7. Verification

I, James K. Lyons, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 30, 2001.



James K. Lyons



Thursday, March 22, 2001

RE: Canadian National - Wisconsin Central merger

To Whom It May Concern:

The Ashland Area Development Corporation has been promoting economic development in the Ashland Area for the past forty-four years. Transportation matters are a very important part of our area's economic development success.

Ashland County is located in Northern Wisconsin and is served solely by the Wisconsin Central rail system. The line bisects the county from North to South. Many county businesses depend upon successful rail service. The area wood industry is very reliant on railroad transportation. These businesses include Bayside Timber, Tilmany Paper, Consolidated Paper, Columbia Forest Products, North Country Lumber, Superior Kilns, Black Bear Forest Products, Woodland Forest Products, and Besse Forest Products. There are also log loading facilities in all the communities on the Wisconsin Central rail line.

The Ashland Area Development Corporation supports the merger of Wisconsin Central and Canadian National. We understand that the merger will again provide a direct link through Canada, (east and west), and a direct link to the Gulf Coast, (north and south). We encourage favorable consideration of the Canadian National / Wisconsin Central transaction, and the enhanced transportation options and service it will bring.

Sincerely;

Frank R. Kempf
Executive Director

422 Third Street West, Suite 101 - Ashland, WI 54806 - phone (715) 682-8344 - fax (715) 682-8415
E-mail: aadc@ncis.net Website: www.ashlandareadevelopment.org

VERIFIED STATEMENT
OF
J. RON BRINSON
On behalf of
BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS

I J. Ron Brinson am the President and Chief Executive Officer of the Board of Commissioners of the Port of New Orleans, an independent subdivision of the State of Louisiana. It functions as the public port authority for a jurisdiction that comprises Orleans, St. Bernard and Jefferson Parishes in Louisiana. I have held this position since 1986.

The Port of New Orleans owns and develops public maritime terminals along the Mississippi River and adjacent waterways. These facilities are operated by private-sector terminal operating companies under leases with this Board providing for the transfer of cargo between deep-draft vessels and the various modes of inland transportation that link New Orleans with its hinterland.

The lines of Canadian National Railways-Illinois Central Railroad (CN) represent a key inland transport link for the Port of New Orleans. CN accesses most of this Board's maritime terminals via direct connections with local switching carrier New Orleans Public Belt Railroad. In the case of our Louisiana Avenue Wharf and Milan Street Wharf, CN has direct access via its own trackage. Further, CN operates its New Orleans intermodal facility immediately adjacent to the site of the Board's New Napoleon Container Terminal, which is currently under construction and on track for a March, 2002, opening.

During calendar year 2000, maritime facilities within the Board's jurisdiction handled 12,235,000 tons of general cargo, a significant proportion of which had its originating or ultimate inland movement via railway. Additionally, the midwest and midsouth regions served by CN served as dominant freight traffic generators and consuming areas for our Port's cargo activity.

We strongly support CN's proposed acquisition of Wisconsin Central (WC). It will secure a key link in CN's international rail network, enabling both CN and our port to capitalize more fully on the provisions of the North American Free Trade Agreement and the emerging north-south trade axis to and from Latin America.

With the acquisition of WC, CN will be able to offer seamless, single-line service to and from points on the existing WC system in Wisconsin and Minnesota. Important cargo markets such as Milwaukee, Green Bay, Duluth and Minneapolis-St. Paul would be added to the CN stable for direct service to and from New Orleans. By filling in a crucial missing link in CN's rail network, the proposed acquisition would permit CN to directly access freight markets in western Canada without reliance upon haulage rights over the existing WC, nor the need to interchange railcars at Chicago. Opportunities for the Port of New Orleans to handle both carload and containerized business to Latin America from Canadian origins would thereby be greatly enhanced.

This Board and our local maritime community fully expect that, if approved by the STB, CN's acquisition and integration of WC will proceed smoothly and efficiently, because of its end-to-end nature as well as CN's strong track record three years ago in integrating the Iillinois Centeral Railroad, which is a larger carrier than WC.

Accordingly, we affirm our belief that the proposed acquisition of Wisconsin Central by Canadian National will likely yield commercial benefit and increased cargo throughput via the facilities of the Port of New Orleans. This Board supports the application.

I J. Ron Brinson declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement which was executed on March 15, 2001.

BOARD OF COMMISSIONERS
OF THE PORT OF NEW ORLEANS

By: _____
J. Ron Brinson
President and
Chief Executive Officer

bcc: Mr. Dick Bottorf
Canadian National Railways
455 North Cityfront Drive
Chicago, Illinois 60611

Carbondale Business Development
CORPORATION

VERIFIED STATEMENT OF
JOHN A. LINEHAN
ON BEHALF OF
CARBONDALE, ILLINOIS

My name is John A. Linehan. I am the Executive Director of the Carbondale Business Development Corporation, located at 714 E. Walnut, Carbondale, Illinois. I have been in this position since January 1998. Carbondale Business Development Corporation strongly supports the proposed merger of Canadian National and Wisconsin Central Railroads.

Carbondale, when it was founded in 1860, was on the mainline that traveled from Chicago to New Orleans and has always had a strong relationship with Illinois Central. Between the support of shipping tons of our fine southern Illinois coal throughout the country for many years, as well as providing passenger transportation to many of our residents, we are not strangers to the importance the train provides our community.

We continue to work with industrial prospects that need rail support for their future business growth.

I, John A. Linehan, declare under penalty of perjury that this statement is true and that I am authorized to make it.

JOHN A. LINEHAN
February 20, 2001

714 East Walnut • Carbondale, IL 62901-3103 • 618-529-4978 • FAX 618-529-5063
www.carbondale-cbdc.org

Charter Township of Orion

2525 Joslyn Road • Lake Orion, Michigan 48360 • (248) 391-0304 • Fax (248) 391-9984

VERIFIED STATEMENT OF

JAMES A. MARLEAU

On behalf of

CHARTER TOWNSHIP of ORION, MICHIGAN

My name is James Marleau and I am the Treasurer of the Charter Township of Orion located at 2525 Joslyn Lake Orion, Michigan 48360. I have been Treasurer since 1996.

In my capacity, I am responsible for the financial management of the Township and various interface with businesses operating within the Community. Canadian National Railway currently operates within the Township providing rail service to General Motors' Orion Plant.

Through the acquisition of Wisconsin Central by Canadian National Railway, I believe a stronger, broader based, customer focused rail system will emerge benefiting not only the railways' customers but the communities they serve as well. For these reasons, I support the acquisition and ask the Surface Transportation Board to act favorably and with due dispatch.

I, James Marleau, declare under penalty of perjury, the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement.

Executed this 5th day of February 2001.

Sincerely,

James A. Marleau
Treasurer
Charter Township of Orion

SUPERVISOR - Gerald A. Dywasuk CLERK - Jill D. Bastian TREASURER - James Marleau
TRUSTEES Michael Fetzer • Richard L. Tomczak • Michael J. Gingell • Eric S. Wilson

CHEROKEE IOWA

AREA ECONOMIC DEVELOPMENT CORPORATION

418 West Cedar • Cherokee, Iowa 51012
Tel: 712-225-5739 • Fax: 712-225-1991 • E-mail: caedc@netins.net • Website: www.cherokeeia.com

VERIFIED STATEMENT
OF R. J. Baker
ON BEHALF OF
The Cherokee Area Economic Development Corporation

My name is R. J. Baker; I am Executive Director of the Cherokee Area Economic Development Corporation located at 418 West Cedar Street, Cherokee Iowa. I have held this position for eleven years. The Cherokee Area Economic Development Corporation serves eight communities in Cherokee County, four of which are located on the Chicago Central and Pacific Railroad, a subsidiary of the Canadian National/IC.

The Cherokee Area Economic Development Corporation strongly supports the proposed merger of the Canadian National and the Wisconsin Central Transportation Corporation.

As Canadian National is the only major carrier serving our county we have a great economic interest in having the best possible rail service to US and world markets. Access to markets is important, not just for commodities, but also for the new value added agriculture products being manufactured in Cherokee County.

In the past the local economic base has been from agriculture commodities.
More recently value added Ag processing has assumed the role of the largest employer. Currently, two new projects, a 40 million-gallon ethanol plant and a company producing food quality soy oil, will need rail access to the market place.

With enhanced rail service our communities will be able to take even greater advantage of our central location and value added processing opportunities.

I, R. J. Baker, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

R J Baker
R. J. Baker

March 7, 2001
Date

ECONOMIC DEVELOPMENT CORPORATION

March 9, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Witness' paragraph:
John G Regetz, Executive Director — 10 South Bridge Street, Suite 2
Oversight of Corporate Operations — 14 years in the field
The Chippewa County Economic Development Corporation (CCEDC) promotes economic development in the county. It markets the area to industry and businesses as an operations location. These include capacity building projects as well as marketing and promotional campaigns. The CCEDC has three employees and 15 directors.

I strongly support Canadian National's (CN's) proposed acquisition of Wisconsin Central (WC). It will improve the transportation infrastructure in the U.S. and Canada through more efficient service and more effective competition in the freight industries. Areas of Chippewa County need increased rail service which WC and CN are interested in providing. CN must be enabled to service this area and maintain the lines, without them the county's rail system and economy will suffer.

By securing CN's NAFTA network, acquisition of WC assures the ability of CN and WC shippers to participate efficiently over the long-term in growing NAFTA markets. Improved service will also result from a new operating plan extending CN's scheduled railroad service to WC. The combined organization will be able to coordinate rolling stock management cars and locomotives more efficiently.

CN will ensure competition in Chippewa County as only one other carrier exists and has some history of poor service. CN/WC's network will ensure the line's survival, and therefore, competition. The existence of two rail lines also ensures competition to the truck carriers in the region.

On behalf of the CCEDC, I support the Canadian National's proposed acquisition of Wisconsin Central.

10 S. Bridge Street, Suite 2 • Chippewa Falls, WI 54729
(715) 723-7150 • (800) 797-9976 • Fax: (715) 723-7140
e-mail: ccedc@chippewa-wi.com

I, John G Regetz, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on Friday, March 09, 2001.

John G Regetz
Executive Director

Clark County Economic Development Corporation



Verified Statement
of
Richard L. Heath
on behalf of the
Clark County Economic Development Corporation

My name is Richard L. Heath. I am the Executive Director of the Clark County Economic Development Corporation (CCEDC) located in Greenwood, Wisconsin. I have been in this position just over one year. Since the corporation's formation in 1990, the CCEDC has been instrumental in promoting the development of a strong business and industrial base in Clark County. It serves as a central focal point for most of the county's community and economic development projects. As part of those efforts, the CCEDC takes an active and serious interest in transportation matters that affect the region.

Clark County is located in Central Wisconsin and has a population of nearly 34,000 people. With Clark County being one of the largest agriculture producing counties in the entire nation, most of the major businesses in the are dedicated to food production. Some of the more recognizable names include Grassland Dairy Products, Lynn Dairy, Foremost Farms, and Abbyland Food Processing. Food production companies are complimented by light manufacturing firms such as Weather Shield, Fleetguard/Nelson, Wisconsin Bench, and Packaging Corporation of America. Rail Service in Clark County is provided by Wisconsin Central Limited (WC). Several of our businesses utilize rail service to meet their transportation needs.

The availability of quality, competitive rail service is important to these companies and, in turn, to the economic health of the region. Given this, the Clark County Economic Development Corporation supports the merger of WC and the Canadian National Railway Company (CN). Shippers in and around Clark County have benefited for many years from the excellent service that WC has provided and WC's commitment to economic development in the region it serves. We understand that CN also places a high priority as well on working with local communities on economic development matters. A CN/WC merger will create a strong railroad with an even greater commitment to regional growth and prosperity.

At this time, the proposed transaction should ensure that continued viability and vitality of existing rail service for local industries and manufacturers. For example, the transaction will create new, single-line access for those businesses to markets and suppliers in the Midwest, along the Gulf Coast, and in Canada. We encourage favorable consideration of the CN/WC transaction and the enhanced transportation options and services it will bring.

I, Richard L. Heath, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Richard L. Heath

March 20, 2001
Date

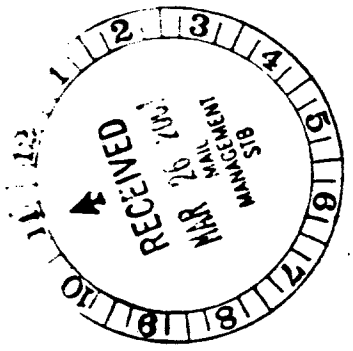
212 South Main Street • PO Box 236 • Greenwood, WI 54437-0236
Phone: 715-267-3205 • FAX: 715-267-5320 • 1-888-CLARK-WI • Email: clarkwi@tds.net
www.clark-cty-wi.org

JOHN ROWSWELL, M.Eng., P.Eng., P.E.
MAYOR

SAULT STE. MARIE
Ontario Canada

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

2001 03 19



Surface Transportation Board
1925 K. Street, N.W.
Washington DC 20423-0001

Attention: Mr. Vernon A. Williams
Secretary

Dear Mr. Williams,

Subject: Canadian National - Control - Wisconsin Central
(STB Finance Docket No. 34000)

My name is John Rowswell. I am the Mayor of the City of Sault Ste. Marie, Ontario. The City of Sault Ste. Marie is a progressive, open for business and an extraordinary community. Through our Economic Development Corporation, the City of Sault Ste. Marie takes an active and serious interest in transportation matters that affect the region.

Sault Ste. Marie, Ontario Canada, is a naturally gifted city. The city is strategically located on the Canada/U.S. border at the heart of the Great Lakes and has a diversified population of 80,000 people. Major businesses in Sault Ste. Marie include: Algoma Steel Inc., St. Marys Paper Ltd., Domtar Inc., Siderca S.A.I.C., G.P. Flakeboard, Filtrec, Great Lakes Power, and Ontario Lottery and Gaming Corporation. Rail service into and out of Sault Ste. Marie is provided by Wisconsin Central Railway. Many of our businesses utilize rail service to meet their transportation needs. The availability of quality, competitive rail service is important to these companies and, in turn, to the economic health of the region.

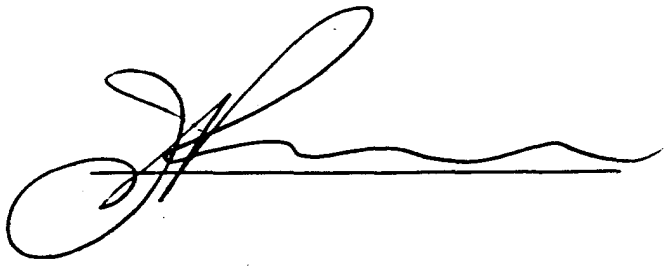
The City of Sault Ste. Marie supports the merger of Wisconsin Central and Canadian National Railway Company (CN). Shippers in Sault Ste. Marie, Ontario Canada have benefitted for many years from the excellent service that Wisconsin Central has provided and Wisconsin Central's commitment to economic development in the region it serves. We understand that CN similarly places a high priority on working with local communities on economic development matters. A Canadian National and Wisconsin Central merger thus will create a strong railroad partnership committed to regional growth and opportunity.

naturally gifted

. . . 2

At the same time, the proposed transaction should ensure the continued viability and vitality of existing rail service for local industries and manufacturers. For example, the transaction will create new, single-line access for those businesses to markets and suppliers in the Midwest, along the Gulf Coast and in Canada. We encourage favorable consideration of the CN/WC transaction and the enhanced transportation options and services it will bring.

I, Mayor John Rowswell, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.



Dated: March 19, 2001

cc: Domenic Palumbo, Director of Marketing
Algoma Central Railway Inc.
City Council

Economic Development Corporation
of decatur•macon county

IN BUSINESS TO BUILD

100 E. Washington St.
Decatur, Illinois 62523
Phone 217-422-9520
Fax 217-422-9307
www.edcdmc.com

Verified Statement of

Richard L. Eggers
on behalf of the
Economic Development Corporation of Decatur-Macon County

Decatur, Illinois

My name is Richard Eggers, I am Executive Director of the Economic Development Corporation of Decatur-Macon County. I have lived in Decatur since 1968 and have been involved in economic development in Decatur (directly and indirectly) during this period of time.

The Economic Development Corporation of Decatur and Macon County endorses the proposed merger of the Canadian National and the Wisconsin Central railroads.

Decatur-Macon County has three major rail carriers serving our area and we are extremely interested in the future viability of these carriers and the industries they serve. The merger of the Canadian National and Wisconsin Central rail lines opens up additional channels of rail commerce for our local industries.

Decatur is a major grain processing and heavy manufacturing center—hosting such companies as Caterpillar, ADM, A.E. Staley, PPG, Firestone to name a few. Over 1,500 rail cars enter our processing centers on a daily basis. Access by these firms to Canadian and Gulf Coast markets and suppliers is very important to our future economic base. Equally important is access to new markets and port access along the Great Lakes afforded by the CN/WC merger.

We strongly urge favorable consideration of this proposed merger.

Richard L. Eggers

Richard L. Eggers, Executive Director

NEW RICHMOND

March 14, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423-0001

Re: Canadian National Railway & Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Dear Mr. Williams:

My name is Robert Barbian I am the Director of Economic Development and Planning for the City of New Richmond, WI. My responsibilities are to provide oversight and guidance to the growth of the City, in particularly that associated with industrial development. I have worked in the field of industrial development and municipal planning for about 12 years.

Wisconsin Central Railroad serves a few companies in the City of New Richmond and transports a considerable amount of freight along the tracks.

I strongly support the proposed acquisition and regulatory approval. The combined services will improve the transportation infrastructure in Canada and the U. S. through more efficient service and more effective competition. As alternates to rail transportation continue to increase in cost we must provide efficient rail alternatives. By securing CN's NAFTA network, acquisition of WC assures the ability of CN and WC shippers to participate efficiently over the long-term in the growing NAFTA markets. Improved services will also result from a new operating plan extending CN's scheduled railroad service and better utilize existing equipment.

New combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. As a result of these and other efficiencies created by the combination, railroad-owned equipment supply will improve and shippers using private equipment should enjoy savings through reduced fleet size requirements.

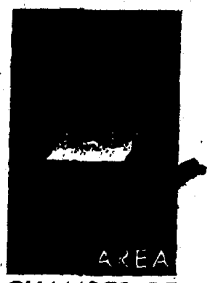
In conclusion I would like to reiterate support for the transaction.

I, Robert J. Barbian, declare under penalty of perjury under the laws of the United States that to the best of my knowledge the foregoing is true and correct.

Should you have any questions I can be reached at (715) 246-4718.

Sincerely,

Robert J. Barbian
Director of Planning & Economic Development



VERIFIED STATEMENT OF
Lynne Hurand

ON BEHALF OF
Flint Area Chamber of Commerce

My name is Lynne Hurand. I am Vice President-International Business Development at the Flint Area Chamber of Commerce located at 519 S. Saginaw Street, Ste. 200, Flint Michigan, 48502. I have held this position for five years.

Our International Business Development Committee wishes to express support for the proposed merger of the Canadian National and Wisconsin Central Railroads.

Flint is the birthplace of General Motors. At one time GM employed over 80,000 people in this community. Today that number is less than 20,000. Needless to say we are faced with many challenges – one of them being to diversify our economy.

Flint is located along the I-69 Trade Corridor at the crossroads of I-75/ I-69 and US 23, less than 60 miles from the Bluewater Bridge and CN tunnel at Port Huron. Our central location and manufacturing history provides us the opportunity to re-engineer and revitalize our community by using existing infrastructure to become a center for warehousing and distribution. CN, already a strong presence here, is an important link in that effort.

Recently the Chamber, with support from our elected officials and the Genesee County Metropolitan Planning Commission, succeeded in securing over $1.5 million from the Michigan Department of Transportation for a regional Intermodal Transportation Study in communities located along the I-69 Corridor including Sarnia, St. Clair, Lapeer, Genesee, Shiawassee, Eaton Counties as well as counties north and south of the I-75/69 interchange. CN representatives serve on the Steering Committee for Phase I of this study. In addition, in October, 2001 Flint will host the 4th Annual Trade Corridors Conference. This is the first time the conference will be held in the US and the first time in a corridor city instead of a border city. CN has been a sponsor and participant in this conference since its inception and we look forward to its continued support this year.

If merging with Wisconsin Central contributes and improves CN access to US and Canadian markets, we believe our future can be enhanced as well.

Sincerely,

Lynne Hurand
Vice President – International Business Development

COMMERCE CENTER

519 S. Saginaw St.
Suite 200
Flint, Michigan 48502
Phone 810.232.7101
Fax 810.233.7437

Post-it™ Fax Note 7671	Date	# of pages ▶ 1
To R. LEWIS	From ODPS-	
Co./Dept.	Co. SUSAN RHONDA	
Phone # 708	Phone #	

Agri-Business Council • Agricultural Ambassador
The Ambassadors Club • Communications Council
Downtown FDL Partnership • Education Committee
Human Resources Council • Leadership Fond du Lac
The Safety Council • School to Work Program
The Association of Commerce Foundation

FOND DU LAC AREA ASSOCIATION OF COMMERCE
Building Community and Commerce

VERIFIED STATEMENT
of
JOSEPH R. REITEMEIER
on behalf of
FOND DU LAC AREA ASSOCIATION OF COMMERCE

My name is Joseph R. Reitemeier, C.C.E. and I serve as President and CEO of the Fond du Lac Area Association of Commerce in Fond du Lac, Wisconsin. On behalf of our 850 members, the Association engages in policies and initiatives that promote business opportunity and encourage economic development in our area. As part of those efforts, the Association of Commerce takes an active and serious interest in transportation matters that affect this region. I have served as President and CEO of the Association of Commerce since 1986.

Fond du Lac County is located in the south central part of the state and is home to internationally known companies such as Mercury Marine, Giddings & Lewis LLC, Mid-States Aluminum Corporation and International Paper, as well as a host of other industry and agriculturally related operations. The Wisconsin Central System (WC) provides rail service in this area. Many of our members utilize rail service to meet their transportation needs. The availability of quality, competitive rail service is important to those companies and in turn to the economic health of the region.

The Fond du Lac Area Association of Commerce strongly supports the proposed merger of the WC and the Canadian National Railway Company (CN). Shippers in the Fond du Lac County Area have benefited for many years from the excellent service that the WC has provided. We understand that CN similarly places a high priority on customer-oriented service and on working with local interests to promote regional growth and opportunity. The proposed transaction thus should insure the continued viability and vitality of rail service for both existing and prospective businesses. For example, the transaction will create new, single-line access for such businesses to markets and suppliers in the Midwest, along the Gulf Coast and in Canada.

We encourage favorable consideration for the CN/WC transaction and the enhanced transportation options and services it will bring.

I, Joseph Reitemeier, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Joseph R. Reitemeier, C.C.E.

Dated: March 13, 2001

207 North Main Street Fond du Lac, Wisconsin 54935-3460 Phone: 920.921.9500 Fax: 920.921.9559 e-mail: info@fdlac.com

Forward Wisconsin
Attracting Business To Wisconsin

201 West Washington Avenue, Suite 500
Madison, Wisconsin 53703-2796
608/261-2500 ♦ 608/261-2518 Fax
E-mail: info@forwardwi.com
www.forwardWI.com

Governor Scott McCallum, Chairman
Dean Amhaus, President

VERIFIED STATEMENT
Of
DEAN AMHAUS
On behalf of
FORWARD WISCONSIN

My name is Dean Amhaus and since May, 1999 I have been the President of Forward Wisconsin in Madison, WI. Since its formation in 1984, Forward Wisconsin has promoted the development of a strong business and industrial base in Wisconsin and worked for policy and infrastructure initiatives that support economic growth. Forward Wisconsin promotes the state of Wisconsin to businesses outside the state to either expand or relocate their operations into Wisconsin. As part of those efforts, Forward Wisconsin takes an active and serious interest in transportation matters that effect the state of Wisconsin.

Forward Wisconsin serves the entire state of Wisconsin, with offices located in Madison, Milwaukee and Eau Claire. We have worked with close to 300 companies who have successfully relocated or expanded their operations to Wisconsin. Rail service to/in several of the communities these businesses are now located in is provided by Wisconsin Central System (WC). Many of our businesses utilize rail service to meet their transportation needs. The availability of quality, competitive rail service is important to those companies and, in turn, to the economic health of the region.

Forward Wisconsin supports the merger of WC and Canadian National Railway Company (CN). Shippers in Wisconsin have benefited for many years from the excellent service that WC has provided and WC's commitment to economic development in the region it serves. We understand that CN similarly places a high priority on working with local communities on economic development matters. A CN/WC merger thus will create a strong railroad partnership committed to regional growth and opportunity.

At the same time, the proposed transaction should ensure the continued viability and vitality of existing rail service for local industries and manufacturers. For example, the transaction will create new, single-line access for those businesses to markets and suppliers in the Midwest, along the Gulf Coast and in Canada. We encourage favorable consideration of the CN/WC transaction and the enhanced transportation options and services it will bring.

I, Dean Amhaus, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Dean Amhaus
President

Dated: March 27, 2001

Fox Cities
CHAMBER OF COMMERCE & INDUSTRY

March 29, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street NW
Washington DC 20423-0001

Re: Wisconsin Central/Canadian National Merger (SFTB Finance Docket No. 34000)

Dear Secretary Williams:

The Fox Cities Chamber of Commerce and Industry has always promoted the development of a strong business and industrial base in the Fox Cities and worked for policy and infrastructure initiatives that support economic growth. As part of those efforts, the Chamber takes an active and serious interest in transportation matters that affect the region.

The Fox Cities is located in Northeastern Wisconsin and has a population of approximately 217,560. Major businesses in the Fox Cities include; Kimberly-Clark, A-C Compressor Corporation, Albany International, American National Can, Anchor Food, Appleton Papers, Banta Corporation, Fort James Corporation, Inter Lake Papers, JanSport, Inc., Menasha Corporation, Neenah Foundry, Pierce Manufacturing, International Papers, Wisconsin Tissue Mills, Aid Association for Lutherans, and Oscar J. Boldt Construction.

Rail service to/in the Fox Cities is provided by Wisconsin Central System (WC). Many of our businesses utilize rail service to meet their transportation needs. The availability of quality, competitive rail service is important to those companies and, in turn, to the economic health of the region.

The Fox Cities Chamber of Commerce supports the merger of WC and Canadian National Railway Company (CN). Shippers in the Fox Cities have benefited for many years from the excellent service that WC has provided and WC's commitment to economic development in the region it serves. We understand that CN similarly places a high priority on working with local communities on economic development matters. A CN/WC merger thus will create a strong railroad partnership committed to regional growth and opportunity.

At the same time, the proposed transaction should ensure the continued viability and vitality of existing rail service for local industries and manufacturers. For example, the transaction will create new, single-line access for those businesses to markets and suppliers in the Midwest, along the Gulf Coast and in Canada. We encourage favorable consideration of the CN/WC transaction and the enhanced transportation options and services it will bring.

Sincerely,

William J. Welch
President/CEO

227 S. Walnut St., P.O. Box 1855, Appleton, WI 54912-1855, 920.734.7101 • 325 N. Commercial St., Neenah, WI 54956, 920.722.7758

FRASER SURREY DOCKS LTD

Verified Statement

Of

Peter Jaskiewicz

On behalf of FSD

Peter Jaskiewicz
Chief Operating Officer
Fraser Surrey Docks
11060 Elevator Rd.
Surrey, BC
V3V 2R7

As COO, I am responsible for all function of the organization. I've held this position for one year. During my 40-year career in ocean transportation, I've held positions in all facets of the industry.

Fraser Surrey Docks operates the 140-acre marine terminal on behalf of the Fraser River Port Authority. The terminal is located 5 km down stream from CN's Thornton yard. Our throughput of 1.5 million tons per annum consists of forest products, steel and intermodal containers. In the year 2000 we enjoyed CN's service to handle 280,000 MT of export pulp, 45,000 MT of import steel and 18,500 units of intermodal containers. The terminal is also serviced by Burlington Northern and Santa Fe Railway Company (BNSF), Canadian Pacific (CP) and Southern Railway Company (SRY). The origin of the export pulp is from mills in BC and Alberta. The destinations of the steel products are facilities in Alberta. The intermodal containers are transferred from or to vessels. Their origins or destinations are Edmonton, Winnipeg, Chicago, St. Louis, Toronto and Montreal.

We understand that Canadian National is requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will offer significant opportunities for service improvements and efficiencies.

FRASER SURREY DOCKS LTD., 11060 ELEVATOR ROAD, SURREY, BC, V3V 2R7
Phone: (604) 581-2233 Fax: (604) 581-6488 E-Mail: interact@fsd.bc.ca Website: www.fsd.bc.ca

The CN/WC application will bring service benefits to our intermodal container customers in the Chicago, St. Louis and Detroit area with no reduction of competition. Their service will be enhanced by eliminating the need for a CN-WC interchange, by enjoying improved service through the busy Chicago gateway and by allowing use of the best terminal facilities of both CN and WC.

We expect CN's acquisition and integration of WC to proceed smoothly and efficiently due to its end-to-end nature.

We believe that the proposed acquisition will strengthen the railroad network and benefit shippers. Our company supports the application.

I, Peter Jaskiewicz declare under penalty of perjury under the laws of the United States that the forgoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 9, 2001.

P. Jaskiewicz

Peter Jaskiewicz

GREATER OUTAGAMIE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Outagamie County Planning Department
410 South Walnut Street, Appleton, WI 54911
Telephone: (920) 832-5255
Fax: (920) 832-4770
Web Address: www.gocedc.org

VERIFIED STATEMENT
of
LINDA HOES
on behalf of the
GREATER OUTAGAMIE COUNTY
ECONOMIC DEVELOPMENT CORPORATION

My name is Linda Hoes. I am the Chairperson of the Greater Outagamie County Economic Development Corporation [GOCEDC], Outagamie County, Wisconsin. I have served as Chairperson of GOCEDC since September of 2000.

GOCEDC was formed in 1997 by community and business leaders throughout Outagamie County, Wisconsin. GOCEDC, whose membership consists of 17 communities and organizations, is interested in promoting the development of a strong industrial, commercial, and tourism base in Outagamie County and is working for policy and infrastructure initiatives that support economic growth. As part of those efforts, GOCEDC takes an active and serious interest in transportation matters that affect this region and its' members.

Outagamie County is located in east central Wisconsin and has a population of approximately 160,000. Some of the major business activities in Outagamie County are: cooperatives, paper converters, produce canning, meat processors, and suppliers of lumber and building materials.

Presently rail service within Outagamie County is provided by Wisconsin Central System. Many of our businesses utilize rail service to meet their transportation needs. The availability of quality, competitive rail service is important to those companies and, in turn, to the economic health of the region.

GOCEDC supports the merger of Wisconsin Central and Canadian National Railway Company. Shippers in Outagamie County have benefited for many years from the excellent service that Wisconsin Central has provided and by Wisconsin Central's commitment to economic development in the region it serves. We understand that Canadian National

GREATER OUTAGAMIE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Outagamie County Planning Department
410 South Walnut Street, Appleton, WI 54911
Telephone: (920) 832-5255
Fax: (920) 832-4770
Web Address: www.gocedc.org

Railway Co. similarly places a high priority on working with local communities on economic development matters. A Canadian National/Wisconsin Central merger thus will create a strong railroad partnership committed to regional growth and opportunity.

GOCEDC supports this merger because we also believe the proposed transaction will ensure the continued viability and vitality of existing rail service for local industries and manufacturers, and that the transaction will create new, single-line access for area business to markets and suppliers in the Midwest, along the Gulf Coast and in Canada. We therefore, encourage favorable consideration of the Canadian National/Wisconsin Central transaction and the enhanced transportation options and services it will bring.

I, Linda Hoes, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

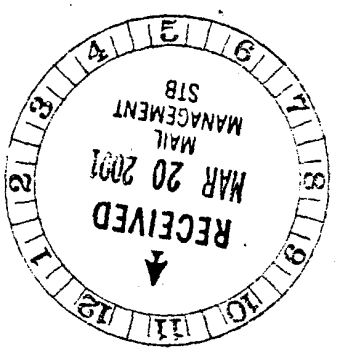
Linda Hoes, Chairperson
GOCEDC

Dated: March 14, 2001.

Halifax Port Authority
Administration portuaire de Halifax

P O Box 336
Halifax, Nova Scotia
B3J 2P6
Tel: (902) 426-8222

C P 336
Halifax, Nouvelle-Écosse
B3J 2P6
Tél: (902) 426-8222



March 13, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D. C.
20423-0001

Dear Mr. Williams:

Re: Canadian National - Control - Wisconsin Central (STB Finance Docket No. 34000)

My name is David F. Bellefontaine, and I am the President & Chief Executive Officer of the Halifax Port Authority, a highly autonomous federal organization located in Halifax, Nova Scotia, Canada.

The Halifax Port Authority is responsible for the efficient management of port facilities and properties located at the Port of Halifax, and includes container terminals, grain and other bulk facilities, break bulk and general cargo facilities.

The first part of the Authority's mission statement reads:

> "The Halifax Port Authority will lead in the development of the Port of Halifax, thereby serving as a catalyst for the local, regional and national economies".

The Authority manages its assets primarily through lease agreements or other operating arrangements with the private sector. The very large body of water, Halifax Harbour, is one of the largest and deepest in North America.

A core objective of the Authority is to enhance the competitive position of the port in concert with other port partners, including Canadian National, pilots, tug companies, stevedoring contractors and port labour.

Approximately 75% of all cargo passing through the Authority's facilities utilizes Canadian National rail, either inbound to Canadian and U.S. destinations, or outbound from these areas, to countries around the world. The Port provides an outlet for shippers and manufacturers to export their goods to the world over and therefore becomes an essential nodal point for the economic well being of both Canada and the United States.

Canada

We are aware that Canadian National and Wisconsin Central have requested authority to enter into a transaction that would put them under common control. From the position of the Halifax Port Authority, we support this application. The breadth and depth of rail access throughout North America serves the NAFTA network and would improve services and efficiencies for the many shippers that require a seamless system.

This common control will likely result in efficiency improvements in other modes of transport, especially truck, which competes with rail, which should provide overall improvements for the shipper, and greater economic benefits for the North American transportation industry and the consumer as a whole.

We therefore urge the Surface Transportation Board to approve the application in an expedient manner in order for the economic benefits from this agreement to be passed on to the consumer quickly.

I, David F. Bellefontaine, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Signed on the Thirteenth day of March, 2001,
at Halifax, Nova Scotia, Canada

David F. Bellefontaine
President & CEO
Halifax Port Authority

Yours truly,

D. F. Bellefontaine
President & CEO

DFB/mfs

cc: Mr. William K. Berry
Vice President Intermodal, CN

Patricia McDermott
Vice President Marketing, HPA



Halterm Limited

P.O. Box 1057, Halifax, Nova Scotia B3J 2X1
Telephone: (902) 421 1778 Fax: (902) 429.3153

VERIFIED STATEMENT
OF
PATRICK MORIN
ON BEHALF OF
HALTERM LIMITED
March 13, 2001

I, Patrick Morin, confirm I am the President of Halterm Limited, located at 577 Marginal Road, Halifax, Nova Scotia, Canada, B3J2X1.

As President of Halterm Limited, I am responsible for the operation and marketing of the organization. I have held the position of President for 5 years. Prior to becoming President of Halterm Limited, I held senior management positions in the marine transportation industry in Canada and Europe for 6 years.

Halterm Limited is a common-user Marine Container Terminal in the Port of Halifax, providing stevedoring and terminal services to eleven (11) international container lines and one (1) domestic container carrier.

The Company has been providing services to the marine shipping industry in Halifax for the past 30 years. In 2000 the terminal handled a throughput of 320,000 TEU's of which approximately 75% was moved to/from the facility via CN Railroad serving the markets in Central Canada and the U. S. Midwest.

The Halterm Mission is: **"to become the container terminal of choice for shipping lines serving Canadian and mid-west markets by providing superior, cost effective performance"**. In 2000, Halterm Limited invested in excess of $ 23 million in post-panamax cranes and infrastructure to fulfill this mission.

We understand the Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control (STB Finance Docket No. 34000). Halterm strongly supports this application as we believe the combined company will create a rail network that will offer the Shipping Lines an improved link to destinations in Wisconsin and upper Michigan. This transaction is a strategic integration of two carriers that complements the service of each and expands the alternatives for our customers. We feel an "end-to-end" merger such as the CN/WC will streamline service and enhance competition.

Halterm Limited experienced a smooth integration of the Illinois Central and the Canadian National. The CN/IC integration essentially was a "non-event". We anticipate an equally smooth integration with the CN/WC merger.

This is a pro-competitive transaction that strengthens both CN & WC to the benefit of their customers. Halterm Limited strongly supports the CN/WC merger.

P. R.

Patrick Morin
President
Halterm Limited

INDEPENDENCE AREA CHAMBER OF COMMERCE
Proud People Promoting Progress
110 First Street East Independence, Iowa 50644 (319) 334-7178

Verified Statement
Of
Carol Fisher
On Behalf Of
Independence Area Chamber of Commerce

My name is Carol Fisher. I am the executive director of the Independence Area Chamber of Commerce, located in Independence, Iowa. I am beginning my fifth year in this position.

The Independence Area Chamber of Commerce Board of Directors wishes to express our strong support for the proposed merger of the Canadian National Railroad and the Wisconsin Central Transportation Corporation.

Railroad service is a strong aspect of our heritage. Its presence here encouraged the growth of Independence, eventually making the city the county seat. This service was essential for marketing goods and providing transportation for travelers. It still continues to provide the delivery of goods, in and out of the community.

Having access to the rail system is essential for companies currently located here and for future prospects. Rail service is a feature we offer in solicitation for economic development of our industrial park. This availability of immediate rail access opens new markets in the U.S. and Canada for our manufacturers.

I, Carol Fisher, declare that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

Carol Fisher
March 1, 2001

Le Mars Business Initiative Corporation
50 Central Ave SE
Le Mars, IA 51031

Le Mars, Iowa

Verified Statement of
Neal Adler
on Behalf of
Le Mars Business Initiative Corporation

On behalf of the Le Mars Business Initiative Corporation, I would like to express our support for the proposed merger of the Canadian National and the Wisconsin Central Railroads. As developers of our industrial parks we have an interest in the rail service available to our local industries. The City of Le Mars has a rich history with railroads and has maintained steady growth due in large part to a transportation system which offers fairly direct access to all parts of the country.

As we continue to expand our industrial base, it is vital that the lines of transportation available to our industries also continue to grow. Opening up direct access to new markets is an asset which will facilitate future efforts to continue economic growth. We see the proposed merger as a positive step as we continue to move forward.

Sincerely,

Neal Adler
Executive Director
LBIC

Phone 712-546-8821 Fax 712-546-7218 E-mail lmchmbr@pionet.net

LUCE COUNTY
ECONOMIC DEVELOPMENT
CORPORATION

VERIFIED STATEMENT
of
Jeff Ratcliffe
on behalf of
Luce County Economic Development Corporation

My name is Jeff Ratcliffe. I am the Executive Director of the Luce County Economic Development Corporation in Newberry, Michigan. Since its formation in 1978 the Luce County EDC has promoted the development of a strong business and industrial base in Luce County and worked for policy and infrastructure initiatives that support economic growth. As part of those efforts, the Luce County EDC takes an active and serious interest in transportation matters that affect the region. I have served as Executive Director of the Luce County EDC since 1995.

Luce County is located in the Eastern Upper Peninsula of Michigan and has a population of approximately 6,000. Major businesses in the County include Louisiana-Pacific Corporation, Newberry Forest Products, Brow Forest Products, and Sustainable Forest Products. Rail service to and in the County is provided by Wisconsin Central System (WC). Many of our businesses utilize rail service to meet their transportation needs. The availability of quality, competitive rail service is important to those companies and, in turn, to the economic health of the region.

The Luce County EDC supports the merger of WC and Canadian National Railway Company (CN). Shippers in Luce County have benefited for many years from the excellent service that WC has provided and WC's commitment to economic development in the region it serves. We understand that CN similarly places a high priority on working with local communities on economic development matters. A CN/WC merger thus will create a strong railroad partnership committed to regional growth and opportunity.

At the same time, the proposed transaction should ensure the continued viability and vitality of existing rail service for local industries and manufacturers. For example, the transaction will create new, single-line access for those businesses to markets and suppliers in the Midwest, along the Gulf Coast and in Canada. We encourage favorable consideration of the CN/WC transaction and the enhanced transportation options and services it will bring.

I, Jeff Ratcliffe, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Jeff Ratcliffe, Executive Director

Dated: March __, 2001

401 W. Harrie, Newberry, MI 49868, Phone 906/293-5982 Fax 906/293-2904

Port de Montréal **Port of Montreal**

Administration portuaire de Montréal
Édifice du port de Montréal
Cité du Havre, Aile n° 1
Montréal (Québec)
H3C 3R5
Téléphone : (514) 283-7011

Montreal Port Authority
Port of Montreal Building
Cité du Havre, Wing No. 1
Montreal, Quebec
H3C 3R5
Telephone: (514) 283-7011

March 29, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street NW
Washington, DC 20423-001
USA

Subject: Canadian National – Control - Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams:

The Montreal Port Authority wishes to inform you that it fully supports the Canadian National's proposed acquisition of Wisconsin Central.

CN is a major railway catering to both Canadian and U.S. markets, and the proposed acquisition is likely to improve the flow of service in these markets without diminishing competition.

We must also commend CN for its recent decision to sell its interest in the Detroit River Tunnel to Borealis Transportation Infrastructure Trust so as to permit an eventual upgrading of the tunnel to handle high-cube doublestacked containers. This would increase the capacity of the tunnel and likely reduce shipping costs, again for the benefit of our two nations.

Yours very truly,

Dominic J. Taddeo
President and Chief Executive Officer

c.c.: Mr. Ernest Panchaud, Director – Ports, Overseas Markets, Canadian National ✓

Canada

ONTONAGON COUNTY
ECONOMIC DEVELOPMENT CORPORATION

Phone: (906) 884-4188
Fax: (906) 884-6788
email: ontcoedc@up.net

DIRECTORS:

HAROLD AMOS
PHIL KOLEHMAINEN
RICK MISKOVICH
RICHARD LAMBERT
RAYMOND E. MAKI
HUBERT J. LUKKARI
THOMAS POISSON
SUE PREISS
CHRISTOPHER T. ROSS

March 22, 2001

Courthouse
725 Greenland Road
Ontonagon, MI 49953

ADMINISTRATIVE SECRETARY
DOROTHY A. BUSSIERE

My name is Dorothy A. Bussiere. I have served as the Administrative Secretary of the Ontonagon County Economic Development Corporation for the past 11 1/2 years. Since its formation in 1979, the EDC has promoted the development of a strong business and industrial base in Ontonagon County and the western Upper Peninsula of Michigan, and worked for policy and infrastructure initiatives that support economic growth. As part of those efforts, our organization takes an active and serious interest in transportation matters that affect the region.

Ontonagon County is located in the western Upper Peninsula of Michigan and has a population of approximately 8,000. Major businesses in the county include Smurfit-Stone Container Corporation and White Pine Copper Refinery. Rail service to the county is provided by Wisconsin Central System (WC) and the Escanaba & Lake Superior Railroad. Our two largest businesses utilize rail service to meet their transportation needs. The availability of quality, competitive rail service is important to those companies and, in turn, to the economic health of the region.

The Ontonagon County Economic Development Corporation supports the merger of WC and Canadian National Railway Company (CN). Shippers in Ontonagon County and the western Upper Peninsula have benefited for many years from the excellent service that WC has provided and WC's commitment to economic development in the region it serves. We understand that CN similarly places a high priority on working with local communities on economic development matters. A CN/WC merger thus will create a strong railroad partnership committed to regional growth and opportunity.

At the same time, the proposed transaction should ensure the continued viability and vitality of existing rail service for local industries and manufacturers. For example, the transaction will create new, single-line access for those businesses to markets and suppliers in the Midwest, along the Gulf Coast and in Canada. We encourage favorable consideration of the CN/WC transaction and the enhanced transportation options and services it will bring.

I declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Dorothy A. Bussiere

OSHKOSH CHAMBER OF COMMERCE
ADVOCACY COMMUNITY DEVELOPMENT LEADERSHIP

VERIFIED STATEMENT
of
John A. Casper
on behalf of
Oshkosh Chamber of Commerce

My name is John Casper. I am the President and CEO of the Oshkosh Chamber of Commerce in Oshkosh, WI. On behalf of our 1132 members, the Oshkosh Chamber engages in policies and initiatives that promote business opportunities and encourage economic development in the area. As part of those efforts, the Oshkosh Chamber takes an active and serious interest in transportation matters that affect the region. I have served as President and CEO of the Oshkosh Chamber since 1990.

Oshkosh is the county seat of Winnebago County and is located in the middle of the Fox River Valley. The Fox River Valley is an area consisting of the cities of Green Bay, Appleton, Neenah, Menasha, Oshkosh, and Fond du Lac. The Fox River Valley draws from an eight county labor pool that has a population based of one million people. Oshkosh is home to businesses ranging from OshKosh B'Gosh, Oshkosh Truck Corporation, Bemis Company, Leach Company, to name a few. Our local economy is based primarily on manufacturing. This sector of the economy employs over 35% of our residents. Rail service in Oshkosh and the Fox Valley is provided primarily by Wisconsin Central System (WC). The Wisconsin Southern has a small presence. Many of our members utilize rail service to meet their transportation needs. The availability of quality, competitive rail service is important to those companies and, in turn, to the economic health of the region.

The Oshkosh Chamber strongly supports the proposed merger of WC and Canadian National Railway Company (CN). Shippers in Oshkosh and the Fox Valley have benefited for many years from the excellent service that WC has provided. We understand that CN similarly places a high priority on customer-oriented service, and on working with local interests to promote regional growth and opportunity. The proposed transaction thus should ensure the continued viability and vitality of rail service for both existing and prospective local businesses. For example, the transaction will create new, single-line access for such businesses to markets and suppliers in the Midwest, along the Gulf Coast and in Canada.

We encourage favorable consideration of the CN/WC transaction and the enhanced transportation options and services it will bring.

120 JACKSON STREET • OSHKOSH, WI 54901 • 920-303-2266 • FAX: 920-303-2263 • *info@oshkoshchamber.com*

I, John A. Casper, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.



John A. Casper
President and CEO

Dated: March 26, 2001

PRINCE RUPERT PORT
The New World Port

110 - 3rd Ave. West
Prince Rupert, BC Canada V8J 1K8
Phone: (250)627-7545
Fax: (250)627-7101

110, 3e ave. ouest
Prince Rupert (C.-B.) Canada V8J 1K8
E-mail: pcorp@rupertport.com
Website: www.rupertport.com

VERIFIED STATEMENT
OF
DON KRUSEL
On behalf of
PRINCE RUPERT PORT AUTHORITY

1) Witness

Mr. Don Krusel
President & Chief Executive Officer
Prince Rupert Port Authority
110 – 3rd Avenue West
Prince Rupert, BC
V8J 1K8

I was appointed the position of President and Chief Executive Officer in February of 1992. I began my career with the Prince Rupert Port Authority as Manager of Finance and Administration in 1987. I hold a Masters Degree in Business Administration from the University of Western Ontario and am a Certified Management Accountant. Before joining the Prince Rupert Port Authority, I held the position of Manager of Financial Planning and Analysis with a major financial institution. I am a past Director of the British Columbia Trade Development Corporation in Vancouver, former Chairman of the Canadian Delegation of Ports for the American Association of Port Authorities and currently Chairman of the Association of Canadian Port Authorities. In 1996, I was appointed by the Federal Minister of Transport to Chair a Task Force to study the Northwest Transportation Corridor (which the CN north line runs through) and am currently a Director of the Northwest Corridor Development Corporation which was formed as a result of the Task Force recommendations.

2) Description

The Prince Rupert Port Authority on the Northwest Coast of British Columbia is Canada's marine gateway to Asia, located some 900 kilometers North of Vancouver, British Columbia. As the northernmost railhead on the continent, the Prince Rupert Port Authority is directly linked to the North American Heartland by the CNR.

The Port's efficient new facilities offer cost-effective handling for a range of export and import products, and combined with the advantages of location to improve the economics of Trans-Pacific trade for both carriers and shippers.

The Prince Rupert Port Authority consists of 3 major terminals: Fairview Terminal, Prince Rupert Grain and Ridley Coal Terminal.

Fairview Terminal is a 21.5 hectare break-bulk cargo facility in Prince Rupert's deep inner harbour. It is designed to handle 1.5 million tonnes a year depending on commodity. Products handled consist of lumber, pulp and specialty grain products.

Prince Rupert Grain terminal was built by Canada's six largest grain handling firms to improve the nation's ability to export grain and oilseed. This state-of-the-art terminal has a storage capacity of 202,000 tonnes, a loading rate of 4,000 tonnes per hour and is designed to handle in excess of five million tonnes annually.

Ridley Terminals Inc, is a world leader in the efficient and reliable movement of coal, handling vessels up to 250,000 DWT. Using automated technology, the terminal can load 9,000 tonnes per hour, has on site storage of 1.2 million tonnes, and annual capacity of 12 million tonnes - expandable to 24 million tonnes.

Exports through the Prince Rupert Port Authority are principally destined for Asian, with Europe, the USA and other countries following. Our strategic advantages as a West Coast port are being recognized in the four corners of the globe. Such evidence can be seen in our new business – shipping barley malt to South America and Asia to brew beer, petroleum coke from the Alberta tar sands to Asia, and pulp from Saskatchewan and Alberta destined for Asia and the Mediterranean. Emphasis on diversification has seen the initiation of the first two-way traffic importing steel plate for pipeline construction and exporting grain; and the future, two-way container traffic. As the need for transportation efficiencies and cost effectiveness drive global transportation, the attractiveness of our port increases.

3) Statement of position on CN's acquisition of WC

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies. The security of the North American rail network is important to Prince Rupert Port Authority because with Prince Rupert's close proximity to Asian markets, its strategy is to be a trade conduit between Asia and the entire North American continent. This can only be possible if CN has secured access to its NAPTA rail line.

4) Supporting reasons for the statement

The Prince Rupert Port Authority is primarily a bulk and break-bulk export port, serviced by the CNR. With the exception of lumber from local sawmills, all commodities are moved by CNR for ocean freight forwardness. As a consequence of declining commodity markets, the Port's bulk and break-bulk volumes have been declining in recent years (1990 = 11,987,125 metric tonnes; 2000 = 7,666,353 metric tonnes).

As a result the Prince Rupert Port Authority has embarked upon a strategy of utilizing its strategic location on the shortest land/sea trade route between Asia and the North American Mid-west to develop two way container movements between these two major markets.

With the acquisition of WC, CN will be able to increase the Prince Rupert Port Authorities competitiveness in the containerization market through a more direct route to the North American Mid-west and by providing fewer interchange at Duluth/Superior and Chicago.

Time sensitive cargo will enjoy shipping times that are one to three days less than required now.

Competitive Benefits

CN's proposed acquisition of WC raises no significant issues concerning reduced competition because like CN/IC the two railroads are end-to-end. From the perspective of the Prince Rupert Port Authority, it enhances competition for shippers by ensuring that they have more routing options to ship their goods to foreign markets.

5) Smooth Transition

The Prince Rupert Port Authority is confident that the proposed acquisition by CN of WC will occur free of transition problems because of CN's history of trouble-free integration of Illinois Central and because CN and WC are end-to-end rail networks.

6) Conclusion

We believe that the proposed acquisition will strengthen the railroad network and benefit shippers. The Prince Rupert Port Authority supports the application.

7) Verification

I, Donald H. Krusel, declare under penalty of perjury under the laws of Canada that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 15, 2001.

Donald H. Krusel

Ramsay, Scarlett & Co., Inc.

10 N. Calvert Street
Suite L-45
Baltimore, Maryland 21202-3201
Writer's Direct Phone (410) 659-1847
Fax (410) 539-5055



March 8, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams,

My name is Ernest D. Levering and I am Chairman of the Board of Ramsay, Scarlett & Co., Inc.

We are the operators of the Port Manchac Distribution Center in Manchac, Louisiana. This is a barge port, and a reload and distribution center at the head of Lake Pontchartrain, owned by the South Tangipahoa Parish Port Commission. The facility is served by the CN/IC Railroad.

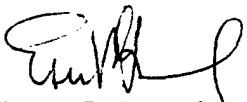
We currently load rail cars for Hunt Plywood, which ships plywood to many points in the Midwest and eastern United States. We also unload rail cars of steel plate, coil steel, and pipe coming from the upper Midwest and the East, under intermodal rates, for delivery to various end users in Louisiana. Other rail business includes drilling mud from Wyoming, and wood pulp for Georgia Pacific, which will eventually be shipped to Mexico.

We are dependent on competitive rail service into the Manchac facility. The CN/IC merger has opened doors of opportunity for us. We believe the CN's acquisition of the Wisconsin Central will also be advantageous for us, from a new business standpoint. It will allow direct service from and to the area north and northwest of Chicago. The service will be faster and more efficient, which will be better for shippers and consignees. Through rates quoted by the new merged Railroad will enable it to adequately compete with long haul truckers.

If this merger proceeds as smoothly as the CN/IC merger, there should be no interruption of service.

We are enthusiastic about this proposed merger. It will benefit shippers and should strengthen the entire railroad network. Our Company supports the application.

Yours very truly,

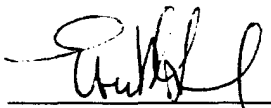


Ernest D. Levering
Chairman of the Board

Verification

I, Ernest D. Levering, declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 8, 2001.

Witness: _____



Ernest D. Levering



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K. Street, N.W.
Washington DC 20423-0001

Re: Canadian National - Control - Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams:

My name is Bruce Strapp. I am the President and CEO of the Sault Ste. Marie Economic Development Corporation (SSMEDC) in Sault Ste. Marie, Ontario Canada. The SSMEDC has promoted economic development, a diversified strategy based on business, tourism, information technology, education and an extraordinary quality of life. As part of those efforts, the SSMEDC takes an active and serious interest in transportation matters that affect the region. I have served as Executive Director, President & CEO of Economic Development Corporation since 1992.

Sault Ste. Marie, Ontario Canada, a naturally gifted city, is strategically located on the Canada/US border between Lake Superior and Lake Huron and has a population of approximately 80,000. Major businesses in Sault Ste. Marie include: G.P. Flakeboard, Filtrec, Domtar Inc., and Siderca S.A.I.C., Great Lakes Power, Algoma Steel Inc., Ontario Lottery Corporation, St. Marys Paper Ltd. Rail service into and out of Sault Ste. Marie is provided by Wisconsin Central Railway. Many of our businesses utilize rail service to meet their transportation needs. The availability of quality, competitive rail service is important to these companies and, in turn, to the economic health of the region. The SSMEDC supports NAFTA and encourages both the United States and Canada to invest in trade.

The Sault Ste. Marie Economic Development Corporation supports the merger of Wisconsin Central and Canadian National Railway Company (CN). Shippers in Sault Ste. Marie, Ontario Canada have benefitted for many years from the excellent service that Wisconsin Central has provided and Wisconsin Central's commitment to economic development in the region it serves. We understand that CN similarly places a high priority on working with local communities on economic development matters. A Canadian National and Wisconsin Central merger thus will create a strong railroad partnership committed to regional growth and opportunity.

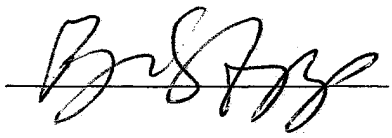
naturally gifted

SAULT STE. MARIE ECONOMIC DEVELOPMENT CORPORATION
P.O. BOX 580 • CIVIC CENTRE • 99 FOSTER DRIVE • SAULT STE. MARIE, ONTARIO, CANADA P6A 5N1
TEL: (705) 759-5432 • FAX: (705) 759-2185 • 1-800-461-6020
www.sault-canada.com. • Email Add: ssmedc@soonet.ca

At the same time, the proposed transaction should ensure the continued viability and vitality of existing rail service for local industries and manufacturers. For example, the transaction will create new, single-line access for those businesses to markets and suppliers in the Midwest, along the Gulf Coast and in Canada. We encourage favorable consideration of the CN/WC transaction and the enhanced transportation options and services it will bring.

I, Bruce Strapp, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Dated: March 14, 2001



cc: Domenic Palumbo, Director Marketing with A.C.R.
SSMEDC Executive
Mayor John Rowswell

In reference to Finance Docket 34000

VERIFIED STATEMENT
OF
FREDERICK M. BULLINGER, SR.
ON BEHALF OF

SOUTH TANGIPAHOA PARISH PORT COMMISSION

1. My name is Frederick M. Bullinger, Sr. Executive Port Director of the South Tangipahoa Parish Port Commission, doing business at Port Manchac Distribution Center, 163 West Hickory, Street, Ponchatoula, Louisiana 70454. I have been the Executive Port Director since November 1, 1998 and succeeded Mr. John Ware. The commission was form in June 29,1962 as the Livingston - Tangipahoa Parish Port Commission. It was later changed to South Tangipahoa Parish Port Commission.

2. The South Tangipahoa Parish Port Commission is a shallow draft port, having water rail and truck service to our various customers. Our Port Manchac Distribution Center is tracked served the Canadian National /Illinois Central Railroad, and they switch our facility Monday through Saturday. We purchased the Illinois Central Railroad's old main line and have utilized it as a storage track for chemical companies and have two other tracks which serve our warehouses. We presently handle the Hunt Forest Products which are trucked to Manchac from Natalbany, La. and are unloaded and reloaded into rail cars. These cars are then shipped by Hunt Forest Products to numerous destinations in the United States, Mexico etc. We also unload rail cars of flat and coil steel which is then trucked to southwest Louisiana areas and Hammond, La. We also handle drilling mud from Wyoming, which is unloaded and stored in our warehouse for delivery to petroleum industries for their oil fields. Presently storing 40 cars of wood pulp for Georgia Pacific which will eventually shipped to Mexico.

The CN/ICRR merger, which has not had any problems compared to other mergers, has opened up new avenues of business for Port Manchac Distribution Center and their industrial and commercial manager of trainloads has funneled traffic to our facility. Because of the excellent service and cooperation with through rates (one bill concept) we as a team can generate new traffic for this type service.

02-23-01 15:28 S.TANGI PORT COMM. ID=5043869389 P.01

3) We feel with the Canadian National's acquisition of the Wisconsin Central it will will open up additional potential customers for our area and in particular our own Port Manchac Distribution Center. We understand that the Canadian National's acquisition of the Wisconsin Central would put them under common control. We strongly support this application as the combined company will create a better rail network that offers significant opportunities for service improvements and efficiencies.

4) We believe the benefits of this acquisition are:

Open up new avenues with direct service to take some of the dangerous truck traffic off of our interstate highways on southbound traffic and give us a opportunity to solicit new potential northbound traffic for Hunt Forrest Products and other customers in our area..

This will help eliminate some congestion in the Chicago area due to trains being made up north of Chicago and would allow better run-through service.

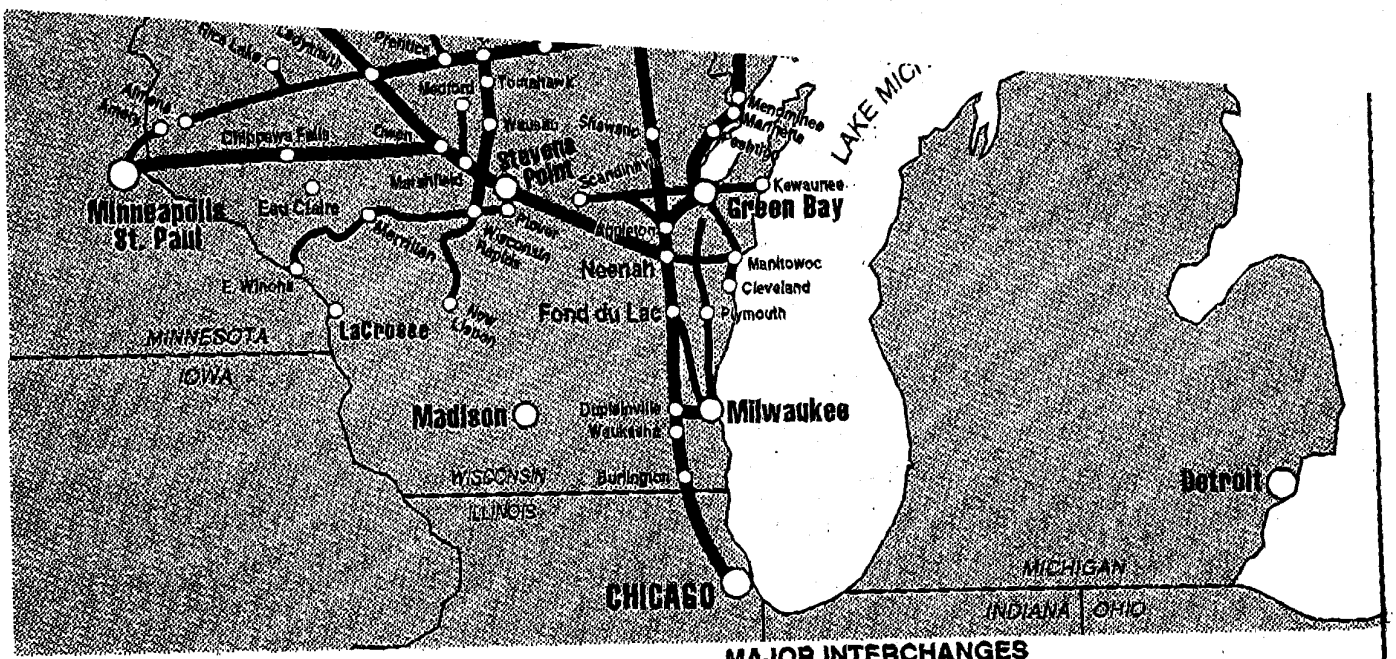
The new combinations of the railroads will be able to supply additional rail cars and locomotives more efficiently.

We will able to negotiate single line rates which will enable us to compete with the long haul motor carriers.

5) The South Tangiapoha Parish Port Commission feel that this CN/WC acquisition will proceed smoothly and rapidly as the CN/ICRR mergers did without any delays and improved service.

I, Frederick M. Bullinger, Sr. , declare under penalty of perjury that the above statement is true and correct. Future, I certify that I have the full support of the seven South Tangipahoa Parish Port Commissioners to file this verified statement. Executed on 23 February, 2001. .

Fred M. Bullinger Sr.



INTERMODAL TERMINALS

ILLINOIS
Chicago, (16800 S. Center Ave.) (708)206-6600—TOFC/COFC
WISCONSIN
Arcadia, (608)323-3377 Ext. 6318—TOFC/COFC
Green Bay, (920)436-5951—TOFC/COFC
Neenah, (414)729-2804—TOFC/COFC
Stevens Point, (715)345-2574—TOFC/COFC

MAJOR INTERCHANGES

ILLINOIS		**WISCONSIN**	
Chicago	All Carriers	Ambridge	DMIR
Leiinton	EJE	Amherst Jct.	FVW
MICHIGAN		Appleton	FVW
Eagle Mills	LSI	Black Creek	FVW
Escanaba	SSAM	Bradley	TR
Gross	SSAM	Chippewa Falls	UP
Hermansville	SSAM	Duplainville	CPRS
Ishpeming	SSAM	Fond du Lac	FVW
Larch	SSAM	Green Bay	SSAM, ELS, FVW
Negaunee	SSAM	Manitowoc	FVW
North Escanaba	ELS	Menasha	FVW
MINNESOTA		Milwaukee	CPRS, UP
Duluth	All Carriers	Mukwonago	METW
Twin Cities	All Carriers	Neenah	FVW
		Nekoosa	UP
		Oshkosh	FVW
		Pembine	ELS
		Plover	FVW
		Port Edwards	UP
		Rugby Junction	WSOR
		Slinger	WSOR
		Stevens Point	FVW
		Superior	All Carriers
		Tomahawk	TR
		Waukesha	UP, WSOR
		Wisconsin Rapids	FVW, UP
		ONTARIO, CANADA	
		Sault Ste. Marie	AC, CPRS

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St. Croix ECONOMIC DEVELOPMENT CORPORATION

1101 CARMICHAEL ROAD • HUDSON, WI 54016
PHONE: 715-381-4383 • FAX: 715-381-4384
WEBSITE: www.pressenter.com/~croixedc/
E-MAIL: croixedc@pressenter.com

19 March 2001

VERIFIED STATEMENT
of
William R. Rubin
on behalf of
ST. CROIX ECONOMIC DEVELOPMENT CORP.

By way of an introduction, my name is William R. Rubin, and I am the executive director of the St. Croix Economic Development Corporation (EDC). St. Croix EDC is based in Hudson, Wisconsin, and serves St. Croix County, Wisconsin. In April of 1996 I commenced my tenure with the EDC.

Since its inception in 1993, St. Croix EDC has promoted the development of a strong commercial/industrial tax base in St. Croix County. As such, the EDC has developed the policies and infrastructure initiatives to support this growth. As part of these efforts, St. Croix EDC takes a serious interest in transportation matters affecting St. Croix County and the surrounding region.

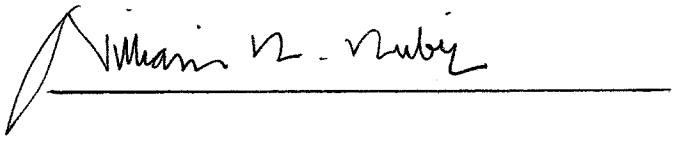
St. Croix County is located in western Wisconsin, immediately east of the Minneapolis-St. Paul Metropolitan Statistical Area (MSA). It is one of the two Wisconsin counties that help comprise the 13-county Minneapolis-St. Paul MSA. Early census information indicates St. Croix County is the second fastest growing county in Wisconsin (by percentage increase). From 1990 to 2000, the county recorded a 25.67% population increase, resulting in a population estimate of 63,155 persons. Major industrial businesses in St. Croix County include McMillan Electric Company (a manufacturer of electric motors), Sig Pack, Inc. - Doboy Division (a manufacturer of packaging machinery), Chiquita Processed Foods, LLC (a private label vegetable canner), Donaldson Company (a manufacturer of air filtration equipment), GS Electric (a manufacturer of electric motors), Clopay Building Products (a manufacturer of commercial and residential garage doors), Niro, Inc (a manufacturer of spray drying equipment), and Nor-Lake, Inc. (a manufacturer of commercial refrigeration equipment). Rail service into St. Croix is provided by Wisconsin Central System and Union Pacific. Many of the county's businesses utilize rail service as part of their transportation solutions. As such, the availability of high quality, competitively-priced rail service is important to those companies as well as the region's overall economic health.

St. Croix EDC supports the merger of Wisconsin Central and Canadian National Railway Company. For many years, value-added shippers in St. Croix County have benefitted from Wisconsin Central's excellent service. Additionally, the region's business community has benefitted from Wisconsin Central's commitment to economic development. St. Croix EDC understands Canadian National places a similar high priority on working with local communities relative to economic development matters. Hence, the proposed merger of the two systems will create a strong rail partnership committed to regional growth and economic opportunity.

Additionally, the merger should help ensure the continued viability and vitality of existing rail service for local businesses and industries. Toward that end, the proposed merger will create new, single-line access for those businesses to markets and suppliers in a) the midwest; b) along the Gulf Coast; and c) in Canada.

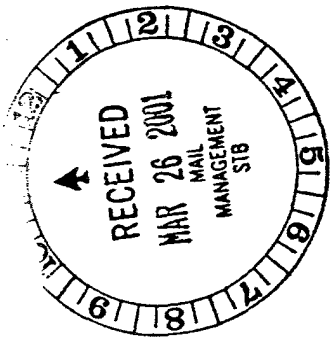
In conclusion, St. Croix EDC encourages favorable consideration of the Canadian National Railway Company and Wisconsin Central transaction and the enhanced transportation options and services it will bring.

I, William R. Rubin, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.



University of New Orleans
College of Engineering

National Ports and Waterways Institute
P.O. Box 25147 Baton Rouge, LA 70894
Phone: (225) 578-2771 Fax:(225) 578-2821



In Reference to Finance Docket 34000

VERIFIED STATEMENT
of
Dr. Wijepala Jayawardana
on behalf of

University of New Orleans National Ports and Waterways Institute

1. My name is Wijepala Jayawardana, Ph.D., Associate Professor and Associate Director, Gulf Coast and Louisiana, University of New Orleans National Ports and Waterways Institute. I have been Associate Professor at the National Ports and Waterways Institute since 1995. Prior to that I was Assistant Professor from 1989. I have been Associate Director since December 2000.

   My principal responsibilities have been to conduct research and provide planning assistance to Louisiana's public ports. In conjunction with my duties I annually administer NPWI review of applications by the State's ports for grants up the $25 million for capital improvements. Based on my involvement with the ports' applications for12 years, I have detailed knowledge of the facilities at different ports and their markets.

2. The National Ports and Waterways Institute (NPWI) is one of four "Centers of Maritime" excellence in the United States as designated by the US DOT Maritime Administration. NPWI is the only nationally recognized academic based institute dedicated to maritime research and training related to management, planning and economic and financial analysis.

   Within the State of Louisiana NPWI has been instrumental in assisting Louisiana Department of Transportation and Development (LADOTD) in the evaluation of the annual "Ports Priority Program" (PPP). The PPP has a detailed application and review process wherein the State's 26 public ports may submit annual applications for capital improvement grants up to $9.8 million. Each year the State appropriates $25 million for the PPP. NPWI under contract to LADOTD reviews the applications, interviews the ports, and provides DOTD with a ranking of applications for financial grants based on cost benefit economic analysis of the

proposed investments. Although some other states have capital programs for assistance to public ports for improvements, Louisiana is a nationally recognized leader with respect to having formal application and review criteria based on economic cost benefit analysis.

3. I understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. I strongly support this application as it will secure more traffic opportunities for service improvements for cargo to and from Louisiana ports.

4. I believe that the merits of Canadian National's acquisition of WC for Louisiana ports are as follows:

    1. Integration of single line service between the present WC and CN mainline that extends to New Orleans which will result in faster, more efficient carload freight service for imports and exports through Louisiana ports.

    2. New traffic opportunities for exports of wood products and imports of steel and other manufactured goods to and from the WC hinterland via Louisiana ports.

    3. Improvements in balance of trade from new trading markets in geographic regions particularly suited to Louisiana ports such as Central and South America.

    4. Enhanced opportunities for intermodal movements of marine containers between WC markets and Louisiana ports.

    5. Improved backhaul movements of rolling stock from the abundance of break bulk (non-containerized) general cargo imports and exports handled by Louisiana ports.

    6. Increased rail competition between the north to south CN mainline and east to west mainlines of other domestic railroads that serve ports outside of Louisiana.

    7. No reduction of rail competition among Louisiana ports. The end-to-end nature of the acquisition reflects new opportunities for Louisiana ports.

5. I would expect that the transition to a combined CN/WC to proceed smoothly and immediately due to its end-to-end nature. Moreover, given the limited scale and scope of WC compared to CN there is no reason to suggest that WC could not be fully integrated into the CN operating plan with no denigration of service to shippers.

6. I conclude by reiterating support for the CN/WC application. I have every reason to believe that the merger will have significant benefits of new traffic and markets for Louisiana ports which will enable them to use existing facilities more efficiently as well as make new investments through the State's PPP to deliver economic growth and development to the State.

I, Wijepala Jayawardana, declare under penalty of perjury that the foregoing is a true and correct. I certify that I am qualified and authorized to file this verified statement. Executed on March 14, 2001.

Wijepala Jayawardana

Baton Rouge, Louisiana
March 20, 2001

PORT VANCOUVER

VANCOUVER PORT AUTHORITY
1900 Granville Square
200 Granville Street
Vancouver, B.C. V6C 2P9 Canada
Tel: 604.665.9000
Fax: 604.665.9020
www.portvancouver.com

ADMINISTRATION PORTUAIRE DE VANCOUVER
1900 Granville Square
200, rue Granville
Vancouver, C.-B. V6C 2P9 Canada
Tél: 604.665.9000
Fax: 604.665.9020
www.portvancouver.com

March 13, 2001

VERIFIED STATEMENT OF Captain J. Gordon Houston On Behalf of Vancouver Port Authority

I, Captain J. Gordon Houston, am President and Chief Executive Officer of Vancouver Port Authority, located at Suite 1900, 200 Granville Street, Vancouver, British Columbia, Canada. I joined the Vancouver Port Authority (then the Vancouver Port Corporation) in 1991, starting first as Deputy-Harbour Master, progressing to Harbour Master and then to Vice-President of Operations in 1996.

The Port of Vancouver is the largest port in Canada in terms of total cargo handled and total container throughput, while in North America, it is the largest port in terms of total foreign exports. In 2000, the Port of Vancouver traded more than $30 billion in goods with more than 90 nations, resulting in total traffic volume of 76.6 million tonnes through the Port.

The Port of Vancouver encompasses 26 major terminals (15 bulk terminals, 3 container terminals, 2 cruise terminals and 6 general cargo terminals) and 10 terminals that are operated by industry to ship or receive the specific products they process (5 petroleum facilities, 3 manufacturing/processing facilities and 2 construction facilities). The operation of the Port of Vancouver involves many different enterprises, such as cargo terminals, cruise terminals, industries requiring tidewater access, shipyards, tugboats, railways, trucks, shipping agents, freight forwarders, suppliers, builders, and administrative agencies. Within this network, Canadian National is an integral part of the movement of import and export cargoes between the Port of Vancouver and its various markets.

We strongly support Canadian National's proposed acquisition of Wisconsin Central because it will enhance the competition between the Port of Vancouver and the United States Midwest and beyond, offering significant opportunities for service improvements and efficiencies for Port of Vancouver customers.

With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minn./Superior, Wis. The proposed acquisition will allow Port of Vancouver shippers to enter new markets in the United States Midwest since WC would provide the missing link in CN's current service offering to that region.

We expect CN's acquisition and integration of WC to proceed smoothly and efficiently due to its end-to-end nature. We believe that the proposed acquisition will strengthen the railroad network to the United States Midwest and benefit U.S. customers, particularly those that utilize CN's service to and from the U.S. Midwest markets, by providing them with additional, competitive choices to access those markets and thus, the Vancouver Port Authority supports the application.

I, J. Gordon Houston, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on the 13th day of March, 2001.

J. Gordon Houston
President and Chief Executive Officer

Canada

Waupaca County Economic Development Corporation

N3512 Dawn Drive - New London, Wisconsin 54961 - (920)982-1582
Fax: (920)982-9047 - Email: wcedc@wcedc.org - http://www.wcedc.org

My name is David Thiel. I am the Executive Director of the Waupaca County Economic Development Corporation (WCEDC), located in New London, Wisconsin. I have served as Executive Director of the WCEDC since August of 2000. Since its formation in 1995, the WCEDC has promoted the development of a strong business and industrial base in Waupaca County, and worked for policy and infrastructure initiatives that support economic growth. As part of those efforts, the WCEDC takes an active and serious interest in transportation matters that affect the region.

Waupaca County is located in east central Wisconsin and has approximately 50,000 residents. Major businesses in the county include the largest kiln drying operation in North America. Wisconsin Central System (WC) provides rail service in the county, and many of our largest employers depend on this rail service to meet their transportation needs. Thus, the availability of quality, competitive rail service is important to these companies and, in turn, to the economic health of the county.

The WCEDC supports the merger of WC and Canadian National Railway Company (CN). Shippers in Waupaca County have benefited for many years from the excellent service that WC has provided and WC's commitment to economic development in the region it serves. We understand that CN similarly places a high priority on working with local communities on economic development matters. A CN/WC merger thus will create a strong railroad partnership committed to regional growth and opportunity.

At the same time, the proposed transaction should ensure the continued viability and vitality of existing rail service for local industries and manufacturers. For example, the transaction will create new, single-line access for those businesses to markets and suppliers in the Midwest, along the Gulf Coast and in Canada. We encourage favorable consideration of the CN/WC transaction and the enhanced transportation options and services it will bring.

I, David Thiel, declare under penalty of perjury that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

David Thiel

Dated: March 20, 2001

Other Railroads

Alberta RailNet, Inc.
9808 – 96 Street
Grande Prairie, AB
T8V 7T9

Phone:(780) 831 0407
Fax: (780) 539 1711

VERIFIED STATEMENT
OF
GREG J. PICHETTE
On behalf of
ALBERTA RAILNET, INC.

My name is Greg J. Pichette and I am Vice President and General Manager for Alberta RailNet, Inc. ("ARN") located in Grande Prairie, Alberta. I manage and oversee the entire operations and marketing efforts of ARN. In addition, as part owner, I serve on the Board of Directors for ARN. ARN is a wholly owned subsidiary of North American RailNet of Bedford Texas, which owns five shortline railroads in the United States and one in Canada.

Prior to joining ARN at its inception in May 1999, I had 32 years experience in the railroad industry with Canadian National ("CN"). During my tenure with CN, I worked in various senior management and executive positions including Senior Director of Operations for Western Canada and District Manager for CN's Alberta District.

ARN is a shortline railway connecting with CN at Swan Landing, Alberta. Our lines run from Swan Landing, which is 58 kilometers (36 miles) northeast of Jasper, north through Grande Prairie, west to Hythe and northeast to Wanham Alberta. ARN's main facility is located in Grande Prairie. We handle approximately 40,000 carloads of grain, coal, sand, forest products, and industrial freight each year. Grain and grain products originate on line with destinations primarily to ports, such as Vancouver, for export. Our international customers include companies such as Weyerhaeuser, Ainsworth Lumber, Nu-Pro Forest products, Louisiana Pacific, Sterling Chemicals and Rio Alto, who ship and receive products like pulp, forest products, oriented strand board (OSB) and other

industrial products which originate on line with destinations in the North American marketplace. As well, shippers like Sand Source, and Trisol ship Frac sand, oil well servicing materials, steel and other industrial products that originate from Wisconsin and Illinois and other U.S. points destined Grande, Prairie, Alberta.

We are fully aware that **CN**, (which includes the Illinois Central Railroad, Chicago, Central & Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth Winnipeg & Pacific Railway, Waterloo Railway Company, ECO Rail Inc., Quebec and Lake St. John Railway, and Canadian Northern Quebec Railway,) and **The Wisconsin Central Ltd,** (which includes Fox Valley & Western Ltd., Sault Ste Marie Bridge Company, Algoma Central Railway, Inc., and Wisconsin Chicago Link Ltd). are requesting authority to enter a combination transaction. We strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements. It will improve the transportation infrastructure in Canada and the United States and we hope that it will be given favorable consideration at the earliest possible date.

The attached sample of customer origins provide some insight to ARN customer shipping routes, which include the Wisconsin Central Railway (currently handled via a haulage agreement between CN and WC). The control aspect of this merger will provide ARN customers in the United States and Canada with a more reliable and improved single line service to and from points on the WC system as well as traffic traversing WC from other origins.

We believe that the combined company will create a rail network that will offer significant service improvements. The control transaction will introduce more efficient north/south and western service opportunities for shippers and receivers located on and shipping to the ARN line.

We expect that the combination will provide more efficient interchanges for our customers. In particular, the proposed transaction should result in better private fleet utilization for our sand and oil field customers for shipments from the Midwest at points in Illinois and Wisconsin. Other competitive benefits for shippers along the ARN line should include the ability to run through more efficient gateways and avoid congestion normally associated with non-single line services.

ARN anticipates that the combination of CN-WC will open new markets for our customers in the United States and Canada through improved service. It is our experience that shippers are better able to hold a rail carrier accountable for the quality of service when the service is single-line. A CN-WC merger will expand single line service options, and, thus, our customers and we will likely come to expect even better performance from CN in the future.

Moreover, we expect that the combination will yield better railroad owned equipment supply and utilization. Enhanced equipment utilization should increase back haul and triangulation opportunities. Perhaps with improved single-line service to more points in

the Midwest (*e.g.*, Illinois and Wisconsin), there will be reduced pressure on crowded highways from truck transport and reductions in fuel emissions.

As with CN's smooth merger with Illinois Central, ARN believes that the proposed combination of WC and CN will proceed just as smoothly due to its end-to-end quality. Because this control transaction will provide major benefits not only to our shortline railroad, but also to customers we serve on-line and as an overhead carrier, ARN strongly supports the application.

I, Greg J. Pichette, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 14 March 2000.

Greg J. Pichette
Vice President and General Manager
Alberta RailNet, Inc.

Rail Routes for ARN traffic

		Eg of origin/destination
Trysol -	**CSXT-CHGO-CN-ARN**	Catlettsburg, KY
Sandsource -	**FVW-PLOVR-WC-SUPER-CN-ARN**	Taylor, WI
Peace Steel -	**CSXT-CHGO-CN-ARN**	Berkely, SC
PeBen -	**BNSF-NOYES-CN-ARN**	Camanche, IA
Wanham Valley Feed –	**ARN-CN-JACKN-KCS-BMONT-TM**	Laredo, TX
Rio Alto-Braaten -	**ARN-CN-CHGO-CSXT**	Rockland, FL
Louisiana Pacific -	**ARN-CN-NWSTR-UP**	BC Spur, UT
Ainsworth -	**ARN-CN-NWSTR-UP**	Stockton, CA / NV
	ARN-CN-NWSTR-BN	Tacoma, WA / OR
Sterling -	**ARN-CN-CHGO-CSXT**	Palatka, FL
	ARN-CN-SUPER-WC	Groos, MI
	ARN-CN-CHGO-NS	Calhoun, TN
WeyCo (pulp) -	**ARN-CN-SUPER-WC**	Green Bay, WI
	ARN-CN-SUPER-WC-NS	Albany
	ARN-CN-SUPER-UP	Fort Worth, TX
	ARN-CN-NWSTR-UP	Temple City, CA
	ARN-CN-NWSTR-BN-UP	Oxnard, CA
(lumber) -	**ARN-CN-SUPER-BN**	
	ARN-CN-SUPER-UP	
	ARN-CN-NWSTR-BN	Sweetgrass, MO
	ARN-CN-CHGO-CSXT	Washington, OH

THE BLOOMER LINE

March 12, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K. Street N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control Wisconsin Central Transportation Corporation (SFST Finance Docket No. 34000).

My name is Steven P. Kelly; I serve as the General Manager for the Bloomer Shipper's Connecting Railroad, with its headquarters in Gibson City, IL. My responsibilities include everything that comes under the control of operating a short line railroad. Including but not limited finance, safety, operations, hiring, and market development. The Bloomer line currently has interchange points @ Gibson City, with both the Norfolk Southern and the Canadian National. This allows access to both domestic and export markets, allowing us competitive rates for out bound grain movement.

The Bloomer Line Co. strongly supports this application, as it is a logical link to the CN's NAFTA network, and will offer significant opportunities for service improvements and efficiencies.

We also believe that the combined organization will be able to coordinate better rolling stock management and reposition cars and locomotives more efficiently. As a result of These and other efficiencies created by the combination, railroad owned equipment supply would improve. In addition, private equipment should enjoy savings through reduced fleet size requirements.

The Bloomer Line can also see how the new railroad will offer more competitive rates With its capability to compete with truck markets when it can reach coast to coast.

With the most recent experience of the transition of the CN –IC, we can see that the CN is skilled at creating a smooth transition, and would expect the same efforts put forward in this recent application. It appears, this organization has the ability to retain the best employee's of each group and gives them direction on how to go forward. The support from both the short line companies and customers it serves should be very positive. Therefore, we give our full support to your positive consideration on the following application.

I, Steven Kelly, declare under penalty of perjury under the laws of the United States the Foregoing is true and correct. Further, I certify I am qualified and authorized to file this Verified statement. Executed on March 12, 2001.

Steven Kelly
Sincerely
General Manager

Teresa A Steidinger
Witness

P. O. Box 546, Gibson City, Illinois 60936-0546 • Telephone 217-784-4284

VERIFIED STATEMENT
OF
GORDON PETERS
President
Central Manitoba Railway Inc.

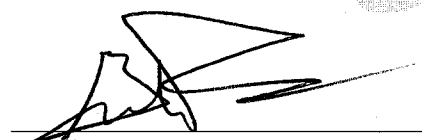
Central Manitoba Railway, a wholly owned subsidiary of Cando Contracting Ltd. is one of CN's shortline partners in Manitoba. Central Manitoba Railway operates 110 miles of track between Pine Falls, MB and Graysville, MB, interchanging with CN at Symington Yard in Winnipeg. The railway serves a diverse customer base with main commodity lines being paper, pulpwood, chemicals, petroleum products, grain and steel products.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the efficiency of the transportation infrastructure in Canada and the United States, improving car utilization and cycle times, creating more effective competition with the trucking industry.

As a shortline operator, we see tremendous benefit for the shippers on our line. Many of our shippers deliver their products to this area and increased efficiency can only benefit them. The increased competition that would result from this transaction would bring our customers more competitive rates, making our shippers stronger companies.

In conclusion, we believe that the proposed acquisition will strengthen the railroad network and benefit shippers. Our companies support the application.

I, Gordon Peters, declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 12, 2001.



Gordon Peters
President

Central Michigan Railway Company

1424 Straits Drive
Bay City, MI 48706-9998

(517) 684-5088
FAX (517) 684-5260

March 23, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington DC 20423-0001

RE: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Dear Mr. Williams:

My name is William A. Salter. I have worked in the rail industry for 31 years. Since 1994, Central Michigan Railway Company (CMGN) has employed me as their Vice President of Business Development, with responsibility for all marketing functions at the CMGN. I have held positions in the past at the Grand Trunk Western (GTW) Railroad in data processing, operations and marketing.

The Central Michigan Railway is a privately held short line railroad. We connect with the Canadian National (CN) in Durand, Michigan and with CSX Transportation Inc. (CSXT) in Saginaw, Michigan. We operate approximately 92 miles of track with 43 railroad employees. Our business has grown significantly over the past 5 years, with approximately 97% of our offline business now moving via CN. We handle large volumes of coal to a Consumers Energy generating plant in Essexville, Michigan; we also serve The Dow Chemical Company facility in Midland, Michigan. The balance of our business consists of numerous smaller shippers transporting products such as grain, lumber, cement, fertilizer, paper and minerals.

In the past, we supported the CN's acquisition of the Illinois Central (IC); that merger provided significant benefits to the CMGN. The success of that merger and the new opportunities it generated for our railroad has convinced our company that the proposed Wisconsin Central (WC) acquisition can provide similar benefits.

A short line railroad like the Central Michigan Railway is only as strong as its Class 1 partners. Improved efficiency in the rail system offers benefits to CMGN such as:

- Access to additional rail equipment.
- More efficient and competitive access to existing rail markets. (CMGN currently participates, with CN, in a large volume move of time-sensitive latex shipments from Midland, MI to WC points. Without seamless and improved transportation, this move is highly susceptible to truck competition.)

The Wisconsin Central will provide an efficient overhead route for CN traffic between Western Canada and the CN lines in the United States. Improved efficiencies will enhance chemical movements onto CMGN lines (in particular, The Dow Chemical Company in Midland, Michigan).

The CN's successful consummation of the IC transaction has convinced us that the WC acquisition can be as successful. We strongly believe the strengthening of the Class 1 rail system will help ensure the continued success of all short lines, including the CMGN.

Sincerely,

William A. Salter
Vice President-Business Development

I, William A. Salter, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on 3-23-01.

William A. Salter

Barbara Jean Hunter
Witness

I:\bhunter\shared\was Williams CN Support 03/22a

FRIENDS OF EAST TROY RAILROAD MUSEUM, INC.
PO BOX 556 WAUKESHA, WI 53187 262-548-6101 FX548-0400 www.easttroyrr.org

VERIFIED STATEMENT
OF
JACK FRANKLIN
On behalf of
The East Troy Electric Railroad

Witness name, title, responsibilities and credentials:

Jack Franklin
General Manager, East Troy Electric Railroad
2174 Division #3
East Troy, Wisconsin 53120

I am responsible for the operation of the railroad and museum. I have held this position for two years. Prior to that, I was a volunteer operator and worker at the museum. I am a retired City planner for the City of Chicago, and have a Master's Degree in Public Administration.

Description of the company

The East Troy Electric Railroad is both a shortline railroad and a museum. It is the last remnant of an electric interurban railroad network that ran in southeastern Wisconsin, and has been in continuous operation since 1907. It is the only rail connection for the Village of East Troy. The ETER is owned by the Friends of East Troy Railroad Museum, Inc., a 501©(3) not-for-profit corporation.

The railroad interchanges with the WC at Mukwonago, WI, which is its sole rail connection. In addition to tourist train rides and dinner train service, the ETER moves interchange freight cars of potash and dry fertilizer for the CPI Cooperative, as well as occasional shipments of nuclear reactor tubes from Trent Tube and carload lumber for the East Troy Lumber Yard. Additionally, historic rail cars bound for the museum have been moved in interchange service. The WC has also been helpful during an annual excursion from Chicago, using WC tracks and Chicago METRA equipment, in bringing a train to our site.

Statement of position on CN's acquisition of WC

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will allow shipments from Canada to come into the United States more quickly and efficiently and be more competitive with the trucking industry.

As most of our freight traffic consists of potash cars from Canada, it will mean improved delivery for our customer. Currently, CPI Cooperative orders most of its potash and other dry products by truck, unless there is a need for larger quantities. A merger would mean a single line haul, which would then make the shipping cost more competitive, and our customer might order more cars as a result. This means less of his potash will be shipped in by truck, which will ease the burdens on the local roads and traffic infrastructure.

More shipments on a regular basis would also result in better equipment and personnel utilization for our operation, plus additional revenue to help support our other activities.

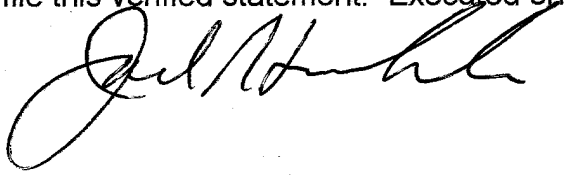
Reduced rates might also attract other potential customers on our line, as it could make rail shipment more cost-effective for them.

I believe that this transition will work smoothly and efficiently for the benefit of all concerned parties.

We believe that the proposed acquisition will be beneficial to the national railroad system and benefit all the shippers concerned. We support the application without reservation.

Verification:

I, Jack Franklin, declare under penalty of perjury under the laws of the United States that the foregoing is truce and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 26, 2001.



In Reference to Finance Docket 34000

VERIFIED STATEMENT
OF
CHARLES BARENFANGER
on behalf of

EFFINGHAM RAILROAD COMPANY

1. My name is Charles Barenfanger, President of the Effingham Railroad Company. P. O. Box 190, Vandalia, IL 62471. I have been President and CEO of the Effingham Railroad Company (EFRR) since the Company was formed in 1996. As the EFRR is a small shortline railroad, I am in charge of all aspects of the railroad including operations, marketing, sales, rates and revenue accounting. The EFRR is a line haul carrier for revenue accounting purposes and participates in the Interline Settlement System.

   From 1982 until 1994 I was Vice President and COO of the Vandalia Railroad Company. Since the President of the Vandalia Railroad was not actively involved in management and the Vandalia Railroad was also a line haul carrier for revenue accounting purposes, I was involved with the same aspects of operations as with the EFRR.

2. The Effingham Railroad Company is a shortline railroad serving the Effingham Industrial Park at Effingham, Illinois. Since the Ribbon Cutting of a track extension which included an interchange track with the CN/IC on May 14th, 1999, three new industries have located on the new trackage. Those include a vegetable oil bottle filling facility for Bunge Foods Corporation, a new stone unloading facility and future site for a ready mix concrete plant for Mid-Illinois Concrete, and a new warehouse for TQW Warehouse which includes a Foreign Trade Zone and an inside rail dock.

   The Effingham Railroad Company interchanges with CSXT and CN at Effingham, IL. Commodities hauled are crushed stone, paper, particleboard and vegetable oils. EFRR traffic levels are expected to be approximately 3,000 car loads in year 2001. Access to Wisconsin Paper Mills is very important to the EFRR and the Effingham area. The EFRR has seen no decrease in service levels or any other factors which it perceives to be negative to it or its shippers due to the previous CN/IC merger, to the contrary the CN/IC merger has opened up new traffic to the EFRR and its shippers and the service levels have increased. The CN/IC interchanges traffic on a daily or more frequent basis with the EFRR if traffic levels require and has in fact interchanged traffic up to three times daily when required. We would expect the merger to increase the efficiency and rates of those routes as well making WC origin particleboard, paper and lumber more competitive in the Effingham area. In addition, we believe it will enhance the probability of the EFRR being successful in being able to move products into the Effingham area that have traditionally moved by truck into the Effingham area.

3. We understand that Canadian National's acquisition of WC would put them under common control. We strongly support this application as the combined company will create a rail network that offers significant opportunities for service improvements and efficiencies.

4. We believe the benefits of the Canadian National's acquisition of WC are:

- Creation of a geographically broad and seamless rail network
- With the acquisition of WC, all the WC origins in the Upper Midwest will be linked with CN.
- An integrated CN and WC will be able to offer seamless, faster, more frequent, and more reliable service between the Upper Midwest and the Midwest.
- The improved service will be enhanced by the potential to bypass congested interchanges and the ability to utilize the best terminal facilities of both CN and WC.
- The new combined organization will be able to supply both cars and locomotives more efficiently.
- The combination will create new opportunities for backhaul movements. As a result of these and other efficiencies created by the combination, the railroad-owned equipment supply will improve, and shippers using private equipment should enjoy savings on fleet size requirements.
- The foregoing benefits would allow the EFRR to enter new markets in which it cannot move traffic now, or to source from new markets. An example of this would be the addition of crushed stone sources on the WC and lumber, particleboard and paper markets also on the WC.
- Increased competition among rail carriers.
- Increased competition between CN and truck carriers.

  Trucks carry significant volumes of traffic in the WC and CN service areas. The proposed combination will make WC and CN and the EFRR more competitive with trucks. Shippers will benefit from this added competition.

- No reduction in competition by reason of the acquisition.

- CN's proposed acquisition of WC does not raise any significant issues concerning reduced competition because the proposed combination is one of two railroads that are largely end-to-end.

5. The EFRR expects the transition to a combined CN/WC to proceed smoothly and rapidly due to its end-to-end nature. This should be facilitated by the fact that the WC is very small compared to CN.

6. The EFRR concludes by reiterating its support for the application. We believe that the proposed combination will provide significant benefits and our company supports the application.

I, Charles Barenfanger, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 19 February, 2001.

Charles Barenfanger

VERIFICATION

STATE OF Illinois)
COUNTY OF Fayette)

Charles Barenfanger, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated,

Charles Barenfanger

Subscribed and sworn to before me this 21 day of Feb. 2001.

Notary Public

OFFICIAL SEAL
PAULETTE J KELLY
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. MAR. 12,2002

My Commission Expires:

March 12, 2002

VERIFIED STATEMENT OF
HUGH J. MACMILLAN
On behalf of

Kelowna Pacific Railway Ltd.

I, Hugh J. MacMillan, am the Chairman & CEO of Kelowna Pacific Railway Ltd.(the "KPR"), a short line railway operating in the Okanagan Valley of British Columbia, Canada.

The Kelowna Pacific is a subsidiary of KnightHawk Inc., a company which has been in the transportation business for the past nine years through its air cargo division, KnightHawk Air Express. The KPR commenced operations in February, 2000. I have been the Chairman & CEO of both KnightHawk and the Kelowna Pacific Railway since their respective inceptions.

The Kelowna Pacific operates 104 miles of ex CN trackage between Kelowna and Lumby, to a connection with CN at Kamloops, British Columbia.

The KPR handles approximately 12,500 carloads of freight per year, primarily forest products, grain, and industrial products. A substantial portion of our inbound and outbound carloadings are shipped transborder from/to the United States.

Key customers on our line are Norske Skog, Riverside Forest Products, Tolko Industries, and Ashland Chemicals. Significant potential exists for the establishment of an intermodal facility on our line. We are currently negotiating with an operator who specializes in the shipment of automobiles by rail to set up a distribution center to be incorporated within our proposed intermodal facility. The performance of this automobile distribution facility will be significantly enhanced by the speedy transportation of automobiles via rail from the U.S.

We strongly support the proposed acquisition of Wisconsin Central by Canadian National, in that it will enhance delivery performance for our customers on the many carloads of transborder product which we handle on their behalf.

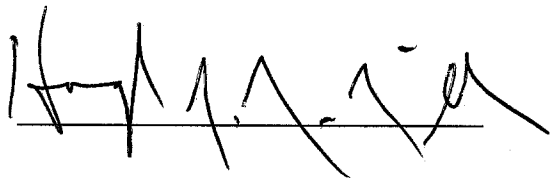
It is our view that the proposed acquisition will provide seamless service and

speed up delivery times for CN/IC traffic currently moving via haulage over the Wisconsin Central link between Chicago and Duluth.

We at the KPR feel that our primary competition is the trucking industry. Providing seamless service through the proposed acquisition makes both CN and the KPR more competitive with trucks. This is a significant benefit to our customers.

The Kelowna Pacific Railway strongly endorses the proposed acquisition of the Wisconsin Central by Canadian National due to the enhanced efficiencies of the combined system and improved service levels it will provide to our customers.

I, Hugh J. MacMillan, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.



M&B Railroad, L. L. C.

119 22nd Avenue South
Meridian MS 39301
1-601-693-4351 fax 1-601-693-6055

Verified Statement
Of
Herb Strange
On behalf of
M&B Railroad, L. L. C.

March 13, 2001

I, Herb Strange, General Manager of M&B Railroad, L. L. C., 119 22nd Avenue South, Meridian MS, would like to go on record as being in support of the proposed acquisition of the Wisconsin Central by the Canadian National.

The major customer located on the M&B Railroad is the Georgia Pacific Corporation located at Naheola AL (formerly Fort James Corporation). This particular Georgia Pacific facility ships pulpboard, parent rolls of stock paper, and woodpulp. At present they ship pulpboard into the Wisconsin area on a continuing basis. There is also a regular movement of the parent rolls of stock paper into the Green Bay WI area.

The M&B Railroad connects with four Class I carriers and the CN acquisition of the WC will in no way reduce the competitiveness of our connections, but will enhance traffic now moving via CN-WC through the Chicago interchange. Should we be able to reduce our transit time and improve consistency there is the real possibility we will increase our rail shipments by diverting traffic currently moving via truck into the Wisconsin area, thereby increasing rail competitiveness.

Our company supports this acquisition, as we believe it will strengthen our entire railroad network and be of a benefit to our shippers.

I, Herb Strange, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.

Herb Strange

Minnesota Commercial Railway

14047 Petronella Drive, Suite 201,

Libertyville, Ill. 60048

John W. Gohmann, Chairman, President

847-549-0486, fax 847-549-0485

March 27, 2001

To: US Surface Transportation Board

RE: Finance Docket 34000, Acquisition of Wisconsin Central by Canadian National

Dear Honorable Members of the Board and Staff.

The time was late 1985 - right after Soo Line acquired the Milwaukee Road. At that time, I operated a transportation consulting practice and was approached by then President of the Soo Line Dennis Cavanaugh to evaluate the Wisconsin and Michigan lines which made up much of the old Soo Line Railroad. High costs, restrictive labor arrangements and truck competition had cut the market share of the business in productive paper producing area served to just 20%. The lines were being operated at a deficit. There was much deferred maintenance.

The plan was to see what needed to be done to make it profitable - and labor concessions as well as a focussed management on the property were determined absolutely necessary. Lake States - a separate operating entity from Soo Line - was created, to operate these lines headed by Soo Line veteran Jim Johnson. He and his staff worked diligently for over a year to seek labor concessions and to make market share inroads - the sad part - about a year later, they had gotten nowhere, and, the inevitable had to happen, Soo had to cut its losses and sell the property to stop the hemorraging.

And so, Lake States was put on the auction block. While still working for CNW, Ed Burkhardt had seen a lot of things that could be done better on regional railroads - his was a marketing and operating background, along with an innate knowledge of the rail industry few humans possess this day. Ed decided to give up the comfortableness of his 20 years with the CNW and lead a new team to acquire this. Ed then asked me, as a consultant, to help a little. Knowing the inefficiencies of the former operation, it was easy to identify them. Ed and his staff took them and found many, many more, and, the rest is history. On September 21, 1987, the Wisconsin Central was born and operated its first train. It was very much the vision of Ed Burkhardt - and he picked excellent people from Milwaukee Road and CNW and other railroads who thought out of the box to work with him in this vision - a friendly service, efficient railroad, freed of the traditional restrictions of craft work rule restrictions and free to operate a railroad as an efficient tool. He beefed up the marketing group strongly - as this was and what is needed to give attention to a regional area where trucks once had 80% of the marketshare. Today, as the January, 2001 issue of Trains Magazine notes, WC has 80% of the marketshare of the

business in this region. It was not captured by posting 800 phone numbers for generic rates that were centered around the WC train schedules as some larger railroads seem to operate, - it was captured and is maintained by close contact with all customers, knowing their business, their problems and operating trains to meet the schedules of the customers - and having a market staff in the field and at headquarters who can act quickly and responsibly to these needs. In essence, the WC learned how and continues think, act and be like regional trucking companies who offer this same intensity of customer service The marketshare was captured by buying millions of dollars of equipment - over 400 million to be more specific, that was what the customer needed and could be provided quickly through the hub and spoke operating plan Ed developed.

This is not totally a tribute to Ed- but - it is a tribute to a person with a vision and the sense to seek out good people, give them responsibility, and implement a plan, and those whom he chose to become fellow entrepenuers with him in this endeavor. Rather than spend millions on new locomotives, the WC bought hand me down units some 13 years ago from other railroads - many at under $100,000 a pop, gave them tender loving attention and care, and, they continue to serve the WC well as a very low cost source of motive power which adds to the competitive nature of the WC in shorter haul business The undersigned introduced the WC founders to Paine Webber's Jim Voitko, who would become the lead institutional banker in financing the WC. While the team that Ed had assembled was important, Ed's involvement was required for the deal to close, and, Ed himself put over a million of his own savngs into the start up to show his commitment. He required all other key officers to invest on a smaller proportional basis and loaned them the money if they could not afford it - and for that, got a superlative commitment to quality and doing things right the first time.

And, contrary to the mindset of many Class I carriers, WC accepted public infrastructure funding to help improve their physical plant- which had been subject to a lot of deferred maintenance. As UTU National Legislative Director Jim Brunkenhoeffer pointed out in the April issue of Railway Age, this in his opinion and in this writer's opinion has been a serious mistake by Class I carriers, whose perception in some cases has been to merge, and cut costs into prosperity - which isn't working.

The WC concept - the same followed by many shortlines, proliferated quickly all around the world. Soon WC and the conceptual abilities of Ed and his people were sought and implemented in New Zealand, in Canada, and, then in the United Kingdom. Cultural diffrences sometimes made implementation more difficult, as was the case in the UK. Strong backing by the governments, tired of subsidizing the former operations, was also needed to make it work.

If anything, the demand for WC type management exceeded the 12 to 14 hours in a day of working time which most WC top level executives gave, day after day . It stretched them across the globe over the years, and, communications between them and the Board of Directors, none of whom were experienced railroad operating or marketing people, got strained. The very success of the entrepeneuring spirit and the concept visioned by Ed

Burkhardt was too much of a good thing - and it lead last year to Ed's removal as Chairman. Ed at the time was committed and concerned about the English operations and the culture and infrastructure, which could not adjust commensurate with the EW&S operating needs and needs for profitability. He was spending 15 to 16 hours a day working over there when the palace revolt occurred. It was too bad.

But the WC entrepenueship and business ethics he fostered at WC has stayed with that management - it is perhaps the most uniquely "truck like" management in the country - most customer oriented and tuned in - realizing the customers' needs are what makes the enterprise successful. The WC restored some even abandoned operations, like the WHite Pine Branch line in the Upper Penninsula which had been cannibalized by the Soo as non profitable. And, in addition to hauling ingots to and from the White Pine Mine, WC developed local logging moves to local mills on the WC - sometimes just a 100 to 150 mile move - and did so profitably. The White Pine Local, pictured on this Exhibit A, shows this train now grown to over 25 cars (it was 5 or 6 when it started), and, local logging operations evidenced by a car of logs on the head end.

As business increased, so did employment. Soo Line had about 850 left in this segment when it was sold, WC started with about 600 plus, as I recall, but, today, has about 2000 people employed as they more than doubled the revenues and grew the marketshare.

WC has made a huge positive economic impact on the region of Wisconsin - and almost everyone in the state knows about them.

The question of CN control is not a question of major or minor transaction - for as acquisitions go, this is a pretty small one in the anals of the ICC - STB - but it is, to WC tomers and MC customers, and the "locals" out there, a question of concept. For example, Exibit B is a news article from the Ironwood, MI Daily Globe about the acquisition. The WC meant jobs to that little town and that region and continues to do so. They ask me if CN will keep running the "White Pine" branch and market it like the WC.

WC has grown its originated and terminated business with MC customers by some 400% since its 1987 startup. What was once about 75 cars a month is now routinely 250 to 300 a month, and they provide many local movements by rail from even short distances of 150 to 200 miles between Mpls and Central Wisconsin. They also provide excellent 2 to3 day transit time over the gateways of Chicago and Superior to our customers and handle a lot of business, based on their "local, quality management"style that the larger carriers are either not interested in or have in effect,demarketed.. You can still call the WC Vice President of Marketing personally requesting help to expedite traffic, and he not only will take your call, but, do so pleasantly, offer to help, and, then get the results. It's too bad, but, that doesn't always happen any more with the larger carriers.

What this is all about is a question of preserving a concept that has made the concept of personalized, local railroading profitable in Wisconsin and to all the shippers and customers. A lot of the volumn and profit for the WC has been this new businesss - the

market share gains up to 80%. That is their concern. WC for the most part not only has an entrepeneurial management, but, a very customer minded and focussed work force - again somewhat unique in the rail industry - a culture the US Class I's, as noted in the most recent Railway Age, are striving t o achieve.

CN under Mr. Tellier has thus far proven they will leave successful operations be - and only provide their resources to ENHANCE a good thing, as they have done on the IC. They are the first and only large railroad to assist in financing the upgrade of a regional railroad down in the Southern USA to 286,000 lbs. Mr. Tellier's remarks about acquiring the WC indicate CN has similar plans. We all of course have to hope that ten years from now, that is the case, but, performance thus far shows an approach DIFFERENT than taken by US Class I's in merging properties - and based on that, plus the potential for extended single line service onto the CN and IC systems that this will bring MC customers, MC supports this acquisition by CN of the Wisconsin Central.

Your time in reviewing this is appreciated. Very few are around who viewed the down fall of the property operated as A Class I, and, its resurgence as a regional carrier - and all the things that contributed to this great succ ess story that COULD ONLY HAVE BEEN carried off with the vision and leadership of Ed Burkhardt and his fine group of operating, marketing and mechanical people. While Ed is now gone, most of those talented people who learned and practice a "new way" of running a railroad are still there. Now, we need to wish the best to Mr. Tellier, his people and the WC team to continue this great success - it can happen.

Sincerely,

John W. Gohmann

1-31-01

Ex B



Associated Press

A Canadian National Railway Co. freight train heads west out of Stevens Point, Wis., Tuesday. A joint statement made Tuesday said Canadian National would purchase Wisconsin Central Transportation Corp. based in Rosemont, Ill., for $1.2 billion U.S.

Canadian National to purchase Wisconsin Central

From staff and wire reports

The last of three rail lines to provide service to the Gogebic Range is being swallowed up, according to Tuesday press releases.

Unsuccessful in its attempt to merge with one big U.S. railway, Canadian National Railway Co. announced Tuesday it was acquiring a smaller one — the Wisconsin Central.

Wisconsin Central has only a handful of employees in Gogebic and Ontonagon counties, but its line north of Ironwood allows the continued operation of a copper refinery at White Pine.

Trains typically travel toward Wisconsin on one day and back to White Pine on the next. Trains here move extremely slowly because of the condition of the tracks and rail bed.

A joint statement said Canadian National would purchase Wisconsin Central Transportation Corp. based on Rosemont, Ill., for $1.2 billion U.S.

Canadian National said Tuesday it would pay $17.15 in U.S. dollars for each Wisconsin Central share under a plan agreed to by both companies' boards of directors.

The takeover cost includes $400 million U.S. in Wisconsin Central debt.

Paul Tellier, the Canadian National chief executive, said in a news release the merger would "secure a link" connecting Chicago and Superior, Wis., to Canadian National's network across Canada.

He called the merger "a simple, straightforward, pro-competitive" deal.

Wisconsin Central has 2,700 miles of track and trackage rights in Wisconsin, Illinois, Minnesota, Michigan's Upper Peninsula and Ontario.

The Canadian National statement on Tuesday's deal said U.S. regulators should consider it a minor one compared to the failed merger with Burlington Northern Santa Fe Corp.

"But if it is not, CN reserves the right to terminate the merger agreement without penalty," it said.

Last year, U.S. regulatory authorities rejected Canadian National's plan to merge with Burlington Northern Santa Fe railway to create North America's largest rail company in a deal worth $6.2 billion U.S.

The rail industry in the United States had been going through a whirlwind of consolidations, some of which created severe traffic disruptions.

The Surface Transportation Board ruled in March that the Canadian National-Burlington Northern Santa Fe proposal had to wait, and it also imposed a 15-month moratorium on major merger deals.

Any change in rail service here could have a major impact on the economy.

The White Pine Copper Refinery imports copper from Canada and ships refined cathodes to points outside the area by rail.

It now employs 58, has a five-year commitment with Canadian copper producers and looks to grow.

New, railroad-dependent projects could result in 30 new, well-paying jobs for the region, according to refinery officials.

Wisconsin Central also owned the last direct rail link to Hurley, Ironwood and Bessemer, which ended at the Steiger Lumber Company mill in Bessemer.

The line was last operted by an independent short-line operator.

Despite local efforts to create traffic on that spur or make it part of the link to White Pine, Wisconsin Central closed the line and abandoned it several years ago.

Mississippi Export Railroad Company

Post Office Box 8743
Moss Point, Mississippi 39562-8743

Gayle T. Dethloff, CPA
Vice President
Chief Financial Officer
Secretary, Treasurer

Telephone: (228) 474-3367
Fax: (228) 475-3337
Email: gayle.dethloff@mserailroad.com
Web site: mserailroad.com

March 15, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 33842)

Dear Mr. Williams,

I am Gayle Dethloff , Vice President, Chief Financial Officer of the Mississippi Export Railroad Company (MSE). Our company has been in business since 1922 and we are located at 4519 McInnis Avenue, Moss Point, Mississippi 39563. I have been employed with MSE for twelve years.

We are a short line railroad with 42 miles of mainline track extending from Evanston, Mississippi to the north and Pascagoula, Mississippi to the south on the Gulf Coast. We are the north-south corridor connecting Canadian National (CN) at Evanston with CSX Transportation at Pascagoula. MSE serves the deep water Port of Pascagoula through a reciprocal switching agreement with CSX Transportation. We handle in excess of 30,000 carloads per year. Our primary commodities are coal, paper, chemicals, plate steel and forest products. Approximately 90% of our freight traffic originates or terminates with the CN.

We support the proposed acquisition of Wisconsin Central by Canadian National (CN/WC). The combination could benefit our customers by creating a rail network offering opportunities for service improvements and efficiencies. We feel it will enhance our current business while attracting new markets for our area, and in particular, the Port of Pascagoula.

We believe the benefits of this acquisition are:

- The combination will eliminate additional interchange points and will provide seamless, more reliable service between the Mississippi Gulf Coast, Canada, Midwest and upper Midwest. Shippers could potentially bypass congested interchanges thus improving their service.

- The combination secures a link in CN's NAFTA network from which the Port of Pascagoula will benefit by opening up potential customers.

- Competition between CN/WC and truck carriers will be increased. Trucks carry significant volumes of traffic in the CN/WC service areas. The proposed combination will make WC, CN and the MSE more competitive with trucks. Shippers will benefit from this added competition.

- We believe there will be no reduction in competition because the two railroads are end-to-end.

- The combination could create new opportunities for back haul movements.

We expect the transition to a combined CN/WC to proceed smoothly and rapidly due to its end-to-end nature. CN's prior merger with the Illinois Central was problem free.

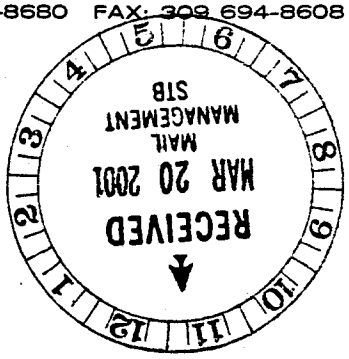
We believe that the proposed combination could provide significant benefits to our customers. The MSE supports the application.

I, Gayle T. Dethloff, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 15, 2001.

Gayle T. Dethloff

PEORIA AND PEKIN UNION RAILWAY COMPANY

301 WESLEY RD. / CREVE COEUR, IL 61610 / PH: 309 694-8680 FAX: 309 694-8608



March 14, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Finance Docket No. 34000

Dear Secretary Williams:

My name is John Freedman, I am the General Manager of Peoria and Pekin Union Railway Co., it is my responsibility among others, to oversee the daily operations of the railroad, and the administration thereof, and have logged over thirty years of rail experience.

The Peoria and Pekin Union Railway Co., is a terminal railroad operating in the cities of Peoria, Pekin, and East Peoria. It interchanges traffic with eight other carriers on a regular basis and they are: BNSF, CN, IAIS, IM, NS, PRY, TPW, and UP. In addition PPU serves over thirty industrial customers, some of which are Caterpillar, Archer Daniels Midland, Cargill, and Williams.

The proposed combination of Wisconsin Central and CN, would offer great opportunity for better traffic flow and potential increase in traffic. I strongly support the proposed combination of Canadian National and Wisconsin Central. Furthermore, the combination will provide significant benefits to shippers. Therefore, our company fully supports this merger application.

I, John C. Freedman declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on this 14th day of March 2001.

Sincerely,

John C. Freedman

General Manager

VERIFIED STATEMENT

OF

DONALD P. CONNOR

RAIL MANAGEMENT CORPORATION AND

ITS COMPANY - TOMAHAWK RAILWAY, LIMITED PARTNERSHIP

I am Donald P. Connor, Vice Chairman of Rail Management Corporation, P.O. Box 28300, Panama City, Florida 32411.

Tomahawk Railway (TR) is one of 13 railroads owned and operated by Rail Management. TR connects with the Wisconsin Central Railroad (WC) at Tomahawk, Wisconsin.

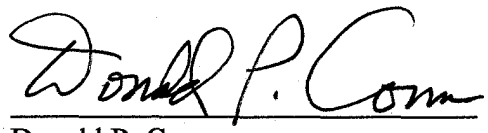
All of TR's traffic is interchanged with WC. TR has a very good business relationship with WC.

We believe that CN's acquisition of WC will enhance TR's rail business and improve service through single line long hauls not possible with WC.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

We believe that the proposed acquisition will strengthen the railroad network and benefit TR's shippers.

I, Donald P. Connor, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 23, 2001.



Donald P. Connor

TOMAHAWK RAILWAY, L.P.
S. Marinette Street - P.O. Box 130
Tomahawk, WI 54487

Phone 715-453-2303
FAX 715-453-3518

VERIFIED STATEMENT
OF
JOHN E RAMASSINI
On behalf of
TOMAHAWK RAILWAY, LP

My name is John E Ramassini, I am the General Manager of the Tomahawk Railway, located at Tomahawk Wisconsin. I manage a short line Railroad that has a direct connection with the Wisconsin Central. I have been directly involved with the transportation industry for 38 years and have held positions of responsibility both as shippers and carriers throughout my career. My current responsibilities include managing the Tomahawk Railway; a short line railroad located in Northern Wisconsin, servicing the Packaging Corporation of American, Tomahawk Paper Mill, and the Tomahawk Railway distribution center serving three off line customers.

The Tomahawk Railway currently handles over 10,000 outbound and inbound carloads per year for PCA and about 1,000 inbound carloads per year to our distribution center. The following list incorporates the commodities the TR handles in and out of the above mentioned facilities: Plupboard, Scrap paper, Chemicals, Wood, Coal, Pulp and other miscellaneous commodities.

The Tomahawk Railway connects with the Wisconsin Central at Tomahawk, WI once a day, seven days per week, 52 weeks per year. Our main customer ships about 80% of its outbound shipments via rail and receives about 95% of its inbound shipments via rail. Our distribution center receives 99% of its inbound product via rail.

We understand that the Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. The Tomahawk Railway has the privilege of working closely with both railroads every day. My personal experience is that both of these roads are service oriented and have their customers as their focal point. Their service is consistent with the needs of their customers and their on time performance is the best among a class 1 and a regional railroad in the country.

We **strongly support** Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry. We feel this will

be an outstanding acquisition in light that it will help grow our short line industry, by affording our customers even better service due to the geographic location of many short lines, including ours.

With the acquisition of WC, CN will be able to offer faster, more reliable **single-line** service to and from points on the WC system, and for CN/IC traffic currently moving vial haulage over the WC link between Chicago and Duluth, MN/Superior, WI.

By filling in a crucial missing link in CN's NAFTA network, the acquisition of WC assures the ability of CN and WC shippers to participate efficiently over the long-term in the fast growing NAFTA markets. It is very important that the railroads be afforded the same opportunities as its competitors regarding these new markets.

Improved service will be enhanced by eliminating the need for a CN-WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN/WC. This coupled with a new operating procedure that will combine the already scheduled service on WC with CN's scheduled railroad service.

The shipper will have the choice of using the fastest gateway that offers the best service to their customers.

The new combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. As a result of these and other efficiencies created by the combination, railroad-owned equipment supply will improve, and shippers using private equipment should enjoy savings through reduced fleet size requirements. Shippers would be able to reload more equipment allowing for opportunities of round trip movements and lower rates.

Trucks carry significant volumes of traffic in the CN and WC service areas. The proposed combination will make CN and WC more competitive with trucks. Shippers will benefit from this added competition. I've found this to be especially important in the carrying of Hazardous materials, the more Haz-Mat we can take off the highway the better off we all are.

As a shipper for over 25 years I can say the more options that are available the more opportunities there are to be cost effective. Not only would this acquisition be advantageous to a shipper from a cost standpoint it would offer shorter transit times. This alone has always been the number one complaint of shippers throughout the country.

I visualize a very smooth transition pertaining to this acquisition; these are two very well run railroads. As a connection we do not see any disadvantages with this acquisition. We are presently dealing with the CN/IC merger and the transit time has improved by about two days from origin to destination.

In conclusion I would like to reiterate our support of the application. Overall we as a short line connection believe that the proposed acquisition will strengthen the railroad network and

benefit both shippers and short lines. The Tomahawk Railway strongly supports this application.

I, John E Ramassini, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.

John E Ramassini
General Manager

Shipper Verified Statements

ABF FREIGHT SYSTEM, INC.
P.O. Box 10048
Fort Smith, AR 72917-0048
501-785-8700

Verified Statement
Of
Richard Beaulieu
On behalf of
ABF Freight System, Inc.

This verified statement is written in support of the proposed transaction between the Wisconsin Central and Canadian National. My name is Richard Beaulieu and I am the Vice-President, Transportation for ABF Freight System (ABF). As such I am directly responsible for all facets of the intermodal operation including but not limited to defining corporate strategy for use of intermodal transportation as well as implementing policy and procedures for intermodal application within our linehaul system. Since 1999 I have maintained senior positions at ABF serving most recently as Vice-President, Transportation. ABF has annual operating revenues in excess of $1.3 billion in 2000 with intermodal representing approximately 14% of total line-haul miles.

ABF is a leading provider of less-than-truckload transportation services. We are an asset based firm with operations serving all 50 states, Puerto Rico, Guam, Canada, and Mexico. We utilize intermodal to optimize the asset based linehaul operation. This includes use of cost effective lanes, use in fronthaul lanes to eliminate backhaul, and use during time of additional capacity needs. We currently maintain operations in Wisconsin that utilize the services of the Wisconsin Central.

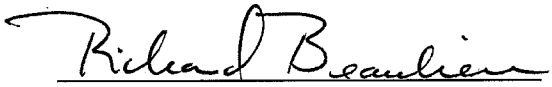
We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. I believe this is a positive step to strengthen the rail infrastructure in North America. From ABF's perspective we see the transaction value as being the creation of a more consistent and reliable service to and from western points over the Chicago gateway and a broader span of control by the combined company. This would occur as the result of CN/WC offering a single line versus joint line haul. Another feature that we see strengthening the intermodal product is the broadened source of equipment to meet peak demand periods. In the past, WC has had a difficult time managing spikes in traffic patterns due to accessibility to car/trailer supply. Clearly the transaction with the CN opens up opportunities to source and utilize equipment once not available to the WC network. We see this as a strong value added benefit. For these reasons we support the transaction and respectfully request that the merger be allowed to proceed as a minor transaction and conclude at the earliest possible time.

In summary, we believe that CN's reputation for merging companies in a smooth and efficient way will carry over into the WC transaction. Furthermore, we see no significant

issues either from a competitive standpoint or from an integration perspective. We like the idea that the Wisconsin Central and Canadian National will be in a better position to serve our needs, and will strengthen the rail infrastructure in North America. Given these positive features we see only benefits for the shippers and again respectively request that the transaction be allowed to proceed at the earliest possible time.

I, Richard Beaulieu, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 20, 2001.

Signature



Richard Beaulieu
ABF Freight System, Inc.
3801 Old Greenwood Road
Fort Smith, Arkansas 72903

AC HUMKO

March 8, 2001

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To Matt Bullinger	From Judy Moore
Co. CN	Co. AC H
Dept.	Phone #
Fax # 2173625518	Fax #

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams:

This letter is in support of the proposed merger between the Canadian National and the Wisconsin Central Railroads. I manage a rail car fleet with my responsibilities including leasing cars, tracing, and negotiating rates with the railroads. Our products include vegetable oil, lard and tallow products, as well as rice, rice flour and rice bran. Rail is very important to our business. We receive 90% of our inbound oil via rail and ship customers via rail also.

We believe the merger of the Canadian National and the Wisconsin Central will make service more efficient, especially through the Chicago area. This area can be very congested at times and this merger will allow both companies' lines to be fully utilized and eliminate or minimize this problem.

We fully support the proposed merger and feel it will enhance all rail movements between the two companies.

Very truly yours,

Judy Moore

Judy Moore
Administrator
Traffic & Freight Claims

A. F. Gelhar Co., Inc.

Readfield Plant
E9215 Mill Rd.
P.O.Box 61
Readfield, Wi. 54969
920-667-4792(phone)
920-667-4918(fax)

Gelhar Transit, Inc.
Industrial Silica Sand

Markesan Plant
(UPS)N2402 Cty Hwy A
Markesan, Wi. 53946
(Mail) P.O.Box 126
Fairwater, Wis. 53931-0126
920-398-3566(phone&fax)

March 6, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Canadian National—Control—Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams;

Our Company, A.F.Gelhar Co., Inc. supplies sand for industry. In doing so we must transport to various companies throughout the marketplace in the most expeditious manner. Our company currently ships sand to Omaha, Neb. from central Wisconsin via railcar through Wisconsin Central.

Our Company supports the merger of Wisconsin Central Transportation Corporation and Canadian National. We believe it will be beneficial to A.F. Gelhar Co. by allowing us improve transit times for shipments to customers that we are now supplying through Wisconsin Central, as well as possibly offering us opportunity to broaden our customer base in the future.

I, James Gelhar, President of A.F. Gelhar Co.,Inc., declare under penalty of perjury under laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 6, 2001.

James Gelhar

A & L Iron & Metal, Inc.

March 29, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Dear Mr. Williams:

A&L Iron & Metal, Inc. is a scrap processing company that is serviced by Wisconsin Central Ltd.

WC includes the Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway, Inc. and Wisconsin Chicago Link Ltd. CN includes the Illinois Central Railroad, Chicago Central & Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg & Pacific Railway, Waterloo Railway Company, ECO Rail Inc., Quebec and Lake St. John Railway and Canadian Northern Quebec Railway.

Our firm needs rail service if we are to successfully expand our markets. Merger of CN and WC will afford the advantages of single line service as well as greatly assist our firm in finding those critical new markets through the expanded reach of CN.

Improved service will be enhanced by eliminating need for a CN - WC interchange at Chicago, thereby creating the potential for shippers to enjoy expedited service through the busy Chicago gateway.

One issue STB must address is the extent the proposed combination affects competition. For example, increased competition amongst rail carriers will allow industries in this area to reach more distant markets via single line service.

Also, there should be no reduced competition as CN and WC are end-to-end carriers.

You can expect the acquisition and integration to proceed smoothly and efficiently due to its end to end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

P. O. Box 317 • Ishpeming, Michigan 47849
(906) 485-6038 • (906) 485-6045 • Fax: (906) 485-6332

In conclusion, A&L Iron & Metal, Inc. strongly supports the proposed transaction.

I, Bret Bandt, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on March 29, 2001.

Sincerely,

Bret Bandt

BB/pmu

CERTIFICATION

STATE OF MICHIGAN)
)
COUNTY OF MARQUETTE)

Bret Bandt, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Bret Bandt

Subscribed and sworn before me, this 29th day of March, 2001, a Notary Public in and for said Marquette County, Michigan. My commission expires March 8, 2005.

Patricia M. Utzman, Notary Public

AT Plastics

AT Plastics Inc.
4405 - 101 Avenue
P.O. Box 428
Edmonton, Alberta T5J 2K1
Tel: 780-468-0800

Verified Statement
Of
David P Freeman
On behalf of
AT Plastics Inc.

Witness:

David P Freeman
Director of Corporate Logistics
AT Plastics Inc.
4405 – 101 Avenue
Edmonton, Alberta, Canada
T5J 2K1

- The position of Director of Corporate Logistics is responsible for the management of all logistics activities across the company, implementing and capturing cost and service improvements for all shipments both within North America and globally. This position is responsible for the management, development, implementation and operations of the procedures, policies and operating processes to optimize logistics service and cost levels to meet and exceed AT Plastics' internal & external customers expectations and positively impact the Company's earnings.

- I have held this position for one year and prior to this position I have had 6 years of logistics consulting practice with large petrochemical companies based in Canada, senior logistics positions (Logistics Manager, Transportation Manager and Assistant Logistics Manager) in Canada and the United States with Nova Chemicals for 18 years and 10 years of marketing and sales experience with CP Rail in Canada.

- As the majority of these positions involved bulk rail shipments as the main focus of transportation, I have had 31 years experience in the North American rail industry working with both the carrier and shippers.

The Company and its Products and Distribution Activities

- AT Plastics Inc. has its major operations based in Edmonton Alberta, Canada with approximately 140,000 metric tonnes of Specialty Polyethylene production and 17, 000 metric tonnes of polyethylene film production. Additional facilities are established in Brampton, Ontario, Canada with 16,000 metric tonnes of Packaging products production, a Specialty Wire and Cable production facility in Peachtree City, Georgia, and a distribution network with 3rd party suppliers across North America.

- AT Plastics Inc moves 70% of it sales to the United States from its Canadian production facilities and the majority of this volume originates in Edmonton, Alberta. Of this volume, the vast majority of the rail volume moves to and through the Greater Chicago area. These volumes include bulk rail car shipments of synthetic resin and intermodal outbound and inbound shipments polyethylene film.

- AT Plastics Inc.'s primary focus with Canadian National in based on its shipments from Canada to the United States in bulk rail with shipper-supplied cars and the movement of intermodal trailers between Edmonton and the Chicago area.

AT Plastics position on Canadian National's acquisition of the Wisconsin Central

AT Plastics strongly supports Canadian National's proposed acquisition of the Wisconsin Central. This acquisition will secure the major component of the routing between Western Canada and the Mid-West United States and it will offer the ability for Canadian National to better control it operating infrastructure and to provide its customers with more efficient service and more effective competition modally and intermodally.

Supporting data

Service benefits to AT Plastics

- With the Wisconsin Central acquisition, Canadian National should be able to provide more consistent and reliable service between Western Canada and the Mid-West United States.

- AT Plastics has a significant customer located on the Wisconsin Central and this acquisition will further support service improvements to this customer for our bulk rail shipments.

- The reduction in hurdles to improved efficiencies such as the Canadian national/Wisconsin Central interchange will facility service and transit time improvements on the rail shipments moving over this corridor and will further support the need for improved service levels from Western Canada to the Mid-West united States via the Chicago gateway. Similar improvements will also be available on northbound shipments into Western Canada.

- Service levels on the rail transit times into the Chicago market and gateway are a major focus for AT Plastics as our customers are 1000 miles farther away from AT Plastics than our competitors. In the competitive marketplace the rail service and transit times must be cost and service sensitive to allow AT Plastics to compete in this market. AT Plastics wants to work with suppliers who have the ability to optimize their infrastructure so that these carriers can provide improved cost and service levels.

- The improved and consistent service levels that can be achieved with intermodal shipments between Chicago and Western Canada will be a major benefit to AT Plastics and will allow AT Plastics to move significant volumes from highway to intermodal rail. AT plastics is currently reviewing the distribution network and has identified the ability to move intermodally versus via highway as an area of significant potential to improve service level consistency to our US customers.

Competitive Benefits

- AT Plastics believes that this acquisition will improve Canadian National's ability to improve its cost structure and to become more competitive in this market area and will increase the competition with the other rail carriers and the highway carriers. AT Plastics should benefit from these improvements in competition in these areas.

- The longer-term aspects of having end-to-end carriers with the ability to optimize their cost structures and their ability to share these improvements with their customers will benefit both the rail carrier and its customer base. These processes remove the incremental costs from the system and allow the system to become more efficient.

Transition

It is AT Plastics' expectation that this acquisition will be a well-managed transition and integration based upon Canadian National's previous experience with the IC. It is also extremely important that Canadian National, if successful, does integrate the Wisconsin Central quickly and efficiently into their system.

Conclusion

AT Plastics strongly supports this acquisition by Canadian National and the company believes that there will be definite benefits for Canadian National and their operating network, and that there will be ongoing benefits for shippers such as AT Plastics in this corridor and beyond, for both the northbound and southbound shipments.

Verification

I, David P Freeman, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on MARCH 27, 2001



VERIFIED STATEMENT
OF

ALAIN LALONDE
On behalf of
ABITIBI CONSOLIDATED INC.

1. WITNESS

Alain D. Lalonde
Corporate Director Logistics
Abitibi Consolidated Inc.
1155 Metcalfe Street, Suite 800
Montreal, Quebec H3C 2R5
Canada

tel. (514) 394-3265
fax. (514) 394-2271
email: alain_lalonde@abicon.com

I am responsible for world wide transportation and distribution of all primary products manufactured by Abitibi Consolidated Inc. in Canada, the United States, and Europe.

I am accountable for distribution on an annual basis of: 8 million metric tonnes of newsprint and uncoated printing papers, 2.2 billion board feet of finished lumber, and 440 thousand metric tonnes of wood pulp.

I have been an employee of Abitibi Consolidated, or its prior companies, since 1979. During that period I have held positions as Internal Auditor, Divisional Controller, Director Supply Management, Manager Finance and Hydro, Group Controller of Wood Products, and since 1999, Corporate Director of Logistics.

I am a Certified Management Accountant (CMA), and hold a degree in finance from St. Lawrence College, Cornwall, Ontario.

2. ABITIBI CONSOLIDATED INC. (ACI)

Abitibi Consolidated is the world's largest manufacturer of Newsprint, North America's largest manufacturer of Valued Added printing papers, North America's fifth largest producer of finished lumber products, and the number one recycler of paper in the world.

Newsprint Products are produced and shipped from six mills in the United States, twelve mills in Canada, one mill in United Kingdom and four mills in Asia. **Value Added** Products are produced and shipped from seven mills in Canada. **Lumber** Products are manufactured and shipped from nineteen saw mills in Canada, and **Wood Pulp** is produced and shipped from three mills in Canada.

Abitibi Consolidated **ship paper products** to customers in over one hundred countries. Approximately 60% of its North American paper production is destined to customers in the United States, 15% to Canada, and the remaining 25% to customers outside of North America. Almost all of Abitibi Consolidated's **lumber production** is consumed by US and Canadian customers.

All except two paper mills in North America have a direct rail transportation capability. All are truck capable, and about six are able to load ocean vessels either at the mill, or within close proximity of the mill. Similarly, almost all lumber and pulp producing facilities in North America have a direct rail shipping capability.

Additional information about Abitibi Consolidated may be obtained by request from the writer, or from our website at **www.abicon.com**. Unless noted otherwise, the balance of this document will focus on rail transportation of paper products to Canadian and United States destinations. The statements to be made with respect to WC / CN with respect to paper products, also apply to lumber and pulp products, produced by ACI in Canada.

Every Class I railroad in Canada and the United States is local to, or short lined to at least one of our paper mills. A few mills have local access to two Class I carriers. Canadian National Railway, have direct or indirect access to **fifteen** Abitibi Consolidated paper mills in Canada. In the year 2000, **CN handled approximately 2.5 million metric tonnes** of ACI paper products over its lines in Canada and the United States. The other Class I carriers that handle Abitibi Consolidated paper are, in descending order of volume: CSX Transportation, Union Pacific Railroad, Burlington Northern Sante Fe, Norfolk Southern Corporation, and Canadian Pacific Railway. Abitibi Consolidated own the Apache Railroad (APA), which is a short line carrier connecting with the BNSF at Holbrooke, AZ.

As much as possible, ACI attempt to geographically rationalize its newsprint customers around the closest newsprint mill, to reduce transportation cost by reducing the distance from mill to customer. This approach can only be partially successful, because of customer demands for recycled content ranging from 0% to 95%, and/or customer preferences for newsprint from specific mill machines. On the other hand, Value Added printing paper consists of many products for different end use applications. These tend to be mill specific, typically resulting in transportation over greater distances than newsprint, from mill to customer. Of the fifteen paper mills accessible to CN in Canada, seven are Value Added mills, of which five are located in the Province of Quebec, and two in the Province of Ontario.

To help support the need for some customers to receive ACI's products by truck, ACI utilize the services of more than **sixty public warehouses in the USA and Canada**, allowing us to ship by rail from mills, but delivere by truck where necessary.

3. ABITIBI CONSOLIDATED'S POSITION - Canadian National Acquisition Of Wisconsin Central

Abitibi Consolidated Inc. support Canadian National Railway's proposed acquisition of the Wisconsin Central Transportation Corporation (WC), and it's subsidiary transportation companies.

In our view, this acquisition will promote further and necessary integration of secondary rail lines into the Canadian - American national network of rail carriers. Abitibi Consolidated have advised all Class I carriers that in order to obtain a greater share of our transportation business, it is imperative that the level of delivery consistency to our customers increase dramatically, that railroad infrastructure be rationalized to reduce shippers' costs, and that freight administration be simplified.

We are of the opinion that it is easy to ship by truck, and difficult to ship by rail. For rail carriers to gain market share, it must become easier to ship by rail, and rail carriers need to take accountability for handling our products from origin to destination, not just to the next interchange. CN's acquisition of the WC will help further this cause, as it is an "end to end" solution, thus eliminating another middle carrier, with it's own interchanges, it's own train schedules, and it's own rate structures. We say this with the expectation that given access to WC assets, CN will provide scheduled train services, as it has been doing with great success on its existing lines in Canada and the United States. We also expect that given the opportunity, CN will integrate WC into its system with the same degree of efficiency that it demonstrated when it integrated the former Illinois Central (IC) into the CN system.

4. SERVICE BENEFITS TO ABITIBI CONSOLIDATED (WC Acquisition)

ACI Strategy With Respect to Paper Products Distribution

- Increase the use of rail transportation, direct to customers, and to intermediate public warehouses, as rail carriers are able to increase the consistency of transit times from mill to customer (defined as a continuous reduction in the standard deviation of average times), and as rail carriers are able to reduce actual transit times, particularly over major corridors.

- Reduce the use of long haul over the road trucking, to promote cost and energy (fuel) reduction. Utilize trucks for short hauls from warehouses, or to customers within close proximity of mills.

ACI Strategy Applicability

- Rail customers now demand delivery on specific days, as compared to "week of" delivery a decade ago. That requires transit time consistency. To achieve "day of" delivery, railroads are required to run scheduled train services, but these are frequently interrupted by interchanges with connecting carriers. So-called seamless transportation can only be achieved by eliminating the number of independent carriers over a given route. Achieving such goals are equally beneficial to rail carriers and to customers. Whereas customers receive improved performance, railroads can increase revenue per car day through improvements in car utilization.

Paper mills, Abitibi Consolidated included, tend to be located in remote regions, and away from their customers. Paper manufacturers require wood fiber and water, as primary resources. Paper recycling does not eliminate this need, because new virgin fiber is continuously input to maintain overall system quality. Thus paper companies tend to locate their recycled mills closer to final markets, and their virgin mills closer to forest and water resources.

Specific Benefits to ACI of the CN - WC Acquisition

- In the case of **Fort Frances Division (Fort Frances, ON), and Fort William Division (Thunder Bay, ON)**, the CN acquisition of the Wisconsin Central will eliminate one bridge carrier from the route to Chicago, and connections beyond. Secondly, these mills will now have single line access to ACI warehouses and customers in the local Wisconsin area, where ACI have a significant number of printing paper customers. Both these Valued Added printing paper mills currently have a larger proportion of direct truck transportation, than we desire. This is an opportunity to increase rail, as per our strategies outlined above.

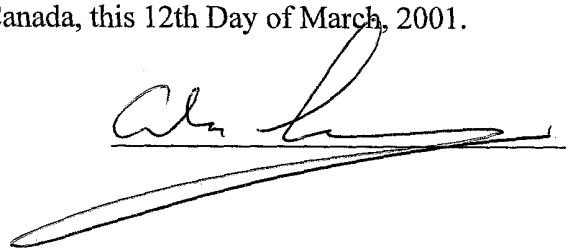
- **Iroquois Falls Division (Iroquois Falls, ON)**, which is on the Ontario Northland Railway (ONTC), will have current access to Chicago via ONTC - North Bay - CN, or via ONTC - Hearst ON - CN, depending on CN's strategy. In addition, Iroquois Falls will continue to utilize the Hearst - CN routing (formerly Hearst - WC) to a major newsprint specialties customer, and a stocking warehouse in the Appleton, WI area.

- Five Valued Added paper mills located in Quebec at **Alma, Jonquiere, Trois Rivieres, Grand'Mere, and Beaupre,** will be able to access customers in Wisconsin via CN direct, again eliminating one carrier and interchange from the routing. In addition, expansion of the CN network into WC territory beyond Chicago, will provide additional opportunities for those printing paper mills to reduce transit times, and increase the use of rail for relatively long haul destinations.

In summary, Abitibi Consolidated urge approval of Canadian National's proposal to acquire Wisconsin Central Transportation Corporation. As this acquisition adds end-to-end infrastructure to CN, it provides a further opportunity for rail performance improvements. This will provide an opportunity for Abitibi Consolidated to move additional tonnage by rail, which will reduce energy use and costs for the railroad and it's customers.

VERIFICATION

I, **Alain D. Lalonde**, declare under penalty of perjury under the laws of Canada, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed at Montréal, Québec, Canada, this 12th Day of March, 2001.



AGGREGATES AMERICA

P.O. BOX 292
402 ASHMUN STREET
SAULT STE. MARIE, MI 49783

(906) 635-9191 VOICE
(906) 635-0979 FAX
BOURQUE@UP.NET

MARCH 13, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: **CANADIAN NATIONAL --CONTROL -- WISCONSIN CENTRAL**
(STB FINANCE DOCKET NO. 34000)

Aggregates America, LLC located in Sault Ste. Marie, Michigan, is a major decorative stone supplier to landscapers in the Midwest. We totally support the acquisition of the Wisconsin Central Rail Road by the Canadian National Rail Road for numerous reasons outlined further in this text.

Aggregates America either buys or quarries stone from some 11 locations in Northern Ontario and throughout the Upper Peninsula. Our market penetration has been throughout Michigan serving some 60-80 suppliers with our stone product. In year 2001 we will be supplying stone to Wisconsin and Illinois suppliers via Wisconsin Central Rail Road. Our drop points will be in Southern Wisconsin at 2 locations, one on the Illinois border and the other near Milwaukee. We will be shipping stone products ranging from 6"- 4' in diameter. It is anticipated that the Wisconsin and Illinois market will grow over the next several years.

With the acquisition of Wisconsin Central by Canadian National it will open up new markets for us and other markets to the South and West including Omaha, St. Louis, and Memphis. With this acquisition we anticipate continued competitive prices for hauling as well as providing an even more efficient service to our Company.

It appears that with Wisconsin being added to the system of CN, we will enjoy more efficient service through the Chicago Hub.

It is anticipated that our stone will be loaded at several locations including our stone yard in Sault Ste. Marie, adjacent to Wisconsin Central Rail Road, Rapid River, Gladstone, and Sagola, Michigan.(Sagola is not on the Wisconsin Line)

We see nothing but good coming from this acquisition. We see our Company expanding our markets far beyond the Michigan, Wisconsin, and Illinois market in the future. We think this is an excellent partnership for both Companies.-- It will improve service-- speed up turn around time for cars-- and in general open up the entire Midwest and Northern Ontario to an improved Rail System.

RE: **CANADIAN NATIONAL -- CONTROL -- WISCONSIN CENTRAL**
(STB FINANCE DOCKET NO. 34000)

H. James Bourque

5/13/01
Date

Notary
TINA M. ORDWAY
NOTARY PUBLIC CHIPPEWA CO., MI
MY COMMISSION EXPIRES Sep 23, 2003

3-13-01
Date

AGRI-LAND CO-OP
P.O. Box 468, Fond du Lac, WI 54936-0468
(920) 923-7960

March 14, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control –
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

AGRI-LAND CO-OP is a cooperative located in Fond du Lac, Wisconsin, served by the Wisconsin Central. We supply Fond du Lac and the surrounding counties with agronomy, animal nutrition, and petroleum needs. Our business with the Wisconsin Central consists of inbound shipments of fertilizer products.

With the proposed merger of the CN and WC, I foresee advantages such as single line service on fertilizer cars, the potential for improved equipment utilization and the possibility of buying from new markets through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, Illinois and Superior, Wisconsin, thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition. As CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, AGRI-LAND CO-OP strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Dennis Halbach, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 14, 2001.

Sincerely,

Dennis L Halbach

Dennis Halbach
Assistant General Manager

agriLINK FOODS

A processing and marketing cooperative

March 16, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, D. C. 20423-0001

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

Verified Statement
Of
Kenneth Beaurain
On behalf of
Agrilink Foods

I, Kenneth Beaurain, am the Manager of Accessorials for Agrilink Foods. The Logistics Department for Agrilink Foods is located at 520 North Broadway in Green Bay, WI, 54303.

My responsibilities within the Logistics Dept. are to handle all carrier issues that arise due to loading/unload difficulties, pallets and claims. I am also responsible for all rail transportation activities at Agrilink Foods and have been involved in this activity for the past 7 years. Prior to joining Agrilink Foods, I was employed for 19 years by the Green Bay & Western Railroad where I worked in various departments including the last 5 years as a Pricing/Marketing Manager.

Agrilink Foods is a vegetable and fruit processing company with facilities located throughout the United States and also Celaya, MX. Our processing facilities are located in Woodburn, OR, Grandview, Walla Walla and Tacoma, WA, Oxnard and Watsonville, CA, Uvalde, TX, Montezuma, GA, Bridgeville, DE, Barker, Bergen, Brockport, and Fulton, NY, Coloma, MI, Waseca, MN, Darien, Fairwater, Fond du Lac, and Green Bay, WI.

The Wisconsin Central/Fox Valley and Western serves our Green Bay and Fond du Lac, WI facilities. Green Bay is a frozen and canned vegetable processing and labeling facility and Fond du Lac is our major Midwest canned labeling and distribution center.

P.O. Box 19027 • Green Bay, WI 54307-9027
520 N. Broadway • Green Bay, WI 54303
Phone 920-435-5300 • Fax 920-435-5309

Our Midwest customers are served by truck shipments direct from both Green Bay and Fond du Lac, WI. We utilize the Wisconsin Central to supply our forward canned warehouses located in Tacoma, WA, Los Angeles, CA, Garland and Houston, TX, (all via WC – Chgo – BNSF) Orlando, FL, (WC – Chgo – CSXT) Doraville, GA (WC – Chgo – NS) and Shortsville, NY (WC – Chgo – CSXT – ONCT). Shipping via rail to these forward warehouses allows us to utilize the efficiencies offered by rail transportation and thereby reduce our costs to deliver our product to consumers located throughout the United States.

We strongly support the Canadian National's proposed acquisition of Wisconsin Central. Our canned vegetable shipments require insulated boxcars with bulkhead divider doors to protect the lading. The additional supply of this specialized equipment from the Canadian National pool of cars will allow us to divert truck shipments to our preferred mode for these long haul shipments, as car supply issues should be reduced.

A direct connection with the BNSF at Chicago will benefit our company, as decreased switching activity will reduce the incidence of damages to our product. Improved transit times through the Chicago gateway will allow faster transit time and better service to our customers and warehouse providers in TX, CA and WA.

Single line shipments from Wisconsin to Illinois Central served cities along the Gulf of Mexico should reduce our current transportation costs and allow us to increase our sales in that portion of the country.

Because this is an end-to-end merger, reduction of competition should not occur. We currently have only the Wisconsin Central serving our Wisconsin facilities and that will not change with the proposed CN-WC merger.

I do not see a problem with the smooth and efficient integration of the WC and CN. The CN-IC integration was larger than the proposed CN-WC merger and that acquisition progressed smoothly. The CN personnel have benefit of past end-to-end acquisitions and should be able to effectively deal with this new proposed venture.

I believe this proposed acquisition would strengthen the current railroad network and benefit both the shippers and railroad industry alike.

I, Kenneth Beaurain, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 16, 2001.

Sincerely,

Kenneth Beaurain

Kenneth Beaurain
Manager Accessorials
Agrilink Foods, Inc.

VERIFIED STATEMENT
OF
Mr. Michael J. Palmer
Manager, Transportation
On behalf of
Agrium

My name is Mr. Michael J. Palmer. I am the Manager, Transportation within the Marketing & Distribution department at Agrium and I have held this position since January 1, 1998. I have spent the majority of my career in the fertilizer business working a wide range of functions including marketing, sales, finance, planning and most recently transportation and distribution. I hold a Bachelor's Degree in Civil Engineering and Management from McMaster University in Hamilton, Ontario as well as a Master's degree in Business Administration from York University in Toronto.

Agrium is a publicly traded Company, headquartered in Calgary, Alberta, Canada. Our company is a leading global producer and distributor of fertilizer and other agricultural products and services. We are one of the top two nitrogen producers in the world and operate 15 plant/mine locations in North America and Argentina. We produce, market and distribute approximately 10 million tonnes of finished fertilizer products annually. This includes approximately seven million tonnes of nitrogen, two million tonnes of potash and one million tonnes of phosphates. In addition, we also ship approximately three million tonnes of raw materials into our various plant locations. In total we ship in excess of 13 million tonnes of fertilizer products and raw materials per year by rail, water, pipeline and truck. The most prevalent mode of transportation is rail and Agrium ships in excess of 8 million tonnes per year via this mode. We accomplished this using a wide variety of rail carriers which include all six of the largest Class I carriers.

Agrium fully supports the proposed merger agreement between Wisconsin Central and Canadian National Railway. It is our belief there are likely to be service improvements associated with single-line access into Wisconsin and the Mid West. This will improve our rail service to our customers and result in a more efficient supply chain for the mutual benefit of all.

Canadian National Railway is a company that is service oriented, responsive to customer needs and has demonstrated that the CN/IC integration was seamless. The CN commitments to offer "Guaranteed Service Levels" and the "Guaranteed Route Options (to keep Gate-ways economically and physically open)" are indicative of the CN's continued willingness to address shipper concerns. Finally, we believe the scope of this particular transaction to be such that there is little structural change in the overall rail industry as a result of this merger. The above factors all contributed to Agrium's decision to lend its support in this fashion. We fully expect the proposed CN/WC combination will be as successful as the CN/IC combination and will not follow the Conrail example.

In conclusion, Agrium fully supports the CN/WC merger. We believe the combination will be executed with minimal service disruption based upon the track record that CN has established with the merger of Illinois Central. It is our sincere hope that the US Transportation Surface Board quickly approves the proposed CN/WC combination.

Furthermore, as it relates to post-merger service levels, we feel that the STB should model its new merger rules around the CN Guaranteed Service Level concept which will require all merging carriers to proactively address reductions in service levels with definitive compensation to shippers.

I, Mr. Michael Palmer declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 28, 2001.



Michael J. Palmer
Manager, Transportation
Agrium

AGRO DISTRIBUTION, LLC

210 Grell Lane, P.O. Box 220
Johnson Creek, WI 53038
(920) 699-2771 Fax: (920) 699-3622

Verified Statement
Of
Chuck Kemper
On behalf of
Agro Distribution, LLC

1. Charles Kemper
   Grain Department Manager
   Agro Distribution, LLC
   P O Box 220
   Johnson Creek, WI 53038

- My main area of responsibility with Agro Distribution is the movement of grain at our facilities in Wisconsin, Iowa, and Kentucky. I supervise the origination of grain and handle all sales of the grain at the facilities via rail and barge shipments. I've been with Agro Distribution, LLC since its inception July 1, 1999 and held the same position with Terra Industries, the previous owner of the facilities, from April 1997 to June 1999. Didion Inc owned the Wisconsin facilities until March 1997 and I started with Didion in 1990.

2. Our Wisconsin facilities are strictly grain elevators. We have one location on the Mississippi River that is a barge terminal. Our facility in Johnson Creek, WI is strictly a truck facility and does not have any rail capability. The other 4 Wisconsin facilities are located on rail lines. Our Green Bay elevator is serviced by Wisconsin Central. The facilities in McFarland and Ripon, WI are located on the Wisconsin and Southern Line. Our Milwaukee location has all of its traffic handled by the Canadian Pacific Railroad.

- The majority of our rail shipments are 25 cars grain hopper units to Chicago and points beyond. On any shipments sold beyond Chicago, Agro Distribution, LLC pays freight to Chicago. Any freight after Chicago is not Agro Distribution's responsibility.

3. We strongly support the proposed merger between Canadian National and the Wisconsin Central Transportation Corporation. This merger will open new markets for the grain shippers in Wisconsin.

4. The CN's acquisition of the WC will allow Agro Distribution to receive better rail rates to the Gulf. We currently are unable to get through rates for points beyond Chicago. The acquisition will give us point to point shipments which we currently do not have. These point to point shipments will allow our company to move into new markets that we currently cannot utilize. In addition to the new markets providing our company with increased revenue, the acquisition should give us access to more grain hopper cars. This should allow the railroad to provide cars to us as we need them rather than our logistics reloving around when cars are available to us. This could signiciately increase the volume of grain we can continuously accept during the busy harvest season.

5. Our company strongly supports this application for merger. We believe it will enhance the rail service that is provided to the Wisconsin grain markets and to the companies buying from these markets.

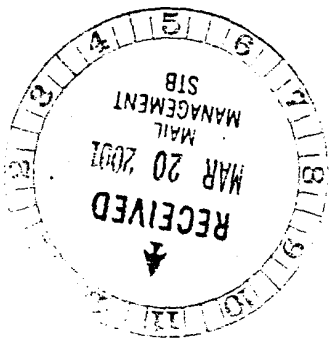
6. I, Charles Kenyon, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 03/14/01.

Charles Kenyon

Alan Josephsen Co., Inc.

Paper Stock
Office: 205 E. Park St./ Plant: 101 E. Maple Ave., Mundelein, Il. 60060 Telephone (847) 949-0700.
Fax (847) 949-0720 Toll free (888) 949-9059. E-mail: AJCOINC@aol.com

March 14, 2001



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, D. C. 20423-0001

Re: Canadian National -- Control --Wisconsin Central
(STB Finance Docket No. 34000)

Verified Statement of :
Alan Josephsen
on behalf of
Alan Josephsen Co., Inc.

My name is Alan Josephsen. I am the President of Alan Josephsen Co, Inc.

Alan Josephsen Co. Inc. is a paper recycling company, and a major Midwest supplier of various grades of recycled paper and cardboard for paper mills and various companies. I presently ship via Wisconsin Central Railroad wastepaper products from our Mundelein, IL plant to the following locations: Red Rock. Ontario. Toledo. OR. Menominee. MI. and Houston, TX.

I understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. I strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvement and efficiency.

It is my belief that with the acquisition of Wisconsin Central, Canadian National will be able to offer faster. more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, MN/Superior, WI.

I believe that the proposed acquisition will strengthen the railroad network and benefit shippers.My company supports the application.

I. **Alan Josephsen,** declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further. I certify that I am qualified and authorized to file this verified statement. Executed on March 14. 2001.

Alan Josephsen
President

ALBCHEM

ALBCHEM INDUSTRIES LTD.
704 Park Plaza
10611 - 98 Avenue
Edmonton, AB. T5K 2P7
*Phone: **(780) 425-7850***
Fax: (780) 426-0024

March 14 2001

Verified Statement of Martin Burnley
On behalf of Albchem Industries Ltd.

As Executive Vice President, Marketing and Sales, for Albchem Industries Ltd. (Albchem), I am responsible for the sales and distribution functions for the company. I have performed this function within this company for six years and prior to that, was the Plant Manager of our production facility where I was responsible for arranging product shipments, among other duties. Albchem produces and ships sodium chlorate. The shipments are made primarily in the product's crystal form and our usual annual shipments are approximately 65,000 tonnes per year in shipper-supplied bulk covered hopper railcars. In addition to the bulk railcar shipments, container shipments totaling approximately 10,000 tonnes per year are usually made from our plant for export shipment through west coast ports to our overseas customers.

Albchem Industries Ltd. ships primarily to bleached chemical pulp producers in Canada. Additionally, shipments are made on a regular basis to clients in the U.S.A. The product is presently being produced by Albchem Industries Ltd. at our plant in Bruderheim, Alberta. This plant is serviced by Canadian National.

Albchem is presently constructing a new production facility in Manitoba, with an expected start-up of January 2002, from which we will be shipping by rail nearly 40,000 tonnes per year of sodium chlorate. This facility in Manitoba will receive rail service from CP Rail. Shipment destinations from the Manitoba facility have yet to be finalized, but may include destinations in Western Canada, the U.S. Mid Western States and/or the South Eastern U.S. States.

It is our understanding that Canadian National (CN) and Wisconsin Central (WC) are planning to negotiate a transaction that would place the control of WC in the hands of CN. Albchem supports this goal with the belief that such consolidation will improve the North American rail system infrastructure and therefore will result in opportunities for improvements in service levels and other efficiencies that will ultimately lower total system costs for shippers such as Albchem. As Albchem moves forward with the start-up of production facilities in Manitoba, Canada, we will be pursuing sales opportunities in the U.S. Midwest Region – an area that is highly populated with customers for our particular product.

Albchem anticipates that such a transaction as proposed would allow for our company to be at least as competitive as under the present arrangement in the geographical market that we are targeting. Furthermore, it is quite likely that shipments from our plant in Alberta to our targeted market would become economically viable. While we will be shipping primarily with CP Rail from Manitoba, we believe that a merger between CN and WC would not adversely affect our ability to access our target markets through CP-CN Interline service. We do not see trucking of our product from Manitoba into this market region as being a competitive option.

We support the acquisition that is proposed and expect that a strong network will be built through this acquisition and that the benefit will be to the shipper, as well as to the railroads, with little or no adverse effect on the competitive situation.

Verification

I, Martin Burnley, declare under the penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 20 2001.



Martin Burnley
Albchem Industries Ltd.

Algoma
Seamless Tubulars Inc.

March 14, 2001

To: Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C 20423-0001

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

VERIFIED STATEMENT
OF
ALDO SPADAFORA
ON BEHALF OF
ALGOMA SEAMLESS TUBULARS INC.

ALDO SPADAFORA
LOGISTICS OPERATIONS
ALGOMA SEAMLESS TUBULARS INC.
547 WALLACE TERRACE
SAULT STE. MARIE, ONTARIO
P6C1L9

My responsibilities within the logistic operations of the company are to address all issues concerning railroad use within our facility, as well as, any material shipped outbound via rail. I order the railcars, prepare the waybills for each individual railcar, and then release the railcars to the proper carrier. My educational background consists of an MBA. I have held this position for six months.

Algoma Seamless Tubulars Inc. (AST) is a seamless steel tube manufacturer that began operations last September. It is an intricate part of a global company, DST, that has operations worldwide. We supply seamless pipes for the oil and natural gas exploration industry in Canada and the United States. As well, AST produces pipe to be used for axles in the automobile industry, also supplied to firms in Canada and the United States.

Algoma
Seamless Tubulars Inc.

AST consists of one facility, located in Sault Ste. Marie, Ontario where we enjoy the luxury of being supplied by two major railroad carriers – Canadian National Railway and Canadian Pacific Railway. Our finished products are primarily shipped to Western Canada where we utilize both CN and CP as carriers. Our customers are generally serviced by one or the other. For material destined to CN destinations, we route these cars over the Algoma Central Railway (ACR) as follows: AC/OBA/CN. For material loaded into CP equipment, AST has the choice of shipping these cars via the ACR or the Huron Central Railway (HCRY), which is owned by the CPR. When ACR is the carrier, the routing is AC/FRANZ/CPRS and if HCRY is the carrier, then the routing is HCRY/CP DIRECT. Most of our finished pipes are destined for CP serviced only yards in Alberta. We also receive raw material and steel rounds from Houston and New Orleans. This material is shipped from our mill in Mexico to the southern United States, then shipped by rail to our facility. AST is presently considering buying steel rounds from the U.S. where there will be a sufficient amount of tonnage to be shipped over the course of the year. The new CN routing in the United States may become an intricate part of this arrangement whereby both CN and AST can benefit.

Algoma Seamless Tubulars Inc. views this proposed acquisition in a very positive manner. It is our intention to expand our exposure in the U.S. market, as well as, expand our array of material produced in our mill. One product we are strongly considering to produce is mechanical pipe to be used in automobiles and machinery. Markets for such a product are spread out across the United States. With the CN linked to a number of other railways (ie. Illinois Central Railroad, Grand Trunk Western Railroad, and Chicago, Central & Pacific Railroad), it will no doubt become a prominent carrier across the United States. Such a presence will provide AST with a viable option to ship and receive material, both to and from the United States.

CN's acquisition of WC will allow AST and other customers to benefit due to a more reliable, single-line service throughout the WC and IC networks. This new, single-line service will definitely facilitate our logistics operations concerning material to and from New Orleans and potential new endeavors into Mexico. A new single-line service will expedite the movement of our cargo, which has been one of our concerns. On occasion, we have had material moved slowly due to lengthy interchanges. We believe this partnership will address this concern.

With regards to equipment utilization, this newly established network will enable better coordination of rolling stock management and reposition of equipment. Availability of equipment will ultimately improve in locations which will in turn, encourage AST to utilize these regions more readily.

Algoma
Seamless Tubulars Inc.

Phone: (705) 946-8130
FAX: (705) 946-8131

547 Wallace Terrace
Sault Ste. Marie, Ontario, Canada
P6C 1L9

Algoma
Seamless Tubulars Inc.

CN's entrance into the U.S. railroad industry will force other key players in the industry (ie. Burlington Railway and Union Pacific) to work harder, provide impeccable service in order to compete and maintain their share or market. It will also provide a viable alternative to truck carriers. We will have the capability of shipping more tonnage at a better rate than if we were forced to utilize only trucks.

It is AST's opinion that this transition between WC and CN will proceed without any hindrance to the services that WC and CN have been providing thus far. We hope that it will not be a lengthy transition period and that there will be no major revamping in the support systems provided by the two companies for its customers. Due to CN's prior integration with IC, we see no reason for any problems or delays in this integration between CN and WC. We hope that our relationship with CN and WC continues to flourish and this integration between the two will go a long way in assisting this relationship.

Algoma Seamless Tubulars Inc. fully supports Canadian National Railway's acquisition of Wisconsin Central. Customers will benefit greatly with CN's entrance into the American railroad network as new markets will be attainable and services strengthened.

I, Aldo Spadafora, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 14, 2001.

Aldo Spadafora

c.c. Domenic Palumbo, CITT
Director Marketing
Algoma Central Railway Inc.
Fax: (705) 541-2924

Algoma
Seamless Tubulars Inc.
Phone: (705) 946-8130
FAX: (705) 946-8131

547 Wallace Terrace
Sault Ste. Marie, Ontario, Canada
P6C 1L9

ALLIANCE shippers inc.

March 15, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: STB Finance Docket No. 34000

Dear Secretary Williams:

I am Larry Henry, Vice President Logistics and Special Projects, of Alliance Shippers, Inc.

Alliance Shippers, Inc. is a worldwide provider of transportation services to its' customer base with combined annual sales of our services in excess of one-half billion dollars. In this capacity, we are a major user of services currently provided by rail-truck-water and air carriers including but not limited to Canadian National or Wisconsin Central Railroads.

The proposal to merge Wisconsin Central with Canadian National is looked upon favorably by my company. We feel it will create improved service, better route options between central Canada and the U.S. and improvements to interchanged traffic between these carriers. New markets could materialize as a result of this merger in that more shipments originating on the Wisconsin Central might be possible in a single line-haul scenario VS the added costs associated with multiple carrier and shared divisions of revenue with interlined movements.

Alliance Shippers, Inc. supports the application.

Sincerely,

Larry W. Henry
Vice President Logistics

VERIFICATION

State of Illinois, County of Cook

Larry W. Henry, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and believes that the same are true as stated,

Larry W. Henry

Subscribed and sworn to before me this 15th day of March, 2001.

Claudia A. Zehentmaier
Notary Public

My Commission Expires: 5/23/03

OFFICIAL SEAL
CLAUDIA A ZEHENTMAIER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES:05/23/03

15515 South 70th Court • Orland Park, Illinois 60462 • (708) 802-7000 • Fax (708) 802-5253

allied
TUBE & CONDUIT
16100 South Lathrop Avenue
Harvey, Illinois 60426
(708) 339-1610

VERIFIED STATEMENT
OF
Daniel G. McInerney
On behalf of
Allied Tube & Conduit
16100 S. Lathrop Ave.
Harvey, IL 60426

1. **Witness name, title, responsibilities and credentials:**

Daniel G. McInerney
Operations Manager of Logistics
16100 S. Lathrop Ave.
Harvey, IL 60426

Responsible for warehouse and traffic operations in based in Harvey, IL; Kent, WA; Oakland, CA, and Fullerton, CA. Traffic responsibilities include distribution of an average of 1,600 tons of finished material daily and equivalent volumes of raw materials. Distribution methods include both truck and rail. I have held the position since March of 2000 and prior to that I was the Production Manager of Allied Tube and Harvey for 1-1/2 years.

Previous traffic experience was gained as Plant Manager of Allied Tube & Conduit's Tectron Tube Division in DePere, WI for 3-1/2 years, where I was responsible for distribution of 200 tons per day of freight primarily on trucks. I also managed a fleet of 6 tractor units for 2 years as Plant Manager at Tectron

I have been with Allied Tube & Conduit for nearly 11 years starting as a Mechanical Engineer.

2. **Description of the company, its products and/or raw materials, facilities (including servicing carriers), traffic patterns, and use of rail transportation.**

Allied Tube & Conduit is a producer of welded steel tubing and conduit. Products range in size from 0.500" to 5.000" round and 0.750 square to 4.000" square. Gauge ranges from 22 gauge to 7 gauge. Length ranges from 6 feet to 40 feet long. Major product groups are electrical conduit, fence tubing, sprinkler pipe and mechanical tubing.

Major Facilities:

Allied Tube & Conduit Midwest Regional Distribution Center
323 E. 151st Street
Harvey, IL 60426
Closed switch – Canadian National

Allied Tube & Conduit, Harvey Production and Warehouse Facility
16100 S. Lathrop Ave.
Harvey, IL 60426
Closed switch – Canadian National

Allied Tube & Conduit, Kent Warehouse
8212 S. 196th Street
Kent, WA 98032
Closed Switch – BNSF Railroad

Allied Tube & Conduit, Oakland Warehouse
10550 77th Ave.
Oakland, CA 94621
Closed Switch – Union Pacific Railroad

Allied Tube & Conduit, Fullerton Warehouse
1600 E. Orangethorpe Ave.
Fullerton, CA 92831
Closed Switch – BNSF Railroad

All rail traffic originating for our Harvey, IL facilities, is switched via the Canadian National Railroad.

Allied Tube & Conduit loads boxcars containing conduit product to our facilities located on the west coast (Fullerton CA, Oakland, CA and Kent, WA). These satellite locations handle the warehousing and distribution of the product per our customer's requirements

During the year 2000, the Canadian National handled upward of 200 boxcars for Allied Tube & Conduit.

3. Statement of position on CN's acquisition of WC

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

4. Supporting reasons for the statement

Service benefits expected by Allied Tube & Conduit from the merger of CN and WC:

With the acquisition of the WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minn/Superior, Wisconsin.

Improved service will be enhanced by eliminating the need for a CN-WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN and WC.

CN has been effective at providing the above listed Allied Tube & Conduit locations which I am responsible with reliable consistent service and support.

Competitive Benefits

With CN's merger of WC one key issue in my position is the increased competition between CN/WC and truck carriers. Trucks carry a high volume of traffic in my industry. With trucks carrying significant volumes of traffic in the CN and WC service areas. The proposed combination will make CN and WC more competitive with trucks. Shippers, in general, should benefit from this added competition.

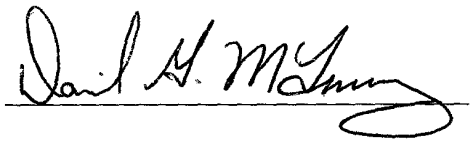
5. **Smooth Transition**
I expect CN's acquisition and integration of WC to proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC, which is a larger carrier than WC.

6. **Conclusion**

I believe that the proposed acquisition will strengthen the railroad network and benefit shippers. As Allied Tube & Conduit's Operations Manager of Logistics for Harvey, IL, I support this application.

7. **Verification**

I, Daniel G. McInerney, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 20, 2001.



American Continental Freight

INC.

9725 EAST HAMPDEN AVENUE
SUITE 400
DENVER, COLORADO 80231
PHONE (303) 368-SHIP (7447)
FAX (303) 755-3611

NATIONAL WATS - 1-800-231-7936
STATE WATS - 1-800-325-8731

VERIFIED STATEMENT
Of
CRAIG CORMIER
On behalf of
AMERICAN CONTINENTAL FREIGHT, INC.

My name is Craig Cormier. I am the President of American Continental Freight, Inc., in Denver, Colorado. As we are a small business, I am responsible for all facets of the company, from daily operational issues to overall corporate strategy. I have run American Continental Freight since November of 1991. Prior to that time, I was in varying governmental positions for the State of Arizona, the last being Deputy Director of the State Department of Revenue.

American Continental Freight (ACF) is a supplier of full truckload freight services both over rail and over-the-road. We have 9 employees in the Denver area and a sales office in St. Louis, MO. ACF is served by the Wisconsin Central System (WC) and ships outbound by rail to varying destinations in the United States and Canada. The availability of efficient, competitive rail service is important to our company as we compete against other rail lines and motor carriers.

ACF supports the proposed merger of the WC and the Canadian National Railway Company (CN). We believe the transaction will simplify and strengthen the North American transportation network and benefit us as rail shippers. Together, the combined CN/WC merger will be able to offer new single-line service, and faster, more reliable transportation to points throughout the United States and Canada. Service from Wisconsin to Midwestern and Canadian points will now be seamless and involve only one railroad. The combination also will provide an opportunity for the improvement of operations through the busy and congested Chicago gateway.

We believe the inclusion of the WC within the large CN system will ensure the continued long-term viability of the WC system, while maintaining its excellent service levels. The merger will create a strong rail system with the necessary resources to compete with other railroad and motor carriers. Additionally, due to the differing market areas currently served by the two rail systems, we see no competitive issues resulting from the merger.

American Continental Freight supports the proposed transaction.

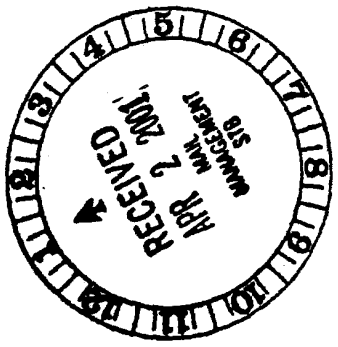
I, Craig Cormier, declare under penalty of perjury under the laws of the United State that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Craig Cormier
President

March 27, 2001

ANAMAX

P.O. BOX 10067 • GREEN BAY, WISCONSIN • 54307-0067 • TELEPHONE 920-494-5233 • FAX 920-494-9141



March 23, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Canadian National—Control—Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams,

I am the Director of Marketing Rendered Products for the Anamax Corporation in Green Bay, Wisconsin. Our production facility relies heavily on a day to day basis for the services provided by the Wisconsin Central Rail Road. We employee over 200 people at our Green Bay facility and 270 people company wide.

We are in support of the merger between the Wisconsin Central and the Canadian National. We believe that this merger will allow us to be more competitive in the market place. Although we are totally against any merger that would have any outcomes of previous mergers such as the BN/Sante Fe or the UP/Southern Pacific.

We believe that the inclusion of the Wisconsin Central into a larger entity ensures Anamax Corporation the stability needed for long term growth. Thank you.

Sincerely.

Michael Carlson
Director of Marketing
Rendered Products

Cc Mr. Denny Hebel

ANDLAUER TRANSPORTATION SERVICES INC.

March 15, 2001

VERIFIED STATEMENT OF MICHAEL ANDLAUER, PRESIDENT
ON BEHALF OF ANDLAUER TRANSPORTATION SERVICES INC.

My name is Michael Andlauer, I am the President of Andlauer Transportation Services Inc., and have held this position since 1991. I have over 17 years of experience in the transportation and logistics field.

ATS is a national transportation and distribution company which services the full load and less than full truckload market with annual sales of $77 million. ATS provides clients with one-stop transportation and distribution services with unique, tailored solutions to meet their specific logistics challenges. A significant portion of our domestic Canadian business is shipped on rail with CN. Cost efficiencies related to long haul rail shipping allows us to offer our customers high quality service at competitive rates.

We strongly support the proposed combination between Wisconsin Central and Canadian National. We believe the combination will be executed with minimal disruption and ultimately increase competition by offering shippers a real alternative to truck. It is our sincere hope that the US Transportation Service Board quickly approves the proposed CN/WC merger.

I, Michael Andlauer, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 15, 2001.

Sincerely,

Michael Andlauer
President, ATS

TORONTO (Head Office)
110 Iron Street
Etobicoke, Ontario
M9W 5L9
Tel: (416) 614-1818
Pick-Up (416) 614-3536
Fax: (416) 614-8555

MONTREAL
2105 Onesime-Gagnon
Lachine, Quebec
H8T 3M7
Tel: (514) 633-9930
Fax: (514) 633-9801

CALGARY
1751 - 44th Street SE, Bay 1-2-3
Calgary, Alberta
T2C 4E8
Tel: (403) 279-5208
Fax: (403) 279-0178

VANCOUVER
#42-403 Kent Ave.
Vancouver, B.C.
V5X 4M2
Tel: (604) 324-7761
Fax: (604) 324-3263



ANHEUSER-BUSCH COMPANIES

March 26, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National -- Control -- Wisconsin Central
(STB Finance Docket No. 34000)

Verified Statement
of
Jozsef G. Biro
On behalf of
Anheuser-Busch Companies, Inc.

I am Jozsef G. Biro and my current position is 'Director - Brewing Materials Logistics' for Anheuser-Busch Companies, Inc. My group is part of the Corporate Transportation Department at A-B Companies and I have been with the company for 17 years. Prior to that, I managed various duties within the Traffic Departments of the Missouri Pacific and Union Pacific Railroads for 13 years, the last of which was as 'Supervisor – Chemical Rates & Pricing'.

Anheuser-Busch Companies is the world's largest brewer and operates 12 breweries domestically, with additional brewing and sales operations overseas. Our production volume makes us a major purchaser and shipper of barley, malt, rice, and corn grits in bulk equipment. We ship brewing ingredients and our finished goods via every major truck and rail carrier in the U.S. My current position has responsibility for managing A-B's rail freight expenditures for the transportation of our inbound ingredients, which totals over $100,000,000 in transportation costs annually.

The Canadian National transports Canadian grown barley to Thunder Bay, Ont. and other gathering points and that barley is eventually forwarded to Midwest elevators or shipped directly to malt houses for A-B's use. One of our company-owned subsidiaries, Busch Agricultural Resources, Inc. (BARI), operates a malt house located on the Wisconsin Central in Manitowoc, WI. The WC is the serving carrier at our Manitowoc facility and hauls barley inbound and finished malt outbound to Chicago for furtherance to several of our Eastern breweries. Both the CN and WC have done an excellent job of providing quality service and equipment to assure the steady flow of ingredients necessary to support our brewing activities.

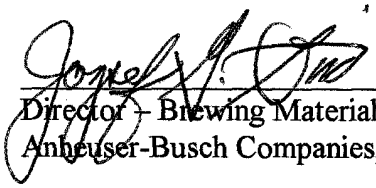
Anheuser-Busch Companies, Inc.
Executive Offices
One Busch Place
St. Louis, MO U.S.A. 63118-1852

We believe the proposed CN-WC combination will help strengthen each carrier's ability to continue to serve their customer's needs in the long run. The WC will strengthen the CN's customer base and help bring competition to the other healthy rail carriers operating in the U.S. The WC will in turn benefit from the CN's strong financial and customer base to insure its long-term health. The combination should also improve overall service to customers on both systems.

With its recent acquisition of the Illinois Central, the CN demonstrated that it can handle the integration of another carrier into its own system without suffering the service disruptions that have plagued some prior mergers. Given these facts, we support this proposed merger and recommend that the Surface Transportation Board allow it to proceed.

Verification:

I, Jozsef G. Biro, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 26, 2001.



Director – Brewing Materials Logistics
Anheuser-Busch Companies, Inc.

APPLETON PAPERS

APPLETON PAPERS INC.
825 E. WISCONSIN AVENUE
P.O. BOX 359
APPLETON, WI 54912-0359

920.734.9841

3/13/01

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Regarding: Canadian National—Control—Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams:

I am writing, on behalf of the Appleton plant of Appleton Papers Inc., in support of the merger of the Wisconsin Central and Canadian National railroads.

Appleton Papers is the world's leading manufacturer of carbonless papers, as well as the leading producer of thermal paper in North America. At our Appleton plant, a large portion of our inbound raw materials arrives via rail. These are primarily base papers and coating chemicals. We rely on rail service for cost effective and timely delivery of these items. Our ability to manage costs by receiving larger than truckload quantities and minimizing transportation expense is very important to our business.

As the delivering carrier, Wisconsin Central is an important part of our transportation stream. We need them to remain a financially viable entity. Also, since our materials deliver from all points of the U.S., an alliance with Canadian National should create some additional synergies. This, in fact, could be a situation where the whole is greater than the sum of the parts.

In summary, from a service perspective and from a cost perspective, we see this merger as a positive event.

Sincerely,

Russ Berggren
Purchasing Manager

I, Virginia Kramer-Martzahl, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 3/13/01.

Virginia Kramer-Martzahl

Arrow-Tranz
EXPEDITORS LTD.

304 - 9710 187th Street
Surrey, British Columbia
V4N-3N6

Phone: (604) 513-1823
Fax: (604) 513-1845
Toll Free: 1-888-339-8802

www.arrowtranz.com

March 9, 2001

Verified Statement
Of
Mr. Vincent G. Hoy
On behalf of
Arrow-Tranz Expeditors Ltd.

Dear Sir/Madam:

Arrow-Tranz Expeditors Ltd. is a freight forwarding company involved in moving freight throughout the North American Continent. The company is a fairly new venture, however, the co-owners possess extensive experience within the Transportation Industry.

The objective of Arrow-Tranz is to offer the highest level of service while maintaining a competitive rate. Our past experience with CN Intermaodal has fit nicely with our objective. The CN staff has been more than helpful and the service has been flawless.

Based on this service level, Arrow-Tranz would definitely support a CN/WC combination. Assuming the same current service level, an extended line would give us more flexibility to offer to our customers. This would definitely be a benefit to us.

I, Vince Hoy, declare under penalty of perjury under the laws of the United States that the forgoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Sincerely,

Vince Hoy

ASHLEY®
DISTRIBUTION SERVICES, LTD.
One Ashley Way • Arcadia, WI 54612 Phone: (608) 323-3083 • 1-800-876-1920

VERIFIED STATEMENT OF
JAMES E. COONAN
ON BEHALF OF
ASHLEY FURNITURE INDUSTRIES, ARCADIA, WISCONSIN

James E. Coonan , is the director Rail, Intermodal, and Logistics for Ashley Furniture Industries at 1 Ashley Way, Arcadia, Wisconsin 54612. I have held this position for two and a half years. Prior to that I was an executive with CSX Railroad for over ten years.

Ashley Furniture is the fourth largest furniture manufacturer in North America with annual sales over $1 billion dollars. It is privately held. Ashley Furniture is also the sixteenth largest importer in North America. In 1999 we imported over 20,000 TEU containers. (over 40,000 x 40' containers). Ashley also exported over 1,000 containers to over 96 countries in 1999.

Our world headquarters in Arcadia, Wisconsin is over 1.5 million square feet of furniture manufacturing and distribution space. Arcadia is rail served by the Wisconsin Central Railroad for:

A:Inbound Boxcars with raw material (i.e. lumber) for the furniture Manufacturing Process.

B: Outbound Boxcars to our Distribution Centers in New Jersey, Florida, and California.

C: Inbound Import Container moved intermodally to our Arcadia intermodal ramp.

D: Outbound Containers and Trailers moved intermodally into and out of our Arcadia, Wisconsin Intermodal Ramp.

E: Inbound and Outbound containers and trailers for other Western Wisconsin and Eastern Minnesota area companies moving intermodally to/from our Arcadia, Wisconsin intermodal ramp.

Ashley also ships alot of product intermodally on the ICG-WC on our stock transfers from our North East Mississippi Manufacturing Facilities (Ecru and Ripley MS.) to Arcadia, Wisconsin. This business moves ICG from Memphis to Chicago and then WC form Chicago to Arcadia.

Overall rail and intermodally Ashley moved over 20,000 containers and 2,000 boxcars into/out of Arcadia in 2000.This helped Ashley remain competitive in a Furniture Industry where manufacturing and distribution primarily take place much closer to the actual furniture markets. (the high population centers in the Northeast, Southeast and West coasts).

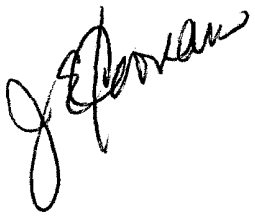
We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will certainly improve rail and intermodal service and operating efficiencies into and out of Ashley, Arcadia, Wisconsin. Better service, improved operating efficiencies and lower costs allow us to remain competitive in our furniture industry. It is critical to Ashley that competitively costed rail and intermodal service improve into/out of Arcadia Wisconsin. Our Arcadia, Wisconsin Intermodal Ramp, also provide competitive options for other Western Wisconsin and Eastern Minnesota area customers that allows them to maintain and expand their marketshare.

We expect CN's acquisition and integration of the W.C. to proceed smoothly and efficiently due to its end-to-end nature and the CN's prior smooth integration of the ICG, which is a larger carrier than the W.C.

We believe that the proposed acquisition will strengthen the rail network and benefit shippers. Our company supports the application.

I, James E. Coonan, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on March 12, 2001.

James E. Coonan
Director Rail, Intermodal and Logistics
Ashley Furniture Industries
1 Ashley Way
Arcadia, Wisconsin 54612





Astaris LLC
622 Emerson Road
St. Louis, Missouri 63141

VERIFIED STATEMENT
OF
GEROGE W HAZZARD
On behalf of
Astaris LLC

1. My name is George W Hazzard, Transportation Manager, Astaris LLC, 622 Emerson Rd., St. Louis, MO 63141. I am responsible for buying transportation services for all modes of transportation (rail, package truck, bulk truck, LTL, ocean liner and parcel tanker services). I am a graduate of Washington University, St. Louis, MO with a BS in Business and a Certificate in Transportation Management. I have held my present position for 6 months. Prior to joining Astaris LLC, I worked for Monsanto Company and Solutia Inc. for 28 years in various transportation management positions. My last position with Solutia Inc. was Strategic Transportation Manager.

2. Astaris LLC is a joint venture of Solutia Inc. and FMC Corporation. It is a major producer of phosphorus and derivatives. It plant's are located both west and east of the Mississippi. Plants west of the Mississippi are served by the UP Railroad and are located in Pocatello, ID; Green River, WY; Lawrence, KS; and St. Louis, MO. Plants east of the Mississippi are Trenton, MI and Carteret, NJ. They are served by the CN and CSX/NS (ConRail joint access) respectively.

   Phosphorus is the major raw material used to produce phosphoric acid and various phosphate products. We ship phosphorus in bulk in shipper owned or leased rail tank cars from our facility in Pocatello, ID to our production facilities west and east of the Mississippi. Both bulk phosphoric acid and bulk phosphates are shipped from those facilities by rail in shipper owned or leased tank cars and covered hopper cars or by tank and hopper truck throughout North America. Our annual rail transportation spend is in excess of $20 million.

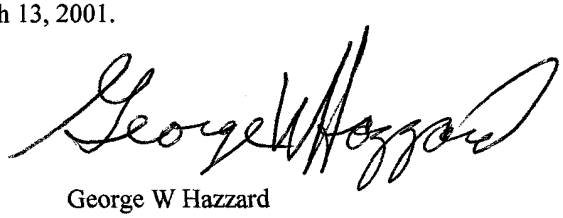
3. We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will secure a link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

4. By filling in a crucial link in CN's NAFTA network, the acquisition of WC assures the ability of CN and WC shippers to participate efficiently over the long-term in the fast-growing NAFTA markets. In addition, the CN proposed acquisition of WC raises no significant issues concerning reduced competition because, like CN/IC, the two railroads are end-to-end.

5. Astaris LLC expects CN's acquisition and integration of WC to proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC, which is a larger carrier than WC.

6. We believe that the proposed acquisition will strengthen the railroad network and benefit shippers.

7. I George W Hazzard, declare under penalty of perjury under the laws of the United State that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.



George W Hazzard

AUTOMATED PRODUCTS, INC.

1812 Karau Drive • Marshfield, WI 54449 • 715-387-3426

March 13, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

My name is Ken Rasmussen. I am Director of Purchasing for Automated Products Inc. Our address is 1812 Karau Drive, Marshfield WI 54449. I have held this position for 25 years, and have been with the company for almost 32 years. Automated Products Inc., is a Floor and Roof Truss manufacturer, along with recently adding a new facility for manufacturing Open Wall Panels. We also distribute engineered wood I-Joist and Laminated Veneer Lumber (LVL). All of these require large amounts of lumber products that are best received by rail car shipments that originate in different parts of the U.S.A. and Canada. With the need for more products shipped by rail, we have just purchased more property that also has a rail spur.

Rail Car transportation has played a large part in the growth of Automated Products Inc. over the last thirty plus years and the need for quality rail transportation is greatly needed for this growth to continue.

CN includes Illinois Central Railroad; Chicago Central and Pacific Railroad; Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg and Pacific Railway, ECO Rail Inc., Quebec & Lake St. John Railway and Canadian Northern Quebec Railway.

WC includes the Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault St. Marie Bridge Company, Algoma Central Railway and Wisconsin Chicago Link Ltd.

The merger of CN and WC will bring about several advantages such as single line service, a greater fleet from which to draw equipment and the possibility of finding new markets through the expanded reach of CN.

I strongly support this application as it will secure a key link in CN's network and offer significant opportunities for service improvements and efficiencies.

Service will be enhanced by eliminating for a CN – WC interchange at Chicago, thereby creating the potential for shippers to enjoy expedited service through the busy Chicago gateway.

One issue STB must address is the extent the proposed combination affects competition. For example, increased competition amongst rail carriers, between CN/WC and truck carriers will allow industries in this area to reach more distant markets via single line service.

Also, there should be no reduced competition as CN-WC are end-to-end carriers.

The acquisition and integration can be expected to proceed smoothly and efficiently due to its end to end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

In conclusion, Automated Products Inc. strongly supports the proposed transaction.

I, Ken Rasmussen, declare under penalty of perjury under the laws of the United States the forgoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on March 13, 2001.

Sincerely,

Director of Purchasing

AVOCA
BEMENT
corporation

VERIFIED STATEMENT
OF
TIMOTHY A. DELANEY

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National--Control--Wisconsin Central
(STB Finance Docket No.34000)

I, Timothy A. Delaney, President of Avoca Bement Corporation submit this formal support of the proposed acquisition of Wisconsin Central by Canadian National. Currently, Avoca Bement Corporation, a broker of coal in the Midwest, ships approximately 1,300 car loads of coal per year from origins served by Canadian National to customers served by Wisconsin Central. This proposed merger would create single line service to these customers which should provide faster and more reliable service.

The favorable experience Avoca Bement Corporation had with the Canadian National acquisition of Illinois Central leaves us anticipating a smooth transition of another end to end type acquisition in this proposed purchase.

With the likely increase in efficiencies in service, Avoca Bement Corporation is hopeful that expanded markets would result due to this combination. As such we believe this acquisition provides the opportunity for not only better, but also more far reaching rail service for the Upper Midwest and therefore we support the proposal.

Sincerely yours,

Timothy A. Delaney
President

I, Timothy A. Delaney, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 3/21/01

5920 N. FOREST GLEN • CHICAGO, IL 60646 • 773•725•2727

B&B SPECIALTIES, INC.

1104 S. MONROE ST. • P.O. BOX 135
SPENCER, WI 54479-0135

March 12, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control -
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Dan Bauer - Owner

B&B Specialties, Inc. is a feed grade phosphate company located in Spencer, WI, served by the Wisconsin Central. We manufacture phosphate to be used for livestock and poultry feeds throughout North America. Our business with the Wisconsin Central has included inbound raw material and outbound feed.

With the proposed merger of the CN and WC, I foresee advantages such as single line service on our inbound raw material, the potential for reloading covered hopper equipment for our outbound feed market and the possibility of selling into new markets through the expanded reach of the Canadian National rail network and system of rail-to-truck transload facilities.

I strongly support this application, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI. thereby creating the potential for shippers to enjoy expedited service through WC's gateways.

Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks. Trucks carry a significant portion of our outbound business and, for the reasons given above, the proposed combination will make CN and WC more competitive with trucks for our business.

In conclusion, B&B Specialties strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Dan Bauer, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 12, 2001.

Sincerely,

Daniel L. Bauer

Phone (715) 659-4638 (800) 933-4225 Fax (715) 659-5595

B & D WAREHOUSE INC.

2148 SHAWANO AVE. • P.O. BOX 10705 • GREEN BAY, WISCONSIN 54307-0705

FAX 920-499-1444 • PHONE 920-499-3105

VERIFIED STATEMENT OF
JON M. POPPY
ON BEHALF OF B & D WAREHOUSE, INC.

The above named individual is employed at B & D Warehouse, Inc. in the capacity of Corporate Secretary and Treasurer; a position I have held for the past thirty-four years. Prior to 1967 and concurrently through 1970 I was also the assistant auditor for the Ahnapee and Western Railway. During those years both of the entities were owned by one individual. By working for a small railroad I have gained knowledge on how railroads work both from an accounting aspect and operating aspect.

B & D Warehouse, Inc. was established in 1950 and since 1969 has been located at 2148 Shawano Avenue, Green Bay, Wisconsin. We are a public warehouse serving primarily the local paper industry. Products we warehouse range from finished paper products, work in process parent rolls, woodpulp, KDF cartons and other miscellaneous items. We operate two buildings at our Shawano Avenue location and one building on North Buchanan Street. All of our locations are served by the Fox Valley and Western Ltd. which is part of the Wisconsin Central Ltd. Most of our rail loadings are local moves between the Green Bay paper producers. We also have rail loadings that move to mills within the State of Wisconsin. The woodpulp we receive originates on BNSF, CP and NS with interchange points at Chicago, Superior and Sault Ste. Marie. Other inbound rail movements originate at other points throughout the United States.

It is our understanding that the Wisconsin Central Ltd. and the Canadian National have requested authority to merge to become a single operating entity. We strongly support their application as it will not only enhance the current service we receive but give us the opportunity, through their customer service staff, to open new markets for our services.

During the years I have been at B & D Warehouse, Inc. we have received many carloads of woodpulp that originated on the CN. Under this proposed merger interchange points would be eliminated which would speed transit time to our warehouse. With the local mills working with the "Just In Time" concept this would definitely be an added benefit to each.

When hearings begin on the proposed acquisition of Wisconsin Central Ltd. by Canadian National please keep in mind that B & D Warehouse, Inc. wholly supports this merger.

Regards,

Jon M. Poppy

Jon M. Poppy
Secretary/Treasurer

I, Jon M. Poppy, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 20, 2001.

Jon M. Poppy

BASIC AMERICAN FOODS

2999 Oak Road
Walnut Creek, CA 94596-2016

800.227.4050 • 925.472.4000
Fax 925.472.4430

March 14, 2001

VERIFIED STATEMENT

OF

Daniel W. Gowan

On behalf of

BASIC AMERICAN FOODS

My name is Daniel W. Gowan and I am Purchasing Manager, Logistics Services for Basic American Foods. I am headquartered in our corporate office located at 2999 Oak Road, Walnut Creek, California 94596.

I have been involved in the Transportation business for almost thirty-five years and have been in my current position for nearly twenty-one years. As Purchasing Manager, Logistics Services, I am responsible for securing transportation services for the worldwide distribution of our products. I have been with Basic American Foods for almost twenty-five years and prior to that I worked for the Norfolk Southern Corporation.

Basic American Foods is a food manufacturing company specializing in dehydrated potato and bean products. Our primary business is in the foodservice and industrial market segments (where our products are used as an ingredient for another product). We are also one of the largest suppliers in the United States of fresh potatoes. Our primary plant locations are in Moses Lake, WA (BN), Blackfoot, Idaho (UP), Shelley, ID (UP), Rexburg, ID (UP), and Plover, WI (WC). In addition we operate a large central distribution center in Idaho Falls, ID (UP).

Our company ships finished products from our multiple production facilities and our distribution centers directly to customers and forward distribution operations both domestically and internationally. We also ship in-process materials between plant facilities and we receive raw materials, ingredients, and packaging materials into our facilities from numerous origins. While we are a heavy user of motor carrier transportation, rail does play an important role in our logistics operations, particularly into and out of our Plover, WI facility.

It is our understanding that the Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as we believe it will secure a key link in Canadian National's NAFTA network and offer significant opportunities for service improvement and efficiencies.

March 14, 2001

VERIFIED STATEMENT OF
DANIEL W. GOWAN
RE: CANADIAN NATIONAL/WISCONSIN CENTRAL
MERGER APPLICATION

With the acquisition of the Wisconsin Central, the Canadian National will be able to offer faster, more reliable single line service to and from points on the Wisconsin Central system as well as assuring the ability of Canadian National and Wisconsin Central shippers to participate efficiently over the long term in the fast-growing NAFTA markets by filling in a crucial missing link in Canadian National's NAFTA network.

The new combined operation will be able to better coordinate rolling stock management and reposition cars and motive power more efficiently. As a result of these and other efficiencies created by the combination, we believe that the rail owned equipment supply will improve and shippers using private equipment will enjoy savings through reduced fleet size requirements.

We believe this combination will have positive competitive benefits for shippers. Not only will this combination increase competition among rail carriers, it will also increase competition between the Canadian National/Wisconsin Central and the motor carrier industry.

We expect Canadian National's acquisition and integration of the Wisconsin Central to proceed smoothly and efficiently due to its end-to-end nature and Canadian National's prior smooth integration of the Illinois Central, which is a larger carrier than the Wisconsin Central.

We believe the proposed merger will provide significant benefits to Basic American Foods and the shipping public in general. For these reasons our company strongly supports this application.

VERIFICATION:

I, Daniel W. Gowan, declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 14, 2001.



Daniel W. Gowan
Purchasing Manager,
Logistics Services

Bay Lakes COOPERATIVE

Serving our number 1 asset - our customers - since 1935

VERIFIED STATEMENT
OF
LARRY M. KARAU
On behalf of
BAY LAKES COOPERATIVE

My name is Larry M. Karau. I am the Executive Vice President of Bay Lakes Cooperative. Our address is 720 North Main Street, Oconto Falls, WI 54154. I have been with Bay Lakes for thirty-one years. Bay Lakes is one of the larger cooperatives in Wisconsin.

Bay Lakes Cooperative is a retail and wholesale supply company for dry fertilizer products, liquid fertilizer, grain, feed and refined fuels. Bay Lakes also is an owner in M&P Feeds, which is a wholesale distributor of pelleted and bag feeds and also an owner in Badger Energy Services, LLC, wholesale distributor of propane.

Bay Lakes has acquired 26 acres of land and has an option on 39 additional acres in the Industrial Park, in the City of Shawano, Wisconsin for a new agricultural center for distribution of retail and wholesale of a dry fertilizer blending plant, liquid fertilizer manufacturing, complete grain facilities and a feed operation. All the new facilities and future possible additions on the site require inbound and outbound rail service. Rail service to Shawano, is now provided by the Wisconsin Central.

We also have major facilities at Oconto Falls and Coleman Wisconsin, which are serviced by the Escanaba and Lakes Superior Railroad, which originates their rail cars from the Wisconsin Central at Green Bay, Wisconsin.

Bay Lakes Cooperative strongly supports the Canadian National's proposed acquisition of the Wisconsin Central, Ltd. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

Improved services will be enhanced, by eliminating the need for a CN/WC interchange at Chicago, and because Bay Lakes receives an extensive amount of potash fertilizer out of Canada, eliminating the interchange at Duluth/Superior, creating the potential for shippers to enjoy expedited service through the busy Chicago and Duluth/Superior interchanges.

7818 Hwy 22 W • PO Box 9 • Oconto Falls, WI 54154-0009
(920) 846-3461 or 1-800-242-8813 • Fax (920) 846-3057 • Email: blc@baylakes.com • www.baylakes.com
Locations at Coleman, Green Valley, & Oconto Falls

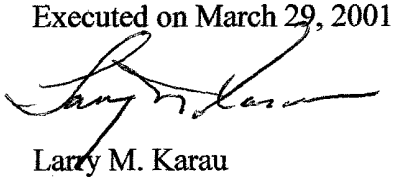
One issue the STB must address is the extent the proposed combination affects competition. For example, the proposed combination will make CN and WC more competitive with trucks. Shippers will benefit from this added competition and shippers in this area will be able to reach more distant markets via single line service. Also there should be no reduced competition as CN/WC are end-to-end carriers.

Bay Lakes expects CN's acquisition and integration of WC to proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC, which is a larger carrier than WC.

We believe that the proposed acquisition will strengthen the railroad network and benefit shipper. Our company strongly supports the proposed transaction.

I, Larry M. Karau, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 29, 2001



Larry M. Karau
Executive Vice-President

BAYOU MANAGEMENT SVCS, LLC

ADMINISTRATIVE & SALES: 5200 CURTIS LANE * NEW IBERIA, LA 70560* PHONE (337) 369-3761 * FAX (337) 365-9747 / (337) 365-0774
OPERATIONS: PORT OF IBERIA. , NEW IBERIA, LA. 70560
12710 Leisure Rd., Baton Rouge, LA 70807

Wednesday, March 28, 2001

VERIFIED STATEMENT OF
BRYAN BLUM
On behalf of
BAYOU MANAGEMENT SERVICES, LLC

My name is Bryan Blum and I am employed by Bayou Management Services, LLC as an agent of Sales and Marketing. Bayou Management Services, LLC provides managerial service for Bayou Coating, LLC located adjacent to Stupp Corporation in Baton Rouge, LA and Bayou Pipe Coating located in New Iberia, LA. In my current capacity, I seek out and oversee projects which include coating and various other services performed on steel line pipe at both locations.

Our relationship with the Canadian National Railroad is very beneficial to our competitiveness from our Baton Rouge location. We believe that the proposed merger between the Canadian National and Wisconsin Central railroads will further promote our ability to be competitive on certain jobs. We at Bayou Management Services, LLC strongly support this merger between the Canadian National and Wisconsin Central Railroads.

Regards,

Bryan Blum
Bayou Management Services, LLC

BAYOU MANAGEMENT SVCS, LLC

ADMINISTRATIVE & SALES: 5200 CURTIS LANE * NEW IBERIA, LA 70560* PHONE (337) 369-3761 * FAX (337) 365-9747 / (337) 365-0774
OPERATIONS: PORT OF IBERIA. , NEW IBERIA, LA. 70560
12710 Leisure Rd., Baton Rouge, LA 70807

VERIFICATION

I, Bryan Blum, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I an qualified and authorized to file this verified statement.
Executed on 3/28 date of 2001.

Signature Bryan Blum

Verified Statement
Of
George N. Price
On behalf of
Berg Steel Pipe Corp.

My name is George N. Price; I am the General Manager of Transportation for Berg Steel Pipe Corp. located at 5315 West 19th Street, Panama City, Florida. I have held this position since June 26, 1997, before accepting this position I was the Manager of Rail Services for National Steel Corporation, Mishawaka, IN. I have held similar positions of responsibility for other major companies, including Traffic Manager, National-Southwire Aluminum, Hawesville, Kentucky. I hold a Bachelors Degree from Kentucky Wesleyan College in Owensboro, Kentucky and have been involved in the Transportation industry for over 28 years.

Berg Steel Pipe Corp. is a major producer of large diameter steel pipe, primarily for the energy industry. Our mill has the manufacturing capacity to produce 400,000 tons of steel pipes per year. Berg Steel Pipe Corp. utilizes all major forms of transportation and is a heavy user of rail services. Berg Steel pipe is a project orientated business, which means we will ship several thousand pipes to one customer within a specified time.

Although Berg Steel pipe Corp. is not served by the Canadian National Railroad, we have shipped product on their line through interchange to deliver pipe to our customers. As stated, we are a project-orientated business and ship to various locations through out North America as required by project specifications. We have shipped thousands of tons of pipe through the Chicago gateway into the states of Illinois, Wisconsin, Iowa and Minnesota for several natural gas pipeline projects and will continue to do so in the future. I can not state that a specific project will be located on the Wisconsin Central or Canadian National lines.

I support the Canadian National acquisition of the Wisconsin Central from the perspective that it would improve the car supply on movements originating from our plant to locations in the Wisconsin Central's operating territory. Berg Steel Pipe Corp. has on occasion, requested the Canadian Nation to loan flat cars to other lines due to rail car shortages. They have complied with these requests and supplied the equipment needed so Berg Steel Pipe Corp. could meet its customer's delivery requirements. In addition, the service we received on prior pipeline projects has enabled us to expedite our products to the customer 's job site in order to meet construction deadlines.

In conclusion, we support this acquisition and believe it will strengthen the rail system and benefit shippers.

I, George N. Price. Declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify, the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 14, 2001

George N. Price
General Manager Transportation
Berg Steel Pipe Corp.



March 8, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Canadian National – Control – Wisconsin Central

(STB Finance Docket No. 34000)

Verified Statement of

Roger Little

On Behalf of

Behr Iron & Steel

My name is Roger Little, and I am the Traffic Manager of Behr Iron and Steel. I have held my present position for 2 years. My duties include -- Planning for rail service, negotiation of rail contracts, and arranging for carload shipments. I have worked in the transportation field for 10 years.

Behr Iron & Steel operates facilities in Peoria and Rockford, IL, along with Portage, IN. We handle 250 - 350 railcars per month between these three locations. Behr Iron & Steel is a scrap processor of ferrous & non-ferrous materials with consumers throughout North America. Our 2 Illinois locations are open to the CN. Rockford is also open to the IMRL, UP, and BNSF. Peoria is also open to the NS, UP, BNSF, and IAIS. Our Portage, IN location is open to the NS, CSS, and IHB.

Competitive rail service is important for Behr Iron & Steel. Behr Iron & Steel competes in several regions which at times causes us to use multiple line routes which can be pricey and non competitive with trucks. Because of the slow down in the steel industry, scrap prices have plummeted, making the transportation costs much more visible -- when they are already a major part of the cost of scrap -- thus increasing the need for balanced rail and truck competition.

1100 Seminary St. P.O. Box 740 Rockford, IL 61105 (815) 987-2700 FAX (815) 968-4560

We currently move freight on the WC that goes through Chicago to points beyond on the CN. This acquisition would provide a single line service that could possibly reduce transit time while at the same time reduce costs. This type of acquisition can enable us to increase the territory in which we are able to market our products.

Service is also a priority for us. We had great service from the IC prior to the merger with the CN and have not seen any faults yet. We believe the same will hold true with the smaller WC acquisition.

Considering the successful CN acquisition of the IC along with the service and pricing benefits that we stand to gain, we strongly ask that the Surface Transportation Board approve the CN application to acquire the WC.

I, Roger Little, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

EXECUTED ON ***MARCH 08, 2001***

Roger Little

BIEWER LUMBER™

P.O. Box 341
Ishpeming, Michigan 49849
906.486.9690
906.486.9695
www.biewerlumber.com

March 5, 2001



Mr. Vernon A. Williams
Secretary, Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Canadian National-Control-Wisconsin Central
(STB Finance Docket No. 34000)

My name is William A. Hennigan, Manager of Forest Operations for Biewer Lumber Co. My address is P.O. Box 341, Ishpeming, MI 49849.

My responsibilities are for wood procurement and chip sales for 2 sawmills in Michigan and Wisconsin. I have been in wood procurement in the Lake States for 26 years, the last 10 years in charge of wood procurement for 3 different companies.

Our company is engaged in sawmilling at two locations in Michigan and Wisconsin; wood treating at five locations in Michigan, Wisconsin, Illinois, and Ohio; and distribution of building products in the Midwest. Our company is a CN customer at our Lansing, Michigan treating plant where we received approximately 165 carloads of lumber during the year 2000, and we expect carload numbers to grow to over 300 per year at this facility. We are also a WC customer at our Prentice, Wisconsin sawmill and wood treating plant. In the year 2000 we received 200 carloads of logs and 65 carloads of lumber; shipped 65 carloads of lumber and 365 carloads of woodchips at the facility.

We are aware of the Canadian National and Wisconsin Central proposed merger. We support this merger generally but do have some concerns that we wish to note. In the 1970's and early 1980's we had 2 Class I railroads that served Upper Michigan and Wisconsin - the Soo Line Railroad and the Chicago and Northwestern Railroad. We saw an erosion of service by both of these Class I railroads in the forest products industry and our rural light density lines to the point that most traffic was switched over to truck. Since the WC's inception in the later 1980's, we have seen the WC bring back good reliable rail service on many of these lines and pay particular attention to the forest products industry. Today, the service is reliable with a generally competitive rate structure. Our concern is will the CN as a Class I carrier have the same commitment to our rural, light density lines and the forest products industry as the WC, or will they seek to eliminate the lines, sell them, or provide a lesser level of service? We also would hope that the transition would be smooth for the present customers of the WC as opposed to the many problems we have seen with other railroad mergers in the recent past.

We do see advantages with this proposed merger. They include a better equipment pool of cars, and a reduction from 3 lines to 2 lines on a potential move of product from one of our facilities in Michigan to potential customers at points in

BIEWER LUMBER™

P.O. Box 341
Ishpeming, Michigan 49849
906.486.9690
906.486.9695
www.biewerlumber.com

Wisconsin. It may also open up opportunities to source logs from new areas for our sawmills.

In conclusion, we do generally support this proposed merger, but would like the Surface Transportation Board to consider our concerns in this application process.

Sincerely,

William A. Hennigan
Manager of Forest Operations

I, William A. Hennigan, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 5, 2001.

William A. Hennigan

Verified Statement
Of
Don Wilson

My name is Don Wilson, Director of Transportation and Logistics for Birmingham Steel Corporation, P.O. Box 1208, Birmingham, AL 35201-1208.

I have been employed by Birmingham Steel for 19 years, having served in the present position for 17 years.

Birmingham Steel is a steel bar manufacturer with mini-mills throughout the U.S. we are served by the CN at our Jackson, MS,; Kankakee, IL,; Joliet, IL, and Memphis, TN steel mills. We ship throughout the U.S. and Canada from these origins having customers that are served by the Wisconsin Central. Also we ship from Cartersville, GA into central and western Canada via CSXT-CN.

Our total rail revenue is about $41 Million.

We strongly support the Canadian national proposed acquisition of Wisconsin Central. It will offer Birmingham Steel Corporation the benefit of a single carrier into our Wisconsin market plus the added benefit of going directly to the CN in Chicago on all shipments into Canada, i.e. better service, more cost effective, lower rates, more penetration.

I, Don Wilson, declare under penalty of perjury under the laws of the United States that the fore going is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 3-8-01

Sincerely,

Don Wilson

Don Wilson
Director of Transportation and Logistics

Blended Waxes, Inc.

March 23, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N.W.
Washington, D.C. 20423-0001

Re: Canadian National Railway Company
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Mr. Williams:

Blended Waxes, Inc. is a manufacturing company located in Oshkosh, Wisconsin served by the Wisconsin Central. We are a blender of industrial wax applications as well as wax emulsions. Our business with the Wisconsin Central consists of approximately 10 to 15 tanker cars each month, both inbound and outbound. It is a very important element of our business, as our key ingredients and much of the end product is delivered in liquid bulk.

With the proposed merger of the CN and WC, I foresee advantages such as single line service along the CN/WC lines and the real possibility of expanding into the lucrative NAFTA market.

I strongly support this application, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN-WC interchange at Chicago, IL and Superior, WI thereby creating the potential for shippers to enjoy expedited service through WC's gateways. There should be no reduced competition, as CN and WC are end-to-end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, Blended Waxes, Inc. strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

1512 South Main Street • P.O. Box 3044 • Oshkosh, WI 54903 • 920-236-8080 • Fax 920-236-8085 • Toll Free 800-294-4692 • http://www.blendedwaxes.com

I, Robert D. Coglianese, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed this day, March 23, 2001.

Sincerely,

Blended Waxes, Inc.

Robert D. Coglianese
Chief Operating Officer

BURLINGTON FARMERS SUPPLY, INC.
Feeds, Seeds & Fertilizer
Phone: 414-763-2481
180 Commerce St.
Burlington, WI 53105

David Cowan, Mgr.

March 16, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423 – 0001

Re: Canadian National Railway Company – Control –
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Burlington Farmers Supply, Inc. is a farm products distributing company located in Burlington, WI, served by the Wisconsin Central. We sell these farm products to our customers, and also purchase grain from them. Our business with Wisconsin Central consists of receiving rail shipments of farm products inbound, and also shipping grain outbound. We also work closely together with Wisconsin Central to provide wheat to the Kikkoman Foods plant in Walworth, WI, which is railed from Duluth, MN to Burlington and which Burlington Farmers Supply then trucks to Walworth.

With the proposed merger of the CN and WC, I foresee advantages such as single line service, the potential for improved equipment utilization and the possibility of both buying from and selling to new markets through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network, and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI, thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, Burlington Farmers Supply strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, David Cowan, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 16, 2001.

Sincerely,

David Cowan

David Cowan

C.H. ROBINSON COMPANY

1700 Higgins Centre
Suite 480
Des Plaines, IL
60018-3800
847.297.3970
fax 847.297.3983

Verified Statement
of
Jane F. Suter
On behalf of
C.H. Robinson Worldwide, Inc.

This verified statement is written in support of the proposed transaction between the Wisconsin Central and Canadian National. My name is Jane F. Suter and I am the Vice President of Marketing for C.H. Robinson Worldwide, Inc. (CHR). As such, I am directly responsible for the corporations marketing and governance of strategic positioning within the transportation and logistics industry. Since 1993 I have maintained senior positions at C.H. Robinson. I have been directly involved with much of CHR's growth in both size and scope. Our annual operating revenues in 2000 were $2.9 billion with 2.3 million shipments on behalf of 14,000 shippers.

C.H. Robinson Worldwide, is one the largest third-party logistics companies in North America and a global provider of multi-modal transportation services and logistics solutions. Our network consists of 137 locations in 40 states throughout the U.S., Canada, Mexico, South America and Europe. CHR offices in North America utilize the services of both Wisconsin Central as well as the Canadian National to accomplish the line-haul segment of the transportation routings for rail traffic in their respective service areas. The availability of efficient, competitive rail service is important to CHR and to our competitiveness within our own markets.

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. I believe this is a positive step to strengthen the rail infrastructure in North America. In addition, the combination puts two of the most customer focused rail carriers together, which will inevitably enhance the overall service offering to all rail customers. We strongly support the transaction and respectfully request that the merger be allowed to proceed without impediments and conclude at the earliest possible time.

There are numerous benefits that we see in this transaction. For instance, together the combined CN/WC will be able to offer new single-line service and faster, more reliable transportation to points throughout the United States and Canada. Additionally, integration to a single IT platform across the WC and CN will help speed the flow of information and consequently create efficiencies not enjoyed by shippers today. The customers inventory management systems will be enhanced by creating visibility of the rail shipments across a single line carrier versus multiple lines and through various systems. This visibility provides a valuable service to companies that manufacture goods as well as those that are vertically integrated. Finally, we see the WC system becoming stronger as the result of leveraging equipment resources across a larger network such as the CN. We see this as a strong value added benefit.

In summary, we believe inclusion of WC within the larger CN system will ensure the continued, long-term viability and vitality of the excellent service we currently receive from WC. A CN/WC merger will create a strong railroad partnership with the resources and market reach to meet shippers' needs and to compete more effectively within the market. The nature of this transaction is such, i.e, end-to-end, that we see no competitive issues arising from the transaction and again respectfully request that the transaction be allowed to proceed at the earliest possible time.

I, Jane F. Suter, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 21, 2001.

Jane F. Suter

Jane F. Suter

State of Illinois
County of Cook

Subscribed and sworn to before me this 21st day of March 2001.

"OFFICIAL SEAL"
DONNA J. DAVIS
Notary Public, State of Illinois
My Commission Expires 4-8-03

Donna J. Davis

My Commission Expires: 4-8-03



CS Metals
of Louisiana

CS Metals of Louisiana LLC
7591 Hwy. 3214
P.O. Box 122
Convent, LA 70723
Phone: (225) 562-1200
Fax: (225) 562-1201

Verified Statement
of
Tim Scott
On behalf of
CS Metals of Louisiana LLC

My name is Timothy W. Scott, Vice President of CS Metals of Louisiana LLC located at 7591 Highway 3214, Convent, Louisiana, 70723.

CS Metals is a metals recycling facility producing metals from spent catalyst from the refining and petrochemicals industries. One of our primary products is a nickel bearing alumina, which we export in bulk to Sudbury Canada, for which we use the services of Canadian National.

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvement and efficiencies.

We believe that this transaction will result in enhanced service by eliminating the need for CN-WC interchange at Duluth/Superior at Chicago by creating the potential for shippers to enjoy improved service through the busy Chicago gateway.

We expect CN's acquisition and integration of WC to proceed smoothly and efficiently due to our experience of CN's prior smooth integration of IC, a much larger carrier than WC, which previously served our facility.

We believe that the proposed acquisition will strengthen the railroad network and benefit shippers. Our company supports the application.

I, Timothy W. Scott, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, certify that I am qualified and authorized to file this verified statement. Executed on March 30,2001.

Timothy W. Scott
Vice President

CANPET Energy Group Inc.

VERIFIED STATEMENT
OF
Greig Nicholls
On behalf of
CANPET Energy Group Inc.

1. **Witness name, title, responsibilities and credentials**

Greig Nicholls
Vice-President, LPG
CANPET Energy Group Inc.
2600, 350 – 7TH Avenue SW
Calgary, AB
T2P 3N9

I am the manager of CANPET's LPG group in charge of our Canadian and United States' operations supervising seventeen people. I have worked in the LPG industry for over twenty years, both for major producing companies and for independent marketers. CANPET ships Propane and Butane by rail throughout Canada and the United States. CANPET has shipped approximately 1,500 carloads in the year 2000.

2. **Description of the company, its products and/or raw materials, facilities (including servicing carriers), traffic patterns, and use of rail transportation**

CANPET Energy Group Inc. is a crude oil and NGL marketer servicing Canada and the United States. We market Propane and Butane to the wholesale market by truck, rail, and pipeline. We deliver directly to our customer and to terminals that we own and operate.

Our propane terminals are located in Kincheloe, MI and Arlington, WA. The terminal in Kincheloe, MI is served by the Wisconsin Central (WC). Canadian Propane is shipped via Canadian National (CN) from Western Canada through Sault Ste. Marie onto the WC. WC is the sole carrier delivering to this location.

CANPET ships Propane and Butane from numerous origins that include:
Taylor, B.C.
Edmonton, AB
Alberta gas plants
Regina, SK
Sarnia, ON

CANPET

Conway, KS
Marysville, MI
Anacortes, WA
Wyoming gas plants
North Dakota gas plants

Customers are located across the United States.

3. **Statement of position on CN's acquisition of WC**

CANPET strongly supports Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

4. **Supporting reasons for the statement**

The Propane Industry in Canada relies on the Rail Industry to move our product to our customers at an economical price. This proposed acquisition will lead to more efficient service in our shipments over this corridor by eliminating the need for interchanges at Duluth/Superior and Chicago. Scheduling of this service should improve with one company operating the route. Canadian Propane will become more competitive for our customers due to decreases in travel time and should lead to a decrease in rates for traffic moving through this region with operating efficiencies gained. New markets will be able to be developed in the Eastern area of the United States as Canadian Propane is able to fill demand.

Increased competition could possibly result due to the increased access of the Chicago area that both CN and Canadian Pacific (CP) would now have from Canada.

There should be no reduced competition as the WC lies in the middle of CN's system. It should only improve efficiencies over that area.

5. **Smooth Transition**

CANPET would expect CN's acquisition and integration of WC to proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC, which is a larger carrier than WC.

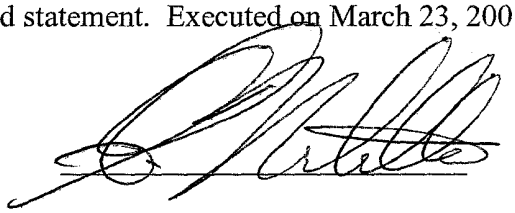
6. **Conclusion**

CANPET

CANPET believes that the proposed acquisition will strengthen the railroad network and benefit shippers. With our Propane terminal located in the upper Michigan area as well as our current and potential customers in the area south and east of Chicago, our company will directly benefit. CANPET Energy Group Inc. strongly supports the application.

7. **Verification (Or Notarization)**

I, Greig Nicholls, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 23, 2001.



CANADIAN SPECIAL CROPS ASSOCIATION
Association canadienne de cultures spéciales

VERIFIED STATEMENT
OF
KEVIN DICK
On Behalf of
CANADIAN SPECIAL CROPS ASSOCIATION

1. **Witness name, title, responsibilities and credentials**

Kevin Dick
President
Canadian Special Crops association
1215 - 220 Portage Avenue
Winnipeg, Manitoba R3C 0A5

2. **Description of the company, its products and/or raw materials, facilities**

The Canadian Special Crops Association is a trade association representing firms involved in the merchandising of Canadian special crops. It was formed in 1987 and has been active in various aspects relating to the industry ever since.

Our mission statement at the CSCA is simple:

> *To facilitate the growth of the special crops industry*
> *In Canada via objects and measures for the advancement*
> *Of trade and commerce and via technical support to*
> *International customers.*

Located in Winnipeg, we continually provide information of interest to our membership. In addition to board and committee meetings, we hold an Annual Convention each year in the summer, and publish a quarterly newsletter.

We have a comprehensive set of Trade and Arbitration Rules which govern the trading of special crops in Canada, and these rules are used by virtually every participant in Canadian special crops.

We are seen by Agriculture Canada and the Canadian Grain Commission as spokesman for the special crops industry, actively promoting and advancing the industry's perspective on various regulatory matters and policy issues.

Refer to web-site www.specialcrops.mb.ca for list of members.

330-360 Main Street, Winnipeg, Manitoba, Canada R3C 3Z3
Tel: (204) 925-3780 Fax: (204) 925-3785 Email: office@specialcrops.mb.ca Web: http://www.specialcrops.mb.ca

3. **Statement of position on CN's acquisition of WC**

We support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, offering alternative traffic corridors to our members.

4. **Verification (Or Notarization)**

I, Kevin Dick, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 27/2001

Signature)

CWB
The Canadian Wheat Board
La Commission canadienne du blé

Greg S. Arason
President and Chief Executive Officer
Président-directeur général

VERIFIED STATEMENT OF

Greg S. Arason

on behalf of the

CANADIAN WHEAT BOARD

My name is Greg Arason. I am the Chief Executive Officer of the Canadian Wheat Board (CWB), 423 Main Street, Winnipeg, Manitoba. I have held this position for 2 years.

I am writing to express the CWB's support of Canadian National (CN) and Wisconsin Central (WC) application for approval of CN's proposed acquisition of WC.

The CWB is a shared governance organization operating under the authority of the *Canadian Wheat Board Act*. The CWB is the sole marketer of western Canadian wheat and barley into export and domestic human consumption markets. Its mandate is to maximize returns to farmers, to whom all sales revenue less operating costs are returned. It maximizes returns to farmers not only by selling grain at the highest possible price, but by working with farmers, customers, grain companies and railways to put together a logistical package which minimizes the cost of getting the grain to sales position.

The CWB is a long-time customer of CN rail service. With the exception of some processors in Canada and the U.S., nearly all CWB grain is shipped by rail to customers in North American markets and to export position for forwarding to offshore markets. CN handles approximately 48 per cent of all CWB rail grain movement.

That movement represents a considerable amount of grain. Western Canadian farmers grow about 35 million tonnes of wheat, durum, and barley each year. Most of that, approximately 20 million tonnes, is exported. In most instances, this grain must be moved from inland growing areas to export position by rail. The majority, 65 per cent, is exported through West Coast ports. Twenty-five per cent is exported through East Coast ports. Less than three per cent is exported through Churchill, Manitoba. The rest, about seven per cent, is exported directly from prairie elevators.

For the most part, prairie direct exports move to U.S. customers in the northern, eastern and mid-western states. This is a very important market for western Canadian grain.

The CWB supports the proposed merger between CN and WC because it provides the CWB with the opportunity for single carrier movement to more U.S. destinations that may enhance service options.

I, Greg Arason, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.

Greg S. Arason
President and Chief Executive Officer

423 Main Street
P.O. Box 816, Stn. Main
Winnipeg, Manitoba
Canada R3C 2P5

Phone (204) 983-0239
Fax (204) 983-0341
Telex 07-57801
Internet: www.cwb.ca

423, rue Main
C.P. 816, succ. Main
Winnipeg (Manitoba)
Canada R3C 2P5

Tél. : (204) 983-0239
Téléc. : (204) 983-0341
Télex. : 07-57801
Internet : www.cwb.ca

CANDO CONTRACTING LTD.

830 Douglas Street – Brandon, Manitoba R7A 7B2 Phone (204) 725-2627 – Fax (204) 725-4100

VERIFIED STATEMENT
OF
GORDON PETERS
President
Cando Contracting Ltd.

Cando Contracting Ltd., based in Brandon, Manitoba is a full service railway supplier and contractor operating across Canada since 1978. We have been a supplier and customer of Canadian National since this time, shipping steel via CN to the Chicago Heights area in Illinois.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the efficiency of the transportation infrastructure in Canada and the United States, improving car utilization and cycle times, creating more effective competition with the trucking industry. Cando has in the past experienced delays in our products being delivered to the Chicago Heights steel mills. The cars of used railway steel would often be caught in interchange or delayed en route. We firmly believe that the operational continuity that this transaction contemplates will dramatically reduce these delays and improve car cycles by two to three days. As you can appreciate, Cando does not get paid until our product is delivered to our customer. Therefore, the ability of CN to quickly deliver our product to our customer is very important to us.

In conclusion, we believe that the proposed acquisition will strengthen the railroad network and benefit shippers. Our companies support the application.

I, Gordon Peters, declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 12, 2001.

Gordon Peters
President

CarboMinerals

VERIFIED STATEMENT
of
Charles B. Denholm
on behalf of
CN acquisition of Wisconsin Central

My name is Charles B. Denholm. I am the President for CarboMinerals LP in Wrightstown, Wisconsin. In my position, I am responsible for all operations, sales, service and transportation of our calcium carbonate paper filler and coating products from our raw materials delivered from South America to our plant in Wrightstown and delivery to our customers throughout the Midwest. I have held my current position since November 1998, and have been employed by CarboMinerals as its President since its inception in 1998. Prior to joining CarboMinerals, I worked for Faxe Paper Pigments as Marketing Manager. I have been involved in supplying the Paper Industry in North America since 1978.

CarboMinerals LP is a manufacturer of calcium carbonate pigments for the paper industry in North America. Our facility in Wrightstown, WI employs approximately 10 people and will produce 65,000 dry tons and 100,000 tons of calcium carbonate slurry per year to be delivered to the paper mills in the Midwest. CarboMinerals is served by the Wisconsin Central System ("WC"), and receives inbound calcium carbonate by rail from origins in Lacrosse, WI and New Orleans, LA and ship outbound slurry cars to paper mills throughout the Midwest region of the United States. The availability of efficient, competitive rail service is important to CarboMinerals, and to our competitiveness within our own markets.

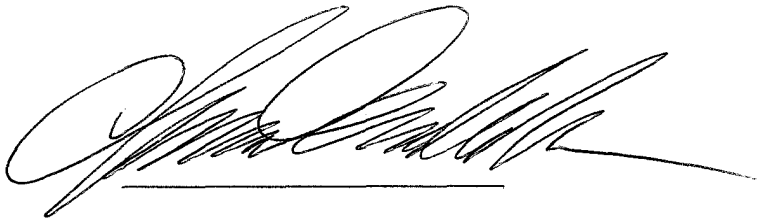
CarboMinerals supports the proposed merger of WC and Canadian National Railway Company (CN). We believe the transaction will strengthen the North American transportation network and benefit us as rail shippers. Together, the combined CN/WC will be able to offer new single-line service and faster, more reliable transportation to points throughout the United States and Canada. A single line service from the Gulf Coast to our plant in Wrightstown and delivery to our markets in the Midwest will provide an opportunity for the improvement of operations through the busy and often congested Chicago gateway.

We believe inclusion of WC within the larger CN system will ensure the continued, long-term viability and vitality of the excellent service we currently receive from WC. A CN/WC merger will create a strong railroad partnership with the resources and market to reach and to meet shippers' needs and to compete more effectively with motor carriers and other railroads. Because of the entirely end-to-end nature of the existing CN and WC systems, we see no competitive issues arising from the proposed transaction.

We believe that a CN/WC combination will foster the kind of efficient service and effective competition that rail shippers require. CarboMinerals supports the proposed transaction.

400 Van Dyke Street ❖ Wrightstown, Wisconsin 54180 ❖ Phone 920 / 532-0539 ❖ Fax 920 / 532-0549

I, Charles B. Denholm, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.



Dated: March 27, 2001

Cedarburg Lumber Co.

Also D/B/A as Steinman Lumber and The Home Design Centers
N144 W5800 PIONEER ROAD (HWY. C) • P.O. BOX 999 • CEDARBURG, WI 53012
Headquarters Phone: (414) 377-2345 • *Headquarters FAX:* (414) 377-4263

WILLIAM A. WERNECKE
Chairman

WILLIAM WERNECKE, JR.
President

March 14, 2001

Verified Statement of
William A Wernecke Jr
on behalf of
Cedarburg Lumber Company, Inc

1. Witness Name, Title, and Responsibilities

I, William A Wernecke Jr, am the President of Cedarburg Lumber Company, Inc. We are located at N144 W5800 Pioneer Road, Cedarburg, Wisconsin 53012. I have been an owner of the company for more than 20 years. Our company purchases building materials with over 200 railroad carloads coming to our facilities annually.

2. Description of Company

Cedarburg Lumber is in the business of building material distribution to building contractors and homeowners. Approximately 50% of our business is in forest products, much of which arrives by rail.

We currently operate four locations, three of which are served by rail: Highland Drive in Cedarburg (Wisconsin Central), Olympic in Jackson (Wisconsin Central), and Steinman in Germantown (Wisconsin & Southern).

We purchase large quantities of forest products from the Pacific Northwest, including Canada, and so many of our shipments travel over the Canadian National prior to reaching the Wisconsin carriers.

3. Statement of Position on Canadian National acquisition of Wisconsin Central

We strongly support Canadian National's proposed acquisition of Wisconsin Central. Given the products that we purchase and where they originate, we believe the combination will provide us with more efficient and competitive service.

4. Supporting Reasons for Statement

About 50% of our sales are in forest products. A great percentage of that comes from the Pacific Northwest, including Canada. We anticipate that by eliminating interchanges and combining operating plans, the new entity will be able to offer us faster shipping times at lower costs.

Over the last decade, an increasing amount of forest products have been shipped to us utilizing trucks due to their shorter lead times and competitive cost. It is our belief that this combination, by putting together two lines end-to-end, will make rail traffic more competitive with truck service.

Since we are also situated on the Wisconsin & Southern, and we have the option of routing railroad cars to any of our three locations, we believe this merger will increase competition among the carriers.

5. Smooth Transition

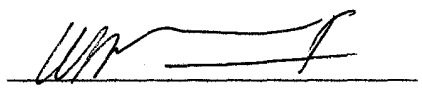
Given the nature of the merger, with the two lines situated end-to-end, we anticipate that the transition to the larger entity will be relatively quick and without difficulties.

6. Conclusion

We believe the proposed combination will benefit our company by providing faster service, lower pricing, and a more competitive alternative to other rail lines and truck shipments. Our company supports the application.

7. Verification

I, William A Wenzel Jr, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 3/15/2001.



Celanese Ltd.
1601 West LBJ Freeway
PO Box 819005
Dallas, TX 75381-9005

Telephone: 972-443-4000

Celanese
CHEMICALS

VERIFIED STATEMENT
OF
JOSEPH E. WOJCIK
on behalf of
CELANESE LTD.

My name is Joseph E. Wojcik. I am the Director of Global Logistics for Celanese, Ltd. located at 1601 West LBJ Freeway in Dallas, Texas. In this capacity, I am responsible for all load and ship activities globally. That includes responsibility for all of the modes of distribution of our products throughout the world. I have held this position for 4 years and have been employed by Celanese for 20 years.

Celanese is a manufacturer of over 200 basic chemical products that are used as intermediates for the manufacture of products ranging from adhesives and resins for the building industry to super absorbent polymer for baby diapers. We have manufacturing facilities in Pampa, Clear Lake, Bay City, and Bishop, Texas. Also, our products are manufactured in Bucks, Alabama, Portsmouth, Virginia, Edmonton, Alberta, Canada, Congrejera, Mexico, Singapore, and Europe. In North America, we ship from five (5) major terminals around the United States and various minor terminals and warehouses. Celanese originated shipments of over 20,000 loaded railcars of our products during 2000 using all of the Class I railroads. We are closed on the Burlington Northern Santa Fe railroad at our Pampa, Texas facility, and we utilize both BNSF and UP railroads at our Bay City, Texas facility. We are closed on the Union Pacific railroad at our Clear Lake and Bishop, TX facilities. In Canada, both the Canadian National and the Canadian Pacific railroads serve us at our Edmonton, Alberta plant. From these facilities, our chemical products are distributed by rail all over North America.

Canadian National and Wisconsin Central have announced their intention to enter into a transaction that would combine their two railroads and put them under common control. Celanese supports this transaction because we believe that it will improve the transportation infrastructure in Canada and the United States, and maintain the very efficient service that we presently enjoy from our Edmonton plant into the upper mid-western section of the United States. We also endorse the concept of approving this application as a minor transaction.

Celanese currently enjoys very efficient service from CN on its route between our Edmonton, Alberta plant and Chicago, IL. We believe that this service will be even more reliable as a result of this combination. By securing CN's NAFTA network, the acquisition of the WC assures the ability of CN shippers to participate efficiently over the

long term in the NAFTA markets. CN's proposed acquisition of WC raises no significant issues concerning reduced competition because, like the CN – IC combination, the two railroads are end-to-end.

Again, we at Celanese believe that the proposed acquisition of WC by CN will benefit shippers. Thank you for the opportunity to share with you the thoughts my company and I have about this very important issue.

Joseph E. Wojcik

Joseph E. Wojcik
Director, Global Logistics
Celanese, Ltd.

I, Joseph E. Wojcik, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 26, 2001.

Joseph E. Wojcik

VERIFIED STATEMENT OF KEN R. CUPPLES

On behalf of

CENTRAL STATES ENTERPRISES, INC.

My name is Ken Cupples and I am Vice President of Marketing for Central States Enterprises, Inc. Our offices are located at 300 International Parkway, Suite 150, Heathrow, Florida 32746.

I have been Vice President of Marketing at Central States for 20 years. Having served as Merchandising Manager previously, I was responsible for negotiating all railroad rates for our company with the Canadian National (and with the Illinois Central).

Central States Enterprises is a grain company with its two primary grain elevators being located in New Haven and Montpelier, Indiana. The combined storage capacity of the facilities exceeds 16 million bushels (420,000 metric tons) and is served by Norfolk Southern. Our facilities provide grains and soybeans to domestic feed manufacturing plants in the southeastern U.S. and to New Orleans export elevators as well. We ship corn, wheat and soybeans from our facilities (located on Norfolk Southern) to Tolono, Illinois (located on the CN); then CN direct to New Orleans, Louisiana for export. In addition, Central States buys grain from other elevators for shipment to New Orleans and Chicago, all moved by the CN. In 1999, our company shipped approximately 10,000 carloads of corn and soybeans to New Orleans from CN origins. Also, we shipped an additional 10,000 carloads of corn either to feed mills in Mississippi or corn processors in Chicago, all routed CN. The final numbers are not currently tabulated for 2000, but the traffic count should be similar to 1999.

Acquisition of Wisconsin Central by the Canadian National would greatly benefit the efficient movement of grain to both domestic and export markets. Central States has participated in the CN's Super Train Program since its onset and can state unequivocally that the addition of more loading stations (through acquiring the WC) would benefit everyone through more reliable single-line service from points on the Wisconsin Central. This would allow our customers and shippers on the WC to participate in the highly efficient Super Train Program offered by CN.

We would expect the integration of WC into the CN network to proceed smoothly since there is already a working relationship. This proposed acquisition would simply allow for more efficiency through a single line haul.

We strongly believe that the proposed acquisition would strengthen the network and routing thereby benefiting shippers along with end-users. Central States Enterprises, Inc. does indeed support this acquisition.

I, Ken R. Cupples, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on February 14, 2001.

Ken R. Cupples
Vice President of Marketing

Renee M McMahon

RENEE M. MC MAHON
MY COMMISSION # CC 698836
EXPIRES: February 5, 2002
Bonded Thru Notary Public Underwriters

Chiquita Processed Foods, LLC
PO Box 388
New Richmond, WI 54017
715-243-7345

Chiquita Processed Foods, LLC.

March 5, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Canadian National Railway Company
Wisconsin Central Transportation Corp.

Kenneth J Cernohous, Traffic Mgr, Chiquita Processed Foods LLC., New Richmond, Wi.

Responsible for delivery or transfer of Chiquita Products for U.S. or export destinations. I establish delivery rates and mode of transportation I have been in distribution functions since 1960.

Chiquita Processed Foods is primarily a vegetable cannery with annual sales of approx. 50,000,000 cases of canned vegetable, meat, or soup products. Our company operates 20 production and / or distribution centers in Wisconsin, Iowa, Minnesota, Illinois, Idaho, Washington, and Oregon. We also utilize approx . 30 distribution warehouses throughout the U. S.

Our Iowa plant presently ships Via the CN(Illinois Central/Chicago Central Etc.) and our Wisconsin plants ship products Via the Wisconsin Central Ltd. at 2 locations and the Fox Valley & Western LTD.

We strongly support the CN's proposed acquisition of Wisconsin Central. The acquisition would enable us to have more cars available (RBL's) at all locations they serve since we would have both increased usage and less seasonal demand since our Iowa and Wisconsin plants have somewhat different shipping seasons. Presently the CN (CC) has a shortage of these cars and are reluctant to add more due to the shorter high demand periods at our Iowa location. The WC already has more cars being utilized due to us and several other canners in Wisconsin.

Improved service should be enhanced by eliminating the need for CN – WC interchange at Duluth/Superior and Chicago. It may eliminate the need to transfer at Chicago to some Eastern locations since the CN could route these shipments through Canada before transferring at a Eastern point thus avoiding the congestion we have experienced and greatly improve our service.

The fewer RR we have to deal with should be financially beneficial to us since we would be a larger user and have less multi-railroad routings. There is no reduced competition since these two rail lines do not serve the same areas and are end to end services.

I Kenneth J. Cernohous, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I an qualified and authoried to file this verified statement. Executed on March 5,2001.

By Kenneth J. Cernohous

Witnessed by

NANCY R. FEHRMAN
Notary Public-State of Wisconsin

Kenneth J Cernohous

Nancy R Fehrman

Comm. Expires 10-13-02

CLARKE

VERIFIED STATEMENT
OF

DARELL F. HORNBY
On Behalf of

CLARKE INC.

Prepared By: Darell F. Hornby

Located At: 21 Four Seasons Place, Etobicoke, ON M9B 6J8

Darell F. Hornby

As President and Chief Operating Officer of Clarke Inc., I am responsible for all freight activities as it relates to rail and highway through our various operating divisions in Canada and the United States.

Clarke Inc.

Clarke Inc. is a $400 million publicly traded freight transportation company based in Toronto, Canada. A significant and rapidly growing segment of our business is transborder freight moving between Canada and the United States and between Canada and Mexico. Approximately 60% of our business is Intermodal. **The business conducted between Clarke Inc. and CN on an annual basis will be in excess of $55 million Cdn.**

CN/WC Acquisition

We strongly support the proposed CN/WC transaction for the following reasons:

- We cannot presently take full advantage of cost efficient Intermodal transport because of service issues inherent in the fragmented rail systems. This, in large part, results from the lack of an integrated rail network on the continent.

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.

- The negative experiences of combining overlapping rail networks should not be an issue with the CN/WC transaction. It is much more likely that we will see a more seamless and cost effective service connecting Canada with the United States and Mexico.

- CN's proposed acquisition of WC raises no significant issues concerning reduced competition, like CN/IC, the two railroads are end-to-end.

In conclusion, we believe the proposed acquisition of the CN/WC will strengthen the railroad network and benefit shippers. Our company strongly supports the application of this minor transaction.

I, **Darell F. Hornby**, declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.



Darell F. Hornby

March 12/01

Date

Cole
International Inc. Freight Inc.
116-5000 Miller Rd,
Richmond, BC, Canada,
V7B 1K6
Tel (604)273-5161
Fax (604)273-2053

To:	CN Rail	**From:**	Josh O'Dell
Fax:		**Pages:**	1
Attn:	Victor De Sousa	**Date:**	03.21.2001
Re:	Letter Of Support	**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

Verified Statement of : Josh O'Dell – Transborder Operations Manager – Cole Freight / YVR

To Whom it may concern;

This letter is to state our support of the CN Rail / Wisconsin Central proposed Merger.

I am the Operations Manager for Cole Freight – Transborder Division, Vancouver. I have been in the industry in various capacities for eight years and have used CN Rail for Transborder Intermodal Shipping.

We at Cole fully support the proposed CN/WC merger as it would expand the services we can offer to our customers, as well as provide more stability in existing traffic along the lanes service by the proposed CN/WC lines.

I am available upon request to any interested parties to verify or expand on this statement.

Regards,

Josh O'Dell

Compass Freight
TRUCK LINES
WAREHOUSE & DISTRIBUTION
501 Rowntree Dairy Rd., Units 2 & 3, Woodbridge, Ontario, Canada L4L 8H1
Tel.: (905) 264-2424 1-800-292-7122 Fax: (905) 264-2900
www.compassfreight.com

VERIFICATION STATEMENT
OF
Dwayne Wagar
on behalf of
Compass Freight Services Inc.

RE: Proposed merger of the Canadian National Railway Company and Wisconsin Central Railroad

My name is Dwayne Wagar and I hold the position of Vice President of Operations for Compass Freight Services Inc. I have held this position for 5 years. Compass Freight Services Inc. is located at 501 Rowntree Dairy Rd. in Woodbridge ON. Compass Freight Services is a complete logistics provider managing Supply Chain issues for companies such as Sauder Woodworking, ADM, A. Schulman Inc. to name a few. CN is a key partner in our ability to provide our customers the level of service and price they are searching for.

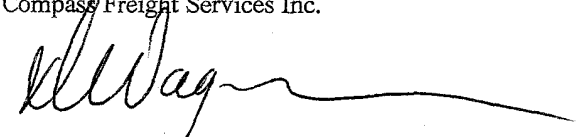
The proposed merger of CN and WC will afford numerous opportunities to expand our company's access to markets in the Chicago IL / Western Canada corridor. We also believe that tremendous service improvements will flow from this proposed merger.

Compass Freight Services owns and operates our own fleet of Trucks. We feel that in the years to come, An Intermodal Linehaul Solution will only help us grow our business. We anticipate more difficulty in the coming years hiring qualified drivers, increased fuel costs and increasing competition. The CN has offered us an excellent Intermodal product that will help address our concerns over the coming years. The merger of the CN and WC gives us another strong corridor to sell Intermodal Solutions for our customers between Chicago and Western Canada.

Compass Freight Services Inc. supports the proposed merger of the Canadian National and Wisconsin Central and believes that this merger will provide benefits to shippers.

I, Dwayne Wagar declare under penalty of perjury the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 14, 2001.

Yours truly,
Compass Freight Services Inc.



Dwayne Wagar
Vice President - Operations

CMM INC.

CONSIDAR METAL MARKETING INC.

Phone: (800)324-1806
(416) 601-9550
Fax: (416) 362-3542

Suite 720
70 York Street
Toronto, Ontario M5J 1S9

March 16, 2001

Canadian National
601 – 234 Donald Street
Winnipeg, MB R3C 4B4

I, Robert Marshall, am the Logistics Manager, Metals and Concentrates for Considar Metal Marketing, Inc., located at 70 York Street, Suite 720, Toronto, Ontario M5J 1S9. I am responsible for all aspects of the transportation and distribution of zinc and copper metals, and raw materials used to produce these products. I have over twenty-five years' experience in sales, marketing and transportation of base and precious metal products.

Considar Metal Marketing, Inc. (CMM) markets and distributes zinc and copper throughout North America. CMM is a major supplier to a variety of industries, including steel mills, wire and cable manufacturers, brass mills, die casters and galvanizers.

Currently, we ship zinc and copper from Flin Flon, Manitoba to destinations in Canada and the United States. Up to 85,000 tons of copper, in the form of anodes, is shipped via CN and the Wisconsin Central to White Pine Copper Refining, Inc, in White Pine, Michigan. Over 100,000 tons of zinc, in ingots and blocks, is shipped throughout Canada on the CN system, with some of this tonnage carried over the Wisconsin Central to the mid-western United States. In dollar terms, CMM provides approximately $10 million in revenue to Canadian National annually.

We support the proposed acquisition of the Wisconsin Central by Canadian National. For our purposes, it will offer single-line service for our copper shipments to White Pine, MI, improve service for our zinc shipments to the mid-western United States with the elimination of the CN/WC interchange at Superior, WI and it will provide long-term stability for the Wisconsin Central.

I, Robert Marshall, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 16, 2001.

Signed: _____

Witnessed: _____ AF JOHNSTONE PRESIDENT CMM March 16.01.

CONSOLIDATED
GRAIN AND BARGE CO.

Post Office Box 548 / Mt. Vernon, Indiana 47620

Southwind Maritime Centre / **Bluff Road**

March 9, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street N. W.
Washington, D. C. 20423-001

Re: Canadian National Railway Company – Control- Wisconsin Central
(STB Finance Docket No. 34000)

My name is Charlie Threlkeld and I am the General Manager of Rail Transportation at Consolidated Grain and Barge Company. Consolidated Grain and Barge Company is a regional grain concern with primary locations in Illinois, Indiana and Ohio. We have grain elevators on the Canadian National/Illinois Central in Pinckneyville and Cockrell, IL. In addition, we have a terminal elevator in Mound City on the CN/IC that handles coal, grain by products and potash in addition to our grain business. One of our parents, Zen-noh has an export elevator located in Helvetia, LA that is located on the CN/IC. The combined total of shipments handled by all CGB's locations on the CN/IC would be 20,000-25,000 annual carloads.

Consolidated Grain and Barge Company supports the merger between the Canadian National and the Wisconsin Central. We feel that the single line service from various Wisconsin and upper Michigan points will allow us to be more competitive for grain originating in these areas. This is a strategic integration of two carriers that complement the service of both and expands the alternatives for their customers. We feel an "end-to-end" merger such as the CN/WC will streamline service and enhance competition.

Consolidated Grain and Barge Company experienced a smooth integration of the Illinois Central and the Canadian National. The CN/IC integration essentially was a "non-event". We anticipate an equally smooth integration with the CN/WC merger.

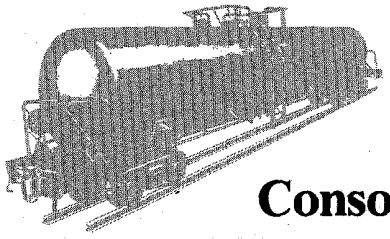
This is a pro-competitive transaction that strengthens both CN & WC to the benefit of their customers. CG&B strongly supports the CN/WC merger.

Sincerely,

Charlie Threlkeld
General Manager Rail Transportation

Ohio River Mile 829

(812) 838-4017
FAX (812) 838-2572



Consolidated Oil & Transportation Company, Inc.

6568 South Racine Circle, Suite #2000 • Englewood, CO 80111 • (303) 790-2820 Fax: (303) 790-7027

VERIFIED STATEMENT

OF

ANNIE LOWE

ON BEHALF OF

CONSOLIDATED OIL & TRANSPORTATION COMPANY, INC.

My Name is Annie Lowe, and I am the Director of Logistics and Transportation for Consolidated Oil & Transportation Company, Inc. ("COTC"). COTC is a marketer of asphalt and fuel oil within the United States and Canada. All of COTC's products are shipped via rail. The purpose of this letter is to comment upon, and issue our support for, the proposed acquisition of the Wisconsin Central (WC) by the Canadian National Railroad (CN). We strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

COTC has several asphalt and fuel oil suppliers that are served by the CN, including Imperial Oil at Nanticoke, ON, Consumer's Co-op at Regina, SK, and Marathon Ashland atGaryville, LA. It is with confidence that we are able to obtain products from these suppliers based on the history of service and transit times that the CN has provided to us.

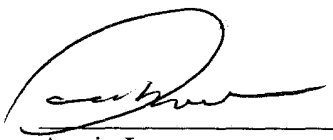
COTC has customers that are served by WC, including Fox River Paper Company at Appleton, WI, and PF Glatfelter Paper at Neenah, WI. The need for fuel oil supply for these customers is time sensitive and we must therefore get timely and reliable service from the railroads we use. With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minnesota/Superior, WI.

COTC competes with the trucking industry in Wisconsin due to the time sensitive demand and lack of storage that our customer's have. The proposed combination will make CN/WC, and, by extension, COTC, more competitive with truck transported product. Shippers will benefit from this added competition.

It is our expectation that the CN's acquisition and integration of WC will proceed smoothly and efficiently due to it's end to end nature and CN's prior smooth integration of IC, which is a larger carrier than WC.

In conclusion, COTC believes that the proposed acquisition will strengthen the railroad network and benefit shippers. Consequently, COTC supports the application.

I, Annie Lowe, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed on 27 March, 2001.



Annie Lowe
Director of Logistics & Transportation

VERIFIED STATEMENT
OF
KENNETH TUMMEL
On behalf of
Continental Nitrogen & Resources Corp. (CN&R)
And its subsidiary companies
AN-ergy, Inc.
AN Resources Corp.

Kenneth Tummel is the Vice President and General Manager of CN&R and its subsidiary companies with offices at:

12955 Courthouse Blvd.
Rosemount, MN 55068

In this capacity, sales, transportation and distribution are among his direct responsibilities. Mr. Tummel has been in his current position since December of 1987. His entire thirty-five [35] year career has been spent in the sales, supply and logistics of chemical products.

CN&R is in the business of manufacturing ammonium nitrate products for the explosives industry. In support of this activity, it has a production unit, in Brandon, Manitoba Canada, with he capacity to produce 150,000 short tons per year. The major rail carrier for shipments from this facility is the CN Railroad. The major markets for ammonium nitrate, that have been targeted by CN&R, are Wyoming [Powder River Basin] for coal mining, Minnesota and Michigan [Iron Range] for taconite mining, Nevada for gold mining, the mid western areas of the US for quarry mining and the eastern portions of the US and Canada for coal and metal mining.

The company uses the CN Railroad for direct shipments to customers on its line, to interconnect with US rail carriers and, through a number of its affiliate companies, for transloading from railcar to truck. These shipments are made in a wide geographic area from California to Pennsylvania, throughout Canada and into Alaska. The company is in the process of developing major business opportunities on the Upper Peninsula of Michigan and in Wisconsin for which the Wisconsin Central would be an ideal carrier.

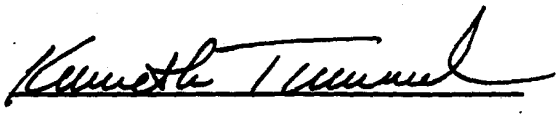
CN&R is also involved in the anhydrous ammonia business. In support of these activities, it maintains two terminal sites and leased storage facilities. The company has a terminal at its Rosemount site for both anhydrous ammonia and nitrogen fertilizer solutions. Much of this product is sourced from points on the CN Railroad. The company also has a deep water ammonia terminal in Beaumont, Texas which is serviced by the KCS Railroad, a strategic partner of the CN Railroad.

The company ships its products by rail, barge, truck and pipeline. Its total freight costs are expected to be in the range of US$5.5 MM during the current fiscal year, of which approximately US$2.9 MM will be with the CN Railroad.

It is our understanding that the Canadian National and Wisconsin Central are applying for authority to enter into a transaction that would allow for common control. We strongly support this application, as it will improve the transportation infrastructure in Canada and the US, through more efficient service and more effective competition with the trucking industry. It is our belief that the combination of CN with the WC will provide improved service into our developing markets in Wisconsin and Michigan by virtue of a new operating plan that will eliminate the need for the existing interchange, at Duluth-Superior.

CN&R does not believe that there are any significant issues concerning reduced competition because, as in the case of the CN-IC combination, the two railroads are end to end. As a result of all the factors, which we have considered, we believe that the proposed acqusition will strengthen the railroad network and benefit shippers.Our company strongly supports the application.

I, Kenneth Tummel, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 12 February 2001.



Kenneth Tummel

Cooperative Plus Inc.
P.O. Box 220
Burlington, WI 53105-0220

PH: (262) 767-2000
FAX: (262) 767-2005

VERIFIED STATEMENT
OF
PETER K. HANSEN
ON BEHALF OF
COOPERATIVE PLUS INC.

I, Peter K. Hansen, Vice President of grain operations for Cooperative Plus Inc. (CPI), a farm supply and grain marketing cooperative located, at Burlington Wisconsin, have the responsibility of originating and shipping grain that is produced in our trade area of Racine, Kenosha, Walworth, and Waukesha counties in Wisconsin and Lake county in Illinois. This is a position that I have held since my hiring by the Cooperative in October of 1997.

CPI is a full service cooperative that supplies patrons with their needs to plant crops. CPI also provides an avenue to market patron's grain and acts as a delivery point for said grain. Our average rail traffic is approximately 1030 cars. Inbound rail traffic brings fertilizers for our patrons which consists of a volume of 25 to 30 cars, most of which come during a period of January through June. Outbound volume this year will be better than 1000 cars with 10% of that volume going to the East coast, 25% going to the Mobil Alabama, and 65% going to the Chicago market. This volume represents a growth from the yearly average of 400 cars we had when I first arrived at this facility. It also keeps us on track for reaching a goal of 1500 cars yearly by the year 2003.

We understand that the Canadian National and Wisconsin Central are requesting authority to enter a transaction that would put them under common control. We strongly support this application as it will secure an essential link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

Putting these two entities under common control should increase the availability of covered hopper cars, which at times is a limiting factor to us increasing our volume. The unification should reduce our rate cost into part of the Chicago market, in turn enabling us to bring more of the truck market volume into our terminal thus easing the already congested Chicago vehicle traffic and at the same time increasing the profits of our patrons.

In conclusion, we believe the proposed acquisition will be a smooth transaction and that it will benefit our business by enabling us to continue to grow to a volume that we will need to survive profitably.

I, Peter K. Hansen, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 9, 2001.

Peter K. Hansen
Signature

March 9, 2001
Date

Country Recycling
W5928 County Road X
Withee, WI 54498
(715) 229-2342

March 5, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company-Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Orlando H. Olson – Owner

Country Recycling is a family run business. We process such commodities as Cullet (Broken Glass) STCC 3229924. We market the Cullet as far away as Mississippi. This movement routes today via WC - Chicago, IL – CN. We have been enjoying this move for some time now.

Service has been very good. With the merger of CN and WC, I foresee several advantages such as single line service, a greater fleet from which to draw equipment and the possibility of finding new markets through the expanded reach of CN.

I strongly support this application, as it will secure a key in CN's network and offer significant opportunities for service improvements and efficiencies.

Improved service will be enhanced by eliminating need for a CN – WC interchange at Chicago, thereby creating the potential for shippers to enjoy expedited service through the busy Chicago gateway.

One issue STB must address is the extent the proposed combination affect competition. For example, increased competition amongst rail carriers, between CN/WC and truck carriers will allow industries in this area to reach more distant markets, via single line service.

Also, there should be no reduced competition as CN – WC are end -to - end carriers.

You can expect the acquisition and integration to proceed smoothly and efficiently due to its end to end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

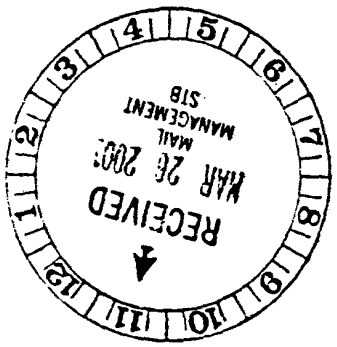
In conclusion, Country Recycling strongly supports the proposed transaction.

I, Orlando H. Olson, declare under penalty of perjury under the laws of the Unites States the foregoing is true and correct. Further, I certify I am qualified and authorized to file the verified statement. Executed on March 5, 2001.

Sincerely,

Orlando H. Olson 03/5/01

Orlando H. Olson



March 24, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

My name is John Melville. For the last twelve years, I have owned the Crane Lumber Company Inc. Our address is 500 Park Ave., Chippewa Falls, WI. 54729. Crane Lumber Company is a retail lumber yard. The inbound lumber, received by rail, is acquired through brokers from various locations in the U. S. and Canada.

The merger of CN and WC will bring about several advantages such as single line service, a greater fleet from which to draw equipment and the possibility of finding new sources of lumber through the expanded reach of CN.

I strongly support this application as it will secure a key link in CN's network and offer significant opportunities for service improvements and efficiencies.

Improved service will be enhanced by eliminating need for a CN – WC interchange at Chicago, thereby creating the potential for shippers to enjoy expedited service through the busy Chicago gateway.

One issue STB must address is the extent the proposed combination affects competition. For example, increased competition amongst rail carriers between CN/WC and truck carriers will allow industries in this area to reach more distant markets via single line service.

Also, there should be no reduced competition as CN – WC are end – to – end carriers.

You can expect the acquisition and integration to proceed smoothly and efficiently due to its end to end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

In conclusion, Crane Lumber Company strongly supports the proposed transaction.

I, John Melville, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement.
Executed on March 24, 2001

Sincerely,

John H Melville

FROM CN IC HQ (THU) 3. 22'01 10:01 ST. 10:00 NO. 4561410539 P 2

DAKERYN INDUSTRIES LTD.

221 WEST ESPLANADE ST.
SUITE 11-B
NORTH VANCOUVER, B.C.
V7M 3J3

PHONE: (604) 986-0323
FAX: (604) 986-3464

VERIFIED STATEMENT
OF
J. E. (Ted) Coe
On behalf of
Dakeryn Industries LTD.

My name is Ted Coe. I am President of Dakeryn Industries LTD. and have held the position since 1990. I have over 45 years experience in the lumber wholesale Industry, with considerable experience in aspects of our industry related to transportation.

Dakeryn is a private company, headquarters are located in North Vancouver, B.C. We are a lumber wholesaler buying direct from B.C. and Alberta mills and distribute through out Eastern Canada and to the United States. Our yearly sales in 2000 were some $90,000,000. A significant portion of our business is becoming value added specialized product, for which there is a good market into what we would describe as the W.C/I.C corridor.

We strongly support the proposed combination between Wisconsin Central and Canadian National. The CN WC combination will position Dakeryn to expand our rail based transborder business into terminals in the Mid-West US and Memphis, TN. We believe a viable alternative will increase competition, open up new markets and ultimately produce financial rewards for shippers.

From our perspective, the CN/IC combination was seamless. We fully expect the proposed CN/WC combination will be as successful as the CN/IC combination.

In conclusion, Dakeryn strongly supports the CN/WC merger. We believe the combination will be executed with minimal disruption and will open up new market opportunities for Dakeryn in the US. It is our sincere hope that the US Transportation Surface Board quickly approves the proposed CN/WC combination.

I, J.E. (Ted) Coe declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 22 MARCH, 2001.

J.E. (Ted) Coe
President
Dakeryn Industries LTD.

VERIFIED STATEMENT
of
Wayne M. Raffaelli
on behalf of
Del Monte Foods

My name is Wayne M. Raffaelli. I am the Manager, Transportation for Del Monte Foods in San Francisco, CA. In my position, I am responsible for Rail & Intermodal Transportation. I have held my current position since September, 1998, and have been employed by Del Monte Foods in various capacities since 1973.

Del Monte Foods is a manufacturer of canned foods. Our facility in Plover, WI employs approximately 76 full time and 668 seasonal people and produces approximately 10M cases of vegetables. Del Monte Foods is served by the Wisconsin Central System ("WC"), and ships outbound approximately 900 transfer orders by rail to company Distribution Centers in NJ, CA, AL, TX, & UT. The availability of efficient, competitive rail service is important to Del Monte, and to our competitiveness within our own markets.

Del Monte Foods supports the proposed merger of WC and Canadian National Railway Company (CN). We believe the transaction will strengthen the North American transportation network and benefit us as rail shippers. Together, the combined CN/WC will be able to offer new single-line service and faster, more reliable transportation to points throughout the United States and Canada. The combination also will provide an opportunity for the improvement of operations through the busy and often congested Chicago gateway.

We believe inclusion of WC within the larger CN system will ensure the continued, long-term viability and vitality of the excellent service we currently receive from WC. A CN/WC merger will create a strong railroad partnership with the resources and market reach to meet shippers' needs and to compete more effectively with motor carriers and other railroads. Because CN and WC are entirely end-to-end, the proposed combination does not raise any significant issues regarding reduced competition.

We believe that a CN/WC combination will foster the kind of efficient service and effective competition that rail shippers require. We encourage the Board's favorable consideration of the CN/WC transaction and the transportation and services benefits it will bring.

I, Wayne M. Raffaelli, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.



Dated: March 26, 2001

Doman Industries Limited

March 30, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, D. C. 20423-0001

Dear Mr. Williams,

Re: **Canadian National – Control – Wisconsin Central**
(STB Finance Docket No. 34000)

My Name is R. J. Doman; I am the President and CEO of Doman Forest Products Limited. I'm responsible for all rail and truck transportation from the mainland of B.C. and by ocean-going vessels and barges from deep-sea docks located on the East Coast of Vancouver Island. Doman supports the proposed CN and WC transaction.

Doman Forest Products is a large integrated forest products producer based in coastal British Columbia. Currently we ship in excess of 3,000 rail cars of lumber annually from our CN served facility in Vancouver, B. C. The lumber is barged from our seven sawmill operations on Vancouver Island or trucked from the two sawmills in the Vancouver area. Our rail loading facility is accessed through a local switching agreement by BNSF, CPRS and UP. The annual production capacity at Domans nine sawmills totals in excess of 900 million board feet of lumber.

Shipping exclusively on center-beam flat car equipment, we generally route our lumber traffic via CN access to the Northeastern and Midwest U. S. regions and via the BNSF to Midwest and Southwest U. S.

We view the CN acquisition of the WC as a positive move towards offering a more reliable service for our traffic moving beyond Chicago and creating enhanced competition for our Central and South U. S. destinations such as Memphis, TN. The availability of center-beam equipment should also be improved through reduced transit times and the opportunity for improved fleet planning. We feel an "end-to-end" merger such as the CN/WC will streamline service and enhance competition.

Doman Forest Products experienced a smooth integration of the Illinois Central and the Canadian National. The CN/IC integration was an unqualified success. We anticipate an equally smooth integration with the CN/WC merger. This is a strategic integration of two carriers that complement the service of both and expands the alternatives for their customers.

This is a pro-competitive transaction that strengthens both CN & WC to the benefit of their customers. Doman Forest Products strongly supports the CN/WC merger.

Rick Doman
President & CEO
Doman Forest Products Limited

3rd Floor, 435 Trunk Road, Duncan, B.C. V9L 2P9
Telephone (250) 748-3711 • Fax (250) 748-6045

VERIFIED STATEMENT

Of

LARRY DORN JR.

On behalf of

DORN'S DELIVERY & TRANSFER, INC.

My name is Larry Dorn Jr.; I am the President for Dorn's Delivery & Transfers, Inc. in Appleton, WI. In my position, I am responsible to see over the entire operations at the facility. I have held my current position since Nov. 1992.

Dorn's Delivery & Transfer, Inc. is a service of transferring product from one company to another, also shipping and receiving product into and out of our warehouse. Our facility in Appleton employs approximately 31 people. Dorn's Delivery & Transfer, Inc. is served by the Wisconsin Central System ("WC"), and ships outbound/receives inbound papers and plastics by rail to destinations/from origins like Westvaco, Hoffmaster, and Kimberly Clark. The availability of efficient, competitive rail service is important to Dorn's Delivery & Transfer, Inc., and to our competitiveness within our own markets.

Dorn's Delivery & Transfer, Inc. supports the proposed merger of WC and Canadian National Railway Company (CN). We believe the transaction will strengthen the North American transportation network and benefit us as rail shippers. Together, the combined CN/WC will be able to offer new single-line service and faster, more reliable transportation to points throughout the United States and Canada. The combination also will provide an opportunity for the improvement of operations through the busy and often congested Chicago gateway.

We believe inclusion of WC within the larger CN system will ensure the continued, long-term viability and vitality of the excellent service we currently receive from WC. A CN/WC merger will create a strong railroad partnership with the resources and market reach to meet shippers' needs and to compete more effectively with motor carriers and other railroads. Because of the entirely end-to-end nature of the existing CN and WC systems, we see no competitive issues arising from the proposed transaction.

We believe that a CN/WC combination will foster the kind of efficient service and effective competition that rail shippers require. We encourage the Board's favorable consideration of the CN/WC transaction and the transportation and services benefits it will bring.

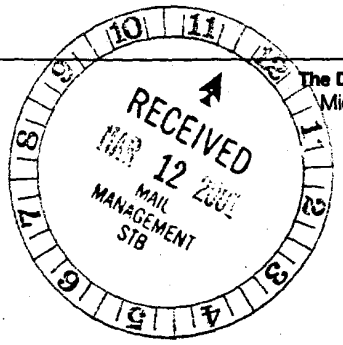
I, Larry Dorn Jr., declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

March 28, 2001



2020 Dow Center
March 7, 2001

The Dow Chemical Company
Midland, Michigan 48674



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National – Control – Wisconsin Central (STB Financial Debt No.34000)

The Dow Chemical Company (recently merged with Union Carbide Corporation) is one of North America's largest shippers of chemicals and plastics by railroad. Dow makes in excess of 130,000 shipments per year from eight major, as well as several smaller, North American plant sites. Dow has a significant investment in rail transportation, owning or leasing some 28,000 tank cars and hopper cars. Rail transportation is extremely important to Dow because it is the only effective and safe means of transportation for many long distance shipments.

Dow has concluded that the pending merger of Canadian National and Wisconsin Central will have a positive impact on Dow's shipments. Dow has two plant sites served by Canadian National, one in Alberta and one in Michigan, as well as numerous customers on the Wisconsin Central system. Much of Dow's traffic from Alberta flows into the U.S. Midwest and single line service over former Wisconsin Central track should improve service and cycle time. The same is expected to hold true from the Michigan plant site into the upper Midwest.

While Dow believes that a merger of CN and WC is positive for service and cycle time, Dow continues to be extremely concerned about the continuing concentration that is taking place within the railroad industry and its' impact on railroad to railroad competition. Any railroad merger, even one that is "end to end", causes a loss of competition over at least part of many routes as gateways are closed, physically or economically. CN has acknowledged these concerns to Dow and has stated publicly that it is agreeable to maintaining open gateways. Dow suggests that the Surface Transportation Board find a way to insure that existing gateways remain economically open as a condition of approval of this or any railroad merger.

Notwithstanding our concern on the matter of open gateways, which we trust the STB will effectively deal with, The Dow Chemical Company supports the merger of the Canadian National and the Wisconsin Central Railways.

Sincerely,

William L. Gebo
Manager, Rail Services Purchasing

EAGLEBROOK, INC.
4801Southwick Drive, Suite 200, Matteson, IL 60443 • (708) 747-5038 • (800) 428-3311 • Fax: (708) 747-3278

March 15, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K. Street N.W
Washington DC 20423-001

Dear Mr. Williams:

RE: Canadian National Railway Company – Control Wisconsin Central Transportation Corporation (SFTB Finance Docket No 34000).

I am William C. Tilker, Manager Logistics for Eaglebrook Inc. located at 4801 Southwick Drive, Matteson, IL 60443. I am a graduate of Humbolt University and have held various position in the transporation business for over 43 years.

I am responsible for the movement of chemicals by rail for Eaglebrook Inc thru out North American. Eaglebrook Inc. own fleet of Tank Cars which amount to about 350 cars is also my responsibility. Since our cars handle Haz. Met Chemicals we are very concerned as to how our cars are maintained and move. Eaglebrook Inc. has about 30 Trans-load sites thru out North American to service our customers, which also falls in my responsibility. We have many trans-border movements which serve many of the Water Plants on both sides of the border. We have trans-loading terminals on the CN, Chicago Central (CN), and the Wisconsin Central. Eaglebrook Inc. serves the Water treating plants of the various Cities. These Water plants receive Products by bulk truck which are trans-loaded from bulk tank cars.

We strongly support CN's proposed acquisition of Wisconsin Central. It will improve the Transportation infrastructure in Canada and the United States through a more efficient service and provide more effective competition with the trucking industry. Improved service will be enhanced by eliminating need for a CN/WC interchange at Duluth/Superior and Chicago IL. also an interchange at Oba, ON. This should reduce our car cost with a quicker more reliable service.

I believe that this will provide us with the ability to reach new markets with which it is hard to compete in. I believe that we can expect a smooth transition with this acquisition.

I William C. Tilker, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on March 16, 2001.

William C. Tilker
Manager Logistics

OFFICIAL SEAL
LINDA S WINNICK
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. JULY 30,2003

Linda S. Winnick

VERIFIED STATEMENT
OF
DANIEL V. LAUWERS
On behalf of
EASTERN MICHIGAN GRAIN, INC.

My name is Daniel V. Lauwers and I am the owner and General Manager of Eastern Michigan Grain (EMG), a family-owned country elevator. Eastern Michigan Grain is located at 10730 Mary Street, in Emmett, Michigan 48022. EMG is a full-service country grain elevator providing seed, fertilizer and crop protection chemicals to its farmer-customers in addition to receiving, conditioning and shipping the grain the customers produce.

The elevator is a 15-car rail shipper of grain, handling approximately two million bushels of corn, soybeans and wheat annually. As General Manager of this seven-year old grain business it has been my responsibility to source and ship the commodities handled by EMG. EMG has expanded its rail facility twice since it purchased the facility in 1993, and expanded its grain handling and holding capacity three times.

EMG collects bulk corn, soybeans and wheat from farmers and trans-loads these grains and oilseeds into covered hoppers for distribution to processors and exporters throughout the eastern seaboard of Canada and the U.S. EMG's sales volume has grown from one million dollars in annual revenues to an eight million dollar business in only seven years. This healthy growth has been made possible primarily through the CN railroad's ability to move our products quickly and efficiently during the critical grain harvest months.

By closely working first with the Grand Trunk Western (GTW) and later Canadien National (CN), EMG has never suffered a complete facility shut-down of more than a few hours at a time. Perhaps this sounds unimpressive, but it is only so if one does not consider the logistics of handling 1.5 million bushels of grain through a facility that holds only 100,000 bushels of grain, receives 15,000 to 30,000 per day and ships 50,000 at a time; all within a 5-6 week period..

In recent years many grain elevators have publicly chastised the railroad for providing unreliable and untimely service. However, EMG was able to turn its inventory more than ten times in a six-week period. EMG has faired better than many similar businesses in the region for two distinct reasons. First, EMG ships on the CN, while many of its competitors are serviced by the CSX. This is a fact often forgotten, or unmentioned entirely, by the popular press who seasonally feature sensationalized stories of grain-plugged elevators with long lines of disgruntled farmers unable to dump their grain because of the railroad's failures. Second, EMG annually forecasts its volume of grain flow by month and shares this information with the Canadien National months in advance of its needs. I typically place car orders as much as six months in advance.

EMG is optimistic about the potential expansion of CN rail service to the upper Midwest in Wisconsin, Minnesota and additional connections to Ontario, Manitoba and the western provinces. CN's recent merger with the Illinois Central (IC) has already opened new markets to

EMG's products by creating a competitive tariff to the export terminals of Alabama that previously did not exist. With the addition of the Wisconsin Central rail lines EMG will gain access to the grain deficit state of Wisconsin and other potential markets that are often unknown until the transportation link is made.

EMG strongly supports Canadien National's and Wisconsin Central's request to merge into a stronger company offering greater service to the grain elevators of the Midwest and Canada. The improvement of traffic patterns between these areas of North America will strengthen the transportation infrastructure of the region and promote greater efficiency of product movement to and from the area. Consumers benefit as well as business owners such as myself with greater integration of regional rail lines through the improved competitive position of the railroad with the trucking industry. The railroad remains the most efficient and environmentally-friendly transportation system.

It is only through the improved integration and construction of highways throughout North America at minimal cost to the trucking industry that has enabled trucks to displace so much of the railroad's business. It is critical in this changing, competitive environment to enable the rail shipping system of the US and Canada to realign itself through greater integration of rail lines as the trucking industry has done.

Moreover, the linking of additional rail lines under the management of one coordinating body simply allows the railroad to improve its services and efficiencies. It does not competitively displace other rail lines or service providers. Prior to the CN's acquisition of the IC, our elevator could not competitively access the Southern US export market. It was understandable that the IC would require a switching charge of the CN, and that the CN was reluctant to forfeit control of its system cars to another carrier. However, with the merger of these two rail lines, service has been improved directly through greater car availability, greater market access, and tariff reductions. Both the CN and the IC improved their position in the transportation industry and the customers of both lines benefited directly through improved market access and reduced cost of transportation.

I am confident with the acquisition of the WC, I will see greater access to new points of termination, and reduced costs in moving agricultural products to these markets. In addition to the increase of access to new shipping points, our facility, which also receives fertilizer, may benefit directly by making the importation of fertilizers from northern points more competitive than the current truck service we now receive from the South.

Implementation of the North American Free Trade Agreement also comes into play with this proposed merger. Our grain facility lies only 15 miles from the Blue Water Bridge connection between Michigan and Ontario. We have watched the literal doubling of the bridge span in order to accommodate the increased truck traffic resulting from implementation and adoption of the North American Free Trade Agreement. It is time to support the railroad transportation systems integration and access to participate as a full benefactor in this important trade agreement.

In conclusion, those who review the application of the merger between the CN and WC need to

consider three major distinctions from other proposed mergers: First, this is a merger of end to end rail transportation providers. It is the equivalent of me adding another grain facility in an area adjacent to the one I now serve, not one in a territory I already service. It simply allows CN to service new customers of the WC in a more direct fashion, and likewise opens the extensive rail routes of the CN to the customers of the WC. Second, rail routes are being expanded with this merger. This is not an example of competitive forces acquiring the competition for the purpose of elimination. It is a case of two carriers coming together in a strategic integration to expand services to a broader spectrum of customers. Finally, one must consider who is coming to the table in this merger proposal.

I believe the parties of this proposal should be judged on the merits of the proposed merger and on the proposing parties' past performance. The proposing parties should not be judged upon the performance of others in the rail industry. In my opinion, the CN has been unfairly judged in its application for mergers in the US. The CN has proven its leadership capability when it acquired the GTW and the IC. I have been directly affected by both of these mergers in only positive ways. I would never want my banker to consider my credit worthiness based upon the past performance of my competitors over whose actions I have no control. Nor do I think the regulatory bodies of our country should judge the capabilities of the CN based on other railroad's actions and past performances when their records are so clearly different.

VERIFICATION

STATE OF Michigan)
COUNTY OF St. Clair)

_____, being first duly sworn, deposes and says that (he/she) has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Jill L. Lewis

Subscribed and sworn to before met this 16th day of March 2001.

_____
Notary Public

My Commission Expires

JILL L. LEWIS
NOTARY PUBLIC STATE OF MICHIGAN
ST. CLAIR COUNTY
MY COMMISSION EXP. MAR. 1,2002

EASTERN STATES STEEL
P.O. Box 7076, AUDUBON, PA 19407
Phone: 610-275-3375 Fax: 610-275-9353
SERVICE CENTER:
346 E. WASHINGTON ST., NORRISTOWN, PA 19401
E-MAIL-FMCNAMEE@easternstatessteel.com

MARCH 8, 2001

To: Honorable Vernon A. Williams
Secretary Surface Transportation Board

Re: CANADIAN NATIONAL-CONTROL-WISCONSIN CENTRAL
STB FINANCE DOCKET NO. 34000

My name is Fred McNamee. I am Logistics Mgr. for a small steel service center called Eastern States Steel. I have held my current position for 14 years. Although we are considered a small company, we (I) make a lot of steel. We buy about 50% of our steel out of Canada and we either have it freighted by truck or rail to our customers. One location we store and ship out of is Trenton Steel & Storage, in Trenton Michigan.

Trenton Steel & Storage's rail siding is with CN Railroad and we ship approx. 25% out of there by rail. Our company controls the routing and assumes responsibility for payment of freight charges. As many companies, we depend greatly on competition and transportation to keep prices down to remain competitive for our customer base.

The purpose of our filing this verified statement is to lend our support for the Canadian National acquisition of the Wisconsin Central. We, (I) believe that the acquisition would improve service to the facilities directly served by Wisconsin Central. I understand that the CN & WC combination would put them under common control and that this would give better improvements for us, our customers, and the CN National NAFTA network. We would also anticipate more competitive rates and service from single line services.

We strongly support the application and urge the Surface Transportation Board to promptly approve the CN/WC application in this proceeding.

I, Fred McNamee, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this statement executed March 8, 2001.

Fred[illegible]ick W. McNamee

Fred[illegible]ick W. McNamee Logistics Mgr. (Eastern States Steel)



EKA CHEMICALS
Bleaching Chemicals

VERIFIED STATEMENT
OF
Curt H. Warfel
On behalf of
Eka Chemicals Inc.

My name is Curt H. Warfel. I am Manager, Customer Service and Logistics for Eka Chemicals Inc., with my principle office address being 4374 Nashville Ferry Road East, Columbus, Mississippi 39702. Since receiving my degree in Transportation Management, I have spent the past 22 years working in the industrial transportation industry, with a heavy emphasis on rail transportation. For the last 3 years, I have been employed with Eka Chemicals. My primary responsibilities with Eka include directing the combined customer service and logistics functions for the bleaching chemical business unit's four North American manufacturing sites and seven terminals. Included in this, is management responsibility for a private fleet of over 800 specialized tank and covered hopper cars and 35 highway tank trailers. Eka annually spends in excess of $30 million on rail and rail related transportation costs.

Prior to joining Eka, I was employed by Western AG-Minerals Co. of Houston, Texas as Vice President / Transportation and Distribution. In addition to my duties with Eka, I serve as the current chairman of the National Industrial Transportation League's Rail Transportation Committee. I also serve as Second Vice President of the North American Rail Shippers Association.

Eka Chemicals is one of the major business units within the chemicals group of Akzo Nobel, a large Dutch conglomerate with interests in chemicals, pharmaceuticals and industrial coatings. Eka is a supplier of chemicals and systems for environment compatible pulp bleaching processes as well as chemical systems for the wet section of papermaking. Additionally, Eka also markets chemicals for certain industrial and specialty applications as well as engineering, process plants and equipment. At present time, Eka has operations in 20 countries, including the U.S. and Canada. Since my responsibilities are for North America only, all comments made in this verified statement are applicable only to Eka's bleaching chemical business in the U.S., Canada and Mexico.

Eka Chemicals operates four plants in the U.S. and Canada for the manufacture of sodium chlorate and one plant for the manufacture of hydrogen peroxide. Of the two chemicals, sodium chlorate is principally used as a bleaching agent in the pulp process of papermaking. And, while a substantial amount of hydrogen peroxide is used in the bleaching process, it also has numerous industrial uses ranging from pickling of steel to chemical etching of circuit boards, water treatment and other uses in both the food and textile industry. In North America annually, Eka will typically produce and/or market in excess of 580,000 tons of sodium chlorate and 70,000 tons of 100% hydrogen peroxide.

Eka Chemicals
4374 Nashville Ferry Rd., E
P.O. Box 2167
Columbus, MS 39704
Phone 662-327-0400
Fax 662-329-3004
WATS 800-821-9486

Eka's sodium chlorate production sites are located at Magog and Valleyfield, Quebec, Columbus, Mississippi and Moses Lake, Washington. Of these locations, the Quebec Southern Railway physically serves the plant at Magog with interswitching access to Canadian National and St. Lawrence & Atlantic. Canadian National physically serves Valleyfield with access to CSXT via interswitching. The Columbus plant is served solely by BNSF while the Moses Lake plant is served by Columbia Basin Railway, a short line whose only direct connection to the rail network is via BNSF.

From the Magog plant, sodium chlorate is shipped, primarily via CN origination routing to destinations in Michigan, Arkansas, Louisiana, Georgia, North Carolina, New York, Maine and occasionally, Mississippi. In addition to the destinations in the U.S., Magog also ships to locations in the eastern provinces of Canada. Valleyfield, while physically served by CN, ships most of it's production via a CSXT routing to points in Michigan, Pennsylvania, Georgia, Maine, North Carolina, South Carolina, Kentucky, Maryland and Virginia. Additionally, Valleyfield serves several locations in fairly close proximity to the plant in both Quebec and Ontario via CN. Sodium chlorate production from Columbus moves primarily to points in Arkansas, Louisiana, Mississippi, Alabama, Texas, Florida and Georgia. Columbus is also the sole production site for hydrogen peroxide, which ships to points in California, Mexico, New York, Illinois, Virginia, North Carolina, Georgia, Wisconsin, Mississippi, Texas and Maine. Peroxide is also shipped to several locations in Ontario, Quebec and New Brunswick. The Moses Lake plant ships chlorate to points in Washington and British Columbia. In total, approximately 95% of Eka's outbound chlorate tonnage and 70% of peroxide tonnage makes at least an initial movement via rail.

Eka strongly supports Canadian National's proposed acquisition of Wisconsin Central. We believe that the broadened CN single line network will provide substantial improvements in overall rail service in both the U.S. and Canada. Additionally, a certain percentage of the economic efficiencies to be realized by a combination of CN and WC will likely become available to shippers in the form of reduced rail freight costs.

Eka currently ships chlorate from Magog and Valleyfield, Quebec to Quinnesec, Michigan via a CN-Chicago-WC routing. As Eka views the transaction, the integration of the CN and WC systems may present an opportunity for improved service and reduced transit time through Chicago. Of course, if the combined CN/WC system can find ways to streamline service through the Chicago area, such improvements may result in enhanced equipment utilization and may yield substantial fleet cost savings to Eka, in addition to the potential freight rate savings. Eka also ships hydrogen peroxide from our Columbus, Mississippi plant to Port Edwards and Niagara, Wisconsin via a BNSF-Chicago-WC route. Because a combined WC/CN provides many locations at which BNSF and CN can interchange traffic other than Chicago, we again believe we will see improvements to transit / equipment cycle times.

Eka also utilizes rail/truck transload terminals to enhance our access and coverage to potential hydrogen peroxide users. We strongly believe that with CN's superior economic resources, there is a greater potential for expansion of these transload facilities in the Wisconsin and Minnesota market areas. These potential new terminals should provide Eka with additional opportunities to market our hydrogen peroxide.

From Eka's viewpoint, CN's proposed acquisition of WC raises no significant competitive issues as would be found in a parallel merger. CN and WC's combined route structure is end to end, thus eliminating potential problems such as 2-1 points. Additionally, with inclusion in the Canadian National system, shippers located at points where WC currently competes with BNSF, UP and CP should enjoy the benefit of a fourth Class 1 entering the market. In fact, CN's superior resources should allow it to be a much stronger competitor than the Wisconsin Central could be.

Eka does not anticipate any service problems resulting from CN's acquisition of Wisconsin Central. The complementary route structure of both carriers' properties combined with CN's prior experience at smoothly integrating Illinois Central would seem to mitigate against the kind of service disruptions seen in recent mergers such as the break up of Conrail or the UP/SP merger.

In conclusion, Eka Chemicals strongly supports CN's proposed acquisition of the Wisconsin Central. Based on our experience with the CN/IC merger, we believe that better integrated operations may result in improvements in both transit and car cycle times with concurrent reductions in fleet costs for shippers and CN/WC. Additionally, CN's improved single line network and the efficiencies to be realized should result in reduced freight costs for most shippers.

I, Curt H. Warfel, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 7, 2001.

Notary Public State of Mississippi At Large
My Commission Expires: January 29, 2005
Bonded Thru Heiden, Brooks & Garland, Inc.

3.7.01

P.O. Box 1639
Jackson, MS
39215-1639 USA

601-933-3000

ERGON

Verification Statement of
William E. Jones
On Behalf of Ergon, Inc.

I've worked in the transportation field for over 21 years and have been with Ergon, Inc. for about 18 years, now serving as Manager of Supply & Distribution. As Manager of S&D, I am responsible for the logistics of truck, rail and barge traffic for our Vicksburg, Mississippi and Newell, West Virginia refineries.

Ergon is a privately held company encompassing 40 subsidiaries and affiliates as a marketer of petroleum products and has evolved into a multifaceted energy service company. Ergon has two refineries; one in Vicksburg, Mississippi and the other in Newell, West Virginia. Our primary markets for rail are in the eastern portion of the United States. We have a fleet of approximately 400 leased tankcars serving the two refineries and our storage facility in Memphis, Tennessee.

Ergon strongly supports Canadian National's acquisition of the Wisconsin Central. We feel it would improve transit times and provide more efficient service for Canada and the United States as well as provide competition with the trucking industry.

Ergon is constantly searching for new markets in NAFTA's network and for the CN to provide single line service, coupled with single line pricing, would be a great advantage for gaining new business in this area. Since CN already has a 20-year haulage agreement with Wisconsin Central, this acquisition would preserve the stability over this portion of the line. The Wisconsin Central is looking for a buyer and the only logical choice is the CN.

In the nightmare world of merger mania, the CN acquisition of the Illinois Central is the only merger that didn't completely disrupt service for years. Even consolidation of the computer systems after the merger caused only minimal disruption for a very brief period. Canadian National has shown that they know how to perform a smooth transition and should be given the opportunity to acquire Wisconsin Central.

I, William E. Jones, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement, executed on March 21, 2001.

W. E. Jones

William E. Jones
Manager Supply & Distribution
Ergon, Inc.
P. O. Box 1639
Jackson, MS 39215-1639



EXCEL

Excel Railcar Services, Inc.
One Railroad Street
Box 195
Kenney, IL 61749 USA
Tel: (217) 944-2411
FAX: (217) 944-2249

Canadian National Wisconsin Central Proposed Acquisition

Verified Statement
of
Eugene R. Constance
on behalf of
Excel Railcar Services, Inc. (ERS)

1) My name is Eugene R. Constance, my position with ERS is President and Chief Executive Officer.

2) The address is One Railroad Street, Box 195, Kenney, Illinois 61749.

3) My responsibilities consist of, Executive Administration and Financial overview of ERS business activities.

4) Please see our brochure for a description of our company business. Our facility at Kenney, Illinois is served by the CNRR and interchanges freight with major railroads that handle exports to Mexico and Canada.

5) Our railcar repair facility provides AAR quality and certified railcar repairs to major USA Railroads, private carlines and private shippers that move their railcars over the CN system and through interchange with connecting railroads.

6) Excel Railcar Services, Inc., is an 100% USA/Mexican owned company with export business to Mexico and Canada. We have exported over 1,000 railcars to Mexico and have imported over 200 railcars from Canada. We have also exported major railcar parts and components to Mexico.We expect our business to grow approximately 10% per year over the next (6) years.

We have read that The Canadian National and The Wisconsin Central are requesting authority to enter into a transaction that would put them under common control.

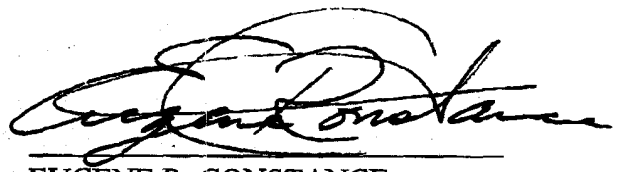
Continued..

We will strongly support their application as it will improve a seamless transportation infrastructure link in CN's NAFTA network and offer Excel and our customers significant opportunities for service improvements and efficiencies.

By securing CN's NAFTA network, the acquisition of WC will assure the ability of CN and WC to participate efficiently over the long term in the fast growing NAFTA markets.

Without any reservation, I support the application for the acquisition of the WC by the CN.

I Eugene R. Constance, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement, executed on this 19th day of March, 2001.



EUGENE R. CONSTANCE
PRESIDENT
EXCEL RAILCAR SERVICES, INC.

Re: Canadian National Wisconsin Central, Proposed Acquisition

VERIFICATION

STATE OF ILLINOIS
COUNTY OF DE WITT

Eugene R. Constance, President, Excel Railcar Services, Inc., being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated,

EUGENE R. CONSTANCE
PRESIDENT
EXCEL RAILCAR SERVICES, INC.

Subscribed and sworn to before me this 19 day of March 2001.

Notary Public
Reid Barenbrugge

My commission Expires:

1/7/04

OFFICIAL SEAL
REID BARENBRUGGE
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 01/07/04

EXCEL

With Office At:
AMHERST JUNCTION
P.O. BOX 98, WI 54407
Phone: 715-824-3151

- Fertilizer
- Crop Monitoring & Management
- Seed
- Feed
- Petroleum Products

FS COOPERATIVE

March 14, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

My name is Tom Vander Heiden. I am the General Manager of FS Cooperative Inc. I have been the manager at FS Cooperative Inc. for the past two years and have previously managed two other cooperative in Illinois for the previous 11 years.

FS Cooperative Inc. is an agricultural cooperative with 6 locations in 8 counties in central Wisconsin. We retail agricultural fertilizers, chemicals and feed to producers within our territory. We now receive most our fertilizers by rail from around the United States and Canada. Our company uses the Wisconsin Central exclusively for the delivery of these products too our sites. With connections to all major railroads throughout the United States this has been our most efficient way to receive fertilizers. Canadian National is also one of the railroads that is use to route product to our site from our suppliers.

Service has been good. With the merger of CN and WC, I foresee several advantages such as single line service, less switching from supplier to our locations and greater railcar tracking ability.

I strongly support this application as it will secure a key link in CN's network and offer significant opportunities for service improvements and efficiencies. With one-third of our fertilizer originating from Canada, this will give us better efficiency in receiving fertilizers than we have had in the past.

Improved service will be enhanced by eliminating need for a CN – WC interchanges at Duluth and Chicago, thereby creating the potential for shippers to enjoy expedited service through the busy gateways.

One issue STB must address is the extent the proposed combination affects competition. For example, increased competition amongst rail carriers, between CN/WC and truck carriers will allow suppliers that could not reach our destination previously to now allow them to reach our destination due to the end-to end nature.

Also, there should be no reduced competition as CN – WC are end-to-end carriers.

You can expect the acquisition and integration to proceed smoothly and efficiently due to its end-to-end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

In conclusion, FS Cooperative, Inc. strongly supports the proposed transaction.

I, Thomas J. Vander Heiden, declare under penalty of perjury under the laws of the United States, the foregoing is true and correct. Further, I certify I am qualified and authorized to file the verified statement.

Executed on March 14, 2001.

God Bless;

Thomas J. Vander Heiden

Thomas J. Vander Heiden
General Manager
FS Cooperative Inc.

Post-it® Fax Note 7671	Date 03-01-2001	# of pages ▶ 2
To MATT BULLINGER	From CORKY HALL	
Co./Dept. CN/DECATUR, IL.	Co.	
Phone #	Phone # 334-580-0030	
Fax #	Fax #	

FSI
RAILCAR SERVICE CENTER

250 Yeend Street
P. O. Box 2584
Mobile, Alabama 36652
(334) 432-0289
Fax: (334) 433-3205

Verified Statement
of
Clark Y. Hall
on behalf of
FSI Railcar Service Center

My name is Clark Y. Hall, FSI Railcar Service Center, 250 Yeend Street, Mobile, Alabama 36603. I am the Owner / CEO of FSI, in business for seven years. Prior to FSI, I have thirty years experience with Illinois Central Gulf Railroad and its predecessor companies holding various management positions in the marketing and operating departments.

I hold a certificate in Transportation and Traffic Management from the University of Alabama.

FSI is a railcar repair center specializing in turn key railcar projects including repairs, rebuilds and modifications. Our customers include major railroads, railcar leasing companies and shippers owning private rail cars.

Our facility is located in Mobile, Alabama alongside the Port of Mobile. We are track served by the Terminal Railway, Alabama State Docks, providing direct connections with BNSF, CSX, CN and NS railroads.

Traffic patterns to and from the shop are mixed depending upon the location of railcars needing repair.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It is a pro-competitive, end to end combination that will improve the transportation infrastructure in Canada and the United States. The end result will provide more efficient service and more effective competition with the trucking industry.

Our main purpose for supporting this application in new business potential for our company.

Rail and truck traffic between the U.S. and Mexico is expanding rapidly, in both direction as the result of the North American Free Trade Agreement (NAFTA). Recently, the Department of Transportation determined that 44% of Mexican trucks inspected at the border crossing failed to meet U.S. safety requirements. The resulting controversy has created an international truck traffic jam at the Mexico / U.S. border.

Locally, the International Shipholding Corporation has just developed a new railcar ferry service operating two railcar carrying ships between the Alabama State Docks at Mobile, Alabama and

Coatzacoalcos, Mexico. The railcar ferries, each capable of holding 60 railcars, with sail every four days providing three days transit time between the two ports and sets up the ways and means to route around the truck congestion at the Texas / Mexico border.

CN is well positioned to take advantage of this new railcar ferry service and its acquisition of WC expands this new business opportunity to compete with trucks now tied up at the Mexican border.

As railcar traffic increases in this area as the result of new business created by the railcar ferry our company is well positioned to grow its railcar repair business. Our shop offers CN the opportunity for better equipment utilization by having railcars repaired in Mobile in a timely manner.

The proposed acquisition will strengthen the railroad network, benefit shippers looking to grow their NAFTA business potential and increase railcar repair business for FSI.

Our company supports this application.

I, Clark Y. Hall, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Execution, February 28, 2001.

Signature

BEFORE THE

SURFACE TRANSPORTATION BOARD

RE: CANADIAN NATIONAL – CONTROL – WISCONSIN CENTRAL
STB FINANCE DOCKET NO. 34000

VERIFIED STATEMENT
OF
Thomas A. Mitropoulos

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street N.W.
Washington, D.C. 20423-0001

March 5, 2001

VERIFIED STATEMENT OF
THOMAS A. MITROPOULOS
ON BEHALF OF
FAIRMOUNT MINERALS COMPANY

My name is Thomas A. Mitropoulos. I am Vice President of Transportation for Fairmount Minerals; our offices are located on South Olive Street in Wedron, IL 60557. I have held my current position for 40 years. Fairmount Minerals is engaged in the production and sale of industrial minerals and sands. Fairmount Minerals currently has 16 sites where they mine, process and manufacture various products and minerals, with operating plants in Wedron, IL, Troy Grove, IL, Serena, IL, Chardon, OH, Richmond Dale, OH, Bridgman, MI, Wexford, MI, and Roff, OK. We also own and operate the Coal Slag facilities at Stan Blast Abrasives, Inc., in Baldwin, IL, Watts Bar, TN, Harvey, LA and Galveston, TX. All of our facilities are rail served.

The industrial sand plants of Fairmount Minerals are engaged in the manufacturing and shipments of large volumes of industrial sand throughout the United States, Canada and Mexico. A high percentage of our shipments move by rail. Our company controls the routing and assumes responsibility for payment of freight charges in most cases. As many companies in the manufacturing segment, we depend greatly on competition and transportation to keep prices down to remain competitive into the areas we

serve. The Canadian National serves our coal slag plant in Baldwin, IL. This facility processed and shipped approximately 50,000 tons via rail in 2000.

The purpose of our filing this verified statement is to lend our support for the Canadian National proposed acquisition of the Wisconsin Central. We believe that the combined system would offer many benefits to our company, as improved service to the facilities directly served by Wisconsin Central. We understand that the Canadian National and Wisconsin Central combination would put them under common control and that the opportunity for service improvements will give us a stronger link in Canadian National's NAFTA network. We would also anticipate more competitive rates and service from single line services.

For these reasons Fairmount Minerals strongly supports the application and urges the Surface Transportation Board to promptly approve the Canadian National/Wisconsin Central application in this proceeding.

I, Thomas A. Mitropoulos, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this statement executed March 5, 2001.

Thomas A. Mitropoulos, V.P. Transportation
Fairmount Minerals Company

VERIFICATION

STATE OF ILLINOIS)
)
COUNTY OF LASALLE)

Thomas A. Mitropoulos, being duly sworn, on oath deposes and says that he has read the foregoing and knows the facts asserted therein, that the same are true and correct. Further certifies that he is authorized to file this verified statement.

Thomas A. Mitropoulos

SUBSCRIBED AND SWORN to before me
this 5th day of March, 2001

Notary Public

OFFICIAL SEAL
KIMBERLY L GRETENCORD
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES

FARMERS COOPERATIVE COMPANY

105 GARFIELD AVENUE FARNHAMVILLE, IOWA 50538-0035

CORPORATE OFFICE: 515-544-3213 FAX: 515-544-3747

Verified Statement
Of
Thomas J. Miller
On Behalf of Farmers Cooperative Company

My name is Thomas J. Miller. I am the Grain Department Manager. My address is Farmers Cooperative Company, 105 Garfield Ave., P.O. Box 35, Farnhamville, IA 50538. My current responsibilities are the management of 32 grain elevators located on 6 different railroads in north central Iowa. We handle 80,000,000 bushels of corn and soybeans. We load between 10,000 and 12,000 railcars per year. I've been in the grain business for 27 years and for 5 years with Farmers Cooperative Company.

Farmer Cooperative is an agricultural cooperative servicing 4000 member farmers in grain, fertilizer, feed and petroleum. We have 5 grain facilities on the CN/IC in north central Iowa. We also distribute over 100,000 tons of fertilizer, which is mostly brought in by rail. Today we are bringing it in on the UP and the BN/SF. We would hope with the Wisconsin Central and CN/IC merger we would start bringing some from Canada more price-effectively into our plants located on the CN/IC.

Please note the CN includes the Illinois Central Railroad, Chicago Central and Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth Winnepeg and Pacific Railway, Waterloo Railway Company, ECO Rail Inc, Quebec and Lake St. John Railway, and Canadian Northern Quebec Railway.

Also note that the WC includes the Wisconsin Central LTD, Fox Valley & Western LTD., Sault Ste. Marie Bridge Co. Algona Central Railway, Inc. and Wisconsin Chicago Line Ltd.

My company loads grain on 6 different Railroads to both domestic and export markets and brings fertilizer into north central Iowa for distribution to farmers.

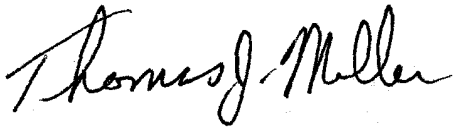
We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application, as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvement and efficiencies.

We expect that the transaction will result in more efficient single-line service for fertilizer out of Canada, resulting in the better use of equipment and locomotives. We would thus expect improved competition for both service and rates.

In regards to competition, CN's proposed acquisition of WC we believe raises no significant issues concerning reduced competition because like CN/IC, the two railroads are end-to-end. We believe if the acquisition of WC is like the acquisition of the IC, it will be nothing but a smooth transition because when the IC and CN merged, we experienced no change in service at all. It only improved.

We believe that the proposed acquisition will strengthen the railroad network and benefit both receivers and shippers of product. Our company supports the application.

I, Thomas J. Miller, declare under penalty of perjury, under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement executed on March 9, 2001.



Thomas J. Miller
Farmers Cooperative Co.
Farnhamville, IA 50538

FARMERS' INCORPORATED ELEVATOR

528 Railroad Street, P.O. Box 98, Allenton, WI 53002-0098
Elevator Phones: 262-629-4126 / 800-729-8276
Fax Number: 262-629-1885
Email address : farmerselev@nconnect.net

March 14, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control-
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Farmers Inc. is a private company located in Allenton, WI, served by the Wisconsin Central. We are a grain milling, drying and handling facility. Our business with the Wisconsin Central is for inbound and outbound commodities.

The potential for improved equipment utilization and the possibility of buying from new markets through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange in Chicago, IL and Superior, WI thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, Farmer's Inc. of Allenton strongly supports the proposed transaction and urges STB to treat this as a minor transaction.

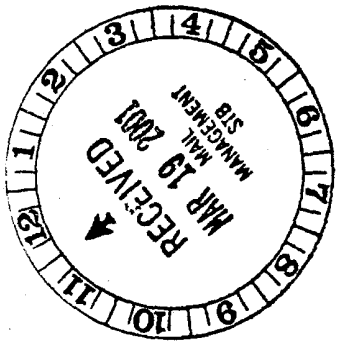
I, David Schellinger, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 14, 2001.

Sincerely,

David Schellinger

David Schellinger
Owner

FOREST LINES INC.



March 14, 2001

Mr. Vernon Williams
Secretary – Surface & Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Reference: Canadian National – Control – Wisconsin Central
(STB Fanance Docket No. 34000)

Dear Secretary Williams:

I write on behalf of Forest Lines, Inc. and LASH Intermodal Terminal Company (LITCO) to offer our written support for the impending acquisition of the Wisconsin Central Railroad by the Canadian National / Illinois Central Railroad.

Since 1992, LITCO (which is switched in Memphis by CN/IC) and Forest Lines, Inc. have done business with the Illinois Central Railroad, and later the CN/IC. This terminal handles hundreds of railcars on a monthly basis and relies on, and has received, timely daily switches by CN/IC. Our rail business is routinely running into and from the Midwest. In fact. we have done several pieces of CN/WC inter-line business and we anticipate more of the same in the future.

We believe CN/IC and Wisconsin Central are First Class railroads and we welcome the marriage of the two. We would expect a continuation of the good service that we have received in the past once this acquisition is completed.

You may contact the writer for further commentary regarding this topic and we wish CN/IC every success in this venture.

Yours Very Truly,

James M. Baldwin, Jr.
Vice President & General Manager
FOREST LINES, INC.

Mailing Address: P.O. Box 53425 • New Orleans, LA 70153-3425
Physical Address: 650 Poydras Street, Suite 1700 • New Orleans, LA 70130
E-Mail: cglin@intship.com • Website: www.forest-lines.com
Telephone: (504) 529-1300 Toll Free: 888-FLI-LASH Fax: (504) 593-2530

Fraser Papers Inc.
70 Seaview Avenue
Stamford CT 06902
203 705 2340 Tel
203 705 2332 Fax

VERIFIED STATEMENT
OF
AUSTIN S. DURANT
ON BEHALF OF
FRASER PAPERS INC

FraserPapers
Nexfor

My name is Austin S. Durant, Vice President, Materials Management with Fraser Papers Inc in Stamford, Connecticut. I am responsible for corporate purchasing and transportation for Fraser Papers' operations in Canada and the United States. I am a graduate of the Canadian Institute of Traffic and Transportation and have been in the transportation field for the past 34 years. I have been responsible for Fraser's transportation since joining the firm in 1987. Prior to that I held transportation related positions at the Atlantic Provinces Transportation Commission, Aluminum Company of Canada and Petrofina Canada Limited.

Fraser Papers is a leading manufacturer of printing, publishing and converting papers based in Stamford, Connecticut. The company operates 12 paper machines at three mills in New Brunswick, Maine, Wisconsin and its International Distribution Center in Illinois. Fraser also manufactures specialty pulp at its mill in Thurso, Quebec. A highly integrated paper company, Fraser owns or manages more than two million acres of forest land. Fraser operates an advanced tree nursery in New Brunswick, sawmill operations in Canada and Maine, and virgin and/or de-ink pulp facilities at all paper mill locations. Fraser Papers is widely known for light and ultra-lightweight publishing grade; text, cover and commercial papers; and a wide range of highly specialized converting grades.

The Fraser Papers operations ship approximately 900,000 tons of pulp and paper products annually with a freight cost of approximately $35 million.

Fraser's operation in Edmundston, New Brunswick is served directly by Canadian National. The Park Falls, Wisconsin facility is served directly by the Wisconsin Central. The Madawaska, Maine operation is served by the Bangor & Aroostook Railroad with a connection to the Canadian National at Van Buren, Maine.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry. We support this application as the combined company will create a rail network that offers significant opportunities for service improvements and efficiencies. Through this combination we will need just one connecting carrier with the Bangor & Aroostook Railroad to haul our paper products from Madawaska, Maine to our major customers in Wisconsin.

FraserPapers

We believe that the proposed acquisition will provide benefits to shippers and in supporting the application feel that CN will be able to offer seamless, faster, and more frequent service to and from points on the WC system. These benefits will be further enhanced by improved equipment utilization and provide options for more efficient operations through congested Chicago interchanges and by eliminating the need for a CN/WC interchange at Duluth/Superior and Chicago.

A major benefit will be providing a quicker turn around for the Bangor & Aroostook fleet of cars which are used at Fraser's Madawaska, Maine operation. The proposed acquisition will strengthen CN making it more competitive with other rail carriers.

We believe that CN has the ability to proceed with the acquisition in a smooth transition due, in part, to the end to end nature of the combination.

I, Austin S. Durant, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on February 27, 2001.



GAC Chemical Corporation

VERIFIED STATEMENT

BARBARA S. HAASE
On behalf of
GAC Chemical Corporation

My name is Barbara S. Haase. I am the Senior Vice President for GAC Chemical Corporation in Holland, Ohio. In my position, I am responsible for all administrative functions for the corporation including raw material purchasing. I have held my current position since 1989, and have been employed by GAC Chemical Corporation since 1982.

GAC Chemical Corporation is a manufacturer and distributor of various commodity chemicals with four manufacturing locations in the United States. Our main markets include Pulp and Paper, Municipal Water and Wastewater along with various industrial applications. Our facility in Saukville, Wisconsin employees 10 people and produces Aluminum Sulfate and terminals Sulfuric Acid. In 2000 we received 13 rail cars of alumina trihydrate via the Chicago gateway and a total of 368 rail cars of Sulfuric Acid via Chicago (16) Via Hearst (16) and Via Sault St. Marie (336).

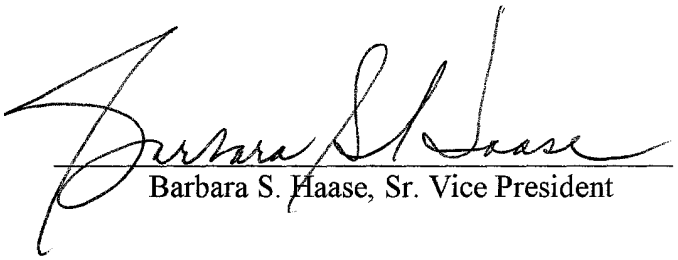
GAC Chemical Corporation supports the proposed merger of WC and Canadian National Railway Company (CN). We believe the transaction will strengthen the North American transportation network and benefit us as a rail customer. Together, the combined CN/WC will be able to offer new single-line service and faster, more reliable transportation to points throughout the United States and Canada. The combination will also provide an opportunity for the improvement of operations through the busy and often congested Chicago gateway.

We believe inclusion of WC within the larger CN system will ensure the continued, long-term viability and vitality of the excellent service we currently receive from WC. A CN/WC merger will create a strong railroad partnership with the resources and market reach to meet our needs and to compete more effectively with motor carriers and other railroads. Because of the entirely end–to-end nature of the existing CN and WC systems, we see no competitive issues arising from the proposed transaction.

We believe that a CN/WC combination will foster the kind of efficient service and effective competition that rail customers require.

1630 Timberwolf Drive • P.O. Box 819 • Holland, Ohio 43528 • (800) 537-7561 • (419) 865-8000 • Fax: (419) 865-6413 • www.gacchemical.com

I, Barbara S. Haase, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.



Barbara S. Haase, Sr. Vice President

Dated: March 21, 2001

GST Corporation
TOTAL QUALITY IS OUR #1 PRIORITY.

8295 Tournament Dr.
Suite 150
Memphis, TN 38125
901-794-2225

February 16, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

RE: Canadian National - Control - Wisconsin Central
STB Finance Docket No. 34000)

Dear Secretary Williams:

My name is Lanny S. Vaughn, President and CEO of GST CORPORATION, headquartered at 8295 Tournament Drive, Suite 150, Memphis, TN 38120. I completed my under-graduate work in 1965 at Memphis State University and my MBA from Arizona State University, as well as the two-year program for the College of Advanced Traffic. I was in the employ of Southern Pacific for twenty-one years, with my last assignment as Assistant Vice President - Southeast Region. I assumed my current position in January 1986. While in the employ of Southern Pacific I had tours of duty in the operating, train service, marketing, sales and pricing departments. I also had the opportunity to work in the rail industry both pre and post Staggers Act.

GST CORPORATION is a major full service Logistics Company with over thirty offices throughout the United States and Canada. We have a customer base in excess of 3,000. We ship the full spectrum of commodities, with extensive volumes of grocery products, automotive parts, paper products, consumer products, electronics, tires, chemicals and HVAC equipment. We utilize all rail intermodal shipping lanes throughout North America, using both carrier owned and private equipment. In 2001, we expect to handle over 200,000 intermodal units, with approximately five percent moving via Canadian National and Wisconsin Central. Major volumes tendered by GST CORPORATION to Canadian National and Wisconsin Central include movements between Chicago, St. Louis, Green Bay and Arcadia on one hand and Auburn, Toronto and Jackson on the other.

It is my understanding that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

Additionally, with the acquisition of Wisconsin Central, Canadian National will be able to offer faster, more reliable single-line service to and from points on the Wisconsin Central system, as well as CN/IC traffic currently moving via haulage over the Wisconsin Central link between Chicago and Duluth/Superior.

The acquisition of Wisconsin Central by Canadian National will also provide GST CORPORATION with additional access to carrier owned intermodal equipment in historically deficit areas such as Arcadia and Auburn, as the combined organization will be able to coordinate rolling stock management and reposition equipment more efficiently.

As the trucking industry carries significant volumes of traffic in Canadian National and Wisconsin Central service areas. The proposed combination will make Canadian National and Wisconsin Central more competitive with trucks. Shippers will benefit from this added competition.

GST CORPORATION expects Canadian National acquisition and integration of Wisconsin Central to proceed smoothly and efficiently due to its end-to-end nature and Canadian National's prior smooth integration of Illinois Central.

To summarize, we believe that the proposed acquisition will strengthen the railroad network and will benefit shippers. GST CORPORATION supports this application.

I, LANNY S. VAUGHN, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on February 16, 2001.

Respectfully yours,

Lanny S. Vaughn

Lanny S. Vaughn
President and CEO

G&W Distribution, Inc.
2301 South Banker, Suite B
Effingham, IL 62401
Phone: (217) 347-5614
Fax: (217) 347-5621
Email: gwdist@advancenet.net

VERIFIED STTEMENT
OF
MICHELE WILLENBORG
on behalf of
G&W DISTRIBUTION, INC.

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

My name is Michele Willenborg. I hold the position of Business Manager for G&W Distribution, Inc. I have held this position for 6 years and have witnessed our company's continuous growth of utilizing rail service.

Since our inception in 1995 as a transload distribution center serviced by the Canadian National Railroad (CN), formerly the Illinois Central Railroad, we have doubled the quantity of rail cars transloaded at our facility *(1996 – 186 cars; 2000 –373 cars)*. Our operation is located on a 19-acre lot with 120,000 square feet indoor warehouse space along with several acres of outdoor storage. Our unloading capacity has increased to 9 box, flat or center-beam railcars.

Our company transloads over 41 million pounds of printing roll paper per year shipped by rail service from Canada to Florida to Oregon. Dimensional lumber and particleboard are forwarded to our facility via rail from Washington, Alabama, Canada, and Georgia. On a yearly basis we transload over 3.5 million board feet of lumber products.

We strongly support the proposed combination of Canadian National (CN) and Wisconsin Central (WC). We were fortunate enough to experience the CNIC merger. Throughout all of the stages of the CNIC merger we experienced the same high quality service we had become accustom to with the IC. This uninterrupted service has assisted in our growth of constructing new warehouse space, additional unloading dock, and additional employees. The CN-WC merger will improve the transportation infrastructure by creating one seamless railway from two separate ones. This will enhance our Northern business by enabling our customers to utilize one less rail line; therefore, providing more efficient service and more cost effective competition with the trucking industry.

Our support of the CN-WC proposed merger is due in part to the endless opportunities the merger will provide for our business growth. It will open up new market areas and increase current ones for receiving product via rail service. We will be able to offer our clients and extended area for purchasing materials while relying on one rail line for services. Our customers will benefit from the faster, more diversified and economical service provided by this combination of rail lines. Customers who currently have products shipped on the Wisconsin Central and switched over to Canadian National will now be able to utilize the enhanced benefits of the combination of these rail lines.

We had a wonderful relationship with the IC before it became a part of CN. This relationship continues today was we continually work with the CN personnel to met our customer's expectations. This same group of CN employees work hard to assist us in achieving our goals. We support the application proposed by Canadian National and Wisconsin Central. As we feel it will have a favorable effect by providing significant benefits to shippers which in turn has a positive effect on our business.

I, Michele Willenborg, declare under penalty of perjury that the foregoing is true and correct Further. I certify that I am qualified and authorized to file this verified statement. Executed on February 9, 2001.

Michele Willenborg
2/9/01

VERIFIED STATEMENT
OF
RAY C. DILLON
on behalf of
GAYLORD CONTAINER CORPORATION

My name is Ray C. Dillon, Executive Vice President, Gaylord Container Corporation, 500 Lake Cook Road, Suite 400, Deerfield, IL 60015. As Executive Vice President, I am responsible for:

-All Gaylord Container pulp and paper mills in the U. S.
-S & G Bag Division
-Corporate Purchasing, Transportation ($94MM yearly budget) and Logistics
-Production Planning and Scheduling for mill operations
-Customer Service for primary product customer base (domestic/international)

Gaylord Container Corporation is a major national manufacturer and distributor of brown paper packaging products, including corrugated containers and sheets, containerboard, unbleached kraft paper and multiwall and retail bags. Gaylord has manufacturing mills in Louisiana, Arkansas and California. Gaylord relies heavily on rail transportation services to deliver the necessary raw materials to our manufacturing mills and to ship our products to our customers in markets across the United States and North America.

The majority of Gaylord's rail needs are provided by the CN/IC in Louisiana. Gaylord's experience with this railroad has been extremely positive. Gaylord experienced the merger of the Canadian National with Illinois Central, which proceeded smoothly with little or no service problems or disruptions. Gaylord would expect nothing less with this merger since the Wisconsin Central is a smaller carrier than was the IC.

Gaylord ships about 18,000 rail car loads of its product each year, 384 of which go to Wisconsin and 250 of those to the WC. The inbound raw material comes by rail from most of the continental United States and Canada to Gaylord's three mills. About 75 percent of the outbound finished product is delivered by rail to customers in the continental United States, Mexico and Canada.

Gaylord understands that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. Gaylord strongly supports this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

Improved service will be enhanced by eliminating the need for a CN/WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN and WC.

The new combined organization will be able to reposition both cars and locomotives more efficiently. With the ability to combine equipment, our Louisiana mill would then have access to 50' high cube boxcars (currently not available from the CN/IC) for better utilization through heavier capacity and reduced rates.

As a shipper, Gaylord has been concerned with some of the past rail mergers that have taken place and Gaylord strongly promotes rail-to-rail competition. However, the combination of CN and WC is an end-to-end merger that Gaylord views as not stifling competition.

Gaylord Container Corporation expects the transaction of the combined CN/WC to proceed smoothly and rapidly due to its end-to-end nature.

Gaylord believes that the proposed acquisition will strengthen the railroad network and benefit shippers. Gaylord Container Corporation supports the application.

I, Ray C. Dillon, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 1, 2001.

Ray C. Dillon

Ray C. Dillon

GENEVA STEEL
P.O. BOX 2500
PROVO, UTAH 84603
TELEPHONE: (801) 227-9000
FAX: (801) 227-9090

March 30, 2001

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: STB Finance Docket No. 34000
Canadian National – Control – Wisconsin Central

Dear Mr. Vernon:

My name is Dale K. Poulson. I am Director of Raw Materials for Geneva Steel LLC located in Vineyard, Utah. In my position, I am responsible for the purchase and transportation of all raw materials used in the steel-making process at our plant. I have been involved in the transportation of raw materials for twenty years.

Geneva Steel LLC is an integrated steel mill producing coil, plate, sheet and pipe. We ship over three-million tons per year of iron ore from Minnesota and upper Michigan. This necessitates that we have competitive rail service into the region. We have relied on service from the Wisconsin Central System in the past to transport iron ore for us. Though we are not currently shipping on the Wisconsin Central System, we may again require their services in the event we purchase iron ore from upper Michigan ore operations.

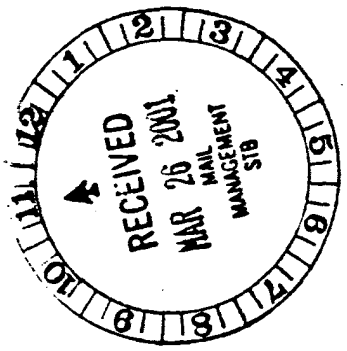
We are concerned that the Wisconsin Central may be unable to remain a viable carrier and continue to provide service in the region without assistance from a stronger operational and financial partner. The merger of the Canadian National Railway and the Wisconsin Central is a means to insure that service to the region will continue should we need to use it in the future. Therefore, Geneva Steel LLC supports the proposed merger of the Canadian National Railway and the Wisconsin Central System.

Sincerely,

Dale K. Poulson
Director Raw Materials

GEOMET CORP.

331 W. Northwest Hwy., Suite 207
Palatine, IL 60067
(847) 359-7775
FAX (847) 359-8005



MR. VERNON A. WILLIAMS, SECRETARY
SURFACE TRANSPORTATION BOARD
1925 K STREET. NW
WASHINGTON, DC 20423-0001

RE. CANADIAN NATIONAL RAILWAY COMPANY - CONTROL
WISCONSIN CENTRAL TRANSPORTATION CORPORATION
(SFTB FINANCE DOCKET NO. - 34000)

GEOMET CORPORATION IS A BROKER OF SCRAP STEEL IN THE CHICAGO AREA.

GEOMET IN THE PAST HAS PURCHASED SCRAP IN CANADA AND MOVED IT TO VARIOUS US MARKETS VIA THE CANADIAN NATIONAL AND WISCONSIN CENTRAL.

I BELIEVE THAT THE MERGER OF THE TWO RAILROADS WOULD CREATE ADDITIONAL OPPORTUNITIES TO MOVE SCRAP FROM ADDITIONAL POINTS IN CANADA TO ADDITIONAL POINTS IN THE UNITED STATES DUE TO OBVIOUS INCREASED GEOGRAPHICAL POINTS INVOLVED.

I ALSO BELIEVE THIS MATERIAL WOULD MOVE MORE EXPEDITIOUSLY AND IT WOULD ALSO TAKE LESS TIME TO ESTABLISH FREIGHT RATES FOR THE VARIOUS MOVEMENTS.

I THEREFORE SUPPORT THE PROPOSED MERGER.

I, GEORGE SCHWAGER, JR. DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES THAT THE FOREGOING IS TRUE AND CORRECT. FURTHER, I CERTIFY, I AM QUALIFIED AND AUTHORIZED TO FILE THIS VERIFIED STATEMENT.

EXECUTED ON MARCH 20. 2001

GEORGE SCHWAGER, JR.

VERIFIED STATEMENT

OF

GLEN W. COURTWRIGHT

on behalf of

GEORGIA-PACIFIC CORPORATION

March 14, 2001

Georgia-Pacific Corporation
133 Peachtree Street NE (30303-1847)
P.O. Box 105605
Atlanta, Georgia 30348-5605
Telephone (404) 652-4000

My name is Glen W. Courtwright. I am currently employed as Senior Manager, Transportation Negotiations with Georgia–Pacific Corporation at 133 Peachtree Street, N. E., Atlanta, Georgia. I am responsible for the management and negotiation of rail transportation rates and services, and the development and implementation of strategic planning relative to rail logistics. I have been employed by and responsible for various aspects of transportation management for Georgia-Pacific for six years and have held similar positions with other major forest products companies since 1976. This statement of support represents the interests of Georgia-Pacific Corporation, including it's subsidiary divisions and wholly owned shortline railroads.

Georgia-Pacific Corporation, one of the world's leading forest products companies, manufactures and distributes building products, paper, pulp and tissue products. Georgia-Pacific employs more than 85,000 people at nearly 600 facilities in the United States, Canada and 11 other countries.

As a manufacturer and distributor of Building Products, the Corporation produces plywood, oriented strand board and other wood panels, lumber, gypsum board and other products in the United States and Canada. G-P Gypsum Corporation, a wholly owned subsidiary of Georgia-Pacific Corporation, is the second-largest producer of gypsum wallboard in North America. Georgia-Pacific is the country's largest building products wholesaler, with a delivery network that serves markets throughout the U.S.

Georgia-Pacific's Chemical Division is a global performance chemical manufacturer recognized as a leader in each of our key markets - building products, paper making, and industrial and specialty applications.

As the world's second-largest market pulp producer, Georgia-Pacific owns six mills with a combined annual capacity of 2.1 million tons, approximately 20 percent of domestic capacity. The Corporation produces Southern softwood, Southern hardwood and Northern hardwood pulps for use in the manufacture of many paper grades. Georgia-Pacific also is a major supplier of fluff pulp and other specialty pulps.

Georgia-Pacific is the fourth largest producer of containerboard in the United States. Annual capacity at Georgia-Pacific's four containerboard mills totals 4 million tons, representing approximately 10 percent of U.S. capacity. Approximately 72 percent of its containerboard production is used by the Corporation's corrugated packaging plants. Georgia-Pacific is the largest U.S. supplier of containerboard to independent box makers and produces and sells to independent converters over 300,000 tons of kraft paper.

GP owns and operates five (5) shortline railroads located in the states of Arkansas, Louisiana, Mississippi, Georgia.

Georgia-Pacific's production, manufacturing and distribution locations are dependent on safe, efficient and economically viable rail transportation for the receipt of raw materials and chemicals used in our manufacturing processes and the subsequent shipment of finished products to our customers throughout the United States, Mexico, Canada and Internationally. The annual transportation expense borne by Georgia-Pacific is in excess of $2.3 billion. Georgia-Pacific ships or receives in excess of 224,000 carloads annually at an expense of $390 million, utilizing the services of virtually every rail carrier in North America.

Georgia-Pacific has major production facilities which would be directly effected by the purchase of the Wisconsin Central Railroad by the Canadian National Railroad. These include paper production mills at Nekoosa, WI, Port Edwards, WI and Green Bay, WI, all of which are served directly by the Wisconsin Central. These mills receive chips, logs, pulp, chemicals and coal via rail to supply their manufacturing processes and subsequently ship manufactured products outbound via rail to our customers. Other Georgia-Pacific's facilities would be substantially, though indirectly, impacted by this proposed merger through the interchange of equipment and joint routings required to receive and/or ship materials and goods required for the continuation of our primary businesses.

We are aware that Canadian National has requested authority for control of the Wisconsin Central. After carefully reviewing this request, we believe that approval of their request would now, and in the future, be in the best interests of both carriers, Georgia-Pacific and the general shipping public. While the Canadian National and the Wisconsin Central have historically proven to be reliable and efficient carriers, the purchase of the WC by the CN would result in an economically stronger railroad in Wisconsin, able to prosper in the competitive environment of the rail industry.

With the approval of this acquisition of the WC, we believe that the economic stability and capital resources of the CN will allow for investment in equipment and trackage to promote rail transportation to and from Georgia-Pacific's facilities and our customers. Of significant importance in this acquisition request is that, unlike the recent mergers of other railroads, the CN and WC operate virtually end-to-end and will not involve parallel trackage or jointly served locations.

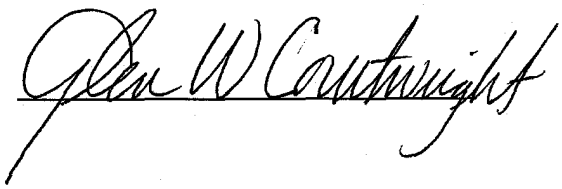
Georgia-Pacific has had a long and mutually beneficial relationship with the CN and the WC, both of which have independently proven to be well managed and operationally efficient railroads. The Canadian National has, in its acquisition of the Illinois Central Railroad, demonstrated to Georgia-Pacific their operational capabilities and it's management's commitment to a successful merger implementation process. We are confident that the CN and WC can, and will, execute a seamless integration of their railroads.

Georgia-Pacific supports the acquisition the Wisconsin Central by the Canadian National for the benefit of the rail industry and the shipping public, now and in the future.

VERIFICATION

I, Glen W. Courtwright, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on this day, March 14th, 2001.



GERDAU **MRM STEEL**

VERIFIED STATEMENT
OF
Jack Blandford
On behalf of
Gerdau MRM Steel

1. **My name is Jack Blandford ,Director of Transportation for the Gerdau MRM Steel Group of companies; that includes Bradley Steel Processors Winnipeg, Monteferro America Springfield and Steinbach, Manitoba, Mandak Metal Processors Selkirk Manitoba, Porter Brothers Scrap Processors, North Dakota, and MFT Manufacturing Arlington, Tennessee.**
   - **I have held this position for the past 3 years. Prior to this I spent 12 years in various management capacities with a Winnipeg based trucking company.**

2. **Gerdau is a steel mill located in Selkirk that produces approximately 300,000 tons of finished products annually. A large portion of this product has value added finishing performed at our subsidiary companies in Manitoba and Tennessee. Our products are shipped throughout N. America and around the world.**
- **Raw material is primarily scrap metal and is sourced throughout western Canada and the states of Wisconsin, Minnesota, North Dakota and Montana.**
- **Approximately 350,000 tons are purchased and processed annually.**
- **We currently have customers in S. Wisconsin and N. Illinois that could be serviced by CN-WC routing. We may also be able to purchase a significant amount of scrap metal from Northern Wisconsin.**

3. **CN's acquisition of the WC would simplify routing requirements on shipments into our existing customers. It would provide access to sources of raw material that we do not have practical access to today. I believe this acquisition would be beneficial to my organization.**

- **Verification**

I, Jack Blandford, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 15, 2001.

(Signature)

GERDAU MRM STEEL INC., P.O. Box 2500, Selkirk, Manitoba, Canada R1A 2B4
Telephone: 204-284-5615 Canada 1-800-665-0414 USA 1-800-665-0245
Fax (204) 785-9011

GLOBE
BUILDING MATERIALS, INC.
2230 Indianapolis Blvd., Whiting, Indiana 46394
219-473-4500 Fax 219-473-4504

March 15, 2001

Mr. Vernon A. Williams, Secretary
Surface transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Vernon:

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 340000)

Wisconsin Central (WC) has been an excellent supplier of railroad services to Globe Building Materials for many years. In particular during my direct association with WC during 2000 we have worker particularly close with WC to expand our relationship to our St. Paul Minnesota facility. For years WC has shipped raw materials into our Whiting Indiana plant , with service that I consider the best in the industry. Early in 2000 this service was expanded to the St. Paul plant with equally good service. In addition to receiving raw materials at St. Paul we are now able to shuttle our finished shingles between the plants. The contract that was signed was for 2000 cars to be used annually which represents about $2 million in freight costs. This is significant in a company of just under $100 million in sales.

I can say that the reason that WC is rated the best is the excellent customer service and a dedication to rail car traffic. I understand that the Canadian National (CN) has a similar dedication to rail car traffic as opposed to other rail carriers. I fear that we would be lost in the large rail complex of unit trains and poor customer service with other railroad companies should the acquisition of WC to CN not be approved.

Globe also has an interest in trying to develop Distribution Centers in the East and in the West. With the acquisition of WC by CN this would be possible with what we believe to be the best service. This opportunity for expansion is important to Globe Building Materials to lower freight costs.

Globe Building Materials would like to lend its support to the acquisition of Wisconsin Central by the Canadian National Railroad.

Sincerely,

Gordon D Murphy

Gordon Murphy
Materials Director

GOLD CREST CONTAINER, INC.

VERIFIED STATEMENT
of
Lawrence N. Johnson

On behalf of
Gold Crest Container, Inc.

My name is Lawrence N. Johnson and I am President of Gold Crest Container, Inc., 751 Waverly Street, Eugene, Oregon, 97401.

As President, I am responsible for the overall management and operations of Gold Crest Container, Inc. I have worked in the logistics industry for 15 years. My wife and I founded Gold Crest Container, Inc. in 1985.

Gold Crest Container is a logistics provider for Coca-Cola Enterprises as well as other smaller companies. We provide transportation solutions for beverage and packaging companies in North America. We managed over 1350 loads annually from and to various points in the U.S.A., Mexico and Canada.

The Canadian National Railway is instrumental in providing routes to complement our ongoing traffic. As our opportunities increase so does our need for expanded service in certain corridors. US and Canadian routes represent 52 percent of our business. Our expansion objectives are to expand this business and we anticipate our growth to be approximately 30 per cent over the next year on lanes currently serviced or by expansion of the Canadian National Railway.

I believe the combined strengths of the Canadian National and Wisconsin Central Transportation Corporation proposed combination plan would result in significant benefits for our organizations. With approval of the application, the combined railroad will position Gold Crest to expand our Intermodal based transborder business and offer shippers a faster, more reliable service from Chicago to western Canadian points. The combination will increase competition with over the road carriers without reducing competition between railroads.

In conclusion, we support the application because we believe this proposed combination would provide significant benefits to our organization.

I, Lawrence N. Johnson, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am authorized to file this verified statement.

Executed on April 28, 2001

Respectfully submitted,

Lawrence N. Johnson
President, Gold Crest Container, Inc.

P.O. Box 70448 • Eugene, OR 97401 • 541-344-2558 • Fax # 541-344-1653

GOLDEN BOY FOODS INC.

8820 Northbrook Court
Burnaby, British Columbia
Canada V5J 5J1

Telephone: (604) 433-2200
Facsimile: (604) 433-0051
email: GoldenBoy_Foods@bc.sympatico.ca

Verified Statement
of
Muhammad Virani
on behalf of
Golden Boy Foods Inc.

My Name is Muhammad Virani, I am the VP of Finance for Golden Boy Foods Inc., and have held this position since 1979. I have over 20 years experience in the food industry and related transportation and logistics field.

Golden Boy Foods Inc. is a food distribution and manufacturing company with annual sales of over $80 million. We service the retail and industrial food industry across Canada and the United States. A large segment of our domestic Canadian business is shipped on rail with CN. Cost efficiencies related to long haul rail shipping allow us to offer our customers high quality service at competitive prices.

We strongly support the proposed combination between Wisconsin Central and Canadian National. The CN/WC combination will position Golden Boy Foods Inc. to expand our rail based transborder business and offer us a viable option to trucking. We believe a viable rail alternative will increase competition and ultimately produce financial rewards for shippers.

From our perspective, the CN/IC combination was seamless. We fully expect the proposed CN/WC combination will be as successful as the CN/IC combination.

In conclusion, I must stress Golden Boy Foods Inc. strongly supports the CN/WC merger. We believe the combination will be executed with minimal disruption and ultimately increase competition by offering shippers a real alternative to trucking. It is our sincere hope that the US Transportation Surface Board quickly approves the proposed CN/WC combination.

I, Muhammad Virani, declare under penalty of perjury under the laws of the United States that the foregoing is true can correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 22, 2001.

Muhammad Virani



VP – Finance
Golden Boy Foods Inc.

GUNDRUM BROS FARM SUPPLY
4894 HWY 33 WEST
WEST BEND WI 53095

March 16, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423 – 0001

Re: Canadian National Railway Company – Control –
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Gundrum Brothers Farm Supply is a farm products distributing company located in West Bend and Eden WI, with both points served by the Wisconsin Central. Our business with Wisconsin Central consists of receiving fertilizer inbound from many points in North America, including from Canada, and shipping grain products outbound. Our rail usage has been increasing dramatically in recent years.

With the proposed merger of the CN and WC, I foresee advantages such as single line service on the Canadian and the other business, the potential for improved equipment utilization and the possibility of buying from and selling to new markets through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network, and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI, thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, Gundrum Brothers Farm Supply strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Mark Gundrum, declare under penalty of perjury under the laws of the United states that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 16, 2001.

Sincerely,

Mark Gundrum

Mark Gundrum

VERIFIED STATEMENT
OF
JAMES HALRON
On behalf of
HALRON OIL CO., INC.

Let me introduce myself, James Halron, Vice-President of Halron Oil Co., Inc., located at 1618 State Street, Green Bay, WI 54304. I've been responsible for buying and selling petroleum products for over 25 years.

Halron Oil Co. Inc, has been a local, family owned business since 1927 and is a seller of a variety of lubricants, fuel oil, diesel fuel, gasoline and related products and services. Halron Oil Company is based in Green Bay, WI, with divisions in Wisconsin Rapids, WI and Escanaba, MI, and a marine refueling barge and fuel terminal in Rogers City, MI. We distribute our products mainly throughout most of Wisconsin and Michigan's Upper Peninsula.

Our company currently utilizes Wisconsin Central to ship #6 oil by rail car from the Minnesota and Superior, WI areas to Green Bay, WI.

Halron Oil Company is also in the process of designing a new state of the art bulk plant facility and will utilize the rail for the delivery of our bulk lubricants.

Our previously owned propane business (Halron Propane), purchased by Williams Petroleum, is currently located at Halron's Green Bay terminal. This 400,000-gallon propane storage system was designed around service provided by Wisconsin Central Railroad. In the year 2000 approximately 400 cars supplied propane to this facility. The railroad is the sole source of propane supply within 120 miles of Green Bay.

We strongly support Canadian National's proposed acquisition of Wisconsin Central both as a customer and as a vendor. Canadian National will be able to provide more efficient, reliable and competitive service to their shippers. For example: propane is now shipped from Edmonton Canada by Canadian National to Superior, WI and then delivered to Green Bay by Wisconsin Central, this acquisition should improve scheduling and timely deliveries. The acquisition will also allow for more effective competition with the trucking industry.

We expect that Canadian National's acquisition of Wisconsin Central will proceed in the same manner as their previous merger with Illinois Central.

We believe that the proposed acquisition will be prosperous for both the railroad system and shippers. Our company supports the acquisition.

I, James Halron, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 3-19, 2001.

Signature

HANJIN SHIPPING COMPANY, LTD.

1211 W. 22ND STREET, SUITE 1100, OAK BROOK, IL 60523 · TEL: (630) 891-7500 · FAX: (630) 891-7560

VERIFIED STATEMENT

Of

GORDON ARITA

On behalf of

HANJIN SHIPPING CO., Ltd.

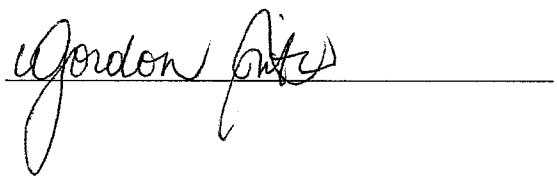
My name is Gordon Arita and I am the Assistant General Manager for Hanjin Intermodal America at 1211 W. 22nd Street in Oakbrook, IL 60523. I am principally responsible for establishing contractual arrangements with rail carriers and controlling routes to handle the inland transportation of ocean containers after discharge from vessels in thirteen port locations in the United States and Canada. I have held this position of responsibility for the past seven years.

Hanjin Shipping Co., Ltd. is a Seoul, Korea based ocean carrier involved in the world-wide transportation of containerized cargo. In conjunction with our sister company Senator Lines GmbH our current budget for rail expenditures exceeds $350 million dollars per year. We have signed transportation agreements with all major United States and Canadian rail carriers including Canadian National Railroad, who we use to transport containers in Canada and the United States from the Port of Vancouver,

One of Hanjin Shipping Company's major U. S. customers is located in Arcadia, WI served by the Wisconsin Central Railroad. We ship more than 4,000 inbound and outbound containers to our customer and we believe that there will be synergies developed by the ability to use a single-line carrier like the Canadian National Railroad directly from the Port of Vancouver for future shipments.

We believe that the proposed acquisition will strengthen the railroad network and benefit shippers. Our company supports the application.

I, Gordon Arita, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on April 5, 2001.



FROM

Hanna Steel Corporation

Corporate Offices
3812 Commerce Avenue
P.O. Box 558
Fairfield, Alabama 35064
205 780 1111
800 633 8252
205 783 8291 FAX

March 14, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N.W.
Washington, D.C. 20423-0001

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No 34000)

Dear Mr. Williams,

My name is Brad Bailey, and I am writing to show our support of the proposed merger between the Canadian National and the Wisconsin Central Railroad. I am employed as the Transportation and Logistics Manager for Hanna Steel Corporation headquarted in Fairfield, AL. We are a value added steel manufacturing company with three plants in Alabama and one in Pekin, IL. The rail service that the Canadian National provides to our Pekin plant is vital to the success of our business and we feel that the proposed merger would have a positive effect on our business operations.

We understand that Canadian National and Wisconsin Central are requesting federal approval of the proposed merger between the two companies. It is our belief that if this merger were approved, our organization would recognize improved service and more efficient transportation of our inbound and outbound material.

We do not feel the Canadian National and Wisconsin Central merger will benefit or harm our current business operations. However, we believe that new opportunities could arise as a result of the merger and consolidation of these two companies. If approved, this merger would allow shippers to enjoy more efficient service through the busy Chicago areas by using the best terminal locations provided by both companies.

In conclusion, we feel Canadian National's proposed acquisition of Wisconsin Central raised no significant issues concerning reduced competition. Furthermore, there will be improved service and better equipment utilization through the more efficient use of each company's existing resources. We support the approval of this proposed merger, and feel customers in all industries will benefit from the merger of these two companies.

Sincerely,

Brad Bailey
Transportation & Logistics Manager
Hanna Steel Corporation

Heinz Frozen Food Company

Affiliate of H. J. Heinz Company

1062 Progress Street
Pittsburgh, Pennsylvania 15212-5990
Telephone: 412 237 3600

VERIFIED STATEMENT
OF
Pete J. Melchior
On behalf of
Heinz Frozen Foods Co.
1062 Progress St.
Pittsburgh, PA 15212-5990

My name is Pete J. Melchior and I am the Distribution Manager for Heinz Frozen Foods Co., a wholly owned subsidiary of H. J. Heinz Co. ("HFF"). I am responsible for managing and procuring all necessary logistical resources required in the processing and distribution of our frozen foods products line.

HFF processes, packages and distributes frozen food products under the brand names of Ore-Ida, Bagel Bites and Weight Watchers. As such, HFF has several processing plants located throughout the continental United States, most of which are sided on and employ the use of several major railroads including a potato processing plant in Plover, Wisconsin which is served by the Wisconsin Central Railroad ("WC"). At the Chicago gateway, HFF utilizes the connecting services of the UP, BNSF, CSX and NS railroads.

Current rail traffic originating on the WC includes carload traffic of frozen processed potatoes destined to our Distribution Centers located in Fogelsville, PA, Ontario, OR, Atlanta, GA, Carthage, MO and Massillon, OH. HFF employs the use of both private cryogenically (CO_2) and mechanically refrigerated railcars as well as refrigerated railcars operated by the WC and other railroads. While HFF has used little rail service for inbound product, HFF is investigating the deployment of rail service for inbound materials and supplies used in our potato processing at Plover and other facilities including fresh potatoes from California, the Pacific Northwest and Canada.

It has come to our attention that the Canadian National ("CN") and the WC railroads have requested authority to enter into a transaction that would put them under common control. HFF supports this request by CN/WC for a number of very important reasons. First, HFF feels that combining the two railroads as one will serve to secure a key and much needed link in the CN's NAFTA network by allowing them to combine their resources and take advantage of their respective assets and synergies allowing them to operate more service and cost-effectively in the growing NAFTA markets.

Second, HFF supports this merger with the strong belief that it will improve the transportation infrastructure of both Canada and the United States by allowing more service and economic efficiencies that will promote increased commerce between the two nations.

Third, absent lumber and lumber products, the commerce moving between the United States and Canada remains far more dependent on the more costly mode of over-the-road truck than is experienced in the United States today on interstate commerce. This merger will allow much greater competition between over-the-road truck and rail thereby benefiting both shippers and receivers involved in this inter-nation commerce.

If approved, we expect that the CN's acquisition and integration of the WC to proceed smoothly and efficiently due primarily to its end-to-end nature and the CN's pervious experience with their acquisition and integration with the IC.

In summary, HFF strongly believes that the CN's acquisition of the WC will be good for shippers, receivers the general public and competition between both competing railroads and over-the-road truck. We urge the Surface Transportation Board and other applicable governing bodies to approve the CN's request post haste.

I, Peter J. Melchior, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 20, 2001.

(Signature)

HIGHWOOD RESOURCES LTD.

Suite 715, 734-7th Ave. S.W.
Calgary, Alberta
Canada T2P 3P8
Tel: (403) 261-3999
Fax: (403) 264-2959
www.highwood-resources.com

27 March, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National - Control - Wisconsin Central (STB Finance Docket No. 34000)
Verified Statement

To Whom It May Concern:

My Name is Stefan Michalewicz I hold the position of Traffic and Logistics Manager with Highwood Resources Ltd. and have held this position since 1994. I have eight years of experience in the transportation and logistics field.

Highwood Resources Ltd. is in the business of industrial minerals. We ship approximately one-hundred (100) intermodal containers within CN Rail's current system. We believe that a viable rail alternative will increase competition and produce financial rewards for all shippers including ourselves.

Improved access to door to door shipping via intermodal to the US market and allows us to compete in new markets and reduce costs on supplying existing customers in the US. Further economies of scale for the railway allow for improved efficiencies in serving customers such as Highwood Resources Ltd.

We fully expect that the proposed CN/WC combination will be as seamless as the CN/IC combination was. We believe the combination will be executed with a minimal disruption and increase competition by offering shippers a real alternative to truck. It is our hope that the US Surface Transportation Board approves the proposed CN/WC combination quickly.

I, Stefan Michalewicz, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on this 27th day of March 2001.

Signed,

HIGHWOOD
RESOURCES LTD.

Stefan M. Michalewicz
Manager, Traffic Logistics

03/27/01 16:23 FAX 4039/485/3 INTERMODAL SVCES 002/002

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February 16, 2001

Mr Vernon A Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington DC 20423-0001

RE: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

William L Martin
Manufacturing, Traffic and Sales
Hockers Brick & Tile Co, Inc; 2870 South Broadway; Green Bay; Wi; 54304

We have used both Rail Lines to get brick from throughout the country, back to Green Bay. The Canadian National/Illinois Central Railroad; Chicago Central and Pacific Railroad; Cedar River Railroad, Grand Truck Western Railroad, Duluth, Winnipeg and pacific Railway, ECO Rail Inc, Quebec & Lake St John Railway and Canadian Norhtern Quebec Railway.

The Wisconsin Central Ltd, Fox Valley & Western Ltd, Sault Ste Marie Bridge Company, Algoma Central Railway and Wisconsin Chicago Link Ltd has been our delivery carrier forever.

The Canadian National's acquisition of Wisconsin Central will offer the single line routing direct to/from Wisconsin Central served stations when in connection with Canadian National.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States through more efficient service and more effective competition with the trucking industry.

Following are some of our supporting reasons:

- More efficient service
- Improved service will be enhanced by eliminating need for a Canadian National / Wisconsin Central interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and, by allowing use of the best terminal facilities of both Canadian National and Wisconsin Central.

2870 SOUTH BROADWAY • GREEN BAY, WISCONSIN 54304
2190 AMERICAN DRIVE • NEENAH, WISCONSIN 54956
TELEPHONE: GREEN BAY (920) 499-0687 • NEENAH (920) 738-3211

Better Equipment Utilization

- New combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. As a result of these and other efficiencies created by the combination, railroad-owned equipment supply will improve and shippers using private equipment should enjoy savings through reduced fleet size requirements.

Competitive Benefits

- One issue STB must address is extent the proposed combination affects competition. For example, increased competition amongst rail carriers, between Canadian National/Wisconsin Central and truck carriers.
- You can expect the acquisition and integration to proceed smoothly and efficiently due to its end to end nature and Canadian National's prior experience with integration of the IC, a larger carrier than Wisconsin Central.

I, William L Martin, declare under penalty of perjury under the laws of the United States the forgoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement, executed on February 16, 2001.

Dave Vorpahl
Witness

Bill Martin
Marketing and Sales

The Knowledge-Driven
Logistics Company

Hub Group, Inc.

377 East Butterfield Road
Suite 700
Lombard, Illinois 60148

Telephone 630-271-3600
Fax 630-964-6475
www.hubgroup.com



Verified Statement
of
Thomas L. Hardin
on behalf of
Hub Group, Inc.

This verified statement is written in support of the proposed transaction between the Wisconsin Central and Canadian National. My name is Thomas L. Hardin and I am the President and Chief Operating Officer of Hub Group, Inc. As such, I am directly responsible for all facets of the corporation governance and this includes but is not limited to defining the strategic position Hub Group will maintain within the transportation and logistics industry. Since 1972 I have maintained senior positions at Hub Group, served as President since 1985 and Chief Operating Officer and a Director since 1995. I have been directly responsible for Hub Group's growth in both size and scope. Our annual operating revenues in 2000 were approximately $1.4 billion and we maintain a presence of over thirty (30) offices throughout the US, Canada and Mexico.

Hub Group, Inc. is a leading customer-focused, non-asset based transportation management services company providing comprehensive intermodal, truckload, LTL, international and logistics services. As part of our over thirty office locations, we maintain a local presence in Milwaukee, Wisconsin known as Hub North Central. While many of our other offices utilize the services of Wisconsin Central to some degree, the North Central office is the heaviest user. The majority of our other offices maintain a working relationship with the Canadian National, their affiliates and/or subsidiaries. In all cases, these two rail carriers provide value for our clients and their respective customers. As a point of reference, Hub North Central shipped in excess of 5600 units on the Wisconsin Central and Canadian National since January 1, 2000.

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. I believe this is a positive step to strengthen the rail infrastructure in North America. In addition, the combination puts two of the most customer focused rail carriers together, which will inevitably enhance the overall service offering to all rail customers. For this reason alone, we strongly support the transaction and respectfully suggest that the merger be allowed to proceed without impediments and conclude at the earliest possible time.

There are numerous other benefits that we see in this transaction. For instance, integration to a single IT platform across the WC and CN. By integrating the two rail systems into a single platform, transaction costs for logistic management companies are reduced. Moreover, inventory management systems are enhanced by creating visibility of the shipments across a single line carrier versus multiple lines and through various systems. This visibility provides a valuable service to companies that manufacture goods as well as those that are vertically integrated. Another feature that we see to strengthen the intermodal product is the ability to source equipment to meet peak demand periods. In the

past, WC has had a difficult time managing spikes in traffic patterns due to accessibility to car supply. Clearly, the transaction with the CN opens up opportunities to source and utilize equipment once not available to the WC network. We see this as a strong value added benefit.

The competitive environment within the state of Wisconsin is such that trucks carry a disproportionate amount of market share. We believe that, by strengthening the infrastructure and enabling the combined organization to offer a single line service, the competitive position of rail will be enhanced. This directly translates into value for shippers by providing a viable transportation alternative.

In summary, we believe that CN's reputation for merging companies in a smooth and efficient way will carry over into the WC transaction. Furthermore, we see no significant issues either from a competitive standpoint or from an integration perspective. We like the idea that the Wisconsin Central and Canadian National will be in a better position to serve our customers and will strengthen the rail infrastructure in North America. Given these positive features we see only benefits for the shippers and again respectively request that the transaction be allowed to proceed at the earliest possible time.

I, Thomas L. Hardin, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 16, 2001.

Thomas L. Hardin

State of Illinois
County of DuPage

Subscribed and sworn to before me this 16th day of March, 2001.

My Commission Expires: July 11, 2001



March 15, 2001

Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

VERIFIED STATEMENT
OF
WAYNE MCRORIE
On behalf of IPSCO

I, Wayne McRorie, Traffic Manager for IPSCO, P. O. Box 1670, Regina, Saskatchewan. I have been the Traffic Manager with IPSCO for over 35 years. I am directly responsible for the purchasing of transportation for IPSCO's Regina, SK facility.

IPSCO produces steel and steel products. It has facilities in Surrey BC, Calgary AB, Red Deer AB, Scarborough ON, St. Paul MN, Camanche IA, Montpelier IA, Geneva NE, Mobile AL, Blytheville AR and Houston TX.

IPSCO purchases transportation for its products to and from the locations listed above. Canadian National Railway has access via interswitch with the Canadian Pacific Railway to IPSCO's Canadian facilities in Surrey BC, Regina SK, Calgary AB, Red Deer AB and Scarborough ON.

IPSCO is aware that Canadian National ("CN") and Wisconsin Central ("WC") are requesting authority to enter into a transaction that would put them under common control. IPSCO supports this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

IPSCO would benefit from the approval of this application in that faster, more reliable service from Canada to Chicago, IL would be realized. The single railway would enjoy the benefits of fewer interchange points which would reduce dwell time at these former interchange points. Coordination of equipment would improve, and as a result the equipment would be better utilized.



The CN-WC combination would create increased competition among rail carriers. Some Wisconsin points would become more competitive on shipments from Canada. The combination would provide our Iowa facilities with an additional competitive route to Western Canada via St. Paul, MN. Currently the alternative is through Chicago, IL.

IPSCO has no significant service issues concerning the integration of the two railways, as it is an end-to-end merger. The CN successfully integrated the Illinois Central and we have no reason to believe that this merger would be any less successful.

IPSCO believes that the proposed CN-WC combination will benefit shippers. Our company supports the application.

I, Wayne McRorie, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 15, 2001.

Wayne McRorie

MINERAL PRODUCTS Inc.
34 Charles Street • Hagerstown MD 21740-3899 • Tel: 301-733-4000 • Fax: 301-733-4003

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National-Control-Wisconsin Central
(STB Finance Docket No. 34000)

VERIFIED STATEMENT
OF
ROBERT TOTH
On behalf of
ISP MINERAL PRODUCTS

As Product and Logistics Manager for ISP Mineral Products Inc., I have the responsibility of overseeing the transportation function for our company, which include, freight rate negotiations; carrier selection; equipment supply; and mode of transportation. I am writing to express ISP Mineral Products Inc. support for the proposed acquisition of Wisconsin Central by Canadian National.

ISP Mineral Products Inc., located at 34 Charles Street in Hagerstown, Maryland, manufactures colored mineral granules for the asphalt roofing industry. We have manufacturing facilities located in Annapolis, MO; Blue Ridge Summit, PA; and Pembine, WI, which is serviced by the Wisconsin Central. In 2000, we shipped approximately 2,500 carloads via Wisconsin Central.

We believe that the acquisition of Wisconsin Central by Canadian National will benefit ISP Mineral Products Inc. by providing single-line service to selected markets in both the United States and Canada. The current interchange process increases costs and transit times, reducing equipment utilization and adversely impacting equipment supply during peak shipping periods. We anticipate that following the acquisition, Canadian National will provide single-line service to selected markets thereby eliminating the interchange and reducing operating costs.

Additionally, we believe the acquisition will improve equipment utilization, resulting in increased railcar availability, reduced empty mileage, and lower costs.

Again, please accept the support of ISP Mineral Products Inc. for the acquisition of Wisconsin Central by Canadian National.

I, Robert Toth, declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge. Further, I certify that I am qualified and authorized to file this verified statement. Executed on April 3, 2001.

Robert Toth



ISP Mineral Products Inc.

INCOBRASA INDUSTRIES, LTD.

VERIFIED STATEMENT
OF
TERRI L. DEMARAY
On behalf of
INCOBRASA INDUSTRIES, LTD.

Terri L. Demaray
Logistics Manager/Specialist
540 E. U.S. Highway 24
Gilman, Illinois 60938

My name is Terri L. Demaray. I've worked for Incobrasa Industries, LTD. since 1996. I've been Logistics Manager for this company for two years.

Our Plant is located in Gilman, Illinois, and is served by the Canadian National/Illinois Central Railroad and also the Toledo, Peoria and Western.

Our plant takes in soybeans, and our outgoing products include 48% soybean meal and soyhull pellets. In July of 2001, our plant will be opening our soy oil refinery. We will be shipping 50% of our refined bleached deodorized oil by rail. We are researching new customers for this market. We currently are looking at targeting soy oil to Chicago and the East Coast. This means shipping out of Gilman on the CN/IC.

Our largest customer is Interstate Commodities, which is based out of New York. Our business with them is 90% shipped on CN. We are currently going to the East Coast and Canada with the majority of our meal.

We understand the Canadian National and Wisconsin Central are requesting authority to merge both railways. We are in complete support of this transaction. I believe this will open up markets for our company.

This merger will open up the possibility of a bean market for us and also may create a new opportunity for CN/WC. Currently, most of our inbound soybeans are carried to us by truck, primarily from local growers. We have not been significant purchasers of soybeans form CN/IC-served sources, and we do not purchase beans from WC-served points. The merger would give us the opportunity to select beans from CN/IC and WC sources, giving us a competitive pricing alternative in the bean market.

I also believe the merger will improve service for our meal that is entering into our Canadian markets. It will also open up more areas to market our meal, should the merged system provide us with better service and prices.

CN/WC will help us to develop markets for products from our new oil refinery, particularly with respect to areas where we can be more competitive with rail as opposed to truck shipment of our product.

The CN/WC merger would prove to be most beneficial because of its end-to-end nature. Our positive experience with the CN/IC merger suggests that CN/WC will result in service improvements along the same lines.

I, Terri L. Demaray, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 12, 2001.

Terri L. Demaray

VERIFIED STATEMENT OF
WILLIAM HEINTZ
On behalf of
IDEAL BOX

RE: Canadian National - Control-Wisconsin Central
(STB Finance Docket No. 34000)

My name is William Heintz. I hold the position of Vice-President of Manufacturing for Ideal Box. I have held this position for 21 years and have witnessed our company's continuous growth of utilizing rail service.

Since our inception in 1978 as a transload distribution center serviced by the Canadian National Railroad (CN), formerly the Illinois Central Railroad, we have doubled the quantity of rail cars transloaded at our facility (1996 - 186 cars; 2000 - 373 cars). Ideal Box is located in a 300,000 square foot manufacturing and warehousing facility with outdoor storage and parking. Our unloading capacity has increased to 9 fifty foot box cars. New construction has started for an additional 80,000 square foot warehouse and increased rail and truck unloading.

Our company transloads over 45 million pounds of printing roll paper per year shipped by rail service from Canada to Florida to Oregon.

We strongly support the proposed combination of Canadian National (CN) and Wisconsin Central (WC). We were fortunate enough to experience the CNIC merger. Throughout all of the stages of the CNIC merger we experienced the same high quality service we had become accustomed to with the IC. This uninterrupted service has assisted in our growth of constructing new warehouse space, additional unloading dock, and additional employees. The CN-WC merger will improve the transportation infrastructure by creating one seamless railway from two separate ones. This will enhance our Northern business by enabling our customers to utilize one less rail line; therefore, providing more efficient service and more cost effective competition with the trucking industry.

Our support of the CN-WC proposed merger is due in part to the endless opportunities the merger will provide for our business growth. It will open up new market areas and increase current ones for receiving product via rail service. We will be able to offer our clients an extended area for purchasing materials while relying on one rail line for services. Our customers will benefit from the faster, more diversified and economical service provided by this combination of rail lines. Customers who currently have products shipped on the Wisconsin Central and switched over to Canadian National will now be able to utilize the enhanced benefits of the combination of these rail lines.

We had a wonderful relationship with the IC before it became a part of CN. This relationship continues today as we continually work with the CN personnel to meet our customer's expectations. This same group of CN employees work hard to assist us in achieving our goals. We support the application proposed by Canadian National and Wisconsin Central. As we feel it will have a favorable effect by providing significant benefits to shippers which, in turn, has a positive effect on our business.

I, William Heintz, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the verified statement. Executed on March 27, 2001.

William O. Heintz

Insert Transportation Service, Inc.

373 Saturn Dr.
Memphis, TN 38109
901-348-6458

5021 Trotwood Ave
Columbia, TN 38401
800-242-4293

VERIFIED STATEMENT
OF
JOHN LYNCH
on behalf of
INSERT TRANSPORTATION SERVICE, INC.

I, John P. Lynch, President of Insert Transportation Service, Inc. at 373 Saturn Drive, Memphis, TN, 38109 am writing this letter in support of the acquisition of the Wisconsin Central (WC) by the Canadian National (CN).

As President and owner of Insert Transportation Service, Inc. (ITS) I am responsible for all aspects of our public warehousing and printed materials distribution based company. I have been involved in the transportation and warehousing service industry for twenty years and my company specializes in offering these services for the printing industry. ITS has also recently expanded our offering of these services to the craft paper industry which regionally in the Mid-South includes several companies engaged in the processing of craft paper into paper bag and packaging papers.

As part of our company's service offering we typically receive rolled paper products for our customers, warehouse and ultimately deliver to our customers printing or paper conversion plants. In turn we will also store and deliver printed materials produced from these locations to destination points nationally.

We understand that CN and WC are requesting authority to enter into this transaction that would put them in common control. We strongly support CN acquisition of the WC understanding it will improve transportation infrastructure in the United States through more efficient service and more effective competition with the trucking industry.

ITS recognizes the special services required by the printing industry due to the time sensitivity of their publications. Timely and consistent inbound transportation of rolled paper is critical in this process. Since Canada is a leading producing area of this product, in September 1999 I relocated my warehouse operations into a location served by the CN/IC lines in order to take advantage of an opportunity to reduce overall transit times by two days from paper mills to my location. By granting this acquisition the direct line capability now enjoyed by paper mill companies located on the CN will be expanded to those served also by the Wisconsin Central. We believe this will allow me to offer a better service package to my customers as well as enhancing the ability of those mills served by the WC to become more competitive in the Mid-South from a service as well as price standpoint.

ITS believes this will become possible as a result of Canadian National's ability to better coordinate train scheduling through current WC interchange points of Duluth, MN/Superior, WI and Chicago, IL. Also, service and efficiencies will be able to improve as a result of establishment of a new operating plan by combining those of two separate companies into one.

The CN has proved by its recent acquisition of the Illinois Central Railroad that it can combine two end-to-end rail systems in a smooth and efficient manner without service disruptions. This has also resulted in opportunities for the shipping public to benefit as I have described in the case of ITS and our customers. It is our hope the Surface Transportation Board will approve the acquisition of the WC by the CN and extend these benefits to those served by the WC.

I, John Lynch, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on (date). 3-13-01

___Signature____

Regards,

John P. Lynch
President

VERIFIED STATEMENT

OF
WILLIAM ZISSON
on behalf of

INTERNATIONAL COMMODITIES EXPORT CORPORATION

- My name is William J. Zisson, I am President and C.E.O. of International Commodities Export Corporation. My residence is 7 Stoney Wylde Lane, Greenwich, CT.
  I have been employed by ICEC for 36 years and have been President and CEO for approximately 6 years.

  My initial responsibilities at ICEC were in the transportation and traffic area and I have assignments in marketing and finance since that time.

- ICEC is the world's largest sulphur trading company. In addition to handling approximately 3 million tons of sulphur worldwide, ICEC markets approximately 2 ½ million tons of finished fertilizer products. Of our worldwide volume approximately 40% is shipped in North America. Specifically, an annual volume of approximately 1.2 million tons of molten sulphur and approximately 800,000 tons of finished fertilizer products such as diammonium phosphate, and urea.

  As such we are major suppliers of both sulphur and fertilizer to both industrial consuming plants as well as wholesale/retail/co-op distribution centers throughout North America.

- Our Canadian sulphur shipments originate from many CN and CP locations with destinations in the South Central/Southeast quadrant of the United States. On such movements we have a choice of CN or CP transportation at many of our origin points. We use BNSF, UP, CSXT and NS to various destinations.

  Many or our discharge destinations are also served by barge transportation on the Mississippi and Missouri river systems as well as truck deliveries.

  In addition to our sulphur shipments we also ship phosphate fertilizers typically from the Southeastern United States or the Gulf Coast to Midwestern U.S. locations as well as Eastern and Central Canadian locations. ICEC also imports nitrogen fertilizers through various U.S.Gulf coast ports also for

INTERNATIONAL COMMODITIES EXPORT CORP.
2975 WESTCHESTER AVENUE PURCHASE, NEW YORK 10577
TELEPHONE (914) 642-8900 FAX (914) 694-4711 TELEX 650-6836964
E-MAIL: fert@icecglobal.com WEBSITE: www.icecglobal.com

shipment to Midwest, and Canadian destinations. On such movements originating in the Southern U.S. we have the choice of the same railroads mentioned above as well as river barge systems and even direct ocean vessel discharge at Great Lakes ports. ICEC use all three modes of transportation.

- CN is a major trans-border player in the transport of both ICEC's sulphur and fertilizers shipments between the U.S. and Canada. Our shipments over CN, particularly between Western Canada and the U.S. South and Southeast, depend upon CN's ability to route traffic efficiently over Wisconsin Central's (WC) route between Superior, WI, and Chicago, IL.

  CN/WC transaction will, as we understand it, secure a critical single-line route linking Canadian and U.S. markets that are important to ICEC.

  ICEC favors any initiative that would result in more efficient service between the U.S. and Canada, and that is one of the main reasons why we support the CN/WC transaction.

- In order to assist and support our shipping activities, ICEC maintains a private fleet of approximately 1,000 molten sulphur railcars, which are both owned and leased by our company. International Commodities Export Corporation strongly endorses CN's proposed acquisition of WC. We presently are heavy shippers on CN as well as competing roads and believe that the proposed joining of CN and WC systems will yield significantly better, innovative, and more efficient service, as well as more competitive rail rates and more responsive marketing service. The creation of a strong, seamless rail network will assist our exports of fertilizers into Canada and will greatly improve the rail efficiency of our sulphur shipments from Canada by improving service through the critical Chicago gateway. Because CN/WC could yield faster transit/cycle times than we now experience, we anticipate that the transaction will allow us a much cheaper and better utilization of our private rail equipment.

- Our experience has been that when a railroad can provide origin-to-destination service, the rail rates are substantially less expensive, the service is faster and there are fewer delays than when switching between separate lines. Obviously these efficiencies result in both better service and lower costs to ICEC. We also believe that the transaction will result in greater competition between CN and other railroads through the Chicago gateway which ICEC hopes will result in more competitive rates as well as more efficient service.

- The merger of CN and IC yielded significant service improvements and more favorable rail rates to ICEC. The integration of the two roads was exceedingly smooth from our perspective and we are totally comfortable that

the previously demonstrated skills of managing the transition will bode well for this proposed acquisition, particularly since like the CN/IC merger, it is an end-to-end combination. We found that the previous combination effected by CN and IC was positive in that newly combined railroad system was much more responsive and energetic, in handling our freight.

CN/IC worked very innovatively in organizing and assisting ICEC to establish new business routes given their greater capabilities. In all instances this has allowed our company to not only have a less expensive and better rail service, but it also has created new areas of business for us.

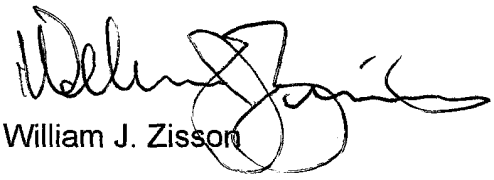
- The CN/IC combination also energized the competing rail and barge lines to provide more competitive service both in terms of price and quality. In our view neither the previous rail combinations nor this proposed WC acquisition by the CN raise any negative issues regarding competition. In fact, we believe that it will enhance the competitive landscape particularly as the two railroads are largely complementary, end-to-end lines.

- Given our experience with previous CN mergers, we have a high regard for their administrative skills, and therefore, we have no concerns regarding service during the transition period. Additionally, the fact that the WC and CN are end-to-end lines makes us totally comfortable that the transition period will be smooth.

- Accordingly, International Commodities Export Corporation strongly endorses the proposed acquisition and supports without reluctance or equivocation the application before the Surface Transportation Board.

I, William J. Zisson, declare under penalty of perjury under the laws of theUnited States that the forgoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

March 6, 2001



William J. Zisson

FreightLink
A Division of International Freight Link Inc.
Linking Services to Solutions

phone: (604) 542-0254
fax: (604) 538-9186
toll free: (877) 542-0254

101-17637 1st Avenue
Surrey, British Columbia
V4P 2K1 Canada

www.freightlink.ca
e-mail: info@freightlink.ca

March 12, 2001

Verified Statement
Of
Mr. Roger Harrison
On behalf of
International FreightLink Inc.

My name is Roger Harrison; I am President of International FreightLink Inc. and have held this position since founding the company in 1997. International FreightLink Inc. currently employs 15 people with annual revenues of $10,000,000. Prior to forming this company I had been involved in transportation and logistics for 15 years.

International FreightLink Inc. is a third party logistics provider offering LTL and Full Load service across North America and overseas. In addition we offer full service customs brokerage and on-line solutions tailored to meet our clients needs.

We use CN rail to move a large amount of our domestic Canadian business. This allows us to offer our customer a premium service at competitive rates.

I strongly support the proposed combination between Wisconsin Central and Canadian National. The CN/WC combination will position our company to expand our rail based transborder business and offer shippers a viable option to truck. I believe a viable rail alternative will increase competition and ultimately benefit all shippers.

Improved access to railway owned equipment as a result of the combination will allow my company to offer expanded service at competitive rates that we cannot currently offer.

From my perspective the CN/IC combination was seamless and I expect the proposed CN/WC combination will be as successful and beneficial to my customers.

In closing I would like to emphasize that I strongly support this merger and believe that this combination will take place with minimal disruption and will ultimately increase competition by offering shippers a viable alternative to truck. It is my sincere hope that the US Transportation Surface Board quickly approves the proposed CN/WC combination.

I, Roger Harrison, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 12, 2001.

Roger Harrison
President
International FreightLink Inc.

International
FREIGHT SERVICES, INC.

WE MAKE IT EASY TO DO
BUSINESS AROUND THE WORLD.

February 26, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Dear Mr. Williams,

I am: Robert A. Roubitchek
President, International Freight Services, Inc.
1699 Wall Street, Suite 520
Mt. Prospect, IL 60056
Business Owner for 12 years – 25 years industry experience

Since 1989, International Freight Services, Inc. has continued to expand and serve customers, while providing complete international transportation services for importers and exporters worldwide.

We offer complete shipping services, from pre-clearance to supplier consolidation, at competitive prices, including Air Freight (Import/Export), Ocean Freight (Import/Export) and Customs Brokerage. Our central location allows us to easily reach all customers, from Hong Kong and Rio, to Auckland and Delhi.

Our partners overseas have extensive knowledge and experience in cargo, freight forwarding, customs, and project management. We work with every airline and ocean carrier to deliver goods around the world. Our well-established supply chain surpasses the quality and price offered by any in-house provider.

We utilize many railroads (such as): Illinois Central Railroad; Chicago Central and Pacific Railroad; Cedar River Railroad; Grand Trunk Western Railroad; Duluth, Winnipeg and Pacific Railway; ECO Rail Inc.; St. John Railway; Canadian Northern

Quebec Railway; Wisconsin Central Ltd.; Fox Valley and Western Ltd.; Sault Ste. Marie Bridge Company; Algoma Central Railway and Wisconsin Chicago Link Ltd.

We strongly support CN's proposed acquisition of Wisconsin Central. It should improve the Transportation infrastructure in Canada and the U.S. through more efficient service and more effective competition with the trucking industry.

We will expect to receive:

More Efficient Service

By securing CN's NAFTA network, acquisition of WC assures the ability of CN and WC shippers to participate efficiently over the long-term in the fast growing NAFTA markets.

Improved service will be enhanced by eliminating need for a CN and WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN and WC.

Improved service will also result from a new operating plan extending CN's scheduled railroad service to WC.

Better Equipment Utilization

New combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. As a result of these and other efficiencies created by the combination, railroad-owned equipment supply will improve and shippers using private equipment should enjoy savings through reduced fleet size requirements.

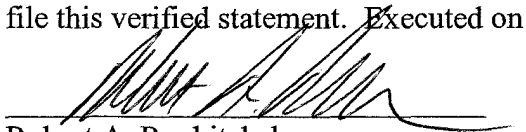
Competitive Benefits

The issue STB must address is, the extent that the proposed combination affects competition. For example, increased competition amongst rail carriers, between CN and WC and truck carriers, allows industries in this area to reach more distant markets via single line service.

Smooth Transaction

You can expect the acquisition and integration to proceed smoothly and efficiently due to its end-to-end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

I, Robert A. Roubitchek, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorize to file this verified statement. Executed on February 26, 2001.



Robert A. Roubitchek

Interstate Commodities, inc.
GRAIN AND FEED INGREDIENTS

VERIFIED STATEMENT
OF
VICTOR A. OBERTING
On behalf of
INTERSTATE COMMODITIES, INC

My name is Victor A. Oberting and I am President of Interstate Commodities, Inc. located at Seven Madison Street, Troy, New York.

I have been employed by Interstate Commodities, Inc for 42 years and have served in many areas of the marketing, operations and transportation activities of this company.

Interstate Commodities is engaged in the distribution of grain and grain products from Midwestern origins in the United State and Canada to destinations in all of the U.S. and Canada. The company maintains distribution facilities at Troy, New York and York, Pennsylvania and Wilmington, Delaware. Office locations are at Troy, New York and Jacksonville, Florida.

Interstate Commodities originates over 20,000 rail cars annually from Midwest rail origins. A significant percentage of this volume is shipped from origins on the Wisconsin Central railroad to eastern United States and the Canadian provinces of Ontario and Quebec as well as to the entire Southern United States.

I strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States through more efficient service and more effective competition with the trucking industry.

With the acquisition of the Wisconsin Central, Canadian National will be able to offer faster, more reliable single line service from our shippers of grain on the Wisconsin Central to and via Chicago and beyond the Canadian National all because the busy Chicago interchange would be eliminated.

Canadian National proposed acquisition of Wisconsin Central raises no significant issue with Interstate Commodities with respect to reduced competition as the two railroads are end-to-end just as in the case of the Canadian National and the Illinois Central.

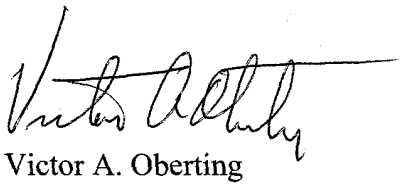
7 MADISON STREET • P.O. BOX 607 • TROY • NEW YORK 12181
518.272.7212 • 800.833.3636 • FAX 518.272.7299

Interstate Commodities operates its' own grain hopper car fleet of over 1200 cars. The new combined organization will be able to coordinate rolling stock management and as a result of this and other efficiencies our utilization of our railcar fleet will improve and we may enjoy savings through reduced fleet size requirements.

Interstate Commodities supports the Canadian National – Wisconsin Central application. I believe the proposed acquisition will strengthen the railroad network and benefit shippers.

I, Victor A. Oberting, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on February 16, 2001.



Victor A. Oberting
President



J.B. HUNT TRANSPORT, INC.

VERIFIED STATEMENT
OF
PAUL R. BERGANT
On behalf of
J.B. HUNT TRANSPORT, INC.

I am Paul R. Bergant, Executive Vice President Marketing and Chief Marketing Officer of J.B. Hunt Transport Services, Inc. and President of J.B. Hunt Intermodal. I have been employed at J.B. Hunt for over 23 years in various capacities. My address is:

J.B. Hunt Transport, Inc.
615 J.B. Hunt Corporate Drive
P.O. Box 130
Lowell, AR 72745

We currently generate in excess of 750 million dollars in intermodal revenue annually. As President of J.B. Hunt Intermodal, it is my responsibility to ensure that we have available the best and most practical intermodal routes and services at our disposal.

J.B. Hunt transports general commodities by both truck and intermodal throughout the United States, Mexico and Canada. We currently have terminal facilities in Chicago, Memphis and Detroit in addition to over twenty other locations. We currently utilize the Canadian National for shipment to and from the United States and Canada. Specifically, they provide service for us between Montreal and Toronto and points in the United States and Mexico such as New Orleans, Chicago, Memphis and Jackson, MS. Additionally, we utilize their service at interchange points, primarily Chicago, to service beyond their territorial capabilities.

We understand the Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We support this application as it will secure a key link in Canadian National's NAFTA network and offer significant opportunities for service improvements and efficiencies.

Approval would allow J.B. Hunt to better serve its customers from points in Wisconsin to destinations in Canada. Though service over Chicago would be a benefit over current service offerings. This improvement would provide better equipment productivity as well as the aforementioned service improvement. The equipment issue is of key concern to Hunt as we own over 23,000 48' and 53' containers.

Because this proposed acquisition of the Wisconsin Central raises no significant issues concerning reduced competition because, like Canadian National/Illinois Central, the two railroads are end-to-end.

We believe that the proposed acquisition will be pro competitive and will therefore benefit the shipping public. Therefore, J.B. Hunt Transport, Inc. supports this application.

VERIFICATION

STATE/PROVINCE OF Arkansas
COUNTY OF Washington

Paul R. Bergant, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

Paul R. Bergant

Subscribed and sworn to me before this 19th day of March 2001.

Marlene J. Jones
Notary Public

My Commission Expires:

3/1/2005



JACOBSON
FARMERS SUPPLY

P.O. Box 158 • 721 Main Street • Brownsville, WI 53006
(920) 583-3116 • (920) 922-2922 • (920) 387-3721 • (920) 269-4584
FAX: (920) 583-8494

March 16, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423 – 0001

Re: Canadian National Railway Company – Control –
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Jacobson Farmers Supply is a farm products distributing company located in Brownsville, WI, and served by the Wisconsin Central in nearby Lomira, WI. We sell these farm products to our customers from our facility in Brownsville, WI. Our business with Wisconsin Central consists of receiving rail shipments of fertilizer inbound. We have been receiving these shipments for many years.

With the proposed merger of the CN and WC, I foresee advantages such as single line service, the potential for improved equipment utilization and the possibility of buying from new markets through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network, and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI, thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, Jacobson Farmers Supply strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Terri Jacobson, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 16, 2001.

Sincerely,

Terri Jacobson

Terri Jacobson

Jay-Mar, Inc.
2130 Jay-Mar Road • P.O. Box 429 • Plover, Wisconsin 54467-0429
Tel: 715-341-3445 • Fax: 715-341-4106

March 9, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington D C. 20423-0001

Dear Mr. Williams:

Re: Canadian National Railway Company – Control -
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Jay-Mar, Inc. is a family owned business who has been providing the agricultural industry, in central Wisconsin, seed and fertilizer for almost 30 years.

Jay-Mar does not ship via rail, however we receive most of our liquid and dry fertilizer via rail. We receive 200-300 cars annually. The majority of our product is shipped from Canada, Sioux City, Iowa and Baton Rouge, Louisiana.

Service is very critical in our business and I would much sooner deal with a smaller railroad company and Canadian National could offer significant opportunities for improvement.

Jay-Mar, Inc. strongly supports the proposed transaction between Canadian National and Wisconsin Central.

I, Verne M. Johnson, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. I certify I am qualified and authorized to file this verified statement. Executed on March 9, 2001.

Sincerely,

Verne M. Johnson
President

VMJ:kc



March 8, 2001

Mr Vernon A Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

COMPLETE PULPWOOD CHIPPING FACILITIES IN HAYWARD, ASHLAND, HIXTON, WISCONSIN

I am William B. Johnson, President and owner of Johnson Timber Corporation. My company is in the business of producing woodchips from trees for introduction into the papermaking process. My firm has production facilities on the lines of the Wisconsin Central at Hayward, Hixton and Ashland, Wisconsin and we have shipped an average of five thousand rail cars per year from these locations to paper mills also located on the Wisconsin Central line.

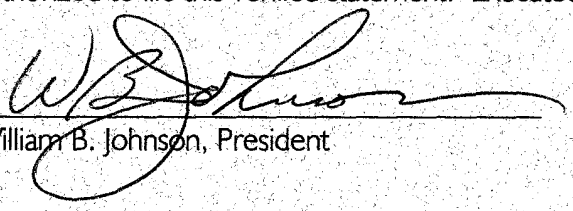
The function of my company is to produce the basic fiber input into the papermaking process. This fiber takes the form of a woodchip (a one inch square by ¼ inch segment of a tree) that is cooked under pressure in the presence of caustic chemicals to produce a pulp which is further refined into a finished sheet of paper. The nature of my business is to produce these woodchips at locations which are close to the forest resource and move them to paper mill locations. Access to reliable and cost effective rail transportation is vital to the welfare of my business. The Wisconsin Central has been a very good provider of transportation, and continued availability of that quality of service is of utmost importance.

As a businessman, I am aware of the realities of the modern business environment. Business consolidation is a widely used and essential tool for managers to develop returns that will enable continued investment. It appears that the owners of the Wisconsin Central have judged that future returns as an independent company may be inadequate and they, therefore, have voted to promote a sale of assets to the Canadian National Railway. I fear that failure to accommodate a sale will, likely, lead to a curtailment of capital expenditure on the lines of the WC, producing an assured decline in the high quality of service that we have come to enjoy. The history of rail service within the state of Wisconsin shows that the existence of the WC itself is a function of failed rail predecessors. The Milwaukee Road, Green Bay & Western, Chicago & Northwestern, Soo Line and Fox River Valley Railroad are all defunct carriers whose lines are now operated by the WC in Wisconsin. These railroads found there to be insufficient incentive to continue their independent operation. The investors in the WC have apparently reached the same conclusion and, as a shipper, I am alarmed and in need of a longer-term solution. I do not want to return to the uncertain conditions that existed before the WC.

9676 N KRUGER RD. HAYWARD, WI 54843 ✦ 715/634-4843 ✦ 715/634-5755 FAX
MEMBER OF THE AMERICAN FOREST & PAPER ASSOCIATION - PRACTICING SUSTAINABLE FOREST MANAGEMENT PRINCIPLES

My knowledge of the Canadian National is somewhat limited, however, I do know that it is a large, diversified carrier with a strong participation in the forest products industry and, additionally, that is has a proven record of good service and financial success. My firm and other rail customers within my region deserve the stability that can be provided by the Canadian National. Our businesses rely on rail service and we can no longer withstand an environment of "here today – gone tomorrow". I strongly support Canadian National's acquisition of Wisconsin Central as a change that will best ensure continuation of efficient rail service in the Wisconsin/Upper Michigan region.

Verification:
I, William B. Johnson, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 8, 2001.



William B. Johnson, President

KAPT-AL SERVICES (1988) LTD.

Granville Square, Suite 2760 - 200 Granville Street, Vancouver, B.C. V6C 1S4 Tel: (604) 688-3696 Fax: (604) 681-1393

VERIFIED STATEMENT
OF
JOYCE (JC) CHEUNG
On behalf of
KAPT-AL Services (1988) Ltd.

March 15, 2001

KAPT-AL Services (1988) Ltd. is the exclusive marketing company for six alfalfa products producers in Western Canada. Our group is the largest and most geographically diverse processing facilities in North America. We export 83 percent of our production to Asia, 12 percent to the United States, and 5 percent for other markets. For 2000/01crop year, we shipped 35,000mts of pellets to various locations in Texas. We expect a similar volume to be sold in the upcoming year.

Our six processing plants are strategically located through out Alberta and Saskatchewan: Green Acres Alfalfa Farms Ltd, Paddle Valley Products Ltd., Legal Alfalfa Products Ltd., Arborfield Dehydrators Ltd., Tisdale Alfalfa Dehydrator Ltd, Hudson Bay Dehydrators Ltd. All of our plants receive weekly service by CN Rail. For overseas export, railcars are either delivered to Neptune Bulk Terminals (Canada) Ltd. in Port of Vancouver for shipment into bulk vessels, or they are delivered to EBN Grainco in Richmond, BC, for transloading into containers. For the most part, where possible, alfalfa pellets destined for the United States are shipped in 25, 30, or 50 cars unit train from our Tisdale and Arborfield plants. Depending on railcars availability, we can ship a unit train every other week from Saskatchewan to Texas. The cars are routed on CN line from our plant to Chicago until they arrive at the interchange point with BNSF, after switching lines they will complete their transit to the end user. Our U.S. target markets are in Texas: Friona, Plainview, Laredo, El Paso.

By merging Wisconsin Central Rail with CN Rail, it will create a seamless transport operation along the Western Canada – Chicago corridor. By eliminating the interchange at Superior and Chicago, it should reduce dead time before switching, improve transit/ turn-around time of railcar fleet, and increase railcar availability at our plants. A single-line service will allow better tracking and control of cars, provide direct access to the U.S. market, and allow CN to access and respond to shippers' inquiries quicker. The improved logistic infrastructure between U.S. and Canada will potentially help improve our business into Texas. This is a strategic integration of two carriers that complement the service of both and expands the alternatives for their customers. We feel an "end-to-end" merger such as the CN/WC will streamline service and enhance competition.

We strongly support CN's acquisition of Wisconsin Central. This is a pro-competitive transaction that strengthens both CN & WC to the benefit of their customers. The CN/IC integration was handled well, and we experienced no difficulties. We anticipate an equally smooth integration with the CN/WC merger. With STB approval of the CN/WC transaction, we expect to see an improved level of service reliability, lower costs, and more competitive alternatives.

I, Joyce (JC) Cheung, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 15, 2001.

Joyce (JC) Cheung
Logistics Manager

KBM CORPORATION

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

My name is Kenneth Kozak and I am President of KBM Corporation in Oconto Falls, Wisconsin. The office address is P.O. Box A, Oconto Falls, Wisconsin 54154-0996.

KBM is a shipper and broker of lignin, and we have been in the business for 20 years. Each year we ship approximately 100 twenty-thousand gallon tank cars of lignin material by rail, while using the services of all the major rail companies available.

We understand that the CN is requesting authority to control the Wisconsin Central. We strongly support this application as the combined company will create a rail network that should offer significant opportunities for service improvements and efficiencies.

KBM believes the proposed single-line service will improve utilization of our tank car fleet through better, more direct and faster service. We also anticipate that increased efficiencies will result in decreased or stable freight charges. This would allow us to remain competitive and reach new markets that presently are not economically viable.

KBM supports the application to acquire the Wisconsin Central. We urge the board to approve the acquisition because this seems the best way to improve service, enhance efficiency, lower costs and as a result promote the growth of rail traffic.

I, Kenneth Kozak, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement executed on this 27 Day of February, 2001.

KBM CORPORATION P.O. Box A Oconto Falls, WI 54154-0996 920-846-3333



KLEYSEN TRANSPORT

2100 McGillivray Boulevard Winnipeg, Manitoba R3Y 1N3

February 7, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National - Control – Wisconsin Central
(STB Finance Docket No. 34000)

Kleysen Transport Ltd is large family owned transportation business with corporate office in Winnipeg, Manitoba, Canada. We operate an Intermodal Division serving the Canadian Domestic market and transborder traffic to/from the United States, in particular the Chicago and Detroit areas.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, MN/Superior, WI.

By securing CN's NAFTA network, the acquisition of WC assures the ability of CN and WC shippers to participate efficiently over the long-term in the fast-growing NAFTA markets.

Kleysen Transport will be able to offer customers, particularly in the "paper" region of Wisconsin, a more efficient and cost effective service to/from the large markets in Western Canada. We own our containers and should benefit from the efficiencies of this combined railway service. Currently we are not competitive with truck, however, our presence in this region will allow shippers/consignees to enter new markets further from the source.

I, Donald L. White, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on February 7, 2001.

DWhite

We believe that the proposed acquisition will strengthen the railroad network and benefit shippers. Our company supports the application.

Yours truly,

DWhite

Don White
Senior Vice President
Kleysen Transport Ltd.
/ha

March 19, 2001

Mr. Vernon A. Williams, secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company Control
Wisconsin Central Transportation Corporation (SFTB Finance Docket No. 34000)

Mr. Williams,

We at Lake States Lumber are a lumber distributor with yards in Schofield, Wi. Sparta, Wi., Aitkin, Mn., and Roseville, Mn. Company wide we ship over 400 million board feet of lumber on an annual basis. We Employ over 120 people.
We also have remanufacturing facilities in Sparta and Aitkin that produce 60 million board feet of lumber on an annual basis.

We strongly support CN's proposed acquisition of Wisconsin Central. Improved service will be enhanced by eliminating need for a CN/WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and, by allowing use of the best terminal facilities of both CN and WC. It will facilitate more business for all our facilities.

Sincerely,

Lake States Lumber

Kevin Schroepfer
Sales/Purchasing
PO Box 408, 899 Grossman St.
Schofield, WI. 54476-0408
715-359-9111

Lake States Lumber inc.
P.O. BOX 408, SCHOFIELD, WI 54476-0408 (715) 359-9111

TOLL FREE ORDERING: 1-800-472-0017 FAX (715) 359-8744

Larsen Cooperative Company
P.O. Box 37 • Larsen, WI 54947

"Progress for Rural America"

March 15, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(STB Finance Docket 34000)

My name is Steve LaChey and I manage the grain division at the Larsen Cooperative Company in Readfield, Wisconsin.

Larsen Cooperative Company has been in business for over 75 years with locations in Larsen, Readfield, Weyauwega, New London, and Manawa. We specialize in feed, grain, and agronomy, all served by the Wisconsin Central Railroad.

CN includes Illinois Central Railroad; Chicago Central and Pacific Railroad; Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg and Pacific Railway, ECO Rail Inc., Quebec & Lake St. John Railway and Canadian Northern Quebec Railway.

WC includes the Wisconsin Central Ltd., Fox Valley and Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway and Wisconsin Central Link Ltd.

Larsen Cooperative strongly supports the CN's proposed acquisition of Wisconsin Central. It will improve the Transportation infrastructure in Canada and the U.S. through efficient service and more effective competition with the trucking industry.

New combined organization will be able to coordinate rolling stock management, and reposition cars more efficiently. As a result of these and other efficiencies created by the combination, it will open new markets and supply faster service to the grain terminals that require immediate deliveries.

You can expect the acquisition and integration to proceed smoothly and efficiently due to its end to end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

In conclusion, Larsen Cooperative Company strongly supports the proposed transaction.

I, Steve LaChey, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I Certify I am qualified and authorized to file this verified statement.
Executed on March 15, 2001.

Sincerely,

Serving Northeast Wisconsin
Larsen • 920-836-2113
Readfield • 920-667-4955 • Manawa • 920-596-2581
New London • 920-982-7222 • Weyauwega • 920-867-8700

LaRoche Industries Inc.
1100 Johnson Ferry Road N.E.
Atlanta, GA 30342-1708
(404) 851-0300

Verified Statement of
Dean W. DeVore
On Behalf of LaRoche Industries Inc.

I am manager of Logistics for LaRoche Industries and have been in this position for over 13 years, I have been in Transportation-Logistics for over 25 Years.

LaRoche Industries manufactures and distribute chemicals in the United States and Canada.
LaRoche Industries also has Chemical plants in Germany and France.

We have a Chemical Plant located in Gramercy LA on the southern end of CN. Last year we shipped over 100 car loads out bound to many destinations in US. LaRoche also has customers located in state of Wisconsin on Wisconsin Central RR.. Gramercy is also served by another Railroad the Kansas City Southern. We have other facilities through out the US and last year shipped over 4000 carloads outbound and received several thousand car loads inbound.

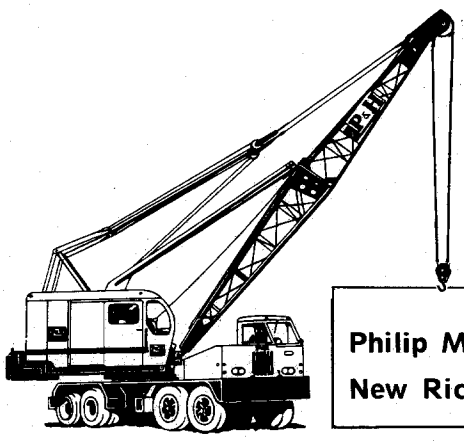
We support Canadian Nationals proposed acquisition of Wisconsin Central; provided all the gateways and routes are kept open ,competitive and operational. With the acquisition of WC,CN should be able to offer faster more reliable single line service to and from points on WC system. This proposed acquisition should produce improved turn-around for shippers who own or lease rail cars . LaRoche last year had over 600 rail cars under lease.

We believe that the proposed merger has more positive points than negative and our company supports the application.

I Dean W. DeVore, declare under the penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 30, 2001.

Dean W. DeVore





Philip M. LaVenture
New Richmond, WI 54017

aVenture Crane & Rigging Inc. 1033 Hwy 64 Phone 715-246-2436

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket #34000)

Dear Mr. Williams;

My name is Bernadette L. L'Allier, Secretary/Treasurer for LaVenture Crane & Rigging, Inc. Our company is located at 1033 Hwy 64, New Richmond, WI 54017. I have worked for LaVenture Crane & Rigging, Inc. since 1974, with a few years off when I was in the Navy. During my time with the company, my responsibilities in the office are bookkeeping, receptionist, dispatch & any general maintenance. Sometimes when the need arises, I do help out in the field.

LaVenture Crane & Rigging, Inc. is a family owned business with 10 full time employees. We supply crane service up to 100-ton crane service, machinery moving, plant maintenance & many other specialized processes of moving heavy items. Many of the items that we handle for different companies that we service would benefit immensely if their machines were brought in by rail instead of by truck (some items require special trucking). We are members of Specialized Carriers & Rigging Association (SC & RA) and Associated Builders & Contractors (ABC).

Canadian National Railway Co. includes Illinois Central Railroad, Chicago Central & Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg & Pacific Railway, ECO Rail Inc., Quebec & Lake St. John Railway and Canadian Northern Quebec Railway.

Wisconsin Central includes the Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway and Wisconsin Chicago Link Ltd.

We very strongly support this application as it will secure a key link in Canadian National's NAFTA network & offer significant opportunities for service improvements & efficiencies for them & for small companies, like ourselves & those we serve.

Furthermore, it will improve the transportation infrastructure in Canada & the United States through more efficient service & more effective competition with the trucking industry.

By securing Canadian National's NAFTA network, acquisition of Wisconsin Central assures the ability of Canadian National & Wisconsin Central shippers to participate efficiently over the long term in the fast growing NAFTA markets.

One issue the Surface Transportation Board must address is the extent the proposed combination affects competition. For example, increased competition amongst rail carriers, as well as between Canadian National, Wisconsin Central & truck carriers, will allow industries in this area to reach more distant markets via single line service.

We can expect the acquisition & integration to proceed smoothly & efficiently due to its end to end nature & Canadian National's prior experience with the integration of the Illinois Central, a larger carrier than Wisconsin Central.

For the above reasons, LaVenture Crane & Rigging, Inc. strongly supports allowing Canadian National and Wisconsin Central to merge their "end to end" franchises.

I, Bernadette L'Allier, declare under penalty of perjury under the laws of the United States the foregoing is true & correct. Further, I certify I am qualified & authorized to file this verified statement. Executed on March 9, 2001.

Respectfully Submitted;

Bernadette L. L'Allier

Bernadette L. L'Allier
LaVenture Crane & Rigging, Inc.

Signature witnessed by:

Signature

JAMES P. LAVENTURE
Print

Déclaration

Je, Bruno St-Laurent, responsable du transport, domicilié et résident au 117, Pierre Cusson à St-Luc , province de Québec (J2W 2R9), affirme solennellement ce qui suit :

1. Je travaille pour la société LE GROUPE BARRETTE LTÉE à titre de responsable du transport de la marchandise tant au niveau du transport par voie routière que ferroviaire. J'œuvre dans ce domaine depuis environ VINGT (20) années et j'utilise, dans l'exécution de mes fonctions, les services de transport du CANADIEN NATIONAL depuis environ VINGT (20) ans. Dans le cadre de mon travail, je m'occupe notamment de la planification des transports des stocks, de la computation des délais de livraison, de l'analyse des coûts et de la sélection du mode de transport approprié selon les régions à desservir.

2. La société au sein de laquelle je suis employé œuvre dans le domaine du bois, notamment le sciage et la manufacturation de la matière ligneuse pour la transformer en panneaux de clôture. D'ailleurs une importante usine de transformation du bois située à St-Jean-sur-Richelieu tire avantage du réseau ferroviaire pour la réception de la matière première et la livraison de son produit fini.

3. Les services du CANADIEN NATIONAL sont utilisés principalement pour acheminer de la marchandise à St-Jean-sur-Richelieu et effectuer des livraisons à travers le Canada et les États-Unis.

4. Le regroupement commercial proposé par le CANADIEN NATIONAL et le WISCONSIN CENTRAL m'apparaît être une excellente transaction pour l'ensemble des utilisateurs du transport par voie ferrée. Les régions additionnelles qui pourraient être desservies, une fois le regroupement complété, représentent un élément non négligeable pour plusieurs secteurs et plus particulièrement, pour notre secteur qui est l'industrie du bois d'œuvre. Un tel regroupement contribuerait effectivement à augmenter l'attrait du réseau ferroviaire et consolider la position du CANADIEN NATIONAL chez les utilisateurs actuels.

5. Selon ma compréhension, ce regroupement peut conférer des avantages non négligeables à l'égard de notre société du fait qu'il contribuera à augmenter le niveau de performance du réseau par une augmentation de ses infrastructures. Pour ce motif, j'appuie la demande d'autorisation du CANADIEN NATIONAL et du WISCONSIN CENTRAL.

6. Toutes les représentations faites dans la présente déclaration sont vraies.

ET J'AI SIGNÉ :

Bruno St-Laurent

Bruno ST-LAURENT

Affirmé solennellement devant moi,
à St-Jean-sur-Richelieu, ce 14ième jour de mars 2000

Martin Blais, avocat

Statement

I, Bruno St-Laurent, transportation manager, residing at 117 Pierre Cusson Street, Saint-Luc, Quebec, J2W 2R9, solemnly swear that:

1. I work for LE GROUPE BARRETTE LTÉE. where I manage both truck and rail freight transportation. I have been working in this field for about 20 years and have been using Canadian National's transportation services also for about 20 years. My work consists of planning freight transportation, computing delivery periods, analyzing costs and choosing the appropriate mode of transportation according to the region being served.

2. The company I work for is in the wood industry, more specifically in the manufacturing of wood matter to be processed into fencing. The company has a major wood processing plant in St-Jean-sur-Richelieu and uses the rail system to receive raw materials and deliver finished goods.

3. Canadian National's services are used mainly to transport goods to St-Jean-sur-Richelieu and make deliveries throughout Canada and the U.S.

4. The combination proposed by Canadian National and Wisconsin Central seems to be an excellent deal for all rail transportation users. The additional areas that can be served, once the combination is completed, will be quite significant for many sectors, and more specifically the lumber industry. Such a combination would make the rail system more attractive and would consolidate Canadian National's position with current shippers.

5. We understand that such a combination will offer significant benefits to our company as it would lead to increased performance levels through more extensive infrastructure, and this is why we support the authority requested by Canadian National and Wisconsin Central.

6. All declarations made in this statement are true.

SIGNED:

_____(Signature)___
Bruno St-Laurent

Subscribed and sworn to before me
this 14th day of March 2000 in St-Jean-sur-Richelieu.

(Signature)
Martin Blais
Attorney

COMMUNICATIONS TRANSCRIPT

March 28, 2001

TRANSLATOR VERIFICATION

I, Angelo Mandato, declare under penalty of perjury under the laws of the United States that the foregoing English translation of *Statement of Bruno St-Laurent of Le Groupe Barrette Ltée. in support of CN-IC combination* (our reference: 103339) is an accurate and correct interpretation of the original French-language version. I certify that I am qualified and authorized to prepare the foregoing translation.

Executed this 28th day of March 2001.

Angelo Mandato, C.Tr.
Communications Transcript Inc.
Montreal, QC, Canada
(514) 874-9134, est. 211

LEADINGBRANDS

Richmond Manufacturin
& Distribution
7400 River Road
Richmond, BC
V6X 1X6

Tel 604.214.9722
Fax 604.214.9762
Toll Free 800.729.2746

Calgary Distribution
Bay 116
7139 - 44 Street S.E.
Calgary, Alberta
T2C 4E8

Tel 403.974.9420
Fax 403.974.9426
Toll Free 888.446.6995

Edmonton Distribution
8025 - 127th Avenue
Edmonton, Alberta
T5C 1R9

Tel 780.456.2668
Fax 780.473.8667
Fax 780.473.9042

Edmonton Manufacturi
4104 - 99 Street
Edmonton, Alberta
T6E 3N5

Tel 780.435.2746
Fax 780.435.4787
Toll Free 800.660.2741

Eastern Canada
Regional Office
1050 Blvd du Seminair
Suite 250
St.Jean-sur-Richelieu, C
J3A 1S7

Tel 450.357.9391
Fax 450.357.2878
Toll Free 888.314.939

Verified Statement
OF
Paul Piwek
on behalf of
Leading Brands of Canada

Headquarted in Richmond, BC, Canada, Leading Brands Inc., is the largest independent, integrated food and beverage company in Canada. With beverage packaging plants in Vancouver and Edmonton, the company relies heavily on rail services to eastern Canada. This service has proven to be economical and reliable and is the main reason Leading Brands is able to compete in Eastern Canada.

We support the proposed merger between Canadian National Railroad and the Wisconsin Central, as many of the raw materials come from mid Western United States. This will also enable Leading Brands to realize opportunities that exist in this part of the USA.

I, Paul Piwek, Manager of Logistics for Leading Brands of Canada, declare under the penalty of perjury under the laws of the United States, that the foregoing is true and correct. I also certify that I am qualified and authorized to file this verified statement. Executed on March 29,2001.

Paul Piwek
Logistics Manager
Leading Brands of Canada

LEAVITT

The Tube People

VERIFIED STATEMENT
OF
DONALD E. WERNER
on behalf of
LEAVITT TUBE CO. INC.

Re: Canadian National Railway Company—Control--Wisconsin Central (STB Finance Docket No. 34000).

My name is Donald E. Werner and I am Traffic Manager of Leavitt Tube Co. Inc., 1717 W. 115th Street, Chicago, IL

I am responsible for all transportation-related matters at Leavitt. This includes both inbound and outbound rail and truck shipments, as well as, freight rate negotiations, freight claims, and payment of all freight bills. I have been working in the transportation field for 45 years; the past 23 years have been at Leavitt Tube. I have a two-year degree from the College of Advanced Traffic in Chicago, IL. , And have also taken their ICC Practitioner Course. I also have a Degree in Business Administration from De Paul University in Chicago.

Leavitt Tube Co. Inc., is a manufacturer of steel pipe and tubing, which has many industrial uses, and has manufacturing facilities in Chicago, IL. and Madison, Ms. The Canadian National Railway serves our Chicago, IL facility. We ship approximately 250 carloads of steel coils from the Chicago, IL. Area to our facility in Madison, Ms via the CN every year. We also ship approximately 10 to 15 carloads of pipe from our Chicago Facility to customers in Canada on an annual basis via the Canadian National. We understand that the Canadian National Railway is seeking approval from the Surface Transportation Board for approval to acquire the Wisconsin Central (WC). We strongly support this application, as the combined company will create a rail network that offers significant opportunities for service improvements and efficiencies.

We have already realized some benefits of the CN takeover of the Illinois Central RR. in that our supply of empty open-top and covered coil cars has increased. This had been

somewhat of a problem in the past on the movement of coils from the Chicago Area to our Madison, Ms. facility. It is our opinion that the proposed CN's acquisition of the WC would also increase car availability, especially on cars destined to Canada.

Unlike recent mergers, which had duplicate traffic lanes, or the recent takeover of Con Rail by the Norfolk Southern and the CSXT railroads, we do not feel the proposed acquisition would result in the reduced service of the aforementioned railroads. It is our opinion that the proposed CN acquisition of the WC would result in a more efficient service as two strong railroads will be joined, which would create new opportunities for backhaul movements as well as better utilization of equipment. We expect that the proposed acquisition would proceed smoothly and rapidly due to the fact WC already is an interline carrier that the CN uses on shipments from Canada going to the Chicago, IL. Gateway.

We believe that the proposed combination will provide significant benefits to shippers. Our company supports the application.

I, Donald E. Werner, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on this 26th Day of February 2001.

Donald E. Werner

Donald E. Werner, Traffic Manager
Leavitt Tube Co. Inc.
1717 W. 115th Street
Chicago, Illinois 60643



LIGNOTECH
USA

MEMBER OF THE BORREGAARD GROUP

March 7, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Canadian National – Control – Wisconsin Central (STB Finance Docket No. 34000)

Dear Sir or Madam:

My name is Mary Zurn, Traffic Supervisor at LignoTech USA for the past 10 years. My duties include all aspects of the Logistics function, in which a large portion of my responsibility is the management of our approximate 100-car privately leased tank/hopper car fleet.

LignoTech USA is a part of Borregaard LignoTech, a leading international supplier of binding and dispersing agents derived from lignin and produced by modifying the co-products from pulp production. Borregaard LignoTech has 12 plants worldwide and sales in more than 70 countries.

LignoTech USA ships approximately 750 tank/hopper cars annually. The majority of the shipments originate from our Rothschild, WI facility serviced by the Wisconsin Central Limited.

We understand that Canadian National and Wisconsin Central is requesting authority to enter into a transaction that would put them under common control. We support the proposed acquisition.

The acquisition will allow LignoTech to offer our lignin products into new Canadian markets competitively. The acquisition will combine two very customer service minded railroads which will only strengthen the customer – railroad relationship. The acquisition will result in an "end-to-end" rail system so there are no significant issues concerning reduced rail competition.

In conclusion, LignoTech supports the proposed CN acquisition and integration of WC.

Regards,

Mary Zurn

Mary Zurn
LignoTech USA, Inc.

I, Mary Zurn, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 3-7-01.

Mary Zurn

LignoTech USA
100 Highway 51 South
Rothschild, Wisconsin 54474-1198

Tel. 715-359-6544
Fax 715-355-3648

Linear Grain INC

67 Centre Avenue West, Box 219
Carman, Manitoba, Canada R0G 0J0
Tel: (204) 745-6747 Fax: (204) 745-6573
Internet: linear@mts.net

March 13, 2001

To: Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-00001

Re: Canadian National–Control–Wisconsin Central
(STB Finance Docket No. 34000)
Verified Statement of: Ross McKnight, President
On Behalf Of
Linear Grain, Inc.
Carman, MB R0G 0J0

Linear Grain Inc. is a grain marketing company involved in the purchasing of Wheat, Corn, Oats, Barley, Beans, sunflowers, Rye and other crops directly from producers and selling these commodities to end users, i.e. Distillers, Feed Mills, Processing Companies, etc.

In addition, Linear Grain purchases Fertilizer from Florida, U.S.A. and rails it to Carman and Rignold, Manitoba (CN points) for distribution in Western Canada. Volume is approx. 12,000 MT.

Navy Beans and colored beans are also products that are transported via CN either by Bulk Hopper Cars or Bulk Intermodal. They are loaded at our Carman, MB and Rignold, MB facilities and routed CNR to our business partners Hensall District Co-op in Hensall, Ontario. The volume is approx. 20,000 MT annually.

The proposed acquisition of Wisconsin Central (WC) by Canadian National (CN) has the full support of Linear Grain. We view such as a positive step in improving CN's position in the NAFTA program and will do much to improve the efficiency and service as it relates to our Fertilizer program.

We presently route our Fertilizer program from Florida via CSXT to Chicago, interchange to Wisconsin Central, then to Duluth and interchange to CN. The acquisition of WC by CN will give us reliable, streamlined service by eliminating the CN/WC interchange at Duluth/Superior and Chicago. CN's proposed acquisition of WC raises no issues regarding competition because, like CN/IC the two railroads are end-to-end.

We look forward to a smooth transition with the integration of CN/WC as happened with the CN/IC integration.

Linear Grain Inc. and Canadian National have enjoyed a long and close association. Their service has been exemplary and we know this acquisition will be a great benefit to us in the years ahead. We support them fully.

Verification.

I, Ross McKnight, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to fill this verified statement.

Executed on March 13th, 2001.

R. Ross McKnight

CLD BEAUHARNOIS-SALABERRY

Centre local de développement

RECEIVED
APR 3 2001
MANAGEMENT
MAIL
SIB

March 26, 2001

Mr. Vernon A. William, Secretary
Surface Transportation Board
1925 K Street N.W.
Washington, D.C. 20423-0001

Subject: Canadian National - Wisconsin Central Combination

Dear Sir,

The Local Development Centre of Beauharnois-Salaberry, Province of Québec, Canada, is responsible for the economic development of a region located thirty (30) kilometres southwest of Montreal, and fourteen (14) kilometers from the Province of Ontario border, and at a distance of forty (40) kilometers from the US border. Within this highly industrialized region figure multi-national firms such as Goodyear Canada, Owens Corning, Noranda, Alcan, PPG and many others. This exceptional geographical location enables and facilitates merchandise transportation, and is one of the major assets of our region. These firms also have access to the St-Lawrence Seaway, located on the shores of Montreal, and have access to road and railway networks, all of which are constantly changing to meet shipper needs.

The LDC of Beauharnois-Salaberry supports the Canadian National's proposal to purchase Wisconsin Central. This acquisition would enable our existing and future industries to benefit from a railway network better adapted to today's needs of the "just-in-time" delivery and market globalization.

The LDC believes that the proposed combination will provide significant benefits to shippers and, therefore to industries in our area. And we support the application.

...2

Siège social
100, rue Ste-Cécile, bureau 100, Salaberry-de-Valleyfield (Quebec) J6T 1M1
Tél. : (450) 373-2214 Telec. : (450) 373-3386 Courriel cldval_@rocler.qc.ca

Centre de services
660, rue Ellice, bureau 210, Beauharnois (Québec) J6N 1Y1
Tél. : (450) 225-1990 Téléc. : (450) 225-1965 Courriel : cldbnois_@rocler.qc.ca

I, Stéphane Billette, Trade Commissioner with the Local Development Centre of Beauharnois-Salaberry, declare, under penalty of perjury, that the foregoing is true and correct. Furthermore, I certifiy that I am qualified and authorized to file this verified statement .

Executed on March 26th, 2001.

Stéphane Billette
Trade Commissioner

VERIFIED STATEMENT
OF
IVAN A. OLSON
On behalf of
Longview Fibre Company

My name is Ivan A. Olson and my title is Vice President Transportation for Longview Fibre Company, headquartered at Longview, WA. I have been in charge of transportation at Longview Fibre Company for over 25 years. I have a Master of Business Administration degree from the University of Oregon. My experience in the transportation industry exceeds 35 years. I received a license to practice before the Interstate Commerce Commission and the Federal Maritime Commission.

Longview Fibre Company is a manufacturer of paper at the Longview facility and has converting plants in the states of Washington, California, Utah, Idaho, Wisconsin, Iowa, Minnesota, Nebraska, North Dakota, Massachusetts and New York.

Due to the volume of traffic and weight of the rolls of paper to be converted we are heavily dependent on a reliable rail transportation system. We ship heavy rolls of paper from the Longview facility to our own plants as well as outside customers. In addition, we receive heavy rolls of paper into our converting plants from other mills and rely on rail service for these shipments.

Rail shipping and receiving destinations are served both directly and indirectly by the Canadian National Railway Company. Some of our service area is located in the Wisconsin Central territory.

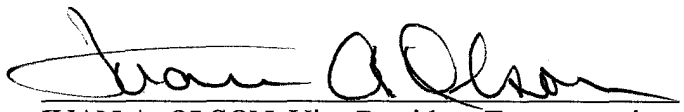
Our experience with the Canadian National has been one of consistent and reliable service. In producing products for customers it is imperative that we are able to plan our production around receiving inventory for rigid scheduling.

We believe that control of the Wisconsin Central and its subsidiaries will result in a strong, efficient system for all the area served by the Wisconsin Central. Further, the future of this Class II rail system will be greatly enhanced by the operating efficiencies that have a proven record on the Canadian National.

Approval of control of the Wisconsin Central should not cause change in the competitive factors that now exist. Resources of the Canadian National should enable rail users to be more competitive in the future. A stronger rail system will reduce reliance on heavy use of highway transportation.

Based on the history of the Canadian National and the service we have received, we believe the control of the Wisconsin Central and its subsidiaries will continue a strong rail network.

Therefore, we urge the Surface Transportation Board to approve the application of the Canadian National to control the Wisconsin Central and its subsidiaries.



IVAN A. OLSON, Vice President Transportation
Longview Fibre Company
PO Box 639
Longview, WA 98632

VERIFICATION

COUNTY OF COWLITZ)
) ss
STATE OF WASHINGTON)

IVAN A. OLSON, being duly sworn, deposes and says he has read the foregoing statement, knows the contents thereof, and that the same are true as stated.

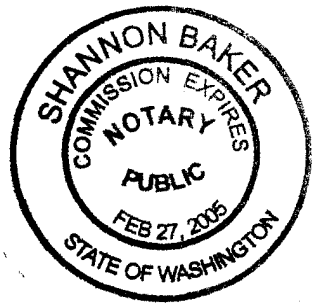
Ivan A. Olson

Subscribed and sworn to before me this 26th day of February, 2001.

Notary Public

My commission Expires: 2-27-05

(Seal)



Ludlow Co-op
ELEVATOR COMPANY

P.O. Box 155 Ludlow, Illinois 60949-0155 217 / 396-4111 FAX 7309

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RECEI

Re: Canadian National—Control—Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams:

My name is Dave Hastings, and I am writing this statement in support of the proposed merger between the Canadian National and the Wisconsin Central Railroad. I am employed as general manager of Ludlow Cooperative Elevator Co., in Ludlow, Illinois, where my responsibilities include grain origination and transportation logistics of corn, soybeans, and wheat for our 6 facilities in east-central Illinois. Rail transportation is an integral part of our profession, and we feel the proposed merger would have a positive effect on our business operations.

We understand that Canadian National and Wisconsin Central are requesting federal approval of the proposed merger between the two companies. Our belief is that improved service and more efficient transportation will be the results pending approval of this merger. In addition, Canadian National's acquisition of Wisconsin Central will improve the transportation infrastructure throughout the United States and Canada.

In particular, improved service will result by eliminating the need for a CN/WC interchange at Duluth/Superior and Chicago. This merger will create the potential for shippers to enjoy more efficient service through the busy Chicago area by using the best terminal facilities provided by both companies.

We do not feel the CN/WC merger will directly benefit or harm our current business operations. However, we believe new opportunities could arise due to the consolidation of the two companies. In the past, we have received whole grains into our facility in Paxton, Illinois from locations on the WC. The CN/WC merger will enhance the probability of increasing this business due to improved rate structures and decreased congestion around the Chicago metropolitan area.

In conclusion, we feel Canadian National's proposed acquisition of Wisconsin Central raised no significant issues concerning reduced competition. Furthermore, there will be improved service and better equipment utilization through the more efficient use of each company's existing resources. We support the approval of this proposed merger, and feel customers in all industries will benefit from the synergies created between the two companies.

Sincerely,

Dave Hastings, General Manager
Ludlow Cooperative Elevator Co.

Luedtke Lumber
Lomira

920
(414) 269-4212

Railroad Avenue • P.O. Box 218 • Lomira, Wisconsin 53048

March 13, 2001

Mr Vernon A. Williams
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423-0001

Re: Canadian National merger with Wisconsin Central (STB Docket 34000)

Luedtke Lumber Inc is located in Lomira, WI and served by the Wisconsin Central. We are a retail building supply center and receive shipments of lumber via the WC.

With the proposed merger of the CN and WC, we will enjoy single line service on our lumber shipments, and perhaps the possibility of buying from new markets with the expanded reach of the CN network. It will also improve service by eliminating the CN-WC interchange s in Superior and Chicago. I am advised that there will be no reduction in competition, as CN and WC are end to end carriers.

In summary. Luedtke Lumber supports this proposed merger and urges the STB to view it as a minor transaction.

I, Steve Luedtke, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2000.

Sincerely,

Steve Luedtke

MC FREIGHT SYSTEMS

201 - 1530 Kingsway Ave. Port Coquitlam, B.C. V3C 6N6
Ph: (604) 941-1382 Fax: (604) 945-0256

Verified Statement of
Ken McCargar
On behalf of
MC Freight Systems

My name is Ken McCargar and I am President / Owner of MC Freight Systems. This is a privately held company that has been in business since 1986, currently employing 17 individuals. MC Freight Systems is a Third Party Logistics Provider and we currently represent the shipping interests of over 600 individual businesses in Western Canada.

Our clients shipping patterns consisting of LTL and TL business is for the most part rail oriented traffic originating or destined for Eastern Canada and Central and Eastern U.S.A.. Transportation costs are vital to our clients as well as consistent service standards. The proposed CN/WC merger will enhance our ability to expand our service into and out of our core markets.

MC Freight Systems strongly supports the proposed merger of CN/WC as this rail unification will increase competition and provide a viable alternative to over the road truck transport. We are constantly searching for a cost effective alternative to truck transport that will offer our customers a high quality service at competitive rates. We encourage the US Transportation Surface Board to approve the application of CN and WC for this merger.

I, Ken McCargar declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on the 15th day of March 2001.

Ken McCargar

Ken McCargar
President
MC Freight Systems

Marion Plywood Corporation

PHONE (715) 754-5231
FAX (715) 754-2582
222 SOUTH PARKVIEW AVE.
P.O. BOX 497 MARION, WI 54950 U.S.A.

VERIFIED STATEMENT
OF
MICHAEL J. O'CONNELL
On behalf of
MARION PLYWOOD CORP.

Michael J. O'Connell, Log Procurement Manager for Marion Plywood Corporation.
I have been employed as the Procurement Manager for Marion Plywood Corporation since 1987, and my primary responsibility is to oversee the procurement and delivery of 17 million board feet of high quality hardwood veneer logs annually.
Marion Plywood Corporation's manufacturing site is located in Marion Wisconsin where we produce the highest quality rotary cut to size veneers in the world.
Marion Plywood Corporation operates a concentration yard in Sault Ste. Marie Ontario Canada. At this site we purchase our wood "woods run", selecting the highest quality logs for our consumption in Marion, and marketing the remaining logs to sawmills and veneer mills. Projections indicate that the Canadian division is on pace to move 3 million board feet in 2001. Currently our primary mode of transportation is by truck, this is due to the lack of rail car availability and the lack of interest by the Wisconsin Central to entertain any cost sharing for the construction of a new siding at our yard site.

Marion Plywood Corporation is very much in favor of the CN's purchase of the WC and we are hopeful that this will improve the availability of cars and the possibility of cost sharing for new sidings.

Regards,

Michael J. O'Connell

Michael J. O'Connell
Log Procurement Manager

MARITIME-ONTARIO FREIGHT LINES LIMITED
SERVING ONTARIO, QUEBEC, THE MARITIMES AND NEWFOUNDLAND

VERIFIED STATEMENT
OF
JOHN LEPORE
On behalf of
MARITIME-ONTARIO FREIGHT LINES LIMITED

John Lepore, Vice President, Corporate Alliances & Market Development, Maritime-Ontario Freight Lines Limited, 1 Maritime-Ontario Blvd. Brampton, Ontario, Canada L6S 6G4.

In Maritime-Ontario Freight Lines Limited (M-O) employment since March 1991. Hired as General Manager, Quebec later promoted to Vice President, Operations before taking on current duties. Prior to joining M-O held several positions from 1984 to 1991 at Canada Post Corporation culminating as Director, Transportation Contracting. Prior to Began carrier in 1973 with Canadian Pacific (CP) Railway. Also held several positions with Imperial Oil, Building Division; Trans Quebec & Maritime Pipeline and own consulting firm. Hold Certificate in Transportation from McGill University, Montreal Canada.

Current responsibilities include, in part, the negotiation of railway intermodal agreements, liaison with CN Rail and M-O's expansion into new markets.

M-O has been in business since 1955 and limited in 1962. Until April 2000 M-O was primarily a regional transportation carrier of less than truckload (LTL) and truckload (TL) operating between the provinces of Ontario, Quebec and Atlantic Canada with limited penetration into the U.S. market. In April 2000 M-O expanded its coverage in Canada to include all Western Canadian provinces. Today M-O either directly or through the alliances it has formed is one of the only carriers providing direct service from Newfoundland to British Columbia. M-O expects to begin providing service to the Eastern and Midwestern U.S. States by the last quarter of calendar year 2001 and providing full north / south coverage by the end of calendar year 2002. Our service between Ontario, Quebec and Atlantic Canada is a combination of road and rail. Into Western Canada and the U.S.A. we plan on providing service through the various intermodal gateways offered by CN Rail and its affiliates. Today our business into Western Canada is moved 100% by rail. Current business with CN Intermodal is expected to exceed $6,000,000 in this current calendar year.

M-O operates terminals in Brampton, ON, Mississauga, ON, Dorval, QC, Saint John, NB, Moncton, NB, Dartmouth, NS, Corner Brook, NF and St. John's, NF.

M-O's current alliance partners operate facilities in Gander, NF, Sydney, NS, Charlottetown, PE, Edmundston, NB, Quebec, QC, Winnipeg, MB, Saskatoon, SK, Regina, SK, Calgary, AB, Edmonton, AB, Vancouver, BC and Victoria, BC.

Being a general freight carrier, M-O handles various types of products primarily in LTL volumes. Many of our customers are similar to those customers who deal directly with the railway industry. The products M-O handled are food, retail, manufacturing and chemicals. Most products are shipped on pallets or in drums and totes as it pertains to chemical products. M-O's traffic is shipped intermodally to most points listed above.

M-O supports CN's proposed acquisition of the Wisconsin Central. We understand that this will put them under common control however this will offer significant opportunities for service improvements and efficiencies that will enable M-O to expand into new markets quicker plus enable M-O in conjunction with CN to secure a key link in the NAFTA network.

It is M-O's belief that service will greatly improve by allowing CN to purchase the Wisconsin Central. We have seen CN reduce not only hours but days off of their transit times on their exiting network. We believe that should CN be allowed to acquire the WC, CN will continue to improve its service throughout its network. Faster service equates to more reliable and consistent service with an end result of improved customer satisfaction and more business for all over the long term.

M-O is not only a customer of CN's but also a common carrier. We learnt years ago that in order to maintain a competitive edge in the market place that we had to make a transition to the railroads similarly to what occurred many years ago in Europe. Cost of fuel, equipment, personnel etc., makes it quite difficult for the trucking industry to make a profit. The association we have had with CN has enabled us to remain competitive and profitable.

M-O believe that the proposed acquisition will strengthen the railroad network in North America and benefit shippers. Our company strongly supports the application.

Verification

I John Lepore, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 01, 2001 in the city of Mississauga, Ontario Canada.

John Lepore

MARSULEX INC.

111 Gordon Baker Road, Suite 300,
North York, Ontario M2H 3R1
Tel: (416) 496-9655
Fax: (416) 496-1874
Toll Free: (800) 387-5030

VERIFIED STATEMENT
OF
DAVID CHRISTENSEN
On Behalf of
MARSULEX INC.

David Christensen, Manager, Rail Logistics

I've held the position for 6 years, prior to that I worked for A Class I Railways as a Market Manager

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry."

With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minn./Superior, Wis.

Improved service will be enhanced by eliminating the need for a CN/WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN and WC.

Improved service will also result from a new operating plan that will extend CN's scheduled railroad service to WC.

The new combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. As a result of these and other efficiencies created by the combination, shippers using private equipment should enjoy savings through reduced fleet size requirements.

CN's proposed acquisition of WC raises no significant issues concerning reduced competition because, like CN/IC, the two railroads are end-to-end.

I, David Christensen, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on February 8, 2001.

D. Christensen

Signature

Responsible Care:
A Total Commitment®

METHANEX

Suite 490
12377 Merit Drive
Dallas, Texas 75251

A *Responsible Care* Company®

TEL: (972) 702-0909
FAX: (972) 702-0910

Verified Statement of Mark L. Hetherington on behalf of Methanex Corporation

Witness:

Mark L. Hetherington
Logistics & Services Manger – North America
Methanex Corporation
12377 Merit Drive
Suite 490
Dallas, Texas 75251

I am responsible for purchase and implementation of all logistics service in North America for a chemical manufacturing company. I am currently responsible for 1 million metric tons per year of bulk liquid chemical rail car shipments in North America utilizing 30,000 gallon general purpose tank cars.

Company Description:

Methanex produces and imports to North America one chemical, methanol. Methanex is a major supplier to the forest products, chemical and oil & gas industries.

Methanex currently originates approximately 25% of its rail traffic (250,000 metric tons per year) in North America from a large chemical terminal located in St. Rose, Louisiana (just north of New Orleans) which is served by the Illinois Central Railroad. From this location, the CNIC ships product to destinations in the Midwest and Eastern Canada. The IC also provides switching services to New Orleans for interswitching with other carriers.

Statement of Position on Acquisition:

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

Supporting Reasons for the Statement:

Improved service will be enhanced by eliminating the need for a CN/WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved

METHANEX

Suite 490
12377 Merit Drive
Dallas, Texas 75251

A *Responsible Care* Company®

TEL: (972) 702-0909
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service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN and WC.

Competitive Benefits:

By enhancing the CN's ability to provide more efficient and higher quality service from New Orleans through to Western Canada , CN's ability to compete with Union Pacific and Burlington Northern in providing chemical shipping service between the US Gulf Coast and Western Canada .

Transition Issues:

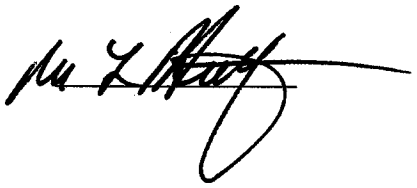
Based on our personal experience with the smooth integration of the Illinois Central and the Canadian National we anticipate no integration problems with the CN /WC merger.

Conclusion:

Based on our prior experience with the CN/IC merger and our need for additional competitive rail service options between the US Gulf Coast and Western Canada, we believe there are substantial benefits to be gained by the merger of the CN and the WC.

Verification:

I, Mark L. Hetherington, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.



Martrex, Inc.
www.martrexinc.com
P.O. BOX 1709, 14525 HIGHWAY 7, MINNETONKA, MINNESOTA 55345-3793 • PHONE: 952/933-5000 FAX: 952/933-1889

March 6, 2001

Mr. Vernon A Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company/Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Dear Mr. Williams,

As the Industrial Sales Manager for Martrex, Inc., I have the responsibility to move different commodities by rail from Canada into the upper United States. In the last twelve years with Martrex, Inc. we have had the pleasure of working with the CNRR and the WCRR and they have both done an acceptable job for us.

Martrex, Inc. is an importer of fertilizer and petroleum products. We deliver both molten sulfur and #6 oil to the paper and pulp mills of Wisconsin. We have also sold from Canada, Anhydrous Ammonia into different locations in Wisconsin.

Martrex feels single line routing direct to/from WC served stations when in connection with CN will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

With the acquisition of WC, we feel the CN will be able to offer faster, more reliable single-line service to and from points on the WC system as well as for the CN/IC traffic now moving via haulage over the WC link between Chicago and Duluth, MN/Superior, WI.

Improved service will be enhanced by eliminating need for a CN/WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and, by allowing use of the best terminal facilities of both CN and WC.

The newly combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. As a result of these and other efficiencies created by the combination, railroad-owned equipment should enjoy savings through reduced fleet size requirements.

There should be no reduced competition as CN/WC are end to end. Further, the merger can be expected to proceed smoothly and efficiently due to its end to end nature and CN's prior experience with integration of the IC, a larger carrier than the WC.

Martrex strongly supports CN's acquisition of WC. The merger will fit together perfectly two connecting, but not overlapping carriers.

I, Paul L. Brown, declare under penalty of perjury under the laws of the United States the forgoing is true and correct. Further I certify I am qualified and authorized to file this verified statement.

Executed on 03/06/01

Paul L. Brown
Industrial Sales Manager
Martrex, Incorporated
Minnetonka, MN 55345

MATHY CONSTRUCTION CO.
GENERAL CONTRACTORS

920 10TH AVE. N. • POST OFFICE BOX 189 • ONALASKA, WISCONSIN 54650

PHONE 608-783-6411 • FAX 608-783-4311

VERIFIED STATEMENT
OF
SCOTT P. MATHY
On behalf of
MATHY CONSTRUCTION
March 12, 2001

Scott P. Mathy is the Vice President of Mathy Construction. His responsibilities include overseeing the Milestone Materials aggregate division which produces and ships aggregates for outside customers and our own asphalt plants with locations throughout Wisconsin, Minnesota, and Northern Iowa.

Milestone Materials, a division of Mathy Construction, is a major supplier of railroad ballast and aggregate products via the Wisconsin Central Ltd. rail system. We ship ballast and aggregate materials from our Cisler Quarry located in Mosinee, Wisconsin, as well as our Tork Quarry in Wisconsin Rapids, Wisconsin.

Please note that CN includes the Illinois Central Railroad, Chicago, Central & Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg & Pacific Railway, Waterloo Railway Company, ECO Rail, Inc., Quebec and Lake St. John Railway, and Canadian Northern Quebec Railway.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry. This acquisition stands to strengthen Milestone Material's ability to ship raw materials to markets that were unavailable to us previously.

With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minn./Superior, Wis. By filling in a crucial missing link in CN's NAFTA network, the acquisition of WC assures the ability of CN & WC shippers to participate efficiently over the long-term in the fast-growing NAFTA markets. Improved service will also result from a new operating plan that will combine WC's already scheduled service with CN/WC's scheduled railroad service

VERIFIED STATEMENT
OF
SCOTT P. MATHY
On behalf of
MATHY CONSTRUCTION
March 12, 2001
Continued

The proposed Wisconsin Central Ltd. and Canadian National merger should help to move loaded rail cars in a more expeditious manner by eliminating the paperwork involved in transferring from one carrier to the next.

Mathy Construction believes that the proposed acquisition of Wisconsin Central Ltd. by Canadian National will strengthen the railroad network and benefit shippers like us. Our company supports the application.

I, Scott P. Mathy, Vice President of Mathy Construction, declare that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 12, 2001.

Scott P. Mathy
Mathy Construction Company

MAYVILLE LIMESTONE, INC.
P.O. BOX 25 • MAYVILLE, WI 53050
(920) 387-5700

AGRICULTURAL LIMESTONE PRODUCTS
CONSTRUCTION AGGREGATES

VERIFIED STATEMENT
OF
GREG SMITH
ON BEHALF OF
MAYVILLE LIMESTONE INC.

GREGORY P. SMITH - MARKETING AND SALES REPRESENTATIVE FOR MAYVILLE LIMESTONE INC. P.O. BOX 25 MAYVILLE, WI. 53050.

RESPONSIBILITIES INCLUDE THE SALES AND MARKETING OF AGRICULTURAL PRODUCTS IN WISCONSIN, EASTERN MINNESOTA, NORTHERN ILLINOIS,INDIANA, AND WESTERN MICHIGAN. I AM A MEMBER WITH THE WISCONSIN FERTILIZER & CHEMICAL ASSOCIATION AND ALSO THE WISCONSIN AGLIME ASSOCIATION. I ATTENDED THE UW - MADISON SOILS SHORT COURSE AND HAVE BEEN WITH MAYVILLE LIMESTONE FOR 3 YEARS.

MAYVILLE LIMESTONE INC. IS A CRUSHED STONE COMPANY THAT PRODUCES A VARIETY OF VERY HIGH QUALITY AGRICULTURAL LIMESTONE PRODUCTS AND CONSTRUCTION AGGREGATES.

ALL RAIL CUSTOMERS ARE SERVED FROM OUR PLANT IN MAYVILLE, WI. WERE WE SHIP GONDOLAS TO CUSTOMERS IN NORTHERN WISCONSIN AND COVERED HOPPERS TO NORTHERN ILLINIOS.
ALL RAIL ORDERS ARE SHIPPED BY WAY OF THE WISCONSIN AND SOUTHERN RAILROAD AND THEN TRANSFERED TO THE WISCONSIN CENTRAL AT SLINGER, WI. WERE THEY ARE THEN DELIVERED TO CUSTOMERS IN NORTHERN WISCONSIN & ILLINOIS. WE USE APPROXIMATELY 200 TO 250 RAILCARS ANNUALLY.

MAYVILLE LIMESTONE STRONGLY ADVOCATES CANADIAN NATIONALS PROPOSED ACQUISITION OF THE WISCONSIN CENTRAL. THROUGH EFFICIENT SERVICE AND EFFECTIVE COMPETITION WITH THE TRUCKING INDUSTRY, WE BELIEVE CURRENT CUSTOMERS WILL BE ENTHUSED AND THE DEVELOPMENT OF NEW PROSPECTS WILL BE MUTUALLY BENEFICIAL.

WITH THE NEW UPDATE,ONLINE EQUIPMENT TRACE,WE CAN LET OUR CUSTOMERS KNOW EXACTLY WERE THEIR ORDERS ARE AND WHEN THEY WILL BE SPOTTED AT THEIR DESTINATIONS. THIS IS AN EXCELLENT COMMUNICATIONS TOOL THAT IS ESPECIALLY HELPFUL WHEN THE AGRICULTURAL LIMESTONE SEASON BEGINS.

TRUCKS CARRY HIGH VOLUMES IN THE AREAS WE CURRENTLY SERVICE. THE CN AND WC ACQUISITION CREATES AN ECONOMIC ADVANTAGE THAT IS AN ASSET TO EVERYONE INVOLVED.

WE ARE CONFIDENT THE PROPOSED ACQUISITION WILL STENGTHEN RELATIONS IN THE RAILROAD NETWORK AND THAT SHIPPERS MAY CAPITALIZE ON THIS NEW INTEGRATION. MAYVILLE LIMESTONE SUPPORTS THIS MERGER.

I, GREGORY P. SMITH , DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES THAT THE FOREGOING IS TRUE AND CORRECT. FURTHER, I CERTIFY THAT I AM QUALIFIED AND AUTHORIZED TO FILE THIS VERIFIED STATEMENT. EXECUTED ON 3/14/01.



McKenna Bros. (1989) Limited

Produce Dealer

P.O. Box 70
Cardigan, P.E.I., Canada C0A 1G0

Tel: (902) 583-2951
Fax: (902) 583-2891

March 6, 2001

VERIFIED STATEMENT OF

PETER J McKENNA

My name is Peter McKenna. I am a partner in our family potato business that started approximately 50 years ago. We are located in Cardigan, Prince Edward Island on the East Coast of Canada. We operate a Potato Packaging Plant and also purchase potatoes directly from over 200 growers in P.E.I. and New Brunswick. We sell these potatoes to clients in Canada, United States, Mexico, South America, Central America, and the Caribbean.

The transporting of these potatoes is a major concern as it relates transit to time and costs. We have worked with C N Rail to move our product since we started our business in 1952.

We strongly support C N Rails proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

We believe that this combination will provide much better service through the creation of a seamless and faster single line service. Given the significant potential service improvements we support the application.

I, Peter McKenna, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement. Executed on March 6, 2001.

McKenna Bros. (1989) limited

Peter J. McKenna

President

ORIGINAL

VERIFIED STATEMENT
OF
RANDY STEENO
On behalf of
MENASHA CORPORATION

RE: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

Dear Sir or Madam:

My name is Randy Steeno. I am a Logistics Specialist with Menasha Corporation of Neenah, WI. It is part of my responsibility to ensure that Menasha Corporation has available adequate rail and truck service at 27 operations in 13 states. I have been employed by Menasha Corporation for over 23 years.

Menasha Corporation has several product lines including Paper and Paper Products, Plastic Sheet and Plastic Products, Tags and Labels, and advanced flexible screen printed products. We use all modes of transportation including approximately 4,000 carloads each year. Our annual freight bill exceeds $31,000,000.

My company supports this transaction. We compete in a very competitive world market and it is imperative that our transportation system takes advantage of every opportunity available. In the railroad business viability depends on the density of traffic over the infrastructure.

Our company has three locations in Wisconsin serviced by the Wisconsin Central Ltd. and another serviced by the Wisconsin Southern Railroad. Two of the facilities serviced by the Wisconsin Central Ltd. receive paperboard and the other receives plastic resins. The facility served by the Wisconsin Southern Railroad also receives paperboard. Paperboard shipped to these locations originates not only at various mills in the South and Southwestern United States but also from the Provinces of British Columbia and Ontario in Canada. With the acquisition of the Wisconsin Central Ltd., Canadian National would be able to offer faster, more reliable single-line service to our plant locations. Long term rail service is important to each of these facilities and we believe the prospect of long term service continuing will be greater with the completion of this transaction.

Corporate Office

1645 Bergstrom Road
PO Box 367
Neenah WI 54957-0367

1-920-751-1000
1-800-242-5077 (in WI)
1-800-558-5073 (Nat'l)
1-920-751-1236 (Fax)

Menasha Corporation believes the CN-WC combination will enhance interchange time in Chicago, Illinois and enable improved transit times thru the Fond du Lac, Wisconsin yard. This in turn will benefit our plants since they will receive their product on a more timely basis and closer to their production cycle needs.

Competition from truckload carriers is severe in Wisconsin and we have no doubt that it will continue to be in the future. As we believe the new combination will improve transit time it will also make it more competitive with trucks, which will be an added benefit to us.

We believe the proposed acquisition does not raise any issues concerning reduced competition largely because of the lack of track duplication and the plans of CN to allow the current WC system to remain as is.

VERIFICATION

I, Randy Steeno, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 22, 2001.

Very truly yours,

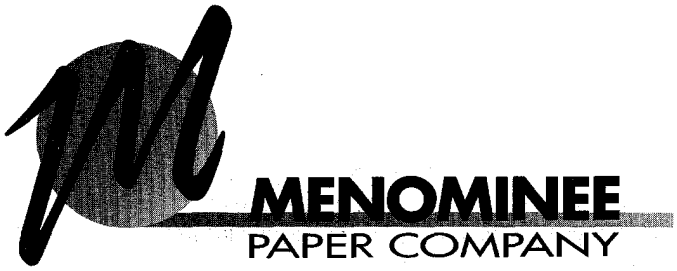


Randy Steeno
Logistics Specialist

Corporate Office

1645 Bergstrom Road
PO Box 367
Neenah WI 54957-0367

1-920-751-1000
1-800-242-5077 (in WI)
1-800-558-5073 (Nat'l)
1-920-751-1236 (Fax)



VERIFIED STATEMENT
OF
DEBBIE SWENSON
On Behalf Of
Menominee Paper Company

1. Witness: Debbie Swenson
Materials & Logistics Coordinator
Menominee Paper Company
144 First Street
Menominee, MI 49858

Responsibilities include scheduling and coordinating incoming raw materials; mainly Northern Hardwood and Softwood pulps into the facility for the manufacture of paper and paper converted products. Have been employed with Menominee Paper Company for 19 years and in various Materials positions for an estimate of eleven years.

2. Menominee Paper Company is a manufacture of Bleached Machine Glazed Paper Products and Converted Waxed Paper Products. Major supplier for Laminating Papers, Fast Food Sandwich Wraps, and Waxing Base Paper Industries. Our primary raw material for manufacturing is Northern Hardwood and Softwood Pulps supplied by Canadian regions. We also bring in Paraffin Wax Products from Ontario, Canada and Beaumont, TX. Currently the wax brought in from Canada is serviced by Canadian Pacific Limited. ELS (Escanaba Lake Superior) is our delivering carrier to the mill. The wax coming from Mobil Oil, Beaumont, TX is serviced by KCS/MRL/WC and ELS as delivering carrier to the mill. Pulp is purchased with freight included in its purchased price; we do not designate the routing or carriers of pulp. WC has been the primary delivering carrier to the mill, occasionally ELS delivers to the mill also.

Menominee Paper Company received an estimate total of 40,500 tons of pulp last year and an estimate total of 2,500 tons of wax.

All products manufactured at this site are shipped via truck. Occasionally we will have an intermodal requirement.

PHONE (906) 863-5595 • FAX (906) 864-3320
144 FIRST STREET • MENOMINEE, MICHIGAN 49858

3. We support Canadian National's proposed acquisition of Wisconsin Central if it will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

4. As we currently are not a major rail shipper, we hope to see improved service for incoming freight by eliminating the need for a CN-WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN and WC.

   Improved service will also result from a new operating plan that will combine the already scheduled service on WC with CN's scheduled railroad service. Our hopes are that we will see cars coming into our facility in a more timely manner. Especially from the South.

   In regards to "Competitive Benefits", CN's proposed acquisition of WC raises no significant issues concerning reduced competition because, like CN/IC, the two railroads are end-to-end.

5. Menominee Paper Company expects CN's acquisition and integration of WC to proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC, which is a larger carrier than WC.

6. Our company supports the application if the proposed acquisition will strengthen the railroad network and benefit both the shippers and the receivers of railroad transportation.

   It is our expectations that the quality of service that we currently receive from the network of people at WC will continue. It is also our hope that personnel like Chris Hellem, Manager of Market Development; and Kelly Kilawee, Team Leader Customer Services; and Greg Guthrie, Chief Engineer Maintenance will continue to work in the capacity of their positions after the acquisition is complete.

   It is our hope that ELS will benefit in some manner from this transaction and continue to service Menominee Paper Company in its current capacity or better. They have been considered a valued supplier to our operations for many years. It is also our hope that situations like: Traffic being tied up on First Street and Fourth Avenue, Menominee, MI during the Noon time frame due to congestion at the K & K Warehouse, Menominee, MI will continue to be addressed. Also the efforts made to work with us in regards to maintaining our tracks will not be jeopardized due to this acquisition.

I, Debbie Swenson, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 3/20/01.

Debbie Swenson 3/20/01

MERRILL IRON & STEEL, INC.

900 Alderson Street
P.O. Box 110
Schofield, WI 54476-0110

Phone (715) 355-8924
Fax (715) 355-8444

March 2, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company acquisition of Wisconsin Central Transportation Corporation (SFTB Finance Docket No. 34000)

Merrill Iron and Steel is a structural steel fabricator employing 150 in their 355,000 sq. foot manufacturing plant located in Schofield, WI and was founded in 1962.

We believe the above transaction would benefit our business. The merger would provide better rail service to Central Wisconsin and result in lower inbound freight and potentially allow our firm to service a wider geographical area.

Regards,

Michael J Klussendorf
Chief Financial Officer

[redacted]
666, boul. St-Martin Ouest
Bureau 200
Laval (Québec)
H7M 5G4
Téléphone: (514) 333-5500
Télécopieur: (514) 336-1515
E-mail: info@metrocanlogistics.com

March 14th, 2001

Mr. V. A. Williams
Secretary
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423-0001

Reference Canadian National (WC) Wisconsin Central (WC)
STB Docket No. 34000

Dear Sir:

My name is J.Henry McGregor, I am the Vice-President Sales (Specialty Group) and have held this position since 1992. I have fifty years experience in the transportation and logistics market place.

Metro Canada Logistics Inc. is a privately held Canadian Company and manages over five million square feet of distribution space in Canada. Designing and implementing highly efficient customized third party logistics solutions for leading corporations in both Canada and the United States is our core business focus and competency.

A substantial volume of our business is received from the United States via CN delivery and this includes business from customers served by the Wisconsin Central Railroad.

The long haul rail business with loads up to 175,000 lbs per car can prove attractive and permit customers to sell in new markets.

Metro Canada Logistics facilities in Canada have the capacity to handle sixty five / 50' cars with CN delivery on a daily basis.

With a substantial number of our facilities served by rail this should assist us to increase our position in the market place.

We understand that the State of Wisconsin is one of the major producers of Paper Products and this one line haul in many cases will arrange to provide CN with a one stop rate proposal to customers with benefits to customers and also provide the customers with a highly competitive option to full truckload.

From our perspective, the Illinois Central/CN combination was seamless and very successful. We fully expect the addition of the Wisconsin Central/CN combination will be as successful as the IC/CN combination.

[redacted]

RENSEIGNEMENTS PRIVÉS ET MIEUX GÉRÉS

[redacted]

Also we believe that the proposed acquisition by CN of the Wisconsin Central will strengthen The railroad network and benefit shippers and this is another reason why we are supporting the CN acquisition of the Wisconsin Central.

In conclusion, I must stress that Metro Canada Logistics strongly supports the CN / Wisconsin Central merger. We believe the combination will be executed with minimal disruption and ultimately increase competition by offering shippers a real alternative to truck. It is our sincere hope that the US Transportation Surface Board quickly approves the proposed CN / Wisconsin Central combination.

VERIFICATION

I, J. Henry McGregor, Vice-President Sales (Specialty Group) Metro Canada Logistics Inc., declares that under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 14, 2001.

[redacted]

Metro HARDWOODS
Div. of *Midwest* Hardwood Corporation
N173 W20855 Metro Crt. Jackson, WI 53037

March 23, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N. W.
Washington, DC 20423-0001

Re. Canadian National Railway Company-Control-
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Metro Hardwoods, is a wholesale distribution company located in Jackson, Wisconsin, served by the Wisconsin Central rail lines. Our business with the Wisconsin Central involves the receiving of stock, mostly industrial panel products, in from the Western States and Canada, for redistribution.

With the proposed merger of the CN and WC, I foresee advantages with a single line service on the material we receive out of Canada. With no switching in Chicago I would expect faster service at a more economical rate. The potential for improved equipment utilization and possibility of quicker, more economical rates from the west would also make us more competitive. The expanded reach of the Canadian National rail network would open up new vendor possibilities to us.

I strongly support this application, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI, thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the improvements should assist in making rail more competitive against trucking.

In conclusion, Metro Hardwoods strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, David J. Biser, declare under penalty of perjury under the laws of the United States that the forgoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 23,2001.

Sincerely,

David J. Biser

David J. Biser
Manager
Metro Hardwoods

MID-ILLINOIS CONCRETE, INC.
1805 S. 4th St. • P.O. Box 785
Effingham, IL 62401

In Reference to Finance Docket 34000

VERIFIED STATEMENT
OF
MONTE BARTELS
on behalf of

MID-ILLINOIS CONCRETE, INC.

I am writing in support of the merger between the CN and the WC. As President of Mid-Illinois Concrete, Inc. I can verify that continued rail service is extremely important to our operations. All of our inbound course aggregate in Effingham is transported by rail. In the future we anticipate receiving cement by rail and using Effingham as a terminal facility for our other facilities in Central Illinois.

1. Mid-Illinois Concrete, Inc. is served by the Effingham Railroad Company which is a shortline railroad serving the Effingham Industrial Park at Effingham, Illinois. Since the Ribbon cutting of a track extension, which included an interchange track with the CN/IC on May 14th, 1999, three new industries have located on the new trackage. Those include a vegetable oil bottle filling facility for Bunge Foods Corporation, a new stone unloading facility and future site for a ready mix concrete plant for Mid-Illinois Concrete, and a new warehouse for TQW Warehouse which includes a Foreign Trade Zone and an inside rail dock.

   The Effingham Railroad Company interchanges with CSXT and CN at Effingham, IL. Commodities hauled are crushed stone, paper, particleboard and vegetable oils. EFRR traffic levels are expected to be approximately 3,000 carloads in year 2001. Access to Wisconsin Paper Mills is very important to the EFRR and the Effingham area. The EFRR has seen no decrease in service levels or any other factors which it perceives to be negative to it or its shippers due to the previous CN/IC merger, to the contrary the CN/IC merger has opened up new traffic to the EFRR and its shippers and the service levels have increased. The CN/IC interchanges traffic on a daily or more frequent basis with the EFRR if traffic levels require

and has in fact interchanged traffic up to three times daily when required. We would expect the merger to increase the efficiency and rates of those routes as well making WC origin particleboard, paper and lumber more competitive in the Effingham area. In addition, we believe it will enhance the probability of the EFRR being successful in being able to move products into the Effingham area that have traditionally moved by truck into the Effingham area.

2. We understand that Canadian National's acquisition of WC would put them under common control. We strongly support this application, as the combined company will create a rail network that offers significant opportunities for service improvements and efficiencies.

3. We believe the benefits of the Canadian National's acquisition of WC are:

- Creation of a geographically broad and seamless rail network
- With the acquisition of WC, all the WC origins in the Upper Midwest will be linked with CN.
- An integrated CN and WC will be able to offer seamless, faster, more frequent, and more reliable service between the Upper Midwest and the Midwest.
- The improved service will be enhanced by the potential to bypass congested interchanges and the ability to utilize the best terminal facilities of both CN and WC.
- The new combined organization will be able to supply both cars and locomotives more efficiently.
- The combination will create new opportunities for backhaul movements. As a result of these and other efficiencies created by the combination, the railroad-owned equipment supply will improve, and shippers using private equipment should enjoy savings on fleet size requirements.
- The foregoing benefits would allow the Mid-Illinois Concrete, Inc. to enter new markets in which it cannot compete now, or to source from new markets. An example of this would be the addition of crushed stone sources on the WC.
- Increased competition among rail carriers.
- Increased competition between CN and truck carriers.

Trucks carry significant volumes of traffic in the WC and CN service areas. The proposed combination will make WC and CN and the EFRR more competitive with trucks. We feel that Mid-Illinois Concrete, Inc. will benefit from this added competition.

- No reduction in competition by reason of the acquisition.
- CN's proposed acquisition of WC does not raise any significant issues concerning reduced competition because the proposed combination is one of two railroads that are largely end-to-end.

4. Mid-Illinois Concrete, Inc. expects the transition to a combined CN/WC to proceed smoothly and rapidly due to its end-to-end nature. This should be facilitated by the fact that the WC is very small compared to CN.

5. The EFRR concludes by reiterating its support for the application. We believe that the proposed combination will provide significant benefits and our company supports the application.

I, Monte Bartels, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 14 March, 2001.

President

Notary Public

"OFFICIAL SEAL"
BRENDA SUE BARTELS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 7/26/02



Midwest Grain LLC

PO Box 1367 - 402 N. Hershey Road
Bloomington, IL 61702-1367
e-mail: jcowell@midwestgrainllc.com e-mail: fgent@midwestgrainllc.com

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National—Control—Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams:

My name is John Cowell, and I am writing this statement in support of the proposed merger between the Canadian National and the Wisconsin Central Railroad. I am employed as a grain merchandiser for Midwest Grain LLC in Bloomington, Illinois where my responsibilities include origination and distribution of corn, soybeans, and wheat through 17 elevators in east-central Illinois. Rail transportation is an integral part of our profession, and we feel the proposed merger would have a positive effect on our business operations.

We understand that Canadian National and Wisconsin Central are requesting federal approval of the proposed merger between the two companies. Our belief is that improved service and more efficient transportation will be the results pending approval of this merger. In addition, Canadian National's acquisition of Wisconsin Central will improve the transportation infrastructure throughout the United States and Canada.

In particular, improved service will result by eliminating the need for a CN/WC interchange at Duluth/Superior and Chicago. This merger will create the potential for shippers to enjoy more efficient service through the busy Chicago area by using the best terminal facilities provided by both companies.

We do not feel the CN/WC merger will directly benefit or harm our current business operations. However, we believe new opportunities could arise due to the consolidation of the two companies. In the past, we have received whole grains into our facility in Paxton, Illinois from locations on the WC. The CN/WC merger will enhance the probability of increasing this business due to improved rate structures and decreased congestion around the Chicago metropolitan area.

In conclusion, we feel Canadian National's proposed acquisition of Wisconsin Central raised no significant issues concerning reduced competition. Furthermore, there will be improved service and better equipment utilization through the more efficient use of each company's existing resources. We support the approval of this proposed merger, and feel customers in all industries will benefit from the synergies created between the two companies.

Sincerely,

John Cowell
Midwest Grain LLC



MIDWEST TIMBER INC.

March 21, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

I, Richard L. Opperman, am the Co-Owner and Vice President of Operations of both Midwest Timber, Inc. a lumber treating and manufacturing company established in 1990 and BPD, Inc. a reload and distribution company formed in 1992. The corporate offices for both these companies are located at 190 Kraus Rd., Edwardsburg MI 49112. I have over 20 years experience in the forest products industry most of which has included responsibility for the management of the transportation functions of several corporations.

Midwest Timber Inc. produces 100 million board feet of treated lumber and millwork products on an annual basis. This processing is done at our plants in Edwardsburg, which are served by the CN railroad. The bulk of the raw materials for the company consists of southern yellow pine from lumber mills from Texas east to Florida and ponderosa pine from the western United States. BPD, Inc. offloads, stores and reloads an additonal 100 million board feet of building materials consisting mainly of spruce from western Canada, hem fir from the northwestern states, southern yellow pine from the southeastern United States and ponderosa pine products from the western U.S. BPD's storage and reload facilities are also located in Edwardsburg and are served by the CN railroad.

Together the two companies account for over 1600 railcars of inbound traffic on an annual basis, 60% of which are carried by CN or WC. Our customers include Weyerhaeuser Canada, Home Depot, Lowes, Wickes Lumber, Wolohan Lumber, PAL Lumber Cooperative, Industrial accounts and independent retailers located throughout the United States and Canada.

We understand that the Canadian National and the Wisconsin Central railroads are seeking authority to form a combined company. We strongly support this combination because it will create a rail network with improvements in infrastructure in the United States and Canada resulting in service improvements, operating efficiencies and increased competition between the railroad and the trucking industry. It will also allow us to source OSB product from the Louisiana Pacific mill from the Upper Peninsula of Michigan and to source spruce mills in the Thunder Bay area of northern Ontario.

The combination will greatly benefit Midwest Timber and BPD in that we can better source our ponderosa pine products from the western and northern states as well as spruce, hem fir, and OSB board from Canada and the Upper Peninsula of Michigan.

P.O. Box 599 • Edwardsburg, MI 49112 • Phone: 616/663-3255 • Fax: 616/663-5315

A new CN/WC routing will improve railcar shipping times, lower transportation costs and allow us to be less reliant on truck carriers for delivery of our products.

In conclusion, we believe that the combination of the Canadian National and the Wisconsin Central railroads will provide significant benefits to our supplier/shippers, the CN/WC Railroad and, Midwest Timber, Inc. and BPD, Inc. These benefits will be further enhanced by recently announced alliance of CN/WC, which will result in significant service improvements from our Canadian and western United States mill sources. Our companies strongly support the merger of the CN and WC railroads.

VERIFICATION

STATE OF Indiana

COUNTY OF Elkhart

Richard L. Opperman, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and the same are true as stated.

Richard L. Opperman

Subscribed and sworn to before me this 21st day of March, 2001.

Notary Public

My Commission Expires:

AUGUST 6, 2008

MILESTONE
MATERIALS

VERIFIED STATEMENT
OF
ANTHONY W. TOMASHEK
On behalf of
MILESTONE MATERIALS
March 12, 2001

Anthony W. Tomashek is the Vice President of Operations at Milestone Materials, A division of Mathy Contruction. His responsibilities include overseeing the production and shipping of aggregates throughout Wisconsin, Minnesota, and Northern Iowa in a safe, efficient manner.

Milestone Materials is a major supplier of railroad ballast and aggregate products via the Wisconsin Central Ltd. rail system. We ship ballast and aggregate materials from our Cisler Quarry located in Mosinee, Wisconsin, as well as our Tork Quarry in Wisconsin Rapids, Wisconsin.

Please note that CN includes the Illinois Central Railroad, Chicago, Central & Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg & Pacific Railway, Waterloo Railway Company, ECO Rail, Inc., Quebec and Lake St. John Railway, and Canadian Northern Quebec Railway.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry. This acquisition stands to strengthen Milestone Material's ability to ship raw materials to markets that were unavailable to us previously.

With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minn./Superior, Wis. By filling in a crucial missing link in CN's NAFTA network, the acquisition of WC assures the ability of CN & WC shippers to particiapate efficiently over the long-term in the fast-growing NAFTA markets. Improved service will also result from a new operating plan that will combine WC's already scheduled service with CN/WC's scheduled railroad service

VERIFIED STATEMENT
OF
ANTHONY W. TOMASHEK
On behalf of
MILESTONE MATERIALS
March 12, 2001
Continued

The proposed Wisconsin Central Ltd. and Canadian National merger should help to move loaded rail cars in a more expeditious manner by eliminating the paperwork involved in transferring from one carrier to the next.

Milestone Materials believes that the proposed acquisition of Wisconsin Central Ltd. by Canadian National will strengthen the railroad network and benefit shippers like us. Our company supports the application.

I, Anthony W. Tomashek, Vice President of Operations at Milestone Materials, declare that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 12, 2001.

Anothony W. Tomashek
Milestone Materials

MILLAR WESTERN INDUSTRIES LTD.

Tel: 306.658.2009 Fax: 306.658.2014

March 09, 2001

Mr Vernon A. Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National -- Control -- Wisconsin Central
(STB Finance Docket No. 34000)

I am the Vice President Chemicals of Millar Western Industries Ltd. The chemical division of Millar Western Industries Ltd. is a producer of Sodium Sulphate at our Palo, Sask. plant, and Magnesium Sulphate at Whitecourt, Alberta. We ship material by hopper car from coast to coast in Canada and into the northeastern U.S. CN is our rail service provider at Palo and also the main service provider to many of our customers in Canada. We also use Wisconsin Central for deliveries to International Paper at Kaukauna, Wisconsin.

We support Canadian National's proposed acquisition of Wisconsin Central. Through more efficient service, it will improve the transportation infrastructure in Canada and the United States. Improved service and shorter delivery times may result from smoother single line service across the integrated system. We are encouraged by the prospect that this merger will improve service through change, particularly for the movement of what is today CN-WC interline traffic. With the possible elimination of the Belt Railway's involvement in switching, we can see reduced costs and also improved turnaround time on cars.

Like the integration of Illinois Central, I would like to see Canadian National's acquisition and integration of Wisconsin Central proceed smoothly and efficiently, and expect that this will happen.

Gil Heim
Vice-President Chemicals

Palo, Saskatchewan, Canada S0K 2K0

MULTI-NATIONAL
LOGISTICS

Truck Load
LTL
Intermodal
Serving-Canada/USA/Mexico
Refrigerated/Heated/Dry

Verified Statement
of
Andrew W.J. Carroll
on behalf of
Multi-National Logistics

My name is Andrew Carroll, I am the British Columbia branch manager of **Multi-National Logistics**. I have been in the freight forwarding business since 1962, primarily in Western Canada.

Multi-National Logistics is a third party logistics company, serving our clients with ***Intermodal*** and Highway service, to and from the U.S.A. and Mexico and domesticaly, within Canada. We have recently developed the Intermodal market and move our clients' products via CN domesticaly and via U.S. rail carriers, cross-border. Cost savings via intermodal means allows us to be more competitive with highway modes and allows us to service our client base with high-quality, consistant service and attractive pricing.

We support the proposed combination between **Wisconsin Central** and ***Canadian National***. This combined service will allow us to expand our transborder business and offer our clients a viable option to highway truckload service. We further believe that a viable rail alternative will fairly increase competition and produce dollar savings for our shippers. Greater access to railway-owned equipment as a result of this combination will allow us to compete in truck competitive transborder lanes that we currently do not service.

Our experience with the **CN/IC** combination was good and we fully expect that the proposed **CN/WC** combination will be as equally successful. We sincerely hope that the U.S. Surface Transportation Board approves the proposed **CN/WC** combination.

I, Andrew W.J. Carroll, declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Further, **I certify** that I am qualified and authorized to file this verified statement.

Executed on **March 12, 2001.**

Andrew W.J. Carroll,
Manager, British Columbia,
Multi-National Logistics

101 - 2461 BETA AVENUE, BURNABY, B.C. V5C 5N1 - PHONE (604) 473-9820 - FAX (604) 473-9821
HEAD OFFICE: 3835 OGDEN ROAD S.E., CALGARY, ALBERTA T2G 4N6 - PHONE (403) 262-7900 - FAX (403) 269-9224

MUSI SYSTEMS INC.

P.O. BOX 30100, 8602 GRANVILLE STREET, VANCOUVER, BC CANADA V6P 6S3

PHONE: (604) 525-6900 FAX: (604) 525-6940

VERIFIED STATEMENT
of
ROY BAINBRIDGE
on behalf of
MUSI Systems Inc.

My name is Roy Bainbridge. I am the Vice-President and Chief Executive of MUSI Systems Inc. and have held the position since 1998. I have over 25 years of experience in the transportation and logistics field.

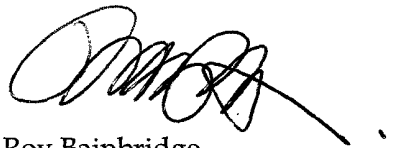
MUSI Systems Inc. was founded in 1988 as Third Party Logistics (3PL), providing Less than Truckload - LTL, Truck Load - FTL and Intermodal transportation services to shippers in the Pacific Northwest. Our customers ship freight to and from all locations throughout North America. Superior transportation service is what we aim to provide and, the repeat customer business that is the mainstay of our day-to-day operation is a testament to providing that level of service. A great deal of our domestic business is shipped on rail via CN Railways. The cost efficiency of using the rail allows us to offer quality service at competitive rates to our customers.

We strongly support the proposed Canadian National and Wisconsin Central. The CN/WC merger will position MUSI Systems to expand our rail based transborder business and offer shippers a viable alternative to truck, which, we believe will increase competition and ultimately produce financial rewards for shipper.

Improved access to railway owned equipment as a result of the combination would allow MUSI Systems to enter truck competitive transborder corridors we do not currently serve.

In conclusion, MUSI Systems firmly supports the CN/WC merger. We believe the unification will be executed with minimal disruption and ultimately increase competition by offering shipper a real alternative to truck. It is our sincere hope that the US Transportation Surface Board quickly approves the proposed combination.

I, Roy Bainbridge, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.



Roy Bainbridge
Vice President
MUSI Systems Inc.

Head Office:
627 Lyons Lane, Suite 403
Oakville, Ontario
L6J 5Z7
Tele: (905) 339-3889 Fax: (905) 339-2936

MUTUAL TRANSPORTATION SERVICES INC.

VERIFIED STATEMENT
OF
ALAN CROSS, B.A., C.I.T.T., P.L0G.
1045 Harcroft Ct.
Oakville, Ontario

President	*Mutual Transportation Services Inc.*
Executive Vice President	*Translink Transfer & Warehousing Ltd.*

Previous Experience:

Vice President Sales & Marketing	*Midland Transport Ltd.*
General Manager (Fast Pac REIMAIR)	*Reimer Express Lines Ltd.*
Board of Directors	*CDN Institute of Traffic and Transportation*
Professional Member	*Canadian Professional Logistics Institute*

President of Mutual Transportation Services Inc.

In my current position as Owner/Partner of Mutual Transportation Services Inc. I am responsible for the activity resulting from our Head Office and five (5) branch locations.

As a 3rd party transportation provider Mutual Transportation Services Inc. controls annually over 12,000 truck load moves throughout North America, utilizing over 2500 common carrier associations along with a number of rail contracts. Currently we are in the process of evaluating consistent truckload movements which would be conducive to the efficiencies presented by rail.

Most recently, we opened a branch location in Chicago, which is primarily involved in transporting heavy machinery. We anticipate that if CN obtains approval to acquire Wisconsin Central (WC) then we will be in a position to divert a percentage of shipments currently moving via road transport to the services offered by rail.

It is our belief that as our company grows our use of Canadian National will also grow. Additional lanes, equipment availability and a seamless service presentation will allow our rail usage to grow at an even grater rate.

Charlottetown, P.E.I.	Montreal, PQ	Owen Sound, ON	London, ON	Chicago, IL
Tele: (902)628-8225	Tele: (514)620-3341	Tele: (519)534-5263	Tele: (519)669-0706	Tele: (800)390-0087
Fax: (902)628-1805	Fax: (514)620-8048	Fax: (519)534-5821	Fax: (519)669-0687	Fax: (800)350-0068

Head Office:
627 Lyons Lane, Suite 403
Oakville, Ontario
L6J 5Z7
Tele: (905) 339-3889 Fax: (905) 339-2936

MUTUAL TRANSPORTATION SERVICES INC.

Executive Vice President of Translink Transfer & Warehousing Ltd.

Translink Transfer & Warehousing Ltd. occupies a new 8400 sq. ft. food grade rail transfer facility located off the CN main line in Amherst – Nova Scotia.

The building is designed to enable the transfer of bulk food grade material from pneumatic tanker trailers to tanker rail cars for furtherance throughout North America. The facility will also allow the ability to load or unload two boxcars simultaneously in-doors with a staging area and access to transship products by road carriers to destination. It is our intention to utilize the CN network throughout North America for any products originating or destined to the area effectively serviced by the Translink facility.

It is our belief that the proposed acquisition of WC by CN will provide Translink Transfer and Warehousing Ltd. a larger operating area to bring service benefits to Nova Scotia and Prince Edward Island.

VERIFICATION

I, Alan Cross declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement executed on March 19th, 2001.



Alan Cross

Charlottetown, P.E.I. Tele: (902)628-8225 Fax: (902)628-1805
Montreal, PQ Tele: (514)620-3341 Fax: (514)620-8048
Owen Sound, ON Tele: (519)534-5263 Fax: (519)534-5821
London, ON Tele: (519)669-0706 Fax: (519)669-0687
Chicago, IL Tele: (800)390-0087 Fax: (800)350-0068

N.E.W. PLASTICS CORP.
112 - 4TH ST. • P.O. BOX 480 • LUXEMBURG, WI 54217-0480
PHONE (920) 845-2326 • FAX (920) 845-2439

Verified Statement
Of
Jerry Shefchik
On behalf of
N.E.W. PLASTICS CORPORATION

Hello,

My name is Jerry Shefchik, and I am the Senior Purchasing / Quality Control Manager at N.E.W. Plastics Corporation, 112-4th Street in Luxemburg Wisconsin, 54217.

My responsibilities are to order all raw materials for use in our manufacturing facilities. I have held this position for 14 years.

N.E.W. Plastics Corporation is a plastic blow molding company and we purchase railcars of plastic resin for making our containers. We buy materials from such companies as Union Carbide, Exxon Mobil, Solvay Polymers, and Equistar Chemicals. All cars are delivered to either of our facilities at Luxemburg Wisconsin or Coleman Wisconsin. Most cars are shipped from Texas or from Canada.

As all cars are prepaid, I do not have the exact routings, but at one point or another the Wisconsin Central will deliver these cars either directly to us or to another carrier.

We understand that the Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will secure a link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

With the acquisition of WC, the CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minn./Superior, Wisconsin. By improving this service, it should help to alleviate the congestion through the busy Chicago gateway. Many times it has taken anywhere from one day to a week of delays from getting cars delivered that went through the Chicago rail yard.

We would expect that better service will create better competition between all rail carriers which will lower shipping costs, which in turn will lower our costs for materials.

recycled paper

We believe that the proposed acquisition will strengthen the railroad network and benefit shippers. N.E.W. Plastics Corporation supports the application.

I, Jerry Shefchik, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.

Signed: 

NGL SUPPLY CO. LTD.

April 2, 2001

Verified Statement of
Maurice Gratton
On Behalf of
NGL Supply Co. Ltd.

RE: Canadian National – Control – Wisconsin Central (STB Financial Docket)

NGL Supply Co. Ltd. is a privately owned independent Canadian LPG (liquefied petroleum gas) marketing company, headquartered in Calgary, Alberta Canada, with a regional sales office in Sarnia, Ontario Canada and Denver, Colorado. We operate a 700 car rail fleet, and own and operate LPG distribution terminals a Twig, Minnesota and Bromont, Quebec Canada, utilizing rail service into the terminals for local truck distribution beyond. NGL has been in business since 1970. We are focused on growing our business and are currently investigating the feasibility of securing additional terminals located in the US.

As Vice President of NGL Supply Co. Ltd., located in Calgary, Alberta, my key responsibilities are business development and to over see NGL Supplys' operations. I have over twenty (20) years experience in the petroleum industry, eighteen (18) years with Amoco, a major producer / wholesaler of LPG in North America; final posting as manager NGL Marketing and Trading. I have been in my current position for (4) years.

NGL Supply supports the proposed purchase of the Wisconsin Central Railway by Canadian National Railways. We believe this purchase will provide opportunities for service improvements and efficiency gains, and offer more effective competition with other forms of transportation. The benefits would appear to out weigh the negatives with quicker responses on freight inquiries, potentially improved service with shorter delivery times and fewer delays due to switching. Further, we believe there to be opportunities to expand into areas served by the WC which may be out of reach at present due to two line haul carriers. NGL Supply anticipates the transition, merger will have few problems as demonstrated by the CN's recent integration with the Illinois Central.

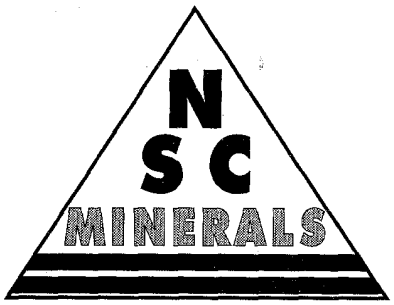
I, Maurice Gratton, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Yours very truly,

NGL SUPPLY CO. LTD.

Maurice Gratton

1520, 700 - 4th Avenue S.W., Calgary, Alberta T2P 3J4 • (403) 265-1977
305, 201 North Front Street, Sarnia, Ontario N7T 7T9 • (519) 336-9790



Verified Statement
Of
Malcolm B. Leggett
On Behalf of
NSC Minerals Inc.

My name is Malcolm B. Leggett and I am the President of NSC Minerals Inc and its wholly owned subsidiary Pinnacle Minerals Inc, which are both located at 2241 Speers Avenue, Saskatoon, SK. Canada. I am a founder of NSC Minerals Inc and have held the position of president since its inception (twelve years).

NSC Minerals is a manufacturer of salt products that are used for include highway de-icing, feed mixes, hide curing, mud drilling, road stabilization, and industrial water softening.

The head office for NSC Minerals is located in Saskatoon, Saskatchewan, Canada. The head office location also includes the manufacturing/processing and warehousing facilities for packaged products distributed by Pinnacle Minerals. NSC Minerals has two outside manufacturing plants located at Rocanville and Vanscoy. The Rocanville plant is located in South-Eastern Saskatchewan along the Manitoba border on a mine site owned by the Potash Corporation of Saskatchewan (PCS) and the Vanscoy plant is located 25 miles South-West of Saskatoon, SK. on a mine site owned by Agrium.

The geographical trading area stretches from Western Ontario to the interior of British Columbia, as well as encompassing parts of the North Western United States (North Dakota, Minnesota and Wisconsin), and the Yukon and Northwest Territories.

For the past twelve years we used only trucks to haul all of our product, and in the fall of 2000 we began using the services of CN to service customers from our outside plant locations to as far away as Wisconsin.

I strongly support Canadian National's proposed acquisition of Wisconsin Central. I believe it will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

NSC MINERALS INC.
2241 Speers Avenue, Saskatoon, Saskatchewan S7L 5X6
Telephone (306) 934-6477 • Fax (306) 242-0178 • E-Mail nscminerals@sk.sympatico.ca • Web www.nscminerals.com

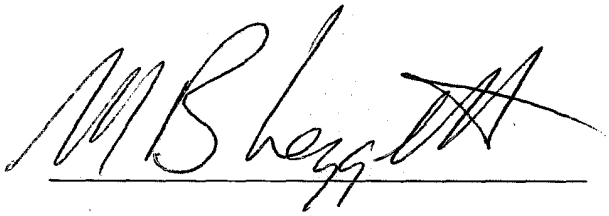
The new combined organization will allow NSC Minerals and its subsidiary the opportunity to enter new markets in the Mid-West and Eastern seaboard states by lowering the cost of transportation and allowing NSC to be price competitive with other manufacturers currently servicing these markets.

A favorable ruling of the proposed combination will make CN and WC more competitive with trucks thus passing the cost savings to the shipper.

We would expect CN's acquisition and integration of WC to proceed smoothly an efficiently due to its end-to-end nature and CN's prior smooth integration of IC, which is a larger carrier than WC.

We believe the proposed acquisition will benefit shippers such as NSC Minerals and greatly enhance the competition among all suppliers. This will be a win-win situation! The shipper will win by having the ability to expand into new markets by being more price-competitive and the end consumer will win by having more choices at competitive pricing. NSC Minerals fully supports this application.

I, Malcolm B. Leggett, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 15, 2001.



Malcolm B. Leggett - President

NATIONAL DISTRIBUTION SERVICES

P.O. Box 2156
Niagara Falls, Ontario L2E 6Z3
Telephone: (905) 357-9663
Fax: (905) 374-2806
P.O. Box 2331, Niagara Falls, New York 14302-2331

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

March 20, 2001

Re: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(STB Finance Docket #34000)

Dear Mr. Williams:

My name is Robert Litke. I am General Manager with National Distribution Services, Inc. with its headquarters at 3481 Stanley Avenue, Niagara Falls, Ontario. My office is at 3481 Bucknell Drive, Highlands Ranch, Colorado 80129. I have been with the company for 9 years and been involved in rail transportation for the past 18 years. My responsibilities as General Manager include the direct oversight of our transportation requirements which include receipt and shipment of inbound and outbound materials to and from our distribution centers.

National Distribution Services, Inc. is a warehousing and distribution company with forest products as the primary commodity that we handle. We have four facilities in the United States and one in Canada. Canadian National serves three of our facilities; one in Chicago, Illinois, one in Detroit, Michigan and our Canadian operation in Niagara Falls, Ontario. Our facility in Buffalo, New York is served by Norfolk Southern and our facility in North Bergen, New Jersey is served by the New York Susquehanna and Western. Rail transportation is a vital factor to the success of our business. Primarily, we ship product to the U.S. Northeast and Midwest and receive product from Canada and the Northwestern and Southern U.S. Our total rail traffic exceeds 5,000 railcars per year.

We understand that Canadian National is requesting authority to acquire Wisconsin Central. We strongly support this acquisition as the combined company will create a rail network that offers significant opportunities for service efficiencies and effective competition with the trucking industry.

We support Canadian National's plan. We think that it will enable us to expand our markets into areas we have previously been unable to reach through a seamless, more efficient service. It will also allow us to source from locations on the Wisconsin Central to our CN served facilities.

Finally, we support and endorse Canadian National's plan to introduce rail competition into areas in which truck carriers have enjoyed significant volumes of traffic. Also, this plan would create a larger, more efficient railroad that will allow it to be competitive with the other large rail networks. As CN/WC are end to end railroads, this should be a smooth transition when the two are integrated.

If our company is to grow and prosper, we need a strong railroad serving our transportation needs. We think Canadian National's plan before the Surface Transportation Board does this and we, therefore, support it.

Sincerely,

Robert Litke

Robert Litke
General Manager
National Distribution Services

VERIFICATION

I, Robert Litke, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 20, 2001.

Robert Litke

Robert Litke

NATIONAL
FAST FREIGHT INC.

VERIFIED STATEMENT
OF
ROBERT DONAGHEY

On Behalf of

NATIONAL FAST FREIGHT INC

Prepared By: Robert J. Donaghey, CA, CITT, PLOG

Located At: 205 Doney Cresent, Concord, Ontario, Canada, L4K 1P6

Robert J. Donaghey

As Chief Executive Officer of National Fast Freight, I am responsible for all freight activities as it relates to rail and highway through our various operating divisions in Canada and the United States.

National Fast Freight

National Fast Freight is an integrated distribution and transportation provider currently operating in every major city in Canada. It provides Full Load, LTL, Logistics and Brokerage services to a growing customer base. National has recently changed its core Rail transportation provider from Canadian Pacific to Canadian National. Competitive and more valuable service were the key reasons why National changed core carriers. National looks forward to expanding its operations into the United States and is making plans to open a terminal in Chicago in 2001. With CN's improved service option into Chicago we will be able to utilize rail service for some of our transportation needs. **The business conducted between National Fast Freight and CN on an annual basis will be in excess of $10 million Cdn.**

205 Doney Crescent, Concord, Ontario L4K 1P6
Telephone: (905) 761-0009 • Fax: (905) 761-8422
Wats: 1-800- 563-2223

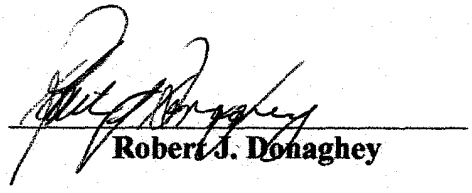
CN/WC Acquisition

National Fast Freight believes the proposed transaction between the WC and CN Railroads is a minor transaction that will ensure superior service is maintained in the Western Canada to Mid-West United States corridor. By combining the two railroads, competitive and reliable service will be upheld. Given CN's successful integration with the much larger IC network, we feel this transaction will also be flawless from a service point of view. Through improved service and better equipment utilization, the CN/WC transaction will undoubtedly open new markets for National Fast Freight.

Conclusion

National Fast Freight believes that the proposed acquisition will strengthen the railroad network and benefit shippers. Our company strongly supports the application.

I, **Robert J. Donaghey**, declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.



Robert J. Donaghey

02/12/01

Date

NATIONAL MATERIAL TRADING
Division of National Material L.P.

February 22, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-001

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

VERIFIED STATEMENT OF TIMOTHY P. HOGAN ON BEHALF OF NATIONAL MATERIAL TRADING

1. Timothy P. Hogan
Vice-President/General Manager of National Material Trading (NMT), a scrap iron & steel, and scrap alternative brokerage company with annual sales revenues of $130,000,000.00. I have worked in the scrap brokerage business for 24 years, 19 as brokerage representative, and 5 as Vice-President/General Manager.

2. National Material Trading's service includes the buying, selling, and transportation of the various scrap items from both domestic North American and international imported sources. NMT's brokerage office is located in Elk Grove Village, IL, a Chicago suburb. We also operate a terminal facility located on the south side of Chicago at 130th Street. At this location, NMT loads/unloads vessels, barges, railcars, and trucks for distribution to our various customers. This terminal is located on the Chicago Rail Link (CRL) and the Chicago South Shore Railroad (CSS). Both of these lines connect with all the major railroads in the Chicago switching district. NMT also stores inventory at other public terminals around the country, mainly New Orleans, LA, Tell City, IN, Houston, TX, Lacrosse, WI, and E. Liverpool, OH. We perform the same type of distribution services from these locations as we described from our Chicago terminal location. NMT transports material within domestic North America via the following modes:
Rail 40%
Truck 30%
Barge 30%
Our traffic patterns are mainly from New Orleans to Chicago/Midwest, E. Coast to North Central States/Midwest, from Chicago to Wisconsin and Canada.

3. We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking and barging industries.

4. With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system. Most of our customers in Wisconsin are served by the WC and the volume of shipments via rail is growing every year.

1965 Pratt Boulevard • Elk Grove Village, Illinois 60007-5905
Telephone: 847-806-0990 • Fax: 847-806-2953

One of largest volumes of business is the sale and distribution of nodular, foundry, and basic pig iron to the foundry industry and many of the largest consumers of pig iron are in Wisconsin. Other large consumers on the CN line include John Deere Foundry, Waterloo, IA and several Canadian foundries in the Toronto and Montreal areas. The CN and WC are very crucial railroads for NMT. Anything, which can improve the efficiency, will greatly affect our business. Most of our customers are operating delivery schedules on a "just in time" basis. Single-line shipment will enable even speedier deliveries to our customers and should, in turn, enable the railroad to benefit from more turns per month on its equipment.

5. NMT is even willing to look at discharging vessels at ports in New Orleans, which are served by the CN Railroad. Instead of NMT moving via barge to Chicago where we transload to railcar at our terminal, we may be able to load directly from vessel to railcar or vessel to ground to railcar right in New Orleans and ship all the way to our final consumers on the CN/WC line. This single-line movement will increase the volume we will ship via railcar and reduce the volume via barge. It will result in much more efficiency in the transportation of pig iron imported into this country.

6. NMT expects CN's acquisition and integration of the WC to proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC Railroad, which was an even larger carrier than the WC.

7. NMT believes that the proposed acquisition will strengthen the railroad network and benefit all shippers; therefore we reiterate our support for the application.

I, Timothy P. Hogan, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on February 22, 2001 Signed: _____

Timothy P. Hogan

VERIFIED STATEMENT
OF
DON WARMING
On behalf of
NEPW

Don Warming, CEO of New England Public Warehouse and Transport Inc., So. Paris, ME.

I understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. I strongly support this application as it will secure a key link to CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

The reason I am supporting the approval of the CN/WC application

- It will bring better service benefits to the shipper with no reduction in competition.
- With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minn/Superior, Wis.
- By securing CN's NAFTA network, the acquisition of WC assures the ability of CN and WC shippers to participate efficiently over the long-term in the fast-growing NAFTA markets.
- Improved service will be enhanced by eliminating the need for a CN/WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN and WC.
- Improved service will also result from a new operating plan that will extend CN's scheduled railroad service to WC.

Competitive Benefits

- Increased competition among rail carriers.
- Increased competition between CN/WC and truck carriers.

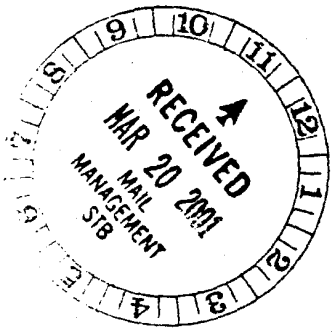
  Trucks carry significant volumes of traffic in the CN and WC service areas. The proposed combination will make CN and WC more competitive with trucks. Shippers will benefit from this added competition.
- CN's proposed acquisition of WC raises no significant issues concerning reduced competition because, like CN/IC, the two railroads are end-to-end.

I believe that the proposed acquisition will strengthen the railroad network and benefit shippers. **My company supports the application.**

Respectfully,

Don Warming

Don Warming
CEO, NEPW



NEW HARVEST FOODS, INC.

VERIFIED STATEMENT
OF
TIMOTHY GRYGIEL
On behalf of
NEW HARVEST FOODS, INC.

Timothy Grygiel is the President/General Manager of NEW HARVEST FOODS, INC., P.O. Box 800, 323 Third Ave., Pulaski, WI 54162.

New Harvest Foods, Inc. is a Vegetable processor. We produce Canned Peas, Beans, Corn, Carrots, Potatoes, and Mixed Vegetables. We pack approximately one million cases per year. We ship approximately 45 Railroad Cars per year. We do not have a Railroad Siding at our facility so we load cars at Leichts Warehouse in Green Bay, WI. The rest of our production is shipped via truck. We ship 4,896 cases in a rail car and 1632 cases in a truck.

We ship Railroad Cars to the following locations:

Charlotte, NC	WC-Chicago-CSXT Dely
Raleigh, NC	WC-Chicago-CSXT Dely
Atlanta, GA	WC-Chicago-CSXT Dely
Montgomery, AL	WC-Chicago-CSXT Dely
Pompano Beach, FL	WC-Chicago-CSXT Dely
Jacksonville, FL	WC-Chicago-CSXT Dely
Orlando, FL	WC-Chicago-CSXT Dely
Sarasota, FL	WC-Chicago-CSXT Dely
Ft. Worth, TX	WC-Chicago-UP Dely
Harahan, LA	WC-Chicago-IL-IC Dely
Hammond, LA	WC-Chicago-IL-IC Dely

We also occasionally ship intermodal to these locations as well as California.

We strongly support Canadian Nationals proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

Improved service will be enhanced by eliminating the need for a CN-WC interchange at Duluth/Superior and Chicago, by creating the potential for us to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN and WC.

When we get into our busy shipping season, we sometimes have a shortage of the type of Railroad car that we need. Hopefully the new combined organization will be able keep the supply of cars that are needed in stock.

All of our Railroad Cars now go to a Chicago yard to be transferred to the delivering carriers. Hopefully the merger will lead to faster delivery service for our customers.



323 THIRD AVENUE P.O. BOX 800
PULASKI, WI 54162 PHONE (920) 822-1974

In being more competitive with truck rates, we can offer our customers lower freight costs, which could result in additional sales for our company.

We expect CN'S acquisition and integration of WC to proceed smoothly and efficiently due to it's end to end nature and CN'S prior smooth integration of IC, which is a larger carrier than WC.

We believe that the proposed acquisition will strengthen the railroad network and benefit shippers. NEW HARVEST FOODS, INC. supports the application.

I, TIMOTHY GRYGIEL, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on February 28, 2001.

Timothy Grygiel
Signature

NEWHAVEN DISTRIBUTION SERVICES, INC.

PHONE 718-292-9751
FAX 718-402-1947

999 EAST 149TH STREET
BRONX, N.Y. 10455

• WAREHOUSE •
DISTRIBUTION CENTER

VERIFIED STATEMENT OF
WILLIAM E. SCHIFFER JR.
On behalf of
NEWHAVEN DISTRIBUTION SERVICES, INC.

My name is William E. Schiffer Jr. and I am President of Newhaven Distribution Services, Inc. located at 999 East 149th Street Bronx, NY 10455. I founded Newhaven in 1980 and have been involved in the distribution business as a principal, owner, and operator for more than forty years.

As President, I am responsible for the general management of the Company as well as the daily operation of our transloading and warehouse facility, in the Bronx.

Newhaven is involved in railcar unloading, local cartage, warehousing and distribution. A large measure of our rail/truck activity involves Canadian National, primarily relating to the delivery of newsprint and other products within the New York area. In 2000, we handled over 7000 carloads. Our operation is vital to our customers and affords the railroads the ability to reach non-rail served facilities while providing "Just-in-Time" delivery. Major users of our facility include Abitibi-Consolidated, Kruger Inc., Donohue and Irving Paper.

Through the acquisition of Wisconsin Central by Canadian National we believe a stronger more viable rail operation will result which will create new marketing opportunities throughout North America. Further the acquisition will strengthen both railroads and better position them to address issues on an industry basis.

We also note this is an end-to-end combination and see that in a positive light. For these reasons, we support the acquisition and ask the Surface Transportation Board to act favorably and with due dispatch.

I, William E. Schiffer Jr. declare under penalty of perjury the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed this 7th day of February 2001.

William E. Schiffer Jr.
President
Newhaven Distribution Services, Inc.

Nicolet Minerals
a Rio Algom company

Rhinelander Office:
7 N. Brown St., Third Floor
Rhinelander, WI 54501-3161
715.365.1450 tel
715.365.1457 fax

Crandon Office:
104 W. Madison St., P.O. Box 336
Crandon, WI 54520-0336
715.478.3393 tel
715.478.3641 fax
www.crandonmine.com

March 15, 2001

Mr. Vernon A. Williams, Secretary
Surface transportation Board
1925 K Street, N.W.
Washington D.C. 20423-0001

RE: Canadian National – Control – Wisconsin Central (STB Finance Docket No. 34000)

Dear Mr. Williams:

Nicolet Minerals Company is writing to endorse and support the proposed merger between Canadian National and Wisconsin Central Railroads.

Nicolet Minerals Company is a Wisconsin General Partnership and a wholly owned subsidiary of Billiton PLC. Nicolet Minerals Company is in the final stages of permitting the Crandon Mining Project, which is located in Northeastern Wisconsin.

The Crandon Project is a proposed underground mining operation located approximately 5 miles South of Crandon, Wisconsin. The $400 million project is expected to be in constructed and in operation by 2006. The mining operation will produce and ship approximately 429,000 tons per year of zinc, copper and lead concentrates. These products will ship to a variety of North American customers in Canada and the U.S.

Therefore, Nicolet Minerals Company believes that Company formed by the proposed merger will be able to offer quality transportation services at competitive rates to our Company.

Very truly yours,

Dale L. Alberts

Norbord
Nexfor

VERIFIED STATEMENT
OF
GORDON R. JOHNSTON
On Behalf Of
NORBORD INDUSTRIES INC.

My name is Gordon R. Johnston, General Manager, Logistics with Norbord Industries Inc. of Toronto, Ontario CANADA.

I am responsible for all Logistics activities for Norbord's operations in Canada and the United States. I have had overall responsibility for Norbord's Logistics since 1992. Prior to this I held a number of transportation positions with Norbord and before joining Norbord I was employed in the trucking industry. The Norbord operations ship in excess of 1,500,000 tons annually of forest products with a freight cost of approximately $45 million.

Norbord Industries is a leading producer of quality lumber and panel products. Norbord operates manufacturing facilities served by CN at La Sarre, PQ, Val d'Or, PQ, Senneterre, PQ and Juniper, NB. In 2000, over 3,800 carloads were shipped from these facilities using CN. This represents a market share in excess of 50%. Oriented strand board plants are also operated at Bemidji, MN (BNSF served), Guntown, MS (KCS served), Joanna, SC (CSXT served) and we are currently completing the construction of a new plant in Lanett, AL which will be CSXT served. Norbord also operates one medium density fiberboard plant in Deposit, NY (NS served) and a plywood plant in Cochrane, ON (ONT served). Norbord is also responsible for the rail transportation of lumber from Fraser Paper Inc., which is a sister company and has sawmills at Plaster Rock, NB, Ashland, ME and Masardis, ME. These three operations utilize the Bangor & Aroostook Railroad as the originating carrier.

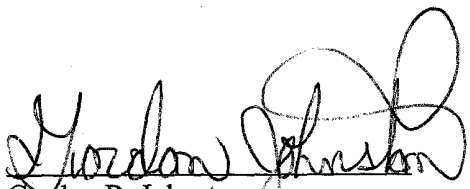
We strongly support the Canadian National's proposed acquisition of Wisconsin Central. Access to the Mid-West market will be improved for Norbord and enhanced levels of competition will result with other rail carriers and trucks. Through this combination we will secure single line service for our traffic that originates on CN and will obtain two-line service for all of our other rail origins. We believe that a combined CN/WC will be able to offer faster, more reliable transit times for our traffic that currently junctions at Chicago. Enhanced service and freight competitiveness is particularly critical to our business. In addition, the acquisition of the WC will open new markets that we currently serve predominantly by truck.

Norbord Industries Inc.
1 Toronto Street
Suite 500
Toronto, Ontario
Canada M5C 2W4

Tel 416 365-0705
Fax 416 365-3292
www.nexfor.com

CN's proposed acquisition of the WC does not raise any significant issues concerning reduced competition because the two railroads operate end to end. In addition, we believe that the past experience of CN acquiring the IC shows CN has the ability to smoothly integrate the WC operations.

I, Gordon R. Johnston, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 5, 2001.



Gordon R. Johnston
General Manager, Logistics
Norbord Industries Inc.

NORMERICA INC

VERIFIED STATEMENT
OF
WARREN R. CRESSWELL
On behalf of
NORMERICA INC.

My name is Warren R. Cresswell and I am the President of Normerica Inc. I am one of the founders of the Normerica Group of Companies and have been in this position for nine years. I am based at our corporate headquarters at 703 Evans Ave., Suite 600, Toronto, Ontario Canada M9C 5E9.

My company is engaged in the pet products business and as part of this business mission we manufacture and distribute clay based cat litters throughout Canada through Normerica Inc. and in the United States through our U.S. company Northdown Industries Inc. I am a Vice-President of Northdown Industries.

All raw materials for these clay-based cat litters are delivered from the U.S. based mine sites to our various packaging facilities by bulk covered hopper railcars. On an annual basis our inbound rail traffic will exceed 2,500 cars. At the packaging facilities, we unload the railcars and repackage the material into many consumer package formats, sizes and labels. All outbound product shipments are by third party trucking firms.

The company has cat litter packaging plants in Brantford, Ontario, Canada, Lethbridge, Alberta Canada and Dyersburg, Tennessee. Canadian National serves the Brantford, Ontario plant and CNIC serves the Dyersburg, TN plant.

Each of our packaging facilities utilizes two different types of clay, each of which is used for different types of cat litter. The rail traffic originates out of northern Wyoming and northern Mississippi.

While our current rail routing from Wyoming to Toronto passes along Burlington Northern routing to Chicago and then on to Ontario it might be possible for some of this traffic, particularly from northeastern Wyoming to pass over the Wisconsin Central lines enroute to Ontario.

.... 2

NORAMERICA INC.

Because of the long-distance nature of our traffic, and the just-in-time nature of our packaging operations, it is important to us that the interfaces between railroads be as seamless as possible. Accordingly, as a matter of general principal we are in favour of larger, more integrated and more financially stable railways in North America as long as prices remain at a fair and competitive level.

It is proving to be advantageous for our company to be dealing with CN and to take advantage of its NAFTA network. We deal with CN in eastern Canada and also with its acquisition Illinois Central in Tennessee. We are finding economies and efficiencies of operation in dealing with such an integrated railroad and expect more improvement from this integration in the future.

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. Based on the comments immediately above, we support this application as it should improve the transportation infrastructure in North America providing more efficient rail service. While not particularly relevant for our business, we can envisage that the linking of CN and Wisconsin Central could also provide more effective competition with the trucking industry in some sectors.

For our business, the acquisition of Wisconsin Central by CN might open up an alternate rail routing out of Eastern Wyoming, using the DM&E railroad and crossing over Wisconsin Central trackage, linking with CN and thence on into Southern Ontario. Such a routing alternative would enhance competition.

We believe that the proposed acquisition will strengthen the railroad network and should benefit shippers and receivers. Our company supports the application.

I, Warren R. Cresswell, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on this 6th day of March, 2001.

W.R. Cresswell
President

7mx Evans Avenue, Suite 600, Toronto, ON M9C 5E9 Tel. (416) 626-0556 Fax (416) 626-9266

** TOTAL PAGE.03 **



North American Forest Products, Inc.

Surface Transportation Board
Mr. Vernon A. Williams, Secretary
1925 K. Street, N.W.
Washington, DC 20423-0001

RE: Canadian National Railway Company
Wisconsin Central Transportation Corp.
(SFTB Finance Docket No. 34000)

March 20, 2001

Dear Mr.Vernon A. Williams:

I am the Chief Financial Officer of North American Forest Products, Inc. I have been employed here for over 5 years. In addition to functioning as CFO, I handle various projects of operational or financial orientation. As such, I have been in charge of our rail operation here at Edwardsburg, Michigan.

North American Forest Products, Inc. is a lumber component and roof truss manufacturer serving the recreational vehicle and manufactured housing industry. We consume in our distribution and manufacturing processes, significant quantities of softwood lumber. In fact, it is not unusual for us to use 900-1,000 cars of lumber per year. In 1999, we acquired land, which allowed us to construct our own rail siding instead of utilizing a reload facility. CN was of great assistance in this regard. The switch was installed in record time to allow us to begin to save significant sums of money.

We have utilized CN and/or it's subsidiaries: Illinois Central Railroad, Chicago Central and Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg and Pacific Railway, ECO Rail, Inc., Quebec & Lake St. John Railway, and Canadian Northern Quebec Railway which allow for the transportation of raw lumber from the providence's of Canada for many years. The service from CN has been outstanding and has given us a competitive advantage.

It is my understanding CN and Wisconsin Central Ltd. and it's subsidiaries of Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway and Wisconsin Chicago Link Ltd. wish to join forces. We strongly support CN's proposed acquisition of Wisconsin Central. The acquisition will improve the ability to effectively and efficiently transport lumber (in our case) between Canada and the United States. We believe it will foster improved competition between rail and trucks.

P.O. Drawer AC • 27263 May St. • Edwardsburg, Michigan 49112 • Telephone (616) 663-8500 • Fax (616) 663-2073

In addition, we support the acquisition because it will allow for improved service to be enhanced by eliminating a need for a CN/WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminals of both CN and WC.

In conclusion, we support the acquisition of Wisconsin Central Ltd. by Canadian National Railway Company and believe that the new combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. As a result of these and other efficiencies created by the combination, railroad-owned equipment supply will improve and shippers using private equipment will enjoy the savings through reduced fleet size requirements.

Sincerely,

Brett E. Lamont
Chief Financial Officer

I Brett E. Lamont declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on March 20, 2001.

Brett E. Lamont

Witness

NWD NORTHEAST WAREHOUSING & DISTRIBUTION LTD.

140 Bethany Road • Monson, MA 01057 • Tel. (413) 267-4626 • FAX (413) 267-4031

March 8, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

RE: Canadian National (CN)
Wisconsin Central (WC)
(STB Docket No. 34000)

Dear Mr. Williams:

My name is Roger L. Desrosier, Founder, President and Chief Executive Officer at Northeast Warehousing and Distribution, Ltd. I have held my present position since 1985. My duties include visioning anticipated traffic flow, logistics management and direct oversight of our transportation requirements, which involves shipping and receiving inbound and outbound finished goods for our customers.

Northeast Warehousing and Distribution, Ltd., is a rail trans-loader business with sales of $1,500, 000 annually. Primarily, we receive from U.S. and Canadian shippers who are on the lines of CN, the Illinois Central Railroad, Chicago, Central & Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg & Pacific Railway, Waterloo Railway company, ECO Rail Inc., Quebec and Lake St. John Railway, and Canadian Northern Quebec Railway. Occasionally, we receive from U.S. shippers who are on the lines of WC, The Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway, Inc., and Wisconsin Chicago Link Ltd. Transportation is a vital factor to the success of our business. We utilize rail and truck, divided 50% rail for all line haul over 500 miles and 50% truck for all local pick-ups and deliveries. We are located at 140 Bethany Road, Monson, Massachusetts U.S.A. and are presently serviced by New England Central Railroad through interchange with CN.

We understand that CN and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will secure a key link in connecting the paper manufactures in the Wisconsin region and our customers, the

converters in the New England markets. In addition, improved service will be enhanced by eliminating the need for a CN/WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway. As a results of these and other efficiencies created by the combination, railroad-owned equipment supply will improve; revenue per vehicle will improve and allow our clients a more competitive cost alternative that the direct trucks they may be using. Presently trucks carry significant volumes of traffic from the WC service areas. The proposed combination will make CN and WC more competitive with trucks. Northeast Warehousing & Distribution, Ltd and its customers will benefit from this added competition. Our company supports the application.

I, Roger L. Desrosier, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 8, 2001

Sincerely,

Roger L. Desrosier
Founder, President and Chief Executive Officer

OmniSource
CORPORATION

Rail & Barge Transportation
1610 North Calhoun Street
Fort Wayne, Indiana 46808
(219) 422-5541
February 20, 2001

Mr. Vernon A. Williams
Secretary-Surface Transportation Board
STB-Finance Docket #33842
1925 K Street NW
Washington, DC 20423

Dear Mr. Williams:

My name is Phillip R. Bedwell and I am the Corporate Director of Rail and Barge Transportation for OmniSource Corporation. My business address is 1610 North Calhoun Street, Fort Wayne, Indiana. My responsibilities include planning and forecasting for rail services, coordination of our rail private fleet, negotiation of rail and barge contracts, rail property leases, and the overall coordination of the Corporate Rail and Barge Transportation program. I have been working in the transportation field for over 29 years. OmniSource Corporation is in the ferrous and non-ferrous metal recycling business with its source of material being industrial/manufacturing facilities and the consumer base includes Integrated and Mini Mill Steel Mills.

OmniSource operate facilities in:

- Fort Wayne, Indiana
- Auburn, Indiana
- Goshen, Indiana
- Corydon, Indiana
- Marion, Indiana
- Winchester, Indiana
- East Chicago, Indiana
- Defiance, Ohio
- Lima, Ohio
- St. Marys, Ohio
- Mansfield, Ohio
- Toledo, Ohio
- Twinsburg, Ohio
- Detroit, Michigan
- Warren, Michigan
- Belvedere, Illinois
- Atlanta, Georgia
- Athens, Georgia
- Baldwin, Florida
- Hamilton, Ont, Canada

We handled over 36, 000 rail cars in 1999 and 47,000 cars in 2000. Our shipping areas are mainly East Coast, Midwest, and South. In 1999 we paid over 25 million dollars in freight charges and over 32 million dollars in 2000.

We are in support of the transaction that will allow Canadian National's proposed acquisition of Wisconsin Central. This acquisition will be beneficial in 3 ways.

1. More and new single-line service capabilities
2. More direct and efficient routing to reduce transportation times and cost.
3. Create a competitive industry.

Service, equipment utilization, and system synergy are the highest when there is more than one carrier of comparable size and scope.

For the best interest of all parties and industries, a quick and decisive decision must be made on the docket.

I, Phillip R. Bedwell, declare under penalty and perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed this date February 20, 2001.

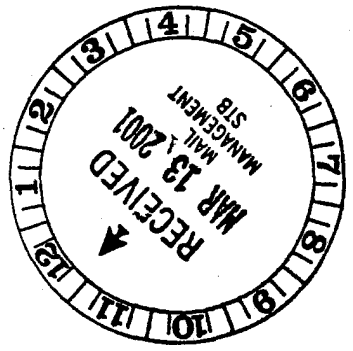
Sincerely,

Phillip R. Bedwell
Corporate Director, Rail and Barge Transportation

OnLine Packaging, Inc.

4311 Plover Road
Plover, WI 54467-3531

Telephone 715-344-4861
Facsimile 715-344-4601
online@coredcs.com



March 9, 2000

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Mr. Vernon A. Williams

OnLine Packaging is a business located in Plover, WI located on the Wisconsin Central. We process household and automotive products for sales to distributors and wholesalers. We receive inbound product (chlorine, methanol, and high-density polyethylene) via the Wisconsin Central from Houston, TX, the Gulf Coast, and the Pacific Northwest.

With the proposed merger of the CN and WC, I foresee several potential advantages such as single line service, expedited car turn times and the possibility of finding new sources through the expanded reach of the Canadian National.

I strongly support this application, as it will secure a key link in CN's network and offer significant opportunities for service improvements and efficiencies.

Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI. thereby creating the potential for shippers to enjoy expedited service through WC's gateways.

One issue that the STB must address is the extent the proposed combination affects competition. For example, increased competition amongst rail carriers between CN/WC and truck carriers will allow industries in this area to reach more distant markets via single line service.

Also, there should be no reduced competition, as CN and WC are end to end carriers.

You may expect the acquisition and integration to proceed smoothly and efficiently, due to its end to end nature and CN's prior experience with integration of the IC (a larger carrier than the WC).

In conclusion, Online Packaging strongly supports the proposed transaction.

I, Roger D. Teske, declare under penalty of perjury under the laws of the United States, the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement executed on March 9, 2001.

Sincerely,

Roger D. Teske - President

PBB
Global Logistics

Telephone: (604)717-1551
Fax: (604)717-1566
Reply To: 11188 Featherstone Way, Richmond BC, V6W 1K9

March 14th 2001

Verified statement of Al Yeo on behalf of PBB Global Logistics

My name is Al Yeo and I am the supervisor PBB Global Logistics North American Shipping. My division handles all inland surface transportation across North America.

PBB Global Logistics is an internationally recognized leader with fully integrated services including:

International Freight Forwarding
Customs Brokerage
Warehouse & Distribution
North American Shipping
Integrated Technology
International Trade Solutions
Corporate Audit
International Mail Order
Corporate Travel

We strongly support the proposed merger between Wisconsin Central and Canadian National as the CN/WC combination will position PBB to expand our product line and offers alternative cost effective solutions to shippers.

I, Al Yeo declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 14th 2001.

Al Yeo

Supervisor
PBB North American Shipping

CANADA'S 50 BEST MANAGED PRIVATE COMPANIES

PIONEER®

ISO 9002

March 9, 2001

Box 10 Montreal
Quebec, Canada H3C 2R3
Telephone (514) 397-6100
Fax (514) 397-6109

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K. Street, N.W.
Washington, DC 20423-0001

Subject : **Canadian National – Control – Wisconsin Central**
(STB Finance Docket No. 34000)

Verified Statement of Roger A. Zampini on behalf of PCI Chemicals Canada Inc.

My name is Roger A. Zampini and I am Vice President – Supply Chain Management for PCI Chemicals Canada Inc. and have held this function for five years. My department is responsible for Procurement, Distribution/Logistics, Tank Car Fleet, Operations, Technical Services and Risk Management. PCI Chemicals Canada Inc. is a chemical manufacturer and has plants in Becancour, Quebec; Dalhousie, New Brunswick and Cornwall, Ontario. We are part of Pioneer in the U.S.A. (Pioneer Americas, Inc.) who also have plants in Tacoma, WA; St. Gabriel, LA and Henderson, NV. Our Canadian plants as well as our St. Gabriel LA plant are serviced by CN (IC for St. Gabriel prior to the CN/IC merger).

Pioneer moves in excess of 18,000 carloads per year of our products and are a major user of the rail service in the U.S. and Canada.

The purpose of my statement is to support Canadian National's proposed acquisition of Wisconsin Central. We support this application as we expect a combined company will create a rail network that offers significant opportunities for **service improvements** and in efficiencies which we expect will result in **better transit times** and **lower rates**.

Since we maintain our own large fleet of privately held tank cars, the size of the fleet can be kept to a minimum when the transit time is dependable and consistent. Pioneer did support the CN/IC merger and was very pleased in terms of the service improvement for this end to end merger.

We also feel that this end to end merger will open up opportunities for Pioneer to ship our products more efficiently and competitively into the Midwest.

The WC has a very good reputation for being an efficient operating railroad and we are confident that operating efficiencies will spread through out the new railroad (CN/WC) based on CN's excellent track record.

We expect a smooth transition for this combination as there is no duplication or overlapping of points that we are aware of. We support the proposed combination and believe that it will provide significant benefits for our company.

I, Roger A. Zampini, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on **March 9, 2001**.

Roger A. Zampini
Vice President – Supply Chain Management

Verified Statement of
Cyril Eckl on Behalf of
PCS Sales (USA) Inc.

March 2, 2001

My name is Cyril Eckl and I am Vice President, Transportation & Distribution for PCS Sales (USA) Inc., located at 1101 Skokie Blvd., Northbrook, IL 60062.

I have held various positions in the Transportation & Distribution area of PCS for the past 25 years.

PCS Sales is the largest fertilizer company in the world with major potash, phosphate, and nitrogen plants throughout North America. PCS Sales is a major supplier of fertilizer products throughout the United States and other countries in the world.

We have six major potash mines in Canada of which five are directly served by CN & CP. The sixth plant is served through an interswitching arrangement with CN & CP.

PCS also has a major phosphate plant in Geismar, LA, a nitrogen facility at Woodstock, TN and various storage terminals in United States served by CN.

Our company ships potash from Canada throughout the United States Midwest, most of which moves over the WC either directly to customers or between the Superior, WI/Chicago corridor.

We ship approximately 33 million tons of product via all modes throughout the world of which approximately 24 million tons move via rail.

We strongly support Canadian National's proposed acquisition of Wisconsin Central as it will improve the transportation link between Canada and the United States, through more efficient service & more effective competition with the trucking industry. We also believe it will assist in eliminating the bottleneck and congestion that presently exists in the busy Chicago corridor.

With the acquisition of WC, CN will be able to offer more consistent single-line service to and from points on the WC system by eliminating the need for a CN/WC interchange at Superior, WI. It will also increase efficiencies for CN/IC traffic between Superior, WI & Chicago.

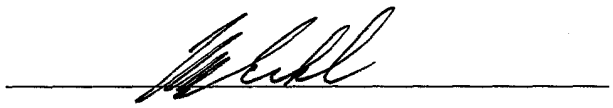
The new combined organization will result in better equipment utilization and savings for shippers such as ourselves who use private equipment, by minimizing delays at interchange points such as Superior, WI through the common usage of locomotives and crews thereby eliminating delays of substituting locomotives both at Superior,WI and Chicago in conjunction with the IC.

We believe the proposed combination will make CN and WC more competitive with trucks and shippers will also benefit from this added competition.

We also expect CN's acquisition and integration of WC to proceed efficiently as was demonstrated by CN's prior smooth integration of IC, which is a much larger carrier than WC.

Consequently, we believe the proposed acquisition will strengthen the in railroad network, benefiting all shippers and our company supports the application.

I, Cyril Eckl, declare under penalty of perjury under the laws of United States that the foregoing is true and correct. Further, I verify that I am qualified & authorized to file this verified statement. Executed on March 2, 2001



PH. 902-888-5200

FAX 902-436-1089

P.O. BOX 1540
SUMMERSIDE
PRINCE EDWARD ISLAND
CANADA C1N 4K4



P. E. I. PRODUCE COMPANY LIMITED

VERIFIED STATEMENT
OF
P. EARL SMITH

My name is P. Earl Smith, General Manager of PEI Produce Company Ltd., and I have held that position for 14 years.

PEI Produce Company Ltd. is a packer, shipper and an exporter of seed and tablestock potatoes. Part of my responsibilities include the transportation of these potatoes which includes the utilization of railway equipment in particular to the Western United States and Mexico.

We understand that Canadian National Railway and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application for the following reasons:

1. As a combined company, they will create a rail network that offers significant opportunities for service improvements and efficiencies.

2. This is an end to end combination that raises no significant issues concerning reduced competition.

3. By securing CNs NAFTA network, the acquisition of Wisconsin Central assures the ability of CN to participate efficiently over the long-term in the fast growing NAFTA markets.

We believe that this combination will provide much better service at more competitive rates through the creation of a seamless and faster single line service. Given the significant potential service improvements, we support the application.

I, P. Earl Smith, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this statement. Executed on March, 8, 2001.

PEI Produce Company Ltd.

P. Earl Smith
General Manager

PSC METALS, INC.

VERIFIED STATEMENT
OF
CHARLES E. HUNTER
On behalf of
PSC Metals, Inc.

My name is Charles E. Hunter, I am director of transportation for PSC Metals, Inc. located at 20521 Chagrin Blvd. Cleveland, OH 44122.

I have worked for PSC Metals, Inc. as Director of Transportation for just over nine months, but have worked in numerous departments at Class I railroads over a 28 year career and received my degree with a major in logistics.

PSC Metals, Inc. is a ferrous and non-ferrous recycling company. Our operations include brokering scrap, the purchase and processing of scrap at our own facilities and the on site management of many major steel mills scrap operations. In 2000, PSC Metals, Inc. paid in excess of $27 million to transportation companies in North America. Our budget included $15,000,000+ for over 29,000 rail shipments to and from the U.S. and Canada.

Listed below are PSC Metals Inc. facilities that ship or receive rail shipments. The list's order does not denote any relationship to volumes shipped or received and is for general information.

State	City	Serving Railroad	Railroads with Access
TN	MEMPHIS	CN	UP, CSXT, NS, BNSF
TN	NASHVILLE	CSXT	
TN	KNOXVILLE	NS, CSXT	
TN	GALLATIN	CSXT	
TN	CHATTANOOGA	NS, CSXT	
IN	BURNS HARBOR	LMIC	NS, CSS, IHB
PA	STEELTON	SH	NS
MD	SPARROWS POINT	PBR	NS, CSX
KS	KANSAS CITY	GWWR	IMRL, BNSF, UP, NS
MO	ST LOUIS	TRRA, BNSF	UP, NS, CN
MO	KANSAS CITY	KCS	UP, BNSF, NS, IMRL
IL	GRANITE CITY	TRRA	UP, NS, CN, GWWR
OH	CANTON	WE	NS
OH	MANSFIELD	NS	ASRY
OH	CLEVELAND	NSR	NS, WE, CSX
OH	COLUMBUS	CSXT	
GA	UNION CITY	CSXT	
AL	N BIRMINGHAM	NS	
PA	KOPPEL	NS, CSXT	

The only facility we presently operate that is served by CN, is our Memphis, TN yard. The facility is located on property adjacent to the Birmingham Steel facility and has river and rail access. However, the CN and WC play an important role in serving our brokerage customers and our direct ship receivers. PSC Metals, Inc. ships iron and steel for recycling purposes from and to the majority of states east of the continental divide. We ship from and to several Canadian Provinces as well. In 2000, we settled freight bills with the CN system totaling approximately $320,000 and $106,000 with the WC.

We understand that CN and WC are requesting authority to enter into a transaction that would put them under common control. We strongly support this application, as it will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

We view both CN and WC as true innovators in the rail industry. These organizations are aggressive and customer focused and we are eager to see the synergies associated with their becoming one integrated organization. We have seen how the sales and marketing arms of these two carriers have worked hard not only to capture business from truck and barge, but they both have shown the vision to understand that some recyclable sources can move to multiple markets. They have priced their transportation cost to make CN and WC destinations attractive on a delivered basis. Until now, they have done this as two separate and distinct organizations. The possibilities of joining these two organizations are boundless. We look forward to the future with a positive anticipation.

We have a positive outlook about this transaction based on the CN's integration of the IC properties. With this end-to-end-to-end merger, we see another smooth acquisition and a seamless transaction. We are encouraged about the extension of the Canadian National's NATFA network; the expanded single line market to buy and sell recyclable iron and steel; and the integration of two customer focused railroads.

Verification

I, Charles E. Hunter, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.
Executed on 3-12-01



PACKAGING CORPORATION OF AMERICA

Sunday - March 5, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street N.W.
Washington, D.C. 20423-0001

Re: Canadian National - - Control - - Wisconsin Central
(STB Finance Docket No. 34000)

Dear Secretary Williams:

My name is Bernard J. Thomas, Manager-Transportation, for Packaging Corporation of America, (PCA), 1900 West Field Court, Lake Forest, IL 60045. I have a degree in Transportation, 46 years in the Transportation/Logistics arena, with the past 6 years in my current position.

PCA is a 1.8 billion dollar, totally integrated, manufacturer of paper and corrugated cartons, with 4 paper mills, 40 corrugating box plants, and various other related facilities throughout the United States. Our Tomahawk, WI paper mill and plants in Burlington andColby, WI plus numerous other customers are served by the Wisconsin Central. The Canadian National participates in many of our routings from the other paper mills to points served by the Wisconsin Central in Wisconsin.

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies..

CN's proposed acquisition of WC raised no significant issues concerning reduced competition because like the CN/IC, the two railroads are end to end and once again we do not anticipate any service disruptions.

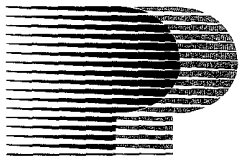
We believe that the proposed acquisition will strengthen the railroad network and benefit all parties. Packaging Corporation of America (PCA) supports this application.

Regards:

Bernard J. Thomas

Bernard J. Thomas
Manager-Transportation

1900 West Field Court • Lake Forest, Illinois 60045 • Tel (847) 482-3000 • www.packagingcorp.com



Packerland
Packing

VERIFIED STATEMENT
OF
JACK SCHLAG
On behalf of
PACKERLAND PACKING CO., INC.

I am Traffic Manager for Packerland Packing Co., Inc. I am responsible for all freight shipments that move via railcar and have held this position for the past twenty-six (26) years. The prior ten years I have had various amounts of responsibility for shipments including truck and rail shipment as Shipping Department Manager.

Packerland Packing is a beef slaughter and processing plant. We ship product that include fresh and frozen boxed beef by truck and railcar. We also ship by-product that include tallow in leased tank cars and meat scraps in railroad owned covered hopper cars.

Our plants in Green Bay are served by the Wisconsin Central. The Packerland Packing plant on Lime Kiln Road ships tank cars of tallow to customers in the Mid-West. We ship in excess of 500 loads per year. We also ship in excess of 160 loads of meat scraps in covered hopper cars to customers in the Eastern and Southern parts of the U.S. per year.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. We believe it will improve the transportation system in Canada and the United States through more effective competition with the trucking industry.

We believe that we will benefit from this acquisition by the CN by avoiding some of the congestion in the Chicago gateway. This should improve delivery schedules for our customers in the southern part of the U.S. As a result of these efficiencies created by the combination, the supply of railroad-owned should improve and we will have better utilization of our leased tank cars.

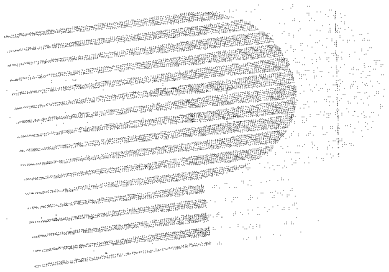
The CN's proposed acquisition of WC poses no significant issues concerning reduced competition as we are now served only by the WC. Because the combination of the CN and the WC are end-to-end, there is no reduction in competition.

Our company supports the application of the CN's to acquire the WC. We believe that the proposed acquisition will strengthen the railroad network and benefit the shippers.

I, Jack Schlag, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 13, 2001

Jack Schlag



P.O. Box 23000 ■ Green Bay, WI 54305-3000 ■ Phone: 414/468-4000 ■ Fax: 414/468-7140 ■ Toll Free: 800/753-7724

PACTIV
Advanced Packaging Solutions

March 6, 2001

Pactiv Corporation
1900 West Field Court
Lake Forest, Illinois 60045

Tel 847.482.2000
www.pactiv.com

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street N.W.
Washington, DC -20423-0001

RE: STB Finance Docket Number 34000

Dear Secretary Williams,

By way of background, I am the Director of Transportation of Pactiv Corporation, one of our nation's largest and most diversified specialty packaging manufacturers. As a public corporation, our annual sales are in excess of $3 billion dollars and our transportation spending is in excess of $200 million dollars per year. We operate 83 plants and distribution centers in North America.

We understand that the Canadian National and Wisconsin Central railroads are requesting authority to enter into a transaction that would put them under common control. We strongly support this application and feel that it will have a beneficial impact on costs and service with minimal risk caused by a reduction in competition.

Thank you for your consideration.

Sincerely,

Pactiv Corporation

Philip D. Prinzi
Director of Transportation

(414) 246-5800
1-800-678-6640

FAX (414) 246-5805

Paul J. Schmit
TRUCKING, INC.
N56 W23418 MITCHELL LANE • P.O. BOX 150
SUSSEX, WISCONSIN 53089-0150

MARCH 22, 2001

MR.VERNON A. WILLIAMS
SURFACE TRANSPORTATION BOARD
1925 K STREET N.W.
WASHINGTON, DC 20423-0001

RE: CANADIAN NATIONAL RAILWAY COMPANY-CONTROL
WISCONSIN CENTRAL TRANSPORTATION CORPORATION
(STB FINANCE DOCKET NO. 34000)

PAUL J. SCHMIT TRUCKING INC. IS A TRUCKING COMPANY LOCATED IN SUSSEX, WISCONSIN, SERVED BY THE WISCONSIN CENTRAL. WE ARE A BULK TRUCK LOAD CARRIER. OUR BUSINESS WITH THE WISCONSIN CENTRALIS THEY BRING THE PLASTIC RESIN FROM THROUGHT THE U.S. TO OUR FACILITY IN SUSSEXWHERE WE TRANSPORT THE LOAD ONTO OUR TRUCK TO SERVE OUR CUSTOMERS NEEDS.

WITH THE PROPOSED MERGER OF THE CN AND WC, I FORESEE ADVANTAGES SUCH AS SINGLE LINE SERVICE ON THEIR CHICAGO POTENTIALY SAVING DAYS ON DELIEVERY TO US. THE POTENTIAL FOR IMPROVED EQUIPMENT UTILIZATION AND THE POSSIBILITY OF BUYING FROM NEW MARKETS THROUGH THE EXPANDED REACH OF THE CANADIAN NATIONAL RAIL NETWORK.

I STRONGLY SUPPORT THIS APPLICATION, AS IT WILL SECURE A KEY LINK IN CN'S NETWORK AND OFFER OPPORTUNITIES FOR SERVICE IMPROVEMENTS AND EFFICIENCES. IMPROVED SERVICE WILL BE ENHANCED BY ELIMINATING NEED FOR CN-WC INTERCHANGE AT CHICAGO,ILL AND SUPERIOR,WI THEREBY CREATING THE POTENTIAL FOR SHIPPERS TO ENJOY EXPEDITED SERVICE THROUGH WC'S GATEWAYS. ALSO, THERE SHOULD BE NO REDUCED COMPETION, AS CN AND WC ARE END TO END CARRIERS. IN FACT, THE SERVICE IMPROVEMENTS SHOULD ASSIST IN MAKING RAIL MORE COMPETITIVE AGAINST TRUCKS.

IN CONCLUSION, PAUL J. SCHMIT TRUCKING INC. STRONGLY SUPPORTS THE PROPOSED TRANSACTION AND URGES THE STB TO TREAT THIS AS A MINOR TRANSACTION.

I, ROBERT A. SCHMIT, DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES THAT THE FOREGOING IS TRUE AND CORRECT. FURTHER, I CERTIFY THAT I AM QUALIFIED AND AUTHORIZED TO FILE THIS VERIFIED STATEMENT. EXECUTED ON MARCH 22,2001.

SINCERELY,

Robert A. Schmit

ROBERT A. SCHMIT

PAUWELS
ENERGY IS OUR BUSINESS

PAUWELS CANADA INC.

VERIFIED STATEMENT
OF
William Edward Litchfield, P. Eng.
On behalf of
Canadian National

1. **Witness name, title, responsibilities and credentials:**
   William E. Litchfield, P. Eng., Purchasing and Logistics Manager Pauwels Canada Inc. I am a professional engineer, responsible for the Materials procurement and transport, including finished product delivery of large transformers by rail.

2. **Pauwels Canada Inc. is located in Winnipeg, Canada and produces large transformers for the electrical energy market. We provide complete service from design through manufacture and field installation and service. Our market is world wide, with North America as our major market area . Our plant has rail service from Canadian National (CN) and road service from the trucking industry. Our company ships transformers to various destinations in North America using flat and drop center rail cars. We shipped 40 rail cars in 2000.**

3. **We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.**

   With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and improvement in efficiency of obtaining dimensional and cost information stemming from the unified service.

4. **We expect CN's acquisition and integration of WC to proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC, which is a larger carrier than WC.**

5. **Conclusion**

   We believe that the proposed acquisition will strengthen the railroad network and benefit shippers. Our company supports the application.

6. **Verification (Or Notarization)**

I, William Edward Litchfield , declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 03/15/01

(Signature)

101 Rockman Street Winnipeg, Manitoba, Canada R3T 0L7
Operator Phone: (204) 452-7446 Main Fax: (204) 453-8644

PECHINEY

Pechiney Plastic Packaging, Inc.
P.O. Box 702
Neenah, WI 54957-0702

March 26, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control -
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Pechiney Plastic Packaging, Inc. is a packaging manufacturing company located in Menasha, WI, served by the Wisconsin Central. Our business with the Wisconsin Central at both our Neenah and Menasha, WI. facilities include transport of over 2MM lbs. of resin.

With the proposed merger of the CN and WC, I foresee advantages such as single line service, the potential for improved equipment utilization and the possibility of buying from new markets through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI. thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

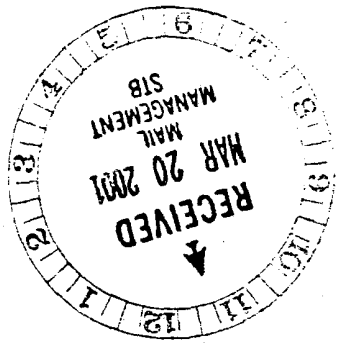
In conclusion, Pechiney Plastic Packaging, Inc. strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Mark Kitzis, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 26, 2001.

Sincerely,

Mark Kitzis
Plant Manager
Pechiney Plastic Packaging, Inc.
271 River Street
Menasha, WI. 54952

PEORIA MIDWEST TRANSPORTATION SERVICES



March 14, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Finance Docket No. 34000

Dear Secretary Williams:

My name is Dale Montgomery, I am the General Manager of Peoria Midwest Transportation Services, it is my responsibility among others, to handle the sales, execution, and administration of its logistics arm which operates a storage and consolidation yard serving Caterpillar Tractor Co., and it's Dealer network.

With this logistics package offered to Caterpillar and it's dealers, PMTS will load tractors onto a railcar as requested by the customer, prepare the shipping papers, and prepay the freight charges to destination, then send one bill per machine to customer, regardless how many are on the railcar. Our facility is located in Peoria, IL, and has available rail service from the BNSF, CN (formerly IC), NS, and the UP as well as several Shortline RR's, the TPW, Iowa Interstate, and the Illinois Midland.

The tractors we ship from Peoria, IL go to many different destinations, but the largest percentage moves to the dealers on the West Coast, in California, Oregon, and Washington, along with numerous carloads moving to Western Canada. We at PMTS strongly support the proposed merger of Wisconsin Central and Canadian National. We believe that it will improve service through more efficient routings, and that these efficiencies will also open new market opportunities for PMTS to Wisconsin, and Eastern Canada, by providing more effective competition with trucks.

We at PMTS believe that the proposed combination of Wisconsin Central and CN, due to its end-to-end nature, will be smooth, and proceed quickly, with little or no disruptions. Furthermore, the combination will provide significant benefits to shippers. Therefore, our company fully supports this merger application.

I, Dale F. Montgomery, Jr. declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on this 14th day of March 2001.

Sincerely,

Dale F. Montgomery
General Manager

101 Wesley Road ■ Creve Coeur, IL 61611 ■ Phone: (309) 694-2051
Fax: (309) 694-2053

PONDEROSA FIBRES
Ponderosa Pulp Products Division
Ponderosa Fibres of America, Inc.

2800 North Main Street (54901)
P.O. Box 398 54903-0398
Oshkosh, Wisconsin
920-233-6600
Fax 920-233-7388

VERIFIED STATEMENT
of
Steven C. Barney
on behalf of
PONDEROSA FIBRES of America

My name is Steven C. Barney. I am the Exclusive Sales Agent for Ponderosa Fibres in Oshkosh, WI. In my position, I am responsible for sales and shipment of Recycled Pulp. I have held my current position since September 2000 and have been employed by Ponderosa Fibres of America in various capacities since 1998. Prior to joining Ponderosa Fibres, I worked for 1st Urban Fiber, Tembec, INC., Alpha Cellulose Corporation and Louisiana-Pacific Corporation. I have been responsible for rail, truck, and ocean transport for woodpulp, cotton linter, and recycled pulps in conjunction with my Sales & Marketing positions..

Ponderosa Fibres is a manufacturer of Recycled Pulps for the Paper industry in the United States and Canada. Our facility in Oshkosh, WI. employs approximately 40 people and produces up to 60,000 tons(over 1500 rail cars) of pulp. Ponderosa Fibres is served by the Wisconsin Central System ("WC"), and ships outbound finished product and receives inbound raw material(wastepaper) on the Wisconsin Central System ("WC") at its facility in Oshkosh, WI. The availability of efficient, competitive rail service is important to Ponderosa Fibres and to our competitiveness within our own markets.

Ponderosa Fibres of America supports the proposed merger of WC and Canadian National Railway Company (CN). We believe the transaction will strengthen the North American transportation network and benefit us as rail shippers. Together, the combined CN/WC will be able to offer new single-line service and faster, more reliable transportation to points throughout the United States and Canada. The combination also will provide an opportunity for the improvement of operations through the busy and often congested Chicago gateway.

We believe inclusion of WC within the larger CN system will ensure the continued, long-term viability and vitality of the excellent service we currently receive from WC. A CN/WC merger will create a strong railroad partnership with the resources and market reach to meet shippers' needs and to compete more effectively with motor carriers and other railroads. Because of the entirely end-to-end nature of the existing CN and WC systems, we see no competitive issues arising from the proposed transaction.

We believe that a CN/WC combination will foster the kind of efficient service and effective competition that rail shippers require. We encourage the Board's favorable consideration of the CN/WC transaction and the transportation and services benefits it will bring.

I, Steven C. Barney, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.

Steven C. Barney
STEVEN C. BARNEY

Dated: March 20, 2001

16750 Center Street
Harvey, IL 60426-6057
PHONE: (708) 647-3604
FAX: (708) 647-3603

Premier Bulk Distribution, Inc.

March 26, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

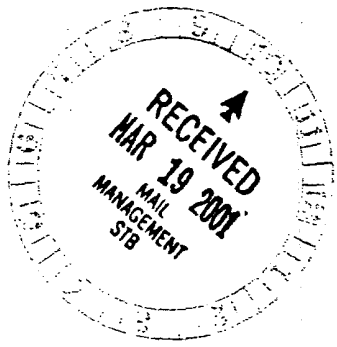
Dear Honorable Vernon A. Williams:

My name is Martha Topel and I am President of Premier Bulk Distribution, Inc., our corporate offices are located at 16750 Center Street in Harvey, Illinois. I have held this position for five (5) years and fifteen (15) years working for a Class I U.S. Railroad. Premier Bulk Distribution is a bulk transload facility serving midwestern states.

Our customer base consists primarily of plastic shippers in the United States, Canada and Mexico. We receive our inbound inventory via rail. We control inventory maintenance and outbound routing from this facility.

The purpose of filing this verified statement is to lend our support for the Canadian National's proposed acquisition of the Wisconsin Central. In today's highly competitive global environment, if these two railroads were allowed to combine their systems, the benefits to our company would allow us to keep our prices down

PRESTO PRODUCTS COMPANY
P.O. BOX 2399 • APPLETON, WI 54912-2399



March 16, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Williams: FD 34000

In my position at Presto Products Company, which is a wholly owned subsidiary of the Alcoa Aluminum Co., I have ultimate responsibility for the material logistics of our company. Presto is a manufacturer of private label plastic food bags, wrap, and disposer bags. We have manufacturing sites in Appleton, Wisconsin; Carrollton, Texas; South Boston, Virginia; Weyauwega, Wisconsin; and Lewiston, Utah.

All of these sites are serviced by the rail industry, and we rely on these services to bring in our raw materials such as polyethylene resin.

Our Appleton facility and our Lewiston, Utah, facility have utilized both Wisconsin Central and Canadian National to support our manufacturing needs. All of the polyethylene resins we bring into Appleton utilize Central Wisconsin's services and much of the material coming from Canada into Lewiston, Utah, uses the services of Canadian National. We believe the merger of these two railroads and common control will improve service to Presto, reduce costs to our suppliers, and ultimately reduce costs to the consumer, our customers.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve transportation infrastructure in Canada and the United States through more efficient service and more effective competition with the trucking industry.

SHIPPING ADDRESS: 670 N. PERKINS STREET • APPLETON, WI 54914-3161
TELEPHONE (920) 739-9471 • FAX: (920) 738-1458

Thank you for the opportunity to present Presto Products' position on this merger.

Yours truly

VERIFICATION

STATE/PROVINCE OF WISCONSIN, U.S.A.
COUNTY OF OUTAGAMIE

John Borree, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated,

(John Borree)

Subscribed and sworn to before me this 16th day of March 2001.

Notary Public
State of Wisconsin

My Commission Expires:

March 23, 2003

PRO TRANS®
Exceeding Your Expectations
PROFESSIONAL TRANSPORTATION SERVICES, INC. • P.O. Box 750656 • Memphis, TN 38175-0656
Phone: 901-363-3800 • Fax: 901-362-2008 • Wats: 800-242-7228

March 21, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National--Control--Wisconsin Central
(STB Finance Docket No. 34000)

This is to advise that Professional Transportation Services, Inc. is in support of the purchase of Wisconsin Central by Canadian National Railway.

We beleive that this merger will benefit our company through improved one line intermodal service.

Sincerely,

Jerry Kattawar
Executive Vice President

ProLine

140 Bethany Road
Monson, MA 01057
Phone: 888-776-7305
FAX: 413-267-4628
E-mail: bafortin@net1plus.com

March 12, 2001



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423-0001

RE: Canadian National (CN)
Wisconsin Central (WC)
Common Control (STB Finance Docket No. 34000)

Dear Mr. Williams:

My name is Bruce A. Fortin, President and Chief Executive Officer of ProLine Distribution Services, LLC. 140 Bethany Road, Monson, Massachusetts 01057, U.S.A.
I've held this position for two years, prior to that I worked for EnviroPlastics Corporation as their President and CEO and was directly responsible for rail transportation policy.

ProLine Distribution Services, LLC. is a rail to truck transload business located in Western Massachusetts on a thirty-car siding of the New England Central Railroad. The majority of our revenues are generated from Canadian and U.S. shippers of paper products, printing paper, coated stock, linear board, corrugated medium, wood pulp, tier sheets, pallets, and forest products. ProLine's ability to grow and prosper as a company depends on Canadian National Railway's ability to expand upon and improve its services to the New England Region.

I strongly support Canadian National's proposed acquisition of Wisconsin Central. This acquisition would expand our service territory to include regions serviced by The Wisconsin Central Ltd., Fox valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway, Inc., and the Wisconsin Chicago Link Ltd. Today, trucks carry significant volumes of paper and forest products between Wisconsin and the New England region. The proposed combination will make CN and WC more competitive with trucking. ProLine and its clients will benefit directly by having access to this new market. CN will be able to offer faster, more reliable single-line service to and from points on the WC system. CN's proposed acquisition of WC should raise no significant issues concerning reduced competition. The two railroads are end to end. In addition, this transaction should have a positive impact that will result in reducing the number of line-haul trucks already sharing our over-crowed New England highway system.

In conclusion, I believe that the proposed acquisition will strengthen the railroad network and benefit my clients. New single-line service capabilities, the potential to bypass Chicago and other congested gateways, reduction in transit times, better railroad-owned equipment supply and utilization, and public safety are strong reasons to look favorably at CN's acquisition of WC. Our company supports this acquisition.

I, Bruce A. Fortin, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 12, 2001.

Bruce A. Fortin
President and Chief Executive Officer

My name is Gilles Beauchemin and I am the Assistant Traffic Manager for QIT-Fer et Titane Inc., at 1625 Route Marie-Victorin, Tracy, PQ J3R 1M6.

I have 20 years of experience in transportation. I am responsible for the logistical and tariff negotiations for ground, marine and railway transportation.

QIT-Fer et Titane is a mining and metallurgical company established in the 1950's. A subsidiary of Rio Tinto plc, QIT extracts ilmenite ore from its mine in Havre St. Pierre, QC and processes it in its Tracy, PQ facility. QIT is a world leader in titanium dioxide, commonly called "slag", a product utilised in paint, plastics and paper pigmentation processes. QIT produces over one million tons of titanium dioxide per year, along with 200,000 tons of chloride dioxide (UGS), 300,000 tons of pig iron, 500,000 tons of steel billets and 120,000 tons of metallic powder.

QIT owns its own mine in Havre St-Pierre and uses vessels to move the iron ore. The company's main plant is located in Tracy, PQ.

Canadian National moves 35,000 tons of residues per month from the plant to a landfill eight kilometers away amounting to 4000 cars per year. Canadian National moves almost all of QIT's steel billets from Tracy to L'Original which consists of 4150 cars per year. Most of the titanium slag is shipped overseas and U.S.A. Canadian National is presently developing transportation of the metallic powder. The market for metallic powder in North America is about 60,000 tons per year.

QIT supports Canadian National's proposed acquisition of Wisconsin Central. The consolidation will improve the service to shippers by expanding single-line service and promoting more efficient service.

I anticipate that the acquisition will result in improved carload service, reduced transit times, and greater service reliability. Importantly, the CN/WC transaction will improve competition with other modes of transportation, as it will enable QIT to be more competitive in providing service to docks on the Great Lakes.

We at QIT-Fer et Titane believe that the proposed acquisition between CN and WC will be beneficial to shippers and the entire railroad network and therefore support the application.

I, Gilles Beauchemin, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorised to file this verified statement.

Executed on April 5 / 2001

Gilles Beauchemin
Assistant Traffic Manager

GB/cdf
(2001GB0007)

QIT-Fer et Titane Inc.

1625, Marie-Victorin
Tracy (Québec) Canada J3R 1M6
Tél.: (450) 746-3269
Fax: (450) 746-3351

Verified Statement
Of
Thomas N. Stokes
On Behalf Of
Quaboag Transfer Inc.

My name is Thomas N. Stokes, I am Vice President of Quaboag Transfer Inc., located at Third Street, Palmer Industrial Park in Bondsville, MA.

My primary responsibility is to generate domestic U.S. and Canadian origin rail traffic through my general commodities transload terminal. My terminal currently processes approximately 3,500 carloads of freight annually. I have held my current position for the past twenty years, prior to that I worked for Lumber Sales Management Corp. in Needham, MA as a Traffic Manager.

Quaboag specializes in transloading forest products/related building materials, steel, base metals, and horticultural products. Our services are utilized by Shippers primarily for providing inventory replenishment functions to retail/wholesale building products sales outlets and supplying raw materials to manufacturing plants/construction jobsites.

Quaboag is served by the New England Central Railroad on trackage formerly owned and operated by the CN under the name Central Vermont Railway a former subsidiary of CN's Grand Trunk Western Railroad division.

Although Quaboag's general rail traffic patterns have been historically inbound from the Provinces of Quebec/New Brunswick to our Barrett's, MA siding utilizing a CN-NECR routing, we have over the past year developed significant outbound rail traffic to a major log home manufacturer based in Plymouth, WI (WC served).

We strongly support the Canadian National's proposed acquisition of the Wisconsin Central Railway. The acquisition will improve the transportation infrastructure in the United States and Canada, through more efficient service and more effective competition with the motor carrier industry.

In terms of the specific benefits that the STB's approval of the CN-WC application will provide to Quaboag with the acquisition of WC the CN will be able to offer faster, more reliable, seamless single-line service to points on the WC. This improvement is crucial to maintaining precise delivery lead times for the raw materials movements utilized in the assembly line manufacturing procedures of our client Wilderness Homes.

The resulting single-line service can ultimately support more cost effective through routes to WC destinations which in turn will enable Quaboag to increase the volume of traffic we reload to WC points thereby ensuring a higher percentage of two way loaded car movements.

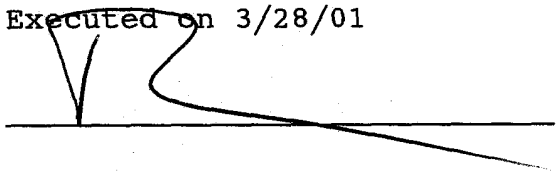
Regarding competition I believe that the CN's proposed acquisition of WC raises no significant issues concerning reduced competition because like the CN/IC, the two railroads are end to end.

Accordingly I am optimistic that the transition period following the acquisition will proceed smoothly and efficiently as evidenced in the recent acquisition of the IC by CN which by size/scope standards was a larger rail carrier than the WC.

In closing I believe that the proposed acquisition will strengthen the North American railroad network and ultimately be of benefit to Shippers. Quaboag strongly supports the application.

I, Thomas N. Stokes, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on 3/28/01



QUALITY CULVERT
INCORPORATED
406 Winton Street · P.O. Box 1045 · Wausau, WI 54402-1045
(715) 845-8559 · Toll Free (888) 588-0054 · Fax (715) 849-2081

To: Mr. Vernon A. Willaims, Secretary
Surface Transportation Board
1925 K. Street, N.W.
Washington DC 20423-0001

From: Carl D. Tyner, Vice President
Quality Culvert, Inc.
406 Winton Street
Wausau, WI 54402

Subject: RE: Canadian National Railway Company
Wisconsin Central Transportation Corp.
(SFTB Finance Docket No. 34000)

Date: March 13, 2001

Quality Culvert, incorporated in 1997 and began manufacturing in April 1998. I have held the position of Vice President since August 1998. Our company produces corrugated polyethylene plastic pipe for both the storm sewer and culvert pipe markets, servicing Wisconsin, Minnesota, Upper Peninsula of Michigan, Canada, North and South Dakota, portions of Iowa, Illinois and Indiana.

I have been intimately active is this particular pipe industry since 1970 and have experienced several changes and improvements within our industry and the transportation industry. Within our industry, the sales potential has been influenced as a result of NAFTA, and may afford us an opportunity to review additional markets, providing we can obtain improved or better freight costs and not being so dependant on trucking.

In addition, there are other potential markets, within the states, that have prohibitive trucking costs that reduce our margins to the point that "you can't go there". I would hope that this merger between the CN and W. Central may be part of the solution.

For Quality Culvert, Inc., exclusively, the merger would or should assist with improving the freight issues both into Canada and points South, the majority of rail service being on existing lines for both of these two corporations.

I cannot speak from experience for CN, but I will comment that I have never been more impressed with the service provided to us than by WI Central. Never are we having to contact this carrier to track our railcars. We are always kept informed where our shipments are located and can always predict arrival. I certainly would recommend that this type of service not be changed.

QUALITY CULVERT
INCORPORATED
406 Winton Street · P.O. Box 1045 · Wausau, WI 54402-1045
(715) 845-8559 · Toll Free (888) 588-0054 · Fax (715) 849-2081

Providing that we have access to new markets, competitive benefits, better equipment utilization, and continued excellent service, I would support this merger.

Best regards,

Carl D. Tyner – Vice President
Quality Culvert, Inc.

I, Carl D. Tyner, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.

(Signature)

RCH Enterprises, Inc.

March 9, 20011

Mr. Vernon A Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

My name is Richard Miller. I am the General Manager of RCH Enterprises, Inc. of Wisconsin Rapids, WI.

RCH Enterprises provides warehouse, manufacturing and office space to small and medium sized businesses and also operates a reload center. Our reload and distribution business specializes in the receipt(via rail) of OSB, particle board and lumber and shipment (via truck) and it depends on timely rail service. Since a great percentage of our business originates in Canada, we see the merger as a tremendous benefit. Our largest tenant receives hundreds of cars of wood pulp for the paper industry from Canada every year.

We strongly support this application as it will secure a key link in CN's network and provide us with significant opportunities to expand our reload business.

We have received CN cars delivered by WC for years and see this merger as almost seamless.

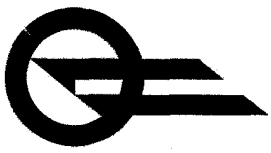
In conclusion, RCH Enterprises, Inc. strongly supports the proposed transaction.

I, Richard Miller, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on March 9, 2001.

Sincerely,

Richard Miller
General Manager

1430 2nd Street North * Wisconsin Rapids, WI 54494 * (715) 423-8989



RISS-USSI

VERIFIED STATEMENT
OF
JOSEPH A. ROBLEDO
Director -
Equipment and Carrier Relations
On behalf of
RISS / USSI

I am Director of Equipment and Carrier Relations for RISS / USSI located in the company's office at 4 Orinda Way Suite 100A, Orinda, CA 94563. I've held these responsibilities since November of 1999, when RISS Intermodal Corporation was acquired by WorldPoint Logistics. Prior to November of 1999, I held pricing, marketing, equipment, and carrier relations responsibilities for the former RISS Intermodal Corp since 1985.

RISS / USSI is an Intermodal Marketing Company and is a customer of both Canadian National (approximately 3100 intermodal trailer and container shipments per year) and Wisconsin Central (approx 800 intermodal trailer and container shipments per year).

Primarily, our CN business originates from Western Canada at Vancouver and Calgary destined to points in the U.S. Additionally, we originate CN shipments from the US origins of Memphis and Chicago destined to points in the US and Canada. Our WC business originates at the Green Bay and Neenah terminals and ships to points in the U.S. and Mexico.

We readily support Canadian National's proposed acquisition of Wisconsin Central. We believe the acquisition will improve the transportation network in the regions served by the CN and WC through more efficient service and provide more effective competition with highway carriers.

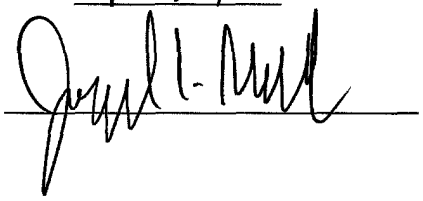
Furthermore, we believe that the acquisition of WC will allow CN to offer faster, more reliable single line service between points on the WC, and for CN/IC traffic moving over the Superior, WI / Duluth, MN connection. We also believe that the WC acquisition will provide more efficient service in the market we serve from Wisconsin origins to Mexico.

We do not see any issues concerning reduced competition as this is an end-to-end combination of complementary rail carriers. In addition, CN demonstrated by the very

successful integration of the Illinois Central, that they can smoothly and efficiently integrate a larger end-to-end carrier than the WC. The IC success stands in sharp contrast to service issues of other recent rail mergers.

In summary, we believe that CN's proposed acquisition of WC will work to the advantage of shippers long term by providing a stronger, more integrated North American rail network.

I, Joseph A. Robledo, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 3/15/01.



R.R. DONNELLEY
LOGISTICS

7501 South Quincy
Willowbrook, Illinois 60521-5544
Telephone (630) 655-7700
Fax (630) 655-7755

www.donnelleylogistics.com

VERIFIED STATEMENT
OF
JAMES A. GIBLIN
On behalf of
R.R. DONNELLEY & SONS COMPANY

My name is James A. Giblin, and I am Supply Chain Manager – Paper, for R.R. Donnelley Logistics Services, a business unit of R.R. Donnelley & Sons Co., located at 7501 S. Quincy Street, Willowbrook, IL.

I have been employed by R.R. Donnelley for 3 years, and have held my current position just over 2 years. My current responsibilities include the management of Donnelley's inbound supply chain, which includes the transportation of printing paper. I have over 20 years of continuous experience in transportation and logistics.

R.R. Donnelley & Sons Company is one of the largest commercial printers in North America. Donnelley consumes approximately 3 million tons of printing paper per year in its operations. Under normal circumstances about 70% of this paper is received by rail. However, due to massive rail service failures in the Northeastern United States over the past few years, a significant amount of this tonnage has shifted from rail to truck.

Approximately 17% of all Donnelley-consumed paper comes from paper mills located in eastern Canada. Most of these mills are served exclusively by the Canadian National Railroad. Another 10% comes from mills located in the state of Wisconsin and the Upper Peninsula of the state of Michigan, served exclusively by the Wisconsin Central.

One of R.R. Donnelley's largest printing plants is located at Mattoon, IL. This facility is served exclusively by the Canadian National Railroad (formerly IC), and also receives a considerable amount of paper from mills located in central Wisconsin, served exclusively by Wisconsin Central.

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application, as the combined company will create a rail network that offers significant opportunities for service improvements and efficiencies.

Specifically, R.R. Donnelley supports the opportunity for single-line rail service from paper mills and warehouses in the states of Wisconsin, Michigan, and the Canadian province of Ontario, served by the WC, to the R.R. Donnelley plant at Mattoon, IL. Donnelley also sees the opportunity for improved rail services from these same origins to public warehouses serving the paper industry, located in the Chicago Switching District and served by CN.

RR DONNELLEY
LOGISTICS

7501 South Quincy
Willowbrook, Illinois 60521-5544
Telephone (630) 655-7700
Fax (630) 655-7755

www.donnelleylogistics.com

Based on the transaction described, R.R. Donnelley sees no reduction in competition by reason of the acquisition. CN and WC's proposed combination does not raise any significant issues concerning reduced competition because the proposed combination is one of two railroads that is largely end-to-end. Donnelley was involved as a receiver in the combination of the Illinois Central and Canadian National, and did not see any reduction in service quality as a result of that merger. Given the successful implementation of CN-IC, Donnelley expects the transition to a combined CN-WC to proceed smoothly and rapidly.

R.R. Donnelley & Sons Company supports the application. We believe that the proposed combination will provide significant benefits to both shippers and receivers.

I, James A. Giblin, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 26, 2001.

James A. Giblin

Red Lava Inc.

3875 Airport Rd.
Waterford, MI 48329
(248) 623-2374

FAX (248) 623-9204
1-800-972-6442

March 30, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Dear Mr. Williams,

My name is David Alverson, the Vice President of Red Lava, Inc. We are located at 3875 Airport Road in Waterford, Michigan. Part of my responsibilities include seeking new sources of product that can be delivered to us via the railroad. This has been one of my duties for the last thirteen of my twenty-three year career in the wholesale stone industry.

Red Lava, Inc. is a wholesale stone company. Our specialty is bringing in decorative landscaping aggregate from the United States, Mexico, and Canada and then redistributing it by semi-truck to Michigan, Indiana, Illinois, Ohio, Kentucky, Pennsylvania, New York, and Western Ontario. When we opened our doors in 1992, only four of over twenty products were being delivered here by rail. Now, only 2 of our 23 products are not. Part of the reason we were able to accomplish this is because we purchased eight acres of land from Canadian National.

We strongly support Canadian National's proposed acquisition of Wisconsin Central, which also includes Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault St. Marie Bridge Company, Algoma Central Railway, and Wisconsin Chicago Link Ltd. because it will improve the transportation infrastructure between Michigan and Wisconsin. Presently, the Michigan Wisconsin area is only serviced by the trucking industry. Opening this area to rail could greatly benefit us by improving our product line.

Red Lava, Inc. supports Canadian National's acquisition and I look forward to growing our relationship with them.

Best regards,

David J. Alverson, Vice President

I, David J. Alverson, of Red Lava. Inc. declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on March 30, 2001.

David J. Alverson

WITNESS

VERIFIED STATEMENT
OF
Ken Reid
On behalf of
REID Companies and REID Intermodal Services Inc.

As President of REID Companies, I am pleased to present to your review this statement regarding our support for the CN Rail acquisition of the WC. Our company HQ is located at 71 Vulcan Street in Etobicoke, Ontario, Canada. As President I am responsible for the strategic corporate direction of REID Companies, which includes REID Intermodal Services Inc. I have been in this position for four years and prior to that I worked in the transportation industry as a consultant.

REID Intermodal Services Inc. is a hard asset logistics company that provides a variety of ancillary services in order to move freight from origin to destination. We currently have three facilities. These include: Memphis TN, Etobicoke, ON and Concord, ON.

Ninety percent of our traffic and customers are moved by rail Intermodal, and specifically by our partner, CN Rail. Our traffic lanes vary, however we are growing north and south business exponentially in advent of our new facility in Memphis TN. As such, we will see Western Canada traffic traveling by the new routing offered by CN Rail through the WC lines as currently happens now. We expect and anticipate shortened transit times and less chance for delays as the result of a smooth acquisition. We know this will be the case since the acquisition with the Illinois Central was seamless.

At present our traffic origins that would capitalize using the WC lines are Vancouver and Northern BC into Memphis TN.

We strongly support Canadian National's proposed acquisition of Wisconsin Central will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry. It also will open a seamless Intermodal service to and from western Canada that we feel will strengthen the economies and environmental advantages of rail Intermodal.

REID Intermodal supports this acquisition because of the strengths and advantages we enjoy with the current Intermodal system. We believe, as a shipper, that the key advantage here will be cost and speed, which is integral to our services. Moreover, we feel that a seamless service that CN Rail will now be able to provide with the WC will effectively reduce truck reliance and more importantly, environmental impact. We do not see this as being a reduction in competition mainly because trucks still dominate the shipping scene with the Intermodal and carload share minimal compared to the overall shipping volumes. CN Rail and the WC have outlined some specific points showing the benefit of the proposed acquisition. We concur and agree with them. They are as follows:

- With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minn./Superior, Wis.

- By filling in a crucial missing link in CN's NAFTA network, the acquisition of WC assures the ability of CN and WC shippers to participate efficiently over the long-term in the fast-growing NAFTA markets.

- Improved service will be enhanced by eliminating the need for a CN-WC interchange at Duluth/Superior and Chicago, by creating the potential for shippers to enjoy improved service through the busy Chicago gateway, and by allowing use of the best terminal facilities of both CN and WC.

- Improved service will also result from a new operating plan that will combine the already scheduled service on WC with CN's scheduled railroad service.

Better equipment utilization

- The new combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. As a result of these and other efficiencies created by the combination, railroad-owned equipment supply will improve, and shippers using private equipment should enjoy savings through reduced fleet size requirements.

We believe that the transition from the WC to the CN Rail will be even more seamless than the merger with the Illinois Central. Competition among the rail carries will be enhanced due to the nature of the seamless link into the US thereby prompting better service with the other class 1 and shortline roads.

In closing, we believe the acquisition of the WC by CN Rail is a positive step forward in the transportation industry and we look forward to improved service and transit times this acquisition will provide.

Verification

I, Ken Reid , declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 19th, 2001



resinall® corp

102 Dixie Pine Road • Hattiesburg, Mississippi 39401 • 601-584-6221 • FAX 601-544-3360

Quality Resins for Industry

VERIFIED STATEMENT

My name is John R. Johnson, Director Of Purchasing for Resinall Inc.. (a chemical company producing ink resins) with manufacturing facilities in Hattiesburg, MS and Severn, NC. We have additional offices in Stamford, CT and St. Augustine, FL.

I have a business background from a educational stand point, and have continued that learning process in the area of materials management for the past thirty-five years. This journey has taken me from Litton Industries, to Mortin Thiokol, to Lockeed Shipbuilding to Boeing Aircraft and then back to my home town at Resinall in Hattiesburg, MS for the last thirteen years.

Resinall moves over 218,000,000 lbs of material through our facilities each year.

When I came to Resinall thirteen years ago we were moving only one railcar per month to the Central part of the US. Resinall has grown to a point that we are moving several railcars each day.

We feel that the merging of the IC with the Canadian National has straightens our position by giving us a economical shipping process between the deep South all the way into Canada.

We will continue to support the Canadian National as they continue to grow with the merger of CN and the Wisconsin Central Transportation Corp.

This merger will straighten our ability to move products by rail covering a larger customer base.

Many of our material movements are tied to a very rigid time table. The merger between the IC and the CN has already cut our shipping time between the Gulf Coast and Montreal by as many as five days.

I see this merger with the Wisconsin Central as another opportunity to straighten our position in the North Central and the extreme Northwest part of the USA.

You may call me at 601-584-6221 if I can be of further assistance.

Sincerely

John Johnson
Director Of Purchasing

Notary Public State of Mississippi At Large
My Commission Expires: August 29, 2003
Bonded Thru Heiden, Brooks & Garland, Inc.

REUBEN SALES & SERVICE, INC.
727 HWY 8
PRENTICE, WI 54556

March 27, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company- Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

My name is Paul Reuben Blomberg. I own and operate REUBEN SALES & SERVICE, INC, in Prentice, Wisconsin. We sell scrap steel and utilize a private railroad spur in Prentice, Wis.

WC includes the Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway, Inc. and Wisconsin Chicago Link Ltd.

CN includes the Illinois Central Railroad, Chicago, Central & Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg & Pacific Railroad, Waterloo Railway Company, ECO Rail Inc., Quebec and Lake St.John Railway and Canadian Northern Quebec Railway.

Our firm needs rail service to send our scrap to our markets at the" right price". Merger of CN and WC will afford the advantages of single line service as well as greatly assist our firm in finding those critical new markets through the expanded reach of CN.

Improved service will be enhanced by eliminating the need for a CN-WC interchange at Chicago, thereby creating the potential for shippers to enjoy expedited service through the busy Chicago gateway.

One issue STB must address is the extent the proposed combination affects competition. For example, increased competition amongst rail carriers, between CN/WC and truck carriers will allow industries in this area to reach more distant markets via single line service.

Also, there should be no reduced competition as CN and WC are end-to-end carriers.

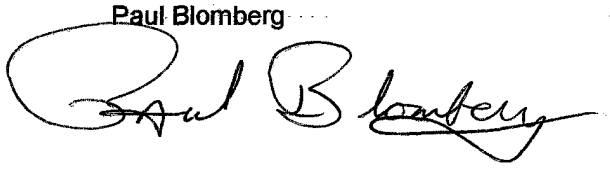
You can expect the acquisition and integration to proceed smoothly and efficiently due to its end-to-end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

In conclusion, REUBEN SALES & SERVICE, INC. strongly supports the proposed transaction.

I, Paul Blomberg, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further , I certify I am qualified and authorized to file this verified statement.
Executed on March 27, 2001.

Sincerely,

Paul Blomberg



Rhodia

Eco Services

Verified Statement of Paul Rosenblatt
On Behalf of Rhodia Inc.

My name is Paul Rosenblatt. I am Director of Rail and Barge Transportation for Rhodia Inc. based in Shelton, CT. I am responsible for the transportation procurement via all modes for the Rhodia Eco-Services Enterprise, whose freight bill is $22,000,000 per year. I am also responsible for the transportation procurement for the entire rail portfolio for Rhodia, in North America, which amounts to $12,000,000 per year. I have worked for Rhodia Inc. and its previous owners for 21 years. I worked previously for a former affiliated business, OCI Chemical Corp., for 2.5 years handling Soda Ash transportation.

I am a graduate of the Academy of Advanced Traffic of New York City--Class of 1975--with an undergraduate A.B. degree in Germanic Language and Literature from the University of Massachusetts, Amherst, MA--Class of 1973.

Rhodia, one of the world's leading specialty chemicals companies, seeks to improve the quality of daily life by developing value-added products, services and solutions in the areas of cosmetics, clothing, foods, health, the environment and industry. Rhodia employs 24,800 people worldwide and recorded sales of $6 billion in 2000. Rhodia (NYSE:RHA) is listed on the New York and Paris stock exchanges.

The primary manufacturing facilities in North America are located in Baton Rouge, LA; Hammond, IN; Coatzacoalcos, MX; Houston, TX; Baytown, TX; Dominguez, CA; Martinez, CA; Geismar, LA; Nashville, TN; Port Maitland, ON; Chicago Heights, IL and Charleston, SC. The Baton Rouge, LA and Geismar, LA plants are served directly by CN with Port Maitland, ON accessible by CN through the Zone 4 Switch. The KCS and UP (via reciprocal switch) can serve our Baton Rouge, LA plant as well and CP serves our Port Maitland, ON plant directly. The Baton Rouge, LA plant produces Sulfuric Acid and regenerates Spent Sulfuric Acid, the Geismar, LA plant produces pure Phosphoric Acid and the Port Maitland, ON plant produces Sodium Tripolyphosphate, Dry. Geismar, LA's Phosphoric Acid moves via CN as the raw material for the Sodium Tripolyphosphate production in Canada.

Our Company ships rail from all the major plants. Total rail volume annually approximates 7,400 cars. For the 3 CN-served facilities, there are significant volumes. The Baton Rouge, LA plant ships 400 cars per year of Sulfuric Acid. The Geismar, LA plant ships 2,100 cars per year of Phosphoric Acid. Pt. Maitland, ON ships 600 hopper cars per year of Sodium Tripolyphosphate.

Rhodia Inc., 2 Enterprise Drive, Box 881 Shelton, CT 06484, Telephone: (203) 925-3300, Fax: (203) 925-3656

The Baton Rouge, LA plant ships primarily to points in Louisiana, Arkansas and Texas. The Geismar, LA plant ships to Canada and Mexico and various locations around the U.S. The primary Geismar shipments are to Chicago Heights, IL and Port Maitland, ON for interplant raw material requirements.

We ship primarily with BNSF, UP and CN with CSXT, KCS, NS and CPRS handling the second tier of volume.

We strongly support CN's proposed acquisition of WC. It will improve the transportation infrastructure in Canada and the U.S. through more efficient service and more effective competition with the trucking industry.

In recent months, Rhodia has acquired our former competitor, Albright & Wilson, which has incited our Phosphorus business to reassess the footprint of how we produce and ship our Phosphorus products. Because Port Maitland produces STPP, which is also produced at the Chicago Heights, IL plant, by default we have increased our capacity and are seeking to expand the markets we currently have in the U.S. By virtue of a WC acquisition, we believe it will extend the CN reach into WC territory at competitive single-line freight costs. It could very well preclude a need to ship trucks from the Chicago Heights, IL plant into WC served markets.

The other benefit we see for Rhodia is the impact on our Sulfuric Acid business, since we know our Canadian competitors will covet the extended reach of marketing and selling Sulfuric Acid on the WC system. In the same vein, our Hammond, IN plant on IHB is an active user of CN line-haul today and the reach into WC territory under CN operations can only bode well for Rhodia to compete with the more distant Canadian producers. We anticipate faster and more reliable single-line service from and to points on the WC network.

Also, in this era of reducing fixed costs, the optimum utilization of our railcar fleet assets is paramount. To this end, single-line service between CN and WC via the Chicago gateway will improve our equipment utilization and allow us to reduce our private fleets, which is our mission.

This acquisition, in my view, raises no significant issues concerning reduced competition because the two railroads are end to end. We believe the WC acquisition enhances the CN System portfolio. We expect a smooth transition and integration. We have worked with both organizations over the years and find their values to be similar.

In summary, we again emphasize our support of the CN intent to acquire WC. It will strengthen and enhance the CN network. Our company supports the application.

I, Paul Rosenblatt, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Paul Rosenblatt

Subscribed and sworn to before me this 13th day of Feb. 2001.

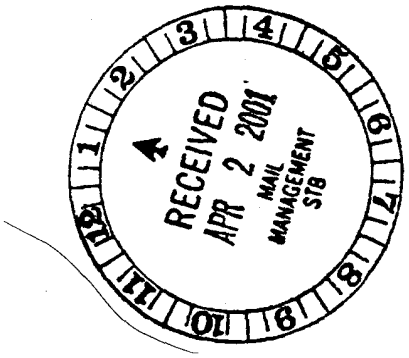
Notary Public

JULIA F. CURRY
Notary Public, State of Connecticut
County of Fairfield
Commission Expires June 30, 2002

ROCKWELL LIME COMPANY

4110 Rockwood Rd., Manitowoc, WI 54220-9619 • 920-682-7771 • 1-800-558-7711 • Fax: 920-682-7972

March 29, 2001



Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

RE: STB Finance Docket No. 34000
Canadian National – Control – Wisconsin Central

My name is Joseph H. Brisch. I am the Executive Vice President for Rockwell Lime Company in Manitowoc, Wisconsin (rail siting – Francis Creek, WI). In my position, my responsibilities are to organize, plan and control the sales and marketing strategies of Rockwell Lime Company. This includes traveling to meet directly with customers and sales representatives. I am part of the Executive Committee and am also on the Board of Directors for Rockwell Lime Company.

Rockwell Lime Company is a 3rd generation family owned business that was established in 1906. We quarry raw dolomitic limestone products for retail and manufacturing of Quick-Lime and Hydrated Lime. In 1998 we received our certificate for ISO 9002 – 1994 for the manufacture, marketing and distribution of Dolomitic Limestone, Quick-Lime and Hydrated Lime. We supply our lime products all over the United States, Canada and some foreign countries. We are rail served by the Fox Valley Western Ltd., owned by the Wisconsin Central Ltd. As a customer of The Wisconsin Central, we have an assigned pool or 60' double-door boxcars for hydrate and an assigned pool of rail covered hoppers for quick-lime. We have in Rockwell's rail fleet, 10 Pressure Differential cars we lease from Chicago Freight Car for bulk hydrate. Our products travel over the FVW, WC, BNSF, CSX, NS, & UPSP. We also ship through IMC agents utilizing stack train containers to the West Coast and Bahamas, and piggyback trailers to Florida. We also ship bagged and bulk products utilizing over-the-road reliable contract carriers for flat beds, vans and pneumatic dry bulkers. Currently, we do not ship our products over the CN or it's other rail traffic lanes. At the present time we would not benefit in single-line service.

Rockwell Lime Company is in favor of the proposed merger of WC and Canadian National Railway Company (CN). However, we have some concerns. Our experience from the last three major merges (UP & SP, BN & ATSF and CSX & NS splitting up the CR.) have not been good. We have lost business because of substantially high % of rate increase on existing moves and potential new business. We have experienced poor service, congestion, delays and damage to product and our leased equipment. The relationship between railroad and customer has also been strained with the constant changes in personnel. New personnel are not familiar with our company, they do not

Roy Legumex Inc.

Ph.: (204) 758-3597
Fax: (204) 758-3260
E-mail: legumex@legumex.com
Website: www.legumex.com

250 Caron St.
St-Jean-Baptiste,
Manitoba, Canada R0G 2B0

Pulses and Special Crops
Légumes secs et produits spéciaux

Verified Statement
OF
Ivan Sabourin
On be half of
Roy Legumex Inc.

My Name is Ivan Sabourin, Vice President of Roy Legumex Inc.

Roy Legumex Inc. is a Western Canadian processor of dry Peas, Lentils, Beans, Canary Seed, and other specialty crops. Our merchandising efforts distribute the above products to Domestic , North American and Over Seas markets.

We support the proposed merger between the Canadian National Rail Road and the Wisconsin Central. The combining of these two railroads would enhance transportation services to markets South of Lake Michigan into Chicago area.

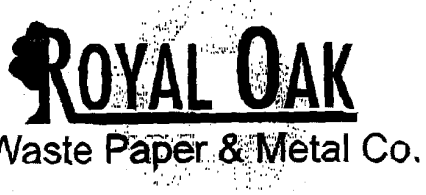
The cost efficiencies of using the railroad over other modes of transportation will assist in being more competitive in existing and new market opportunities. More direct service will allow for more accurate transit times and improved delivery schedules.

We look forward to a future enhanced rail service providing seamless door to door service.

I, Ivan Sabourin, declare under the penalty of perjury under the Laws of the United States, that the for going is true and correct. I also certify that I am qualified and authorized to file this verified statement. Executed on March 29,2001.

Ivan Sabourin

Vice President
Roy Legumex Inc.



March 30, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Dear Secretary Williams,

As the President of Royal Oak Waste Paper and Metal Company, located at 414 E. Hudson in Royal Oak, Michigan, I, Habib Mamou, am writing to you to express my support for CN's acquisition of WC. I have been working in the recycling industry for over 25 years; I began working as an employee on the plant floor sweeping a broom and continued increasing my responsibilities until now I am the President of one of the largest processing plants in the Midwest.

Our company processes paper and metal for recycling. This means we collect the material from consumers and bring it to our plant where it is shredded and/or baled for shipment to recycling mills. We have 45 employees working at our Royal Oak, Michigan plant where we use two high-speed balers (processing over 60 tons of paper/hour) to prepare the material for shipment. An important aspect of our operation is our ability to ship by rail. We ship to many mills in the United States, Canada, and Mexico. Canadian National includes Illinois Central Railroad, Chicago Central and Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg and Pacific Railway, ECO Rail Inc., Quebec & Lake St. John Railway and Canadian Northern Quebec Railway. Also, WC includes the Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway and Wisconsin Chicago Link Ltd.

We strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies. By securing CN's NAFTA network, acquisition of WC assures us the ability to participate efficiently over the long-term in the fast growing NAFTA markets. We will also benefit from better equipment utilization. The new combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. This is important to us because many times we have monthly deadlines for shipment in order to obtain a certain price for our material.

Based on our past experience, you can expect the acquisition and integration to proceed smoothly and efficiently due to its end-to-end nature and CN's prior experience with integration of the IC, a larger carrier than WC. My company and I support this acquisition wholeheartedly.

Sincerely,

Habib Mamou
President

414 E. Hudson Royal Oak, Michigan 48067
(248) 541-4020 Fax (248) 541-3065

RUBENSTEIN FREIGHT
TRANSPORTATION CONSULTANTS
DIVISION OF RUBENSTEIN LOGISTICS SERVICES, INC.
6960 MADISON AVE. W., GOLDEN VALLEY, MN 55427
P.O. BOX 5, MINNEAPOLIS, MN 55440
(651) 464-8764 • FAX (651) 464-8820 • E-MAIL: raildale@isd.net

March 22, 2001

Mr Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington DC 20423-0001

Re: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

My name is Dale Borscheid. I am in the Rail Services section of Rubenstein Logistics Services and have been for over three years. Rubenstein Logistics Services is located at 6960 Madison Ave., Minneapolis MN 55427.

Rubenstein Logistics Services provides consulting services for various rail clients. Tracing, rate handling and auditing for freight payments are principal services we offer our clients.

CN includes Illinois Central Railroad; Chicago Central and Pacific Railroad; Cedar River Railroad; Grand Trunk Western Railroad; Duluth, Winnipeg and Pacific Railway; ECO Rail Inc; Quebec & Lake St. John Railway and Canadian Northern Quebec Railway.

WC includes Wisconsin Central Ltd; Fox Valley & Western Ltd; Sault Ste Marie Bridge Company, Algoma Central Railway and Wisconsin Chicago Link Ltd.

The merger of CN and WC will bring about several advantages such as single line service between Wisconsin and Canada, plus the possibility of finding new markets through CN's extended reach.

I strongly support this application as it will secure a key link in CN's network and offer significant opportunities for service improvements and efficiencies.

Service will be enhanced by eliminating need for an CN - WC interchange at Duluth, MN/Superior, WI thereby creating the potential for shippers to enjoy expedited service through the Duluth, MN/Superior, WI gateway.

Also, there should be no reduced competition as CN - WC are end-to-end carriers.

The acquisition and integration can be expected to proceed smoothly and efficiently due to its end-to-end nature and CN's prior experience with integration of the IC, a much larger carrier than WC.

In conclusion, Rubenstein Logistics Services strongly supports the proposed transaction.

I, Dale Borscheid, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on March 22, 2001.

Sincerely,

Dale Borscheid

Dale Borscheid

VERIFICATION STATEMENT
OF
Larry Jensen
on behalf of
Ryder Integrated Logistics Canada

RE: Proposed merger of the Canadian National Railway Company and Wisconsin Central Railroad

My name is Larry Jensen and I hold the position of Manager, Canadian Carrier Procurement for Ryder Integrated Logistics Canada. I have held this position for 2 years. Ryder Integrated Logistics is located at 2233 Argentia Road, Mississauga, ON. Ryder Integrated Logistics is a Third party Logistics Company managing Supply Chain issues for our large customer base. CN Rail is a key partner in our ability to provide shippers the level of service they need.

The proposed merger of CN and WC will afford numerous opportunities to expand our company's access to markets in the Chicago IL / Western Canada corridor. We also believe that tremendous service improvements will flow from this proposed merger. For example, we can now offer our customers a viable, more economical Intermodal Solution on lanes once reserved only for over the road carriers.

Ryder Integrated Logistics supports the proposed merger of the Canadian National and Wisconsin Central and believes that this merger will provide benefits to Canadian and United States shippers.

I, Larry Jensen declare under penalty of perjury the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on February 28, 2001.

Yours truly,
Ryder Integrated Logistics



Larry Jensen
Manager, Canadian Carrier Procurement

SPI INTERNATIONAL TRANSPORTATION
DOT TRANSPORT BROKER MC 253915 • A DIVISION OF SILVER PACIFIC INVESTMENTS INC.

March 15th, 2001

To whom it may concern

Verified statement of Jim Taggart on behalf of SPI International Transportation

My name is Jim Taggart. I am the president of SPI International Transportation. I have held this position since May, 1990. I have over twenty-five years experience in the transportation industry.

SPI International Transportation is both a freight broker and a freight forwarder with offices across Canada and the United States. We service both the truck load and the less than truck load marketplace.

C.N. Rail presently handles a good portion of our Canadian business. Due to the attractive rate levels provided by C.N. Rail along with their excellent service levels we have been able to provide our clients with rail service as an alternative to highway service.

We strongly support the proposed merger of C.N. Rail with Wisconsin Central. This merger will allow us to provide our customers with a greater opportunity to take advantage of rail service without compromising existing service and rate levels.

I, Jim Taggart, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 15th, 2001.

Yours truly,

SPI International Transportation
Quality Service/Innovative Solutions/Special People

Jim Taggart
President

CANADA: BOX 181, DELTA, B.C. V4K 3N6 • **TEL: (604) 946-0227** • **FAX: (604) 946-3017** • USA: BOX 691, POINT ROBERTS, WA 98281
INTERNET: http://www.spitrans.com EMAIL: spi@spitrans.com

SAMUELS
RECYCLING
COMPANY

GREEN BAY
DIVISION

P.O. BOX 10917 (54307)
2175 SHAWANO AVENUE (54303)
GREEN BAY, WISCONSIN
PHONE: (920) 494-3451
FAX: (920) 494-1548

March 16, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

Mr. Williams,

Samuels Recycling Company is a family run business located in Wisconsin. We are processors of scrap iron, steel, aluminum cans, and non-ferrous. These commodities are marketed throughout the Midwest via Wisconsin Central.

Service and co-operation has been very good. With the merger of CN and WCL, this can only be looked on as being a positive venture. We foresee a greater fleet to draw equipment from. This, also, greatly opens the possibility of finding new markets for both purchasing and selling through the greater reach of the CN whether it be Northwest, East or South.

We strongly support this application as it will secure a key link in the CN's network and offer significant opportunities for service improvements and efficiencies.

Service will be improved by expediting service through the busy and time-consuming Chicago gateway. We would expect to see material moving from the East to Wisconsin in a timelier manner.

We would expect to see greater competition between other rail and truck carriers for distant markets because of the single line service that would be offered. There should be no reduced competition between CN and WCL as they are end – to – end carriers.

You can expect the acquisition and integration to proceed smoothly and efficiently due to its end – to – end proximity and CN's prior expertise with the integration of the Illinois Central, a much larger carrier than the WCL.

Samuels Recycling Company both favors and supports this proposed transaction.

I, Thomas L. Hale, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on 03/16/01

Sincerely,

Samuels Recycling Company

Thomas L. Hale
Divisional Marketing Manager

SCHENKER
Stinnes Logistics

Your personal contact:
Arnold da Silva
Phone: (604) 623-0828
Fax: (604) 801-6800
Email: arnold.da.silva@schenker.ca

Vancouver, March 12, 2001

VERIFIED STATEMENT
OF
ARNOLD DA SILVA
on behalf of
SCHENKER STINNES LOGISTICS

Schenker Stinnes Logistics is a worldwide leader in freight forwarding and transporting logistics and the company itself was founded 129 years ago. Schenker Stinnes Logistics has over 6,000 employees and 340 worldwide locations and we specialize in providing customers with customized transportation solutions.

Schenker Stinnes Logistics' parent company is Stinnes with sales of approx. C$20 billion and a combined workforce of 43,000 employees. Stinnes AG is one of the world's top international companies in the field of distribution, transportation and trading.

The North American market is one of Schenker Stinnes Logistics' primary and most important markets.

Especially since the introduction of the North American Free Trade agreement, the transactions between the United States and Canada continue to grow even more so in an increasingly intertwined business environment.

We as Schenker in Canada support the proposed merger between Wisconsin Central and Canadian National as we believe a viable rail alternative would lead to more competitive and more cost effective service for shippers like ourselves who have a significant transborder business moving trailer loads between the United States and Canada.

I, Arnold da Silva, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 8, 2001.

Arnold da Silva

Vice President & General Manager
Schenker of Canada Ltd.

Schenker of Canada Limited
Suite 3A – 1030 West Georgia St.
Vancouver, B.C.
Canada V6E 2Y3

Telephone: (604) 688-8511
Telefax: (604) 688-5212
Website: www.schenker.ca

SCHNEIDER® NATIONAL

VERIFIED STATEMENT
of
Glenn Schumacher
on behalf of
Schneider National Bulk Carriers

My name is Glenn Schumacher. I am an Operations Manager for Schneider National Bulk Carriers in Green Bay, WI. Schneider National Bulk Carriers is the 9th largest bulk carrier in the US and is an affiliate of Schneider National INC, the largest truckload carrier in the US. In my position, I am responsible for several aspects of my companies operation throughout the US, to include operations, facilities, customer service, sales and marketing. I have held my current position since 1985, and have been employed by Schneider National Bulk Carriers in various capacities since 1978.

Schneider National Bulk Carriers transports hazardous and none hazardous liquid bulk chemicals in tank trailers in all 48 States. We employee approximately 1000 people at various locations throughout the US and Canada. Included in those operations is a rail to truck transfer facility in Green Bay, WI. The chemicals we transfer at that location are distributed to paper mills located in the upper Midwest. Our service provides a key link in the chemical manufactures supply chain. Many of those paper mills require 'just in time' 7 day per week service. Volumes average 60-70 truck loads per month which require on time placement of 9-10 railcars per month onto our rail siding. Schneider National Bulk Carriers is served by the Wisconsin Central System ("WC"), which places railcars on our siding as they arrive from ship points in Canada.. The availability of efficient, competitive rail service is important to the chemical supplier but of even greater concern to the many paper mills we serve.

Schneider National Bulk supports the proposed merger of WC and Canadian National Railway Company (CN). We believe the transaction will strengthen the North American transportation network and benefit us as rail end users. Together, the combined CN/WC will be able to offer new single-line service and faster, more reliable transportation to points throughout the United States and Canada. The combination also will provide an opportunity for the improvement of operations through the busy and often congested Chicago gateway.

We believe inclusion of WC within the larger CN system will ensure the continued, long-term viability and vitality of the excellent service we currently receive from WC. A CN/WC merger will create a strong railroad partnership with the resources and market reach to meet shippers' needs and to compete more effectively with motor carriers and other railroads. Because of the entirely end-to-end nature of the existing CN and WC systems, we see no competitive issues arising from the proposed transaction.

A Chemical Manufacturers Association
Responsible Care® Partner Company

ISO 9002
Certificate Number 30410

We believe that a CN/WC combination will foster the kind of efficient service and effective competition that rail shippers require.

I, Glenn Schumacher, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.



Dated: March 21, 2001



SimsMetal America

Delivering to the world

Verified Statement
Of
Edward A. Pumphrey III
On Behalf of
Simsmetal America

I hold the position of Division Manager for Simsmetal America's Illinois Mill Services Division located at 876 E. 4500 North Rd.; Bourbonnais, IL 60914. Simsmetal America's mailing address is PO Box 405; Bourbonnais, IL 60914. I am responsible for all scrap brokerage and material handling operations. I have been with Simsmetal America for the last six years as Division Manager and Trading Manager. Previously I worked for the Schiavone Bonomo Corporation, New Jersey.

Simsmetal America's Illinois Division provides scrap management, brokerage and material handling services for Birmingham Steel's Illinois Steel Division. We purchase and receive approximately 70,000 tons per month of ferrous scrap of which 30% of received tonnage is by rail. The Canadian National Railway Company is our sole provider of rail services through their successful acquisition of the Illinois Central. Of the scrap received by rail, approximately half originates from scrap dealers serviced by the CN, with the balance originating from dealers serviced by CSX Transportation, Norfolk Southern or Burlington Northern Santa Fe. We receive and unload an average of 60 railcars per week.

Simsmetal America strongly supports the Canadian National's proposed acquisition of Wisconsin Central. We believe this acquisition will open new markets to businesses served by both rail lines and increase rail's ability to compete with truck carriers.

Currently, rail freight charges from scrap dealers originating on tracks serviced by the Wisconsin Central Transportation Corporation for joint line movements are prohibitive. Combining the assets of the WC with the CN should, through operating efficiencies and elimination of redundant services, serve to reduce the cost of freight and increase the ability of Simsmetal America to compete for scrap in this important region.

The approval of this acquisition will also allow Simsmetal America to expand our reach into Central and Western Canada through the availability of a direct single line. Plugging the "gap" in CN's service will create the direct line needed to bring both U.S. and Canadian scrap firms more marketing options through the expansion of markets which can only increase beneficial competition.

As Simsmetal America receives scrap by both truck and rail, we are in a position to note competitive advantages and disadvantages between the two. Truck carriers have a competitive advantage over rail carriers in the Wisconsin/Minnesota region due to their ability to move material from origin to destination without having to rely on a second carrier to coordinate a portion of the transportation. This direct transportation allows truck carriers an efficiency

Simsmetal America · PO Box 405 · Bourbonnais, IL 60914 0405
Phone 815 932 7777 · Facsimile 815 932 7996 · Internet www.simsmetal.com

of delivery which is reflected in lower freight rates to shippers and consumers. CN's proposed acquisition of WC will create the same direct origin-to-destination efficiencies and allow the CN to reduce the competition gap between truck and rail freight.

Unlike the CSX Transportation/Norfolk Southern acquisition of the former Conrail line, the CN has proven their ability to seamlessly and effectively consolidate acquisitions. I am pleased to report no disruptions or delays in service on any level during the CN's previous acquisition of the Illinois Central. I am extremely confident the CN can repeat their success in quickly and efficiently merging the capabilities of the WC.

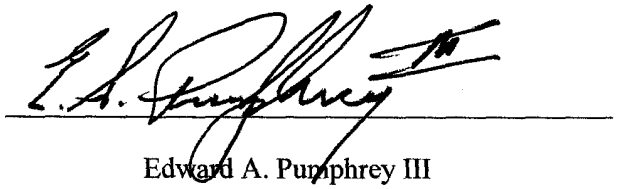
For the above reasons, Simsmetal America believes the proposed acquisition will expand and strengthen our ability to compete for material and services. We support the Canadian National and Wisconsin Central's application.

Simsmetal America ▵ PO Box 405 ▵ Bourbonnais, IL 60914 0405
Phone 815 932 7777 ▵ Facsimile 815 932 7996 ▵ Internet www.simsmetal.com

SimsMetal America

Delivering to the world

I, Edward A. Pumphrey III, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.



Edward A. Pumphrey III

Simsmetal America · PO Box 405 · Bourbonnais, IL 60914 0405
Phone 815 932 7777 · Facsimile 815 932 7996 · Internet www.simsmetal.com

VERIFIED STATEMENT

OF

TERENCE J. BROWN

ON BEHALF OF

Smurfit-Stone Container Corp

IN SUPPORT OF THE PROPOSED MERGER OF

CANADIAN NATIONAL RAILWAY COMPANY AND WISCONSIN CENTRAL TRANSPORTATION CORPORATION

My name is Terence J. Brown and I am the Vice President of Transportation and Distribution Services of Smurfit-Stone Container Corporation located at 150 N. Michigan Avenue, Chicago, IL 60601. I have been employed by Smurfit-Stone since, March 13, 2000 and have been involved with transportation, distribution and logistics for more than 32 years.

As Vice President of Transportation and Distribution, I am responsible for the general management of the entire Corporate Transportation and Distribution needs which emcompasses the North American Continent and some export business for Europe, South America and Asia.

With operations predominantly in North America but also in Europe, Latin America and Asia, Smurfit-Stone is the world's largest producer of containerboard and corrugated containers. In May 2000, SSCC acquired St. Laurent Paperboard Inc., a leading Canadian producer and convertor of high-quality speciality containerboard. Together with its associates Smurfit-Stone Container is the leading world-wide producer of: containerboard, corrugated containers, folding cartons, papersacks, and décor base paper; and the world's leading collector of waterpaper for recycling. Smurfit-Stone operates 42 facilities in the Specialty Packaging Division, 34 facilities in the Containerboard Mill Division, 34 facilities in the Consumer Packaging Division, 29 facilities in the Recycling Division, and 175 facilities in the Corrugated Container Division. Smurfit-Stone operates a total of 314 facilities.

Canadian National is a major rail supplier serving directly or through short line connection everyone of our Canadian mills and several of our Canadian Plants and the plant on Mishawaka, IN. In 2000, over 10,000 of our shipments originated on Canadian National.

We believe the acquisition of Wisconsin Central by Canadian National will strengthen both properties and enhance service to the North American market, in general and to Smurfit-Stone Container in particular. In addition to the close ties with CN in Canada, we expect some involvement at our mill site in Ontonagon, MI. Our mills in the Southern part of the US became more involved with CN with the acquisition of the Illinois Central. We note, too, the proposed acquisition is end-to-end in nature and view that with equal approval. For these reasons, we support the acquisition of Wisconsin Central by Canadian National and ask the Surface Transportation Board to act favorably and with due dispatch.

I, Terence J. Brown, declare under the penalty of perjury the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed this 15th of day of March 2001.

VERIFICATION

STATE OF ILLINOIS

COUNTY OF COOK

I, Terence J. Brown, declare (or certify, verify or state) under penalty of perjury that the foregoing is true and correct. Executed on this 15th of March 2001.

Terence J. Brown, VP Transportation and Distribution Services

Subscribed and sworn to before me the 15th day of March 2001.

OFFICIAL SEAL
MARILYN J HUGHES
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 10/03/03

Marilyn Hughes, Notary Public

St. Marys Sales Company

1 Westbrook Corporate Center, Suite 820
Westchester, Illinois 60154-5714
Phone (708) 562-5500 Fax (708) 562-5574

VERIFIED STATMENT
OF
RICK AGAR
On behalf of
ST. MARYS PAPER, LTD.

My name is Rick Agar and my title is Manager of Logistics for St. Marys Sales Company. I am responsible for the all of the logistics functions of St. Marys Sales Company and St. Marys Paper, LTD. I have held this position since November of 2000. Prior to that I worked in a similar capacity for Lake Superior Paper Industries in Duluth, MN for fourteen years, and prior to that I worked in similar capacities at paper mills in the state of Michigan for fifteen years.

St. Marys Paper, LTD. is a producer of SCA and SCB grade papers. The mill is located in Sault Ste. Marie, ON. Our primary rail carrier is the Wisconsin Central, however we have access to the Canadian Pacific as well. St. Marys Paper ships approximately 240,000 tons a year of SCA and SCB paper, of which approximately ninety percent is shipped via rail. Most of our products are shipped to the Midwest, southern, and western portions of the US.

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application, as it will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

With the acquisition of the WC, CN will be able to offer faster, more reliable single line service to and from points on the WC system, and for CN/IC traffic. It will also eliminate several interchange points and improve the accessibility of shipment location data. We also expect that this acquisition will improve our availability of good "paper quality" rail equipment.

In summary, we expect this acquisition to benefit us as a shipper, and given the CN's proven track record with the IC acquisition, we also expect that it will be a smooth transition from an operations standpoint.

VERIFICATION

STATE OF: ILLINOIS

COUNTY OF: COOK

Rick Agar, being first duly worn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated,

Rick Agar

Subscribed and sworn to before me this 30th day of March 2001.

Notary Public

My Commission Expires:

Dec. 3, 2001

OFFICIAL SEAL
PENNY MERRICK
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 12/03/01

STERLING PULP CHEMICALS

March 15, 2001

VERIFIED STATEMENT
OF
WAYNE H ALEXANDER
ON BEHALF OF
STERLING PULP CHEMICALS,LTD.

I am Logistics Manager for Sterling Pulp Chemicals Ltd., 302 The East Mall Suite 200 Toronto, ON M9B 6C7 and have held this position since 1992. I have been in the transportation/logistics field, beginning with CP Rail Marketing and Sales in Montreal, joining the present Company in Toronto in 1977 assuming the role of Traffic Manager in 1989 and Logistics Manager in 1992. Over that period, I have been an active participant on several committees of The Canadian Chemical Producers' Association, including Chair of the Rail Sub-Committee and Vice Chair of the Logistics Committee. Presently I am Co-Chair of the National Transcaer Committee.

Sterling Pulp Chemicals Ltd., headquartered in Toronto, ON, is a fully owned subsidiary of the Sterling Chemical group headquartered in Houston, TX, and is a major producer of Sodium Chlorate, Caustic Soda, Chlorine and Hydrochloric Acid. Sterling Pulp Chemicals Ltd ships in excess of 4,000 rail shipments per year from six North American facilities (Buckingham, PQ; Thunder Bay, ON; Saskatoon, SK; Grande Prairie, AB; Vancouver, BC; and Valdosta, GA) to destinations in Canada and in the USA. Sterling leases over 600 tank and hopper cars.

Sterling Pulp Chemicals Ltd. has concluded that the proposed merger of Canadian National and Wisconsin Central will have a positive impact on its shipments. Sterling has four facilities served by Canadian National (British Columbia, Alberta, Saskatchewan and Ontario facilities) as well as numerous customers on the Wisconsin Central system. A significant portion of Sterling Pulp Chemicals Ltd. traffic flows from facilities served by Canadian National to the US upper Midwest and single-line service should improve service (particularly service reliability) and equipment cycle time.

We expect that Canadian National 's acquisition and integration of Wisconsin Central to proceed smoothly and efficiently due to the merger's end-to-end nature and Canadian National's prior smooth integration of the Illinois Central.

...Cont'd.

Sterling Pulp Chemicals, Ltd.
302 The East Mall, Suite 200
Toronto, Ontario M9B 6C7
Fax: (416) 239-0235 Tel: (416) 239-7111

Responsible Care®
A Total Commitment

We believe the proposed combination has the potential to provide significant benefits to shippers. Consequently our company supports the application.

I, Wayne H. Alexander, declare under penalty of perjury under the laws of the United States that the forgoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 15, 2001

Wayne H. Alexander

Wayne H. Alexander
Logistics Manager

STETSON
HARDWOODS

March 5, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423-0001

RE: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

I am the president and owner of a small hardwood producing company located in central Wisconsin. I have been in this position for 19 years. We produce about 5 million board feet of kiln dried hardwood lumber per year.

Stetson Hardwoods, Inc. is located on a branch of the Wisconsin Central Ltd. railway. We have in the past utilized the railway to ship our product to our west coast markets and foresee a greater reliance on this freight mode in the future.

I strongly support CN's proposed acquisition of Wisconsin Central. I believe it represents the best likelihood that the branch line we are located on will remain open and viable. I believe if the proposed sale is not allowed that the railway will be sold piecemeal and our line will not hold enough appeal to a potential short line buyer.

Additionally, we are investigating new markets in both Canada and Mexico and I believe the new line will allow for greater efficiencies in service and equipment utilization for both the markets.

Again, Stetson Hardwoods, Inc. and I are in support of the proposed acquisition by the Canadian National Railway of the Wisconsin Central Transportation Corporation.

Robert Bernklau

Robert Bernklau
President

I, Linda Dassow, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement. Executed on March 5, 2001.

Linda M Dassow

7/20/03 EXPIRATION DATE

152 N. Cedar St., P.O. Box 159 Stetsonville, WI 54480 Phone: 715/678-2400 Fax: 715/678-2430

VERIFIED STATEMENT
OF
JERRE D. CUMMINGS
On behalf of
STURM FOODS, INC.

1. My name is Jerre D. Cummings and I am Distribution Manager for Sturm Foods, 215 Center Street, Manawa, WI 54949. I have been in transportation for over forty years, 11 of which have been for this employer. Prior to that I was Distribution Manager for Phenix Mfg., Inc. in Shawano, WI. Both of these employers had heavy inbound carload business.

2. Sturm Foods, Inc. is a private label dry grocery producer. They produce instant milk, instant hot cocoa, instant oatmeal cereal and powdered drink mixes. The largest carload business at this location, at the present time, is inbound powdered milk from the state of California, with a volume of 150 or more carloads per year. Plans for the future include the possibility of receiving oatmeal, and sugar via rail, which would require the addition of a new spur in Manawa, Wisconsin. This business could double or triple our inbound rail tonnage.

3. We support the acquisition of the WC by the CN because we feel common control will make the WC more economically sound and assure their presence in this area for a long time into the future.

4. Since this is an end to end merger, we see many financial benefits with no impact on any competitive services available here in Manawa, WI.

5. We anticipate a smooth integration of the two railroads because they have few duplicate services to combine and have a long history of interlining traffic.

6. We support the proposed acquisition because it will strengthen both railroads and benefit shippers and receivers on both lines.

7. I, Jerre D. Cummings, declare under penalty of perjury under the Laws of the United Sates that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.
Executed on March 14, 2001

Jerre D Cummings
signature

Friday, March 23, 2001

VERIFIED STATEMENT OF
DON BOHACH
On behalf of
STUPP CORPORATION

My name is Don Bohach and I am employed by Stupp Corporation, as Vice President Marketing and Sales. My office is at 12555 Ronaldson Road, Baton Rouge, LA, 70807.

In my present capacity, I am responsible for the marketing and sales activity in the manufacturing of custom steel line pipe for the oil and gas industry.

Stupp's manufacturing facility is located in Baton Rouge, LA, and is rail served by Canadian National and the Kansas City Southern. Our company receives inbound steel coils in gondolas from a variety of steel manufacturers in the Midwest, and ships outbound steel pipe on flatcars, to markets throughout North America.

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. We strongly support this application as it will secure a key link in CN's NAFTA network and offer significant opportunities for service improvements and efficiencies.

With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points in the WC system, and provide a missing crucial link in CN's NAFTA network that assures the ability of CN and WC shippers to participate efficiently over the long-term in the fast growing NAFTA markets.

CN's proposed acquisition of WC should strengthen both carriers by making them more competitive with other rail carriers and truck carriers. Shippers will benefit from this added competition. We expect the integration of WC to proceed smoothly and efficiently due to its end to end nature, and CN's prior smooth integration of IC.

We believe the proposed acquisition will strengthen the railroad network and benefit shippers. Our company supports the acquisition.

Respectfully submitted,



Don Bohach
STUPP CORPORATION

VERIFICATION

I, Don Bohach, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 3/23 date 2001.

_____ signature _____

Suncor Energy Marketing Inc.
P.O. Box 38
112 4th Avenue S.W.
Calgary, Alberta T2P 2V5
Tel (403) 269-8100 Fax (403) 269-6200
Website: www.suncor.com

VERIFIED STATEMENT
OF
Richard Englehardt, P.Eng.
On behalf of
Suncor Energy Marketing Inc.

Richard Englehardt, P.Eng.
Manager, By-Product Development & Sales, Suncor Energy Marketing Inc.
Responsible for maintaining existing by-product markets and developing new markets; responsible for administration, contracts, and logistics for all by-products

Mr. Englehardt is responsible for the marketing of sulphur for Suncor and is currently moving about 350 000 tonnes per year. With the startup of the Millennium project (built to double the oil production of the Suncor Oil Sands plant), sulphur production will increase to about 570 000 tonnes per year. Additional growth in sulphur production is forecast with future plant development.

Mr. Englehardt has been involved in rail transportation since 1988.

Suncor Energy has been a sulphur producer for 30 years plus and has accessed CN at various times for the rail movement of sulphur and petroleum coke. To ensure the continuous, efficient and safe movement of Millennium sulphur, Suncor and CN have agreed to do business. The liquid sulphur is to be shipped to the US market from the Lynton rail terminal, NE Alberta, so efficient rail usage is critical.

The length of the haul means there are a number of rail lines and operators involved and any improvement will benefit Suncor immensely in both time and money for rail car leasing costs. CN's acquisition of WC means that the rail service "chain" will be improved meaning more support for Suncor business.

The Suncor Oil Sands plant is located in NE Alberta and the Lynton rail line connects to the CN rail system. All Suncor rail traffic from Lynton therefore travels on CN either to the West Coast or Florida.

The initial load forecast for Millennium sulphur is 2400 cars per year.

Suncor understands that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. Suncor strongly supports this application as it will secure a key link in CN's NAFTA

network and offer significant opportunities for service improvements and efficiencies. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

Service benefits to CN and WC customers

More efficient service

- With the acquisition of WC, CN will be able to offer faster, more reliable single-line service to and from points on the WC system, and for CN/IC traffic currently moving via haulage over the WC link between Chicago and Duluth, Minn./Superior, Wis.

- By securing CN's NAFTA network, the acquisition of WC assures the ability of CN and WC shippers to participate efficiently over the long-term in the fast-growing NAFTA markets.

Better equipment utilization

- The new combined organization will be able to coordinate rolling stock management and reposition cars and locomotives more efficiently. As a result of these and other efficiencies created by the combination, railroad-owned equipment supply will improve, and shippers using private equipment should enjoy savings through reduced fleet size requirements.

New markets

- The CN-WC combination gives Suncor an efficient and cost-effective transportation system to access US markets currently unutilized.

Competitive Benefits

The CN - WC combination will promote increased competition among rail carriers. It will also increase competition between CN/WC and truck carriers: trucks carry significant volumes of traffic in the CN and WC service areas. The proposed combination will make CN and WC more competitive with trucks. Shippers will benefit from this added competition. Lastly, CN's proposed acquisition of WC raises no significant issues concerning reduced competition because, like CN/IC, the two railroads are end-to-end.

Suncor anticipates CN's acquisition and integration of WC to proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC, which is a larger carrier than WC.

TCT logistics

VERIFIED STATEMENT
OF
Ross Sten
On Behalf of
TCT Logistics Inc.

I Ross Sten, Director of Operations and Linehaul for TCT Logistics Inc., at 1111-42nd Avenue S.E.>, Calgary, Alberta, Canada, hold the responsibility on behalf of TCT, for the movement of all traffic to and from all TCT facilities, and delivery to our customers.

Prior to my involvement with TCT Logistics, I held the position of President of Sten Trucking of Calgary prior to its acquisition by TCT Logistics in 1996.

TCT Logistics is the 4th largest for hire carrier in Canada, with sales revenue in excess of $350 Million Canadian Dollars. TCT Logistics primary business is the movement of reefer type traffic in both Canada and the United States. Other active business TCT currently conducts involve LTL traffic, TL traffic, and highly specialized, high value traffic, moving within Canada, and into and out of the United States. TCT has 31 facilities in Canada from Vancouver to Quebec City and locations in the United States in Houston Texas, Seattle Washington, and Chicago Illinois. TCT currently utilizes Canadian National for freight movement to all facilities within Canada.

With the potential transaction between Canadian and the Wisconsin Central Railway, TCT can now look at the use of the railway to move traffic into our primary markets in The United States, over the rail, rather than by movement by truck over the road. This will be a significant advantage to our company and will result in a strong reliable service available to our company, to better control costs and provides effective service to our customer base.

Therefore, we strongly support Canadian National's acquisition of the Wisconsin Central Railway. Such an acquisition, in our opinion, would provide for a better level of rail service available from Western Canada to the United States, that could help us effectively direct our truck fleets, into other areas of the market where they can be utilized more effectively.

In conclusion, we support this transaction because we believe this proposed combination would provide significant benefits to our organization.

TCT logistics

I, Ross Sten, declare under the penalty of perjury under the laws of the United States that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement.

Executed on March 14/01

Respectfully Submitted,

Ross Sten
Director Operations and Linehaul
TCT Logistics Inc.

TSI Terminal Systems Inc.
1300 Stewart Street
Vancouver, B.C.
Canada V5L 4X5

Tel: (604) 251-9200
Fax: (604) 251-9214
Email: tsi@tsi.bc.ca
Website: http://www.tsi.bc.ca

March 13, 2001
Reference No. 1169

VERIFIED STATEMENT
OF
PETER T. SENIOR
President and C.E.O.
TSI Terminal Systems Inc.
1300 Stewart St.
Vancouver, B.C. Canada V5L 4X5

I am writing on behalf of TSI Terminal Systems Inc. to express our support of Canadian National's proposed acquisition of Wisconsin Central.

I have been with TSI Terminal Systems Inc. (formerly Empire Stevedoring Co. Ltd.) since 1968, and have held the position of President and C.E.O. since 1989.

TSI Terminal Systems Inc. (TSI) is a significant participant in the international marine container business in both Vancouver and Delta (Vanterm and Deltaport container facilities respectively, and within the jurisdiction of the Port of Vancouver for the purpose of this letter), and is a strong believer in the future for containers through the Port of Vancouver. TSI is a privately-owned company operating the Vanterm and Deltaport container terminals under long-term (20-year) lease agreements with the Vancouver Port Authority, and is one of the largest employers of marine terminal labour in the Port. Our company has invested significantly towards participating in the future of the marine container industry, spending $50.3 million in container terminal development over the period 1997-1999, and an additional $66.4 million in the year 2000 in additional Deltaport and Vanterm improvements. A further $21.5 million has been committed for future terminal improvements between 2001 and 2004, representing a total TSI capital expenditure of more than $138 million in a mere 7 year period.

Our customer base are international container ocean carriers. TSI handled a total of 503,512 marine containers through its facilities in 2000, and projects future annual volume growth of approximately 2 to 3 % per year. Almost 50% of this volume is associated with rail movements to/from Canadian and U.S. origins/destinations. We therefore rely heavily on our direct rail connections with both transcontinental railways; CP Rail and Canadian National.
The remaining container volumes are associated with truck movements to/from our terminals and inland points.

TSI Terminal Systems Inc.
1300 Stewart Street
Vancouver, B.C.
Canada V5L 4X5

Tel: (604) 251-9200
Fax: (604) 251-9214
Email: tsi@tsi.bc.ca
Website: http://www.tsi.bc.ca

We strongly support Canadian National's proposed acquisition of Wisconsin Central in that it will improve the transportation link with the United States through more efficient service and more effective competition in accessing destinations/origins in the U.S. midwest.

Over the past five years, the Port of Vancouver has successfully recorded significant growth in container traffic through the Port, and projections for continued container growth are positive. Much of this growth is due to hard-fought securement of U.S.- destined cargo being routed via Vancouver, and the projected growth in container volumes is tied closely to the continued growth of this U.S. - destined cargo coming through Vancouver.

Ocean carriers are very versatile in that they can quickly change vessel rotations and can move to whatever ports and terminals best suit their economics, market realities and service requirements.

The Canadian National's acquisition of the Wisconsin Central will secure a key link in this regard and will offer significant opportunities for service improvements and efficiencies. For example, CN will be able to offer faster, more reliable single-line service to and from points on the Wisconsin Central, as well as points beyond Chicago. Shippers will enjoy improved service through the busy Chicago gateway by eliminating the need for a CN-WC interchange at Duluth/Superior and Chicago. Many container shippers rely on "just-in-time" logistics, and will benefit from these new service capability improvements.

Car supply to our terminals is also expected to improve due to reduced transit times and elimination of rail interchanges.

Due to the current relationship between the CN and the WC and their end-to-end nature, it is anticipated the transition would be smooth and seamless.

It is also TSI's expectation that competition among rail carriers will increase as a result of the acquisition, as CP Rail will respond in a proactive competitive manner. Other railroads may also implement competitive responses, and further increasing competition among rail carriers for the international marine container traffic.

We believe that the proposed acquisition will strengthen the railraod network and benefit shippers, and therefore TSI supports the acquisition.

Verification

I, Peter T. Senior, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.

Container Division
CFS & Break Bulk Division
Cruise Ship Division
EDI Consulting
Terminal Consulting



TexPar Energy, inc.

ENERGY MARKETERS

March 21, 2000

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Dear Mr. Williams,

TexPar Energy Inc. is a business headquartered in Waukesha, WI. and markets petroleum products for industry consumption throughout the U.S. We shipped approximately 750 tankcars of fuel oil products on the Wisconsin Central in 2000.

With the proposed merger of the CN and WC, I foresee several potential advantages such as single line service, expedited car turn times, and the possibility of finding new sources through the expanded reach of the Canadian National.

I strongly support this application, as it will secure a key link in CN's network and offer significant opportunities for service improvements and efficiencies.

Service levels should be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI. thereby creating the potential for us to enjoy expedited service through WC's gateways.

Also, there should be no reduced competition, as CN and WC are end to end carriers.

We expect the acquisition and integration to proceed smoothly and efficiently, due to its end to end nature and CN's prior experience with integration of the IC (a larger carrier than the WC).

In conclusion, TexPar Energy Inc. strongly supports the proposed transaction.

I, Craig Witte, declare under penalty of perjury under the laws of the United States, the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement executed on March 16, 2001.

Sincerely,

Craig T. Witte
President
TexPar Energy inc.

2020 Springdale Road • P.O. Box 587 • Waukesha, WI 53187 • Phone: 800-323-7350 • 262-548-1488 • Fax: 262-548-1483 • http://www.texpar.com

THUNDER PALLET, INC.

Telephone 920-488-4211
Fax 920-488-4306

P.O. BOX 298
625 N. MENOMONEE ST.
THERESA, WI 53091

March 13, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423-0001

RE: Canadian National Railway Company-Control-
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Thunder Pallet, Inc., located in Theresa, WI, is served by the Wisconsin Central. We manufacture specialty pallets, boxes and crates. Our business with the Wisconsin Central includes inbound freight of lumber from Western and Northern Wisconsin and Northern Michigan.

With the proposed merger of the CN and WC, I forsee advantages such as single line service from Canada to Theresa, WI, the potential for improved equipment utilization and the possibility of buying from new markets through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN-WC interchange at Chicago, IL and Superior, WI. thereby creating the potential for shippers to enjoy expedited service throught WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, Thunder Pallet, Inc. strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Benedict E. Mahsem, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 13, 2001.

Sincerely,

Benedict E. Mahsem
THUNDER PALLET, INC.

TOLKO
INDUSTRIES LTD.

Main Office: (250) 545-4411
Fax: (250) 549-5359

VERIFIED STATEMENT OF ALEX WALLACE
ON BEHALF OF TOLKO INDUSTRIES LTD.

My name is Alex Wallace, Manager, Transportation Services, Tolko Industries Ltd., 3203-30th Avenue, Vernon, BC. I have been with Tolko Industries for 21 years, and have held my current position for 16 years. I have a Bachelor of Commerce degree and a Professional Accounting Designation. I am responsible for purchasing 75 million dollars of transportation services annually.

Tolko Industries Ltd. is a forest products producer in Western Canada, producing lumber, plywood, OSB and kraft paper, with annual sales of one billion dollars. We have manufacturing or transload facilities served by CN in Kamloops, BC, Lavington, BC, Heffley, BC, Quesnel, BC (access via BCOL), High Level, AB, High Prairie, AB and two plants in The Pas, MB. We ship forest products from Western Canada in carload quantities, and via intermodal, to Eastern Canada, and all regions of the United States.

CN's acquisition of the WC will improve the North American rail infrastructure to provide truly seamless routes from Canada to the United States, improving service and providing significant competitive opportunities, therefore we strongly support CN's application.

With the acquisition of the WC, CN will be able to offer faster, more reliable single-line service into the WC territory, and for traffic moving on the overhead route from Superior to Chicago, this should occur more efficiently as traffic will integrate into the complete CN network, including the old IC territory. Therefore service should be improved and rates should become competitive into these markets, as single line routes should improve performance. Improvements in service through Chicago should also improve as CN will have better control and ability to manage terminal activities through this bottleneck area. We currently route via CN to Chicago when we can, but with CN having complete control this will allow an integration of schedules service into the complete CN NAFTA network.

We would anticipate that the CN WC combination, and improvements in service and scheduling, will enhance CN's ability to manage car supply, and we would see an improvement in equipment utilization and availability.

P.O. Box 39
3203 - 30th Avenue
Vernon, B.C. Canada V1T 6M1

The proposed acquisition is effectively an end to end combination, and should in no way reduce competition into this market, but should enhance competition between rail carriers, and should improve the railways competitiveness to trucks.

We have experienced CN's acquisition of the IC, and found the transition to be very smooth. Also, we have experienced several situations involving shortlines and CN, and have found those changes to be handled effectively by CN. We have confidence the WC can be integrated very effectively into the CN network, resulting in an improvement in customer service and service reliability.

The proposed acquisition of the WC by CN will be a very positive move for the rail industry, and we believe the acquisition will strengthen the overall rail network, improved service and competitiveness, and benefit shippers and receivers.

I, Alex Wallace, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on March 19, 2001.

Alex Wallace
Manager, Transportation Services
Tolko Industries Ltd.

TTS
Trailer Transport Systems, Inc.

Main Office/Rochester
900 Jefferson Rd. - Admin. Bldg.
Rochester, New York 14623
Phone: (716) 427-2080
Fax: (716) 427-0559

Syracuse
8149 Morgan Rd.
Clay, New York 13041
Phone: (315) 652-4600
Fax: (315) 652-1874

Buffalo
13290 Colonial Woods
Alden, New York 14004
Phone: (716) 937-4738

Since 1981
www.trailertransport.com

March 13, 2001

VERIFIED STATEMENT
OF
David Buschner
On behalf of
Trailer Transport Systems, Inc.

My name is David Buschner. I am President of Trailer Transport Systems, Inc. at 900 Jefferson Road, Rochester, NY 14623.

I have been with Trailer Transport Systems for nineteen years, the last seven as President. Last year we moved approximately ten thousand loads of freight, various commodities.

Trailer Transport Systems functions as an intermodal marketing company, arranging intermodal shipments for industrial companies for movement via rail intermodal service.

We use the present Wisconsin Central intermodal facility at Stevens Point, Wisconsin, in arranging intermodal shipments of paper products to Buffalo, NY.

We understand that Canadian National and Wisconsin Central will be filing an application with the Surface Transportation Board to merge the two companies. We support the proposed transaction, anticipating that the transaction will result in a more stable equipment supply and better more reliable transit times.

CN's proposed acquisition of WC raises no significant issues concerning reduced competition because, like CN/IC, the two railroads are end-to-end.

We anticipate the integration of the WC into the CN to proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC, which was a larger carrier than WC.

We believe that the proposed acquisition will strengthen the railroad network and benefit shippers. Our company supports the application.

I, David Buschner, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 14, 2001.

David Buschner
President

2595 Inkster Blvd.
Box 36, Group 200, R.R.2
Winnipeg, Manitoba
Canada R3C 2E6

Phone: (204) 632-6694
1-800-665-7392
Fax: (204) 694-2958
www.transx.ca

February 1, 2001

VERIFIED STATEMNET
OF
Louie Tolaini
on behalf of
Transx Ltd.

My Name is Louie Tolaini. I am the President and Chief Executive of Transx Ltd. and have held the position since 1963. I have over 40 years experience in the transportation and logistics field.

Transx Ltd. is a trucking company, which services the flat deck, full load and less than truckload market with annual sales in 1999 of $200M. We service the dry and protective service market segments across Canada and the United States A large portion of our domestic Canadian business is shipped on rail with CN. Cost efficiencies related to long haul rail shipping allow us to offer our customers hi quality service at competitive rates.

We strongly support the proposed combination between Wisconsin Central and Canadian National. The CN WC combination will position Transx to expand our rail based transborder business and offer shippers a viable alternative to truck. We believe a viable rail alternative will increase competition and ultimately produce financial rewards for shippers.

Improved access to railway owned equipment as a result of the combination will allow Transx to enter truck competitive transborder corridors we do not currently serve.

From our perspective, the CN/IC combination was seamless. We fully expect the proposed CN/WC combination will be as successful as the CN/IC combination.

In conclusion, I must stress Transx strongly supports the CN/WC merger. We believe the combination will be executed with minimal disruption and ultimately increase competition by offering shippers a real alternative to truck. It is our sincere hope that the US Transportation Surface Board quickly approves the proposed CN/WC combination.

I, Louie Tolaini, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorised to file this verified statement. Executed on May 24th 2000

Louie Tolaini

President Transx Ltd.

TUBE CITY INC.
P.O. Box 2000
Glassport,Pennsylvania 15045

March 7, 2001

Verified Statement
Of
Robert E. Bergia
On Behalf of
Tube City, Inc.

My name is Robert E. Bergia Jr. and I am the Senior Transportation Manager for Tube City, Inc. The main office is located at 12 Monongahela Ave. Glassport, Pa. 15045.

I have been employed by Tube City in this capacity for the last 12 years and have previous work experience in the marketing department of the Pittsburgh & Lake Erie Railroad for over 15 years prior to my current position.

Tube City Inc. is a ferrous,non-ferrous and mill slag handling recycling company. We are an independent owned company in business in excess of 60 years and perform several different functions in the metals industry such as brokerage, processing and purchasing of scrap for various steel mills and also slag processing accounts on site at several steel mills.

Each year we spend several million dollars on rail shipments with both the class 1 and 2 carriers on traffic within the United States and from and to the Canadian markets. Therefore the proposed merger of the Canadian National and Wisconsin Central Railroads is of extreme interest to our company. We strongly support this application for common control based on the following.

The recent merger of the Canadian National RR and the Illinois Central Gulf RR is an example that railroads can merge and produce immediate benefits. Shippers now have a distinct alternative to barge traffic due to the CN RR service along the Illinois/Mississippi rivers directly linking the Canadian markets with the U.S. and export markets via the gulf also the lucrative NAFTA trade. Transit times have decreased and competitive rates have been established to meet the changing times of the steel industry.

The proposed merger of the Canadian National RR and Wisconsin Central RR will also produce immediate benefits to their customers. Steel foundries and mills can focus on other sources of scrap from the expanded Canadian National system resulting in reduced costs. They will have the opportunity to reach the great lakes,st lawrence seaway and the

gulf via one railroad. These are just some examples joining the two organizations. I could add many more if necessary.

In conclusion, we encourage the proposed merger primarily based on the previous success that the CN/ICG merger produced. We have seen the benefits of an expanded single line railroad and how it will relate to the inclusion of the Wisconsin Central RR.

Verification

I, Robert E. Bergia, Jr. declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified to file this verified statement.
Executed on 3/7/01

Robert E. Bergia Jr.
Senior Transportation Manager

Universal Minerals, Inc.
4620 South Coach Drive
Tucson Arizona 85714
http://www.universalminerals.com

Phone:520-7480405
Fax: 520-748-8503

March 12, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Williams,

My name is Dan Schulse. I am the Vice President of Sales at Universal Minerals, Inc. We are located at 4620 S. Coach Drive, Tucson, AZ 85714. I have been in this position for the past 6 years. I am responsible for establishing new business and overseeing the operations in all aspects of customer service.

Universal Minerals, Inc. is a distributor and manufacturer of various minerals for industrial use. Some of the minerals we are currently working with are magnetite, hematite and ilmenite. Our processing plant is located in Louisville, KY (located on CSX and NFS). We have a long-term contract with EVTAC Mines in Eveleth, MN (located on the DMIR) to market their concentrates for non-metallurgical applications. EVTAC concentrates are competing with offshore sources. Our targeted markets in the U.S. amount to approximately 500,000 tons per year. Key factor that keeps EVTAC from competing in this market share is the current rail transportation conditions.

We strongly support Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the barge industry. This merger will allow us to enter new markets by providing us with competitive transportation rates into our processing plant in Louisville, KY and to customers in various places in the United States.

We are confident that CN's acquisition and integration of WC will proceed smoothly and efficiently due to its end-to-end nature and CN's prior smooth integration of IC. Our recent experience with CN has been exemplary on the part of CN's management and customer service.

We believe that the proposed acquisition will strengthen the railroad network and benefit shippers like ourselves. Our company strongly supports the application.

I, Daniel C. Schulse, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 14, 2001.

Daniel C. Schulse

Société du port de Valleyfield
950, boulevard Cadieux, bureau 100
Valleyfield (Québec) Canada J6T 6L4

Valleyfield Harbour Corporation
Tél.: 450-373-4021 • Fax: 450-373-4026
Email / Cour. élect.: portval@rocler.qc.ca

March 27, 2001.

RECEIVED
APR 3 2001
MAIL
MANAGEMENT
STB

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C.
20423-0001

Re : Canadian National --Control-- Wisconsin Central
(STB Finance Docket No. 34000)

Dear Sir :

The Port of Valleyfield is a multi-modal port at the opening of the Saint-Lawrence Seaway, the last port as you leave the Province of Quebec and the first one as you enter the Great Lakes system.

It is the home of several companies involved in intermodal activities with approximately half a million tons of products that transit through their facilities. As in any major port involved in international movement of goods, rail is, of course, a very important part of our tenant companies' operations.

We understand that Canadian National and Wisconsin Central are requesting authority to enter into a transaction that would put them under common control. With CN being the major rail carrier servicing our facilities, we strongly support this application as it will secure a key link in CN's NAFTA network. It is sure also to offer significant opportunities for service improvements and efficiencies, all of which will benefit our many clients.

Should you require more information, please do not hesitate to contact the undersigned.

Sincerely

VALLEYFIELD HARBOUR CORPORATION

Michel St-Louis, C.I.T.
Executive Vice President & General Manager

valley logistics

A ProChannel Logistics Company

March 21, 2001

Valley Logistics LLC
187 Kohlman Road
P.O. Box 1535
Fond du Lac, WI
54936-1535

Corporate Division
FAX (920) 923-8283
(920) 923-8297

Valley Division
(920) 923-8282
FAX (920) 923-8290

Unlimited Division
(920) 923-8292
FAX (920) 923-8285

E-mail
wpinc@thesurf.com

Mr. Vernon A. Williams
Surface Transport Board
1925 K Street N. W.
Washington, DC 20423-0001

RE: Canadian National Railway Company – Control –
Wisconsin Central transportation Corporation
(STB Finance Docket No. 34000)

Valley Logistics LLC is a Delaware corporation, located in Fond du Lac, WI, served by the Wisconsin Central. We are a warehouse/distribution facility. Our business with the Wisconsin Central is inbound products for storage and some outbound shipments.

With the proposed merger of the CN and WC, I see advantages such as the potential for improved equipment utilization as well as the possibility of receiving product from new markets through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI. Thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, Valley Logistics LLC strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Michael Gebhardt, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 21, 2001.

Sincerely,

Michael Gebhardt

Michael Gebhardt
Director of Sales and Marketing

VERIFIED STATEMENT OF
GERARD H. VAN HOOF
On Behalf of
THE VAN HOOF COMPANIES

My name is Gerard H. Van Hoof and I am Chairman of the Board of Pacon Corporation, Chairman of the Board of Superior Specialties, Inc., and President and CEO of Sentech, Inc., all located at 2525 N. Casaloma Drive, Appleton, WI 54913.

I have been a practicing attorney for over fifty years; member of and Past President of the Outagamie County Bar Association; member, Wisconsin Bar Association and former member of its Board of Governors; member of the Wisconsin Academy of Trial Lawyers and American Bar Association and American Judicature Society.

Pacon Corporation is a paper converting operation, primarily converting papers for schools with distribution throughout the U.S. and many foreign countries. Superior Specialties, Inc. is a photographic paper converter with world-wide distribution. Both of these companies receive a good percentage of their raw materials via rail, some of it from Canada. Warehouse Specialists, Inc. is involved in all aspects of distribution, logistics and warehousing.

The Van Hoof Companies strongly supports Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

Through the CN acquisition of Wisconsin Central, we believe new marketing opportunities will develop. Additional traffic will be secured in two-way loaded moves by rail which will increase car utilization and lower costs of the carriers and their customers.

As this is an end-to-end merger, we will need to deal with only one rail carrier, in many instances, which will improve productivity and reduce program implementation time. For these and the other reasons noted, we support this acquisition and ask the Surface Transportation Board to act favorably and with due dispatch.

I, Gerard H. Van Hoof, declare under penalty of perjury, the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement.

Executed this 27th day of March, 2001.

Gerard H Van Hoof

Gerard H. Van Hoof

Ventura Foods, LLC

March 26, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001

Re: Canadian National Railway Company- Control- Wisconsin Central Transportation Corporation.
(STB finance Docket No. 34000)

Ventura Foods, LLC, Waukesha Division is a food manufacturing company located in Waukesha, WI, served by the Wisconsin Central. Ventura Foods, LLC, Waukesha Division manufactures dressings and sauces for sale to food service companies throughout the region. Our business with Wisconsin Central consists of the transportation and placement of salad oil cars at our plant. The Waukesha plant currently uses about 10 railcars a week in the operation of our plant.

I strongly support this application for merger, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN-WC interchange at Chicago. IL and Superior, WI. Thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, Ventura Foods, LLC, Waukesha Division strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Martin J Sutliff, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.
Executed on March 26, 2001

Sincerely,

Martin J Sutliff
Operations Manager- Ventura Foods, LLC, Waukesha Division

500 South Prairie Avenue • Waukesha, Wisconsin 53186 • (800) 558-2007 (414) 544-4444 Fax (414) 548-5707
Correspondence Address: P.O. Box 218, Waukesha, Wisconsin 53187

VERIFIED STATEMENT
OF
RICK GAETZ
On Behalf of
VITRAN CORPORATION INC

Prepared By: Rick Gaetz, President & Chief Operating Officer
Vitran Distribution Systems

Located At: 70 University Ave., Suite 350, Toronto, ON M5J 2M4

1. **Rick Gaetz**
As President & Chief Operating Officer of the Vitran group of distribution companies, I am responsible for all freight activities as it relates to rail and highway through our various operating divisions including US and Canadian Truckload, US and Canadian LTL, as well as our North American Intermodal operations.

2. **Vitran Corporation Inc**. is an integrated distribution and transportation provider operating throughout the North American marketplace. It operates businesses in all sectors including Intermodal, LTL, truckload and logistics. Vitran is a Canadian based company with its roots in Canada; however, Vitran currently has 65% of its revenue in the United States despite its Canadian base. In the past ten years, Vitran has grown from a $20 million freight operation to a company that had revenues in excess of $500 million in 2000. We operate 83 facilities through Canada and the United States. Canadian National is the single largest supplier in the Vitran system. Currently, Vitran would give CN in excess of 24,000 movements a year. We utilize very little rail service between Canada and the United States, as the service times are not yet competitive. It is our expectation that this will be one of the enhancements made to the rail system by this proposed merger. The business conducted between Vitran and CN/WC on an annual basis is in **excess of $35 million Cdn**.

3. **CN/WC Merger**
Vitran is excited by the announcement of the proposed transaction between Wisconsin Central and Canadian National. We understand this is a minor transaction and that they are requesting authority to enter into this transaction which would put both railroads under common control. We support the transaction for two important points: We believe with the acquisition of WC, CN will be able to offer faster, more reliable single-line service in the growing North-South corridor. Second, we feel that although a minor transaction, the merger will

allow for better equipment utilization between the two railways which will add to existing capacity and as a result, continue to improve service and competitiveness.

4. Benefits of the merger from Vitran's Perspective

- There is essentially no overlap in geographic coverage by these two companies. It will require very little integration, which history says has proven to be the most difficult of prior mergers.
- CN has demonstrated that it has the ability to acquire and integrate another network with flawless execution. CN efficiently integrated a much larger network without error when it merged with the IC.
- The acquisition and improvement in service between Western Canada and the United States will undoubtedly open new markets and provide new transportation modes for Vitran.
- Competitive Arena – Clearly this proposed transaction does not reduce competition because there is essentially no overlap of geographic coverage. It should however raise the bar on service levels between the two countries.

5. Conclusion

Once again, we at Vitran are quite excited about this proposed merger. As opposed to some of the more recent rail mergers or breakups where we saw a reduction of carriers on specific lanes, this truly does create a new broader, more competitive railway. CN has had a very recent history of successfully adding the Illinois Central in a seamless way to customers; we are quite excited about the improved service and competitiveness it will bring to Vitran and its customers in the marketplace.

I, **Rick Gaetz**, declare under penalty of perjury under the laws of the United States, that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Rick E. Gaetz

24/3/01
Date

WAGNER
ONTARIO FOREST MANAGEMENT LIMITED
71 Black Road, Unit 2, Sault Ste. Marie, Ontario P6A 6J8

RECEIVED
MAR 19 2001
MAIL
MANAGEMENT
STB

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National – Control – Wisconsin Central
(STB Finance Docket No. 34000)

VERIFIED STATEMENT OF
DAN ALECK
On behalf of
WAGNER ONTARIO FOREST MANAGEMENT LIMITED

1) WITNESS NAME, TITLE, RESPONSIBILITIES AND CREDENTIALS

Mr. Aleck is a Professional Forester and graduate of the University of Maine managing the Sault Ste. Marie and Wawa Offices of Wagner Ontario Forest Management.

Mr. Aleck's duties include designating areas for harvesting, supervising harvesting, logistics, and other related forest management activities.

2) DESCRIPTION OF COMPANY

Wagner Ontario Forest Management Limited

Wagner Ontario Forest Management Limited manages approximately 840,000 acres of Timberland in Ontario, which was previously owned by Algoma Central Properties. The land base is situated on the east shore of Lake Superior, in the Sault Ste. Marie and Wawa area, and consists of 38 partial or entire townships.

Wagner Ontario Forest Management maintains offices in Sault Ste. Marie and Wawa, Ontario.

Wagner Forest Management (Parent Company)

The Wagner Organization has managed timberland investments and provided strategic consulting services to the forest products industry in the northeast for 40 years. Wagner's extensive experience in all phases of timberland management, coupled with a reputation for providing a high level of environmental stewardship, were instrumental in its selection as northern regional manager for the Hancock Timber Resource Group, the world's premier timberland manager for institutional investors.

- Our business expertise encompasses the northern hardwood, fir boreal, and white pine forest regions of North America.

- We currently manage approximately 1,667,000 acres in New England, New York, and Ontario.

- Hancock Timber Resource Group .....671,000 acres
- Direct Timberland Investment Management.....921,000 acres
- Timberland Management Consultant..... 75,000 acres

- We possess an exemplary land stewardship and environmental record.

- We are recognized for having sophisticated computer analysis capability for timber inventories and investment evaluation.

- We have extensive capabilities in high value solid wood marketing.

- Our organization utilizes an easily expandable decentralized structure, empowering our regional field foresters with a high level of on-site oversight to maximize the client's asset value. We have 30 foresters on staff.

3) STATEMENT OF POSITION ON CN'S ACQUISITION OF WC

Wagner believes CN intends to maintain the strong customer service base, which was a genuine focus of the WC. As well, this merger increases the potential for new markets in the southern states and Wagner is eager to pursue such marketing opportunities. The size of CN and its ability to secure additional cars for the transportation of Wagner's products makes the acquisition most appealing.

4) SUPPORTING REASONS FOR THE STATEMENT

Better Equipment Utilization

Wagner Ontario Forest Management continues to be frustrated when equipment is unavailable to send products to its customers in a timely fashion. Having more rail cars available and ensuring daily freight service at each of our Northern Sidings will enable Wagner to satisfy customer needs/demands.

New Markets

Wagner Ontario Forest Management has the potential and product to seek out new markets. There are clear advantages to having its products stay on one line.

Competitive Benefits

CN's proposed acquisition of WC raises no significant issues concerning reduced competition because the two railroads are end-to-end.

5) SMOOTH TRANSITION

All indications and past performance indicate there will be a smooth integration from WC to CN.

6) CONCLUSION

Wagner Ontario Forest Management believes the acquisition of WCR by CN will play a key role in our ability to get our products to market. CN's resources including its access to a greater number of rail cars will give us the ability to transport an increased volume with a faster turn-around of equipment. However, it is imperative that daily freight service to and from the Northern Sidings including Regent, Mekatina, Batchewana, Perry and Hawk Junction continue to be a priority with the CN. Wagner Ontario Forest Management could not under any circumstance support a plan that would decrease service to these sidings.

7) VERIFICATION

I, Dan Aleck, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 15, 2001.

3-15-01

Dan Aleck
Wagner Ontario Forest Management Limited

Cc: D. Palumbo, Director Marketing, Algoma Central Inc. (Fax 705-541-2924)

VERIFIED STATEMENT OF
ROBERT J. SCHROEDER
On Behalf of
WAREHOUSE SPECIALISTS, INC.

My name is Robert J. Schroeder and I am Vice President/General Manager of Warehouse Specialists, Inc., located at 2525 N. Casaloma Drive, Appleton, WI 54913. I have been Vice President/General Manager since 1983 with over 25 years experience in project management and capital leasing. I have practiced law and specialized in real estate development since 1978.

In my capacity, I am responsible for the general management of WSI and the development of new opportunities and facilities for our distribution and logistics business.

WSI is involved in all aspects of distribution, logistics and warehousing. A large portion of our business involves transport via rail of both raw material and finished paper goods and papers. These movements include both inbound movements from outside of the state and from Canada and outbound movements to points specified by our customers. WSI has major facilities in Ashwaubenon, Neenah, Appleton, Combined Locks, Fond du Lac, Menasha, Plover, Stevens Point, Racine and Wisconsin Rapids, Wisconsin. However, because of many of the inbounds originate out of Canada, the shipping mills may be serviced by the CN.

Our operation is vital to our customers as we provide inventory management and storage along with just-in-time delivery. Major users of our services include Procter & Gamble, Weyerhaeuser, Inc., Weldwood of Canada, Consolidated Papers, Inc., Champion International, Inter Lake Papers, Kimberly-Clark Corporation and Niagara of Wisconsin.

WSI strongly supports Canadian National's proposed acquisition of Wisconsin Central. It will improve the transportation infrastructure in Canada and the United States, through more efficient service and more effective competition with the trucking industry.

Through the CN acquisition of Wisconsin Central, we believe new marketing opportunities will develop. Additional traffic will be secured in two-way loaded moves by rail which will increase car utilization and lower costs of the carriers and their customers.

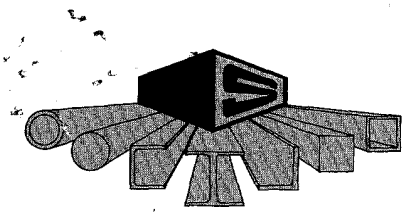
As this is an end-to-end merger, we will need to deal with only one rail carrier, in many instances, which will improve productivity and reduce program implementation time. For these and the other reasons noted, we support this acquisition and ask the Surface Transportation Board to act favorably and with due dispatch.

I, Robert J. Schroeder, declare under penalty of perjury, the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement.

Executed this 27th day of March, 2001.



Robert J. Schroeder
Vice President/General Manager



WAUSAU STEEL CORPORATION RECYCLING CENTER

2900 WEST SHERMAN STREET
P.O. BOX 329
WAUSAU, WISCONSIN 54402-0329

PHONE: (715) 845-4286
WATS-1-800-333-2297
FAX NO.: (715) 842-3954

March 08, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Reference: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

As overall manager of operation at Wausau Steel Corporation Recycling Center, including all of our transportation, incoming and outbound needs, having over nineteen years of scheduling and dispatching experience strongly endorse the acquisition of Wisconsin Central by CN.

Wausau Steel Corporation has been doing business in central Wisconsin for almost fifty years. We employ over one hundred, thirty employees, most of which have been here over ten years. Our recycling division serve the vast majority of industrial and commercial accounts in this area. We have seen many railroads come and go.

I have done business throughout the midwest with all the major rail carriers including CN and their affiliates including Illinois Central Railroad, Chicago Central and Pacific Railroad, Cedar River Railroad, Grand Truck Western Railroad, Duluth, Winnipeg and Pacific Railway, ECO Rail Inc., Quebec & Lake St. John Railway and Canadian Northern Quebec Railway. We have also done business with Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway and Wisconsin Chicago Link Ltd.

Wausau Steel Corporation strongly support the CN acquisition of the Wisconsin Central system. It will directly improve service to our shipping destinations with greater ease and provide us with timely service similar to that of the trucking industry.

From experience, I can only believe that the CN with the Wisconsin Central Railroad system would enhance the over all quality of the entire CN Network. This is not to say Wisconsin Central Railroad service has been wanting, it has not. I am saying that the acquisition of Wisconsin Central Railroad by CN will raise CN to a service level that Wisconsin Central Railroad has provided us.

WAUSAU STEEL CORPORATION RECYCLING CENTER

2900 WEST SHERMAN STREET
P.O. BOX 329
WAUSAU, WISCONSIN 54402-0329

PHONE: (715) 845-4286
WATS-1-800-333-2297
FAX NO.: (715) 842-3954

This merger as Wausau Steel Corporation sees it, would only increase the competitive nature between other rail systems and the trucking industry which is a must for Wausau Steel Corporation to survive in our business. Our freight rates would only benefit from this merger.

Again Wausau Steel Corporation supports this merger between the two rail systems and know if it is granted, a smooth and efficient transition will occur without any major difficulties to us here at Wausau Steel Corporation.

I, Jerry Mortensen declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement.

Sincerely;

Jerry Mortensen

Jerry Mortensen
V.P./General Manager of Recycling

WEBER VENEER & PLYWOOD CORPORATION

P.O. Box 89 • 718 S. Prospect St. • Shawano, Wisconsin 54166

Verified Statement
Of
Michael J. Ihrcke
On behalf of
Wisconsin Central Railroad
&
Canadian National Railroad

Michael J. Ihrcke
03-23-01
Log Procurement Manager
P.O.. Box 89
Shawano, WI. 54166

I am responsible for the movement of all veneer logs for Weber Veneer & Plywood. The volume of wood is approximately 2.2 million board feet per year. Of the 2.2 million, 1.5 million is moved by truck, and .7 million is moved by rail. Because of the economy, the amount of wood that I ship on the railroad is increasing each year.

I have been Weber Veneer and Plywood's log procurement manager for nine years. Prior to that I was the shipping supervisor of finished goods for 3 years.

Weber Veneer & Plywood produces hard maple die boards , game boards, and laminated flooring. We produce these products by making veneer from the hard maple logs, and then laminating the veneer into plywood. Weber Veneer & Plywood supplies approximately 60% of the die boards for the North America paper industry.

We are currently served by Wisconsin Central Railroad. They have been delivering the logs that we buy from suppliers in Maine, New Hampshire, New York, and Canada.

We have knowledge of Canadian National and Wisconsin Central coming to an agreement to merge into one company. We give this our full support. We feel it will make rail traffic more efficient in moving material from Canada to the United States.

Phone: 715-526-3165 **Fax:** 715-526-5883
e-mail: webply@frontiernet.net

We also look forward to better access of equipment in the form of the type of rail car we need to transport logs. The winter months are when there is a heavier traffic volume for the movement of logs. In the past there have been delays in receiving bulkhead flat cars to move our material. We feel that there will be better access to the cars we need with the combined car pool of both companies.

We feel the merger of the Canadian National and Wisconsin Central will benefit all involved. From a customer outlook, this will streamline a lot of the movement of the rail traffic in our region of the country, and make the railroad more cost effective. Also having the benefit of a large class one railroad servicing our area could open up other opportunities for Weber Veneer & Plywood.

I, Michael J. Ihrcke, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further , I certify that I am Qualified and authorized to file this verified statement. Executed on 3/23/01

Michael J. Ihrcke

VERIFIED STATEMENT
of
THOMAS W. EVANS
on behalf of
WEIRTON STEEL CORPORATION

My name is Thomas W. Evans. I am the Vice President-Materials Management for Weirton Steel Corporation in Weirton, West Virginia. My job responsibilities include all traffic and transportation, as well as purchasing. I have held this position since April, 1986. Prior to this I held similar positions with Sharon Steel Corp. and Youngstown Sheet and Tube Co.

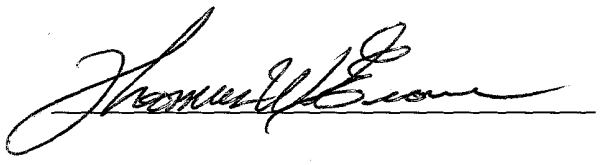
Weirton is a producer of basic low carbon steel and sells Hot Rolled, Cold Rolled, Galvanized, and Tin Plate products. The company employees 4000 people and ships approximately 2.6 million net tons per year. Weirton Steel is not directly served by the Wisconsin Central System.

Weirton supports the proposed merger of WC and Canadian National Railway Company (CN). We believe the transaction will strengthen the North American transportation network and benefit us as rail shippers. Together, the combined CN/WC will be able to offer new single-line service and faster, more reliable transportation to points throughout the United States and Canada. The combination also will provide an opportunity for the improvement of operations through the busy and often congested Chicago gateway.

We believe inclusion of WC within the larger CN system will ensure the continued long-term viability and vitality of the excellent service we currently receive from WC. A CN/WC merger will create a strong railroad partnership with the resources and market reach to meet shippers' needs and to compete more effectively with motor carriers and other railroads. Because of the entirely end-to-end nature of the existing CN and WC systems, we see no competitive issues arising from the proposed transaction.

We believe that a CN/WC combination will foster the kind of efficient service and effective competition that rail shippers require. Weirton supports the proposed transaction.

I, Thomas W. Evans, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct, and that I am qualified and authorized to file this statement.



Dated: April 3, 2001

WEST BAY FOREST PRODUCTS & MFG. LTD.
PHONE: (604) 881-2850 FAX: (604) 881-0259
9770 – 199A Street Langley, B.C. Canada V1M 2X7
TOLL FREE PHONE: 1-800-688-1108

VERIFIED STATEMENT
OF
ROY TAKAHASHI
ON BEHALF
OF
WEST BAY FOREST PRODUCTS

To Whom It May Concern:

My name is Roy Takahashi, Traffic Manager of West Bay Forest Products & Mfg. Ltd. for the past 13 years.

West Bay Forest Products is a Lumber Manufacturer, which ships their products by rail and trucks to the US market. Our company has been steadily increasing shipments over to rail with CN during the past few months and would continue the trend especially in view of the proposed merger.

Our company supports the proposed merger between Wisconsin Central and Canadian National which should enable us to expand our trans-border business thus benefiting both parties as well as our customers.

I hope that you will give this proposed merger serious consideration so that we may utilize their expanded network of services as soon as possible.

Roy Takahashi

Roy Takahashi

Traffic Manager/West Bay Forest Products & Mfg. Ltd.

WBCW
WEST BEND COMMERCIAL
WAREHOUSE, INC.
"An Affiliate of Kreilkamp Trucking, Inc."

March 22, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N,W,
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control –
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

West Bend Commercial Warehouse is a warehousing company located in West Bend, WI, served by the Wisconsin Central. We store products for our customers, and also receive from them and ship to them by rail and truck. Our business with Wisconsin Central consists of receiving inbound shipments of steel, tinplate, aluminum, paper and other products, and also some shipping outbound. Our rail business is rapidly expanding, and we are currently in the process of increasing our rail doors from five to nine.

With the proposed merger of CN and WC, I foresee advantages such as single line service on a variety of products, the potential for improved equipment utilization, and the possibility of new shipping and receiving opportunities through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating the need for CN – WC interchange at Chicago, IL and Superior, WI, thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, West Bend Commercial Warehouse strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Jeff Schramm, declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 22, 2001.

Sincerely,

Jeff Schramm
General Manager

3321 Highway D • West Bend, WI 53095
414/338-4001
Fax 414/338-3929

Mike Nast
Western Lime Corporation
137 James Street
Green Bay, WI 54303
920-437-4054 fax 920-437-3031

Western Lime Corporation

March 23, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re:Canadian National . Control . Wisconsin Central
(STB Finance Docket No. 34000)

Mike Nast
Pant Manager, Operations Supervisor
Western Lime Corporation
137 James Street
Green Bay, WI 54303

Dear Mr. Williams,

Western Lime operates two lime-manufacturing sites in Wisconsin, both of which are serviced by Wisconsin Central. At our Eden plant, we produce dolomitic pebble lime, dolomitic hydrated lime, and mortar for the construction and steel industries. These products are shipped by rail to the East and West Coast as well as the southern United States. At our Green Bay plant, we produce high calcium pebble lime, and high calcium hydrated lime for paper, steel, and water treatment. High Calcium pebble lime is shipped by rail within the state of Wisconsin and Minnesota. In total, Western Lime ships over 700 carloads per year. Many of these carloads are currently multiple line shipments.

The Wisconsin Central Railroad has been very good for Western Lime Corporation. Our rail business has grown steadily, but we have been limited by the size of the Wisconsin Central system. A merger with the CN would allow Western Lime Corporation to access a much larger geographic area without multiple line delivery. The Canadian National/Wisconsin Central system will link the Northeast and Northwest and lower Midwest, and create single rail line which will fit our sales area well. We anticipate faster and more reliable single line service to existing customers. We also hope the merger of Wisconsin Central and Canadian National railroads will open new markets that can be serviced by rail at lower cost.

Western Lime Corporation anticipates a smooth transition and integration of Wisconsin Central into the Canadian National system. The merger takes advantage of the simple end-to-end nature of the two railroads.

Western Lime Corporation sees the merger as a positive step in better servicing our customers. Our company supports the application.

Sincerely,

Mike Nast
Plant Manager/Operations Supervisor

I, Mike Nast, declare under the penalty of perjury under the laws of the United States that the forgoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on 03/02/01.

Mike Nast
Plant Manager/Operations Supervisor

Westside
Warehousing of
Wausau, LLC

840 South 62nd Avenue
Wausau, WI 54401
Phone 715-845-8263
Fax 715-845-8264

March 14, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K St. NW
Washington DC 29423-0001

Re: Canadian National Railway-Control
Wisconsin Central Transportation Corp
(SFTB Finance Docket No. 34000)

My name is David McGregor. I am the General Manager of Westside Warehousing of Wausau, LLC in Wausau Wi. We are a public warehouse and have recently added a rail unloading platform to greatly improve sevice to our area. We immediately experienced a large increase in business volume. We believe that a merger of WC and CN would greatly enhance our current business and provide many opportunities for additional growth.

Improved service will be enhanced by eliminating need for a CN-WC interchange in Chicago,thereby cutting delivery times drastically.

One issue STB must address is the extent the proposed combination affects competition.The increased competition amongst rail carriers, between CN/WC and truck carriers will allow us to reach distant markets via single line service. There should be no reduced competition as CN/WC are end-to-end carriers.

You can expect the acquisition and integration to proceed smoothly due to its end to end nature and CN's prior experience.

In conclusion, Westside Warehousing of Wausau, LLC strongly supports the proposed transaction.

I, David McGregor, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. I further certify that I am qualified to file this statement.Executed on March 14, 2001

Sincerely,

David McGregor

Wheeling Pittsburgh
STEEL CORPORATION

Raymond F. Barnett
Manager - Traffic Services & Affiliates
TRAFFIC & TRANSPORTATION DEPARTMENT

PHONE: (304) 234-2377
FAX: (304) 234-2823

March 29, 2001

Wisconsin Central Ltd
One O'Hare Centre
6250 North River Road
Suite 9000
Rosemont, IL 60018

Gentlemen:

My name is Raymond F. Barnett. I am the Manager of Transportation Services and Affiliates for Wheeling-Pittsburgh Steel Corporation (WPSC) in Wheeling, WV. In my position, I am responsible for Truck, Rail and Barge transportation responsibilities. I have held my current position since September, 1998 and have been employed by Wheeling-Pittsburgh Steel Corporation in the current capacity since my hiring. I worked for two other steel manufacturers and the Penn Central Railroad plus several trucking companies in my career.

WPSC is a manufacturer of Hot Roll, Cold Roll and Galvanized steel sheet for various markets. Our six facilities in the Ohio Valley are served by the Norfolk Southern or W&LE Railroad. Currently the W&LE and NS railroads have interchange capabilities with the CN Railroad to provide us with service to North American Market Areas. The availability of efficient, competitive rail service is important to WPSC and to our competitiveness within our North American Markets.

WPSC supports the proposed merger of Wisconsin Central Ltd and Canadian National Railway Company. Together, the combined CN/WC will be able to offer new joint line service and faster more reliable transportation to points throughout the United States and Canada. The combination also will provide an opportunity for the improvement of operations through the busy and often congested Chicago gateway.



We believe inclusion of Wisconsin Central within the larger CN System will ensure WPSC more availability of special-equipment needed for the Chicago and North American Markets. Because of the entirely end to end nature of the existing CN and WC systems, we see no competitive issues arising from the proposed transaction.

WPSC supports the proposed transaction and we encourage the Board's favorable consideration of the CN/WC transaction and the transportation and services benefits it will bring.

Sincerely,

Raymond F. Barnett
Manager - Traffic Services & Affiliates

RFB/ksd/CN/WC.ltr

Wolf Bros. Sawmill, Inc.
Box 32
Stetsonville, WI 54480
Ph (715) 678-2177 Fax(715) 678-2835

March 5, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423-0001

Re: Canadian National Railway Company – Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

My name is Lyle Wolf. I own and operate the Wolf Bros. Sawmill, Inc. of Stetsonville, WI.

Wolf Bros. does customized sawing, mainly for wood treators specializing in Decking and Landscaping Timbers. Our sawmill at Stetsonville is served by the WC.

WC includes the Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway, Inc. and Wisconsin Chicago Link Ltd.

CN includes the Illinois Central Railroad, Chicago, Central & Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth, Winnipeg & Pacific Railway, Waterloo Railway Company, ECO Rail Inc., Quebec and Lake St. John Railway and Canadian Northern Quebec Railway.

Our firm needs rail service if we are to successfully expand our markets. Merger of CN and WC will afford the advantages of single line service as well as greatly assist our firm in finding those critical new markets through the expanded reach of CN.

Improved service will be enhanced by eliminating need for a CN – WC interchange at Chicago, thereby creating the potential for shippers to enjoy expedited service through the busy Chicago gateway.

One issue STB must address is the extent the proposed combination affects competition. For example, increased competition amongst rail carriers, between CN/WC and truck carriers will allow industries in this area to reach more distant markets via single line service.

Also, there should be no reduced competition as CN and WC are end – to – end carriers.

You can expect the acquisition and integration to proceed smoothly and efficiently due to its end to end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

In conclusion, Wolf Bros.Sawmill, Inc.strongly supports the proposed transaction.

I, Lyle Wolf, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement.
Executed on March 6, 2001.

Sincerely,

Lyle Wolf

FROM CN IC HQ. (FRI) 3. 9'01 15:19/ST. 15:18/NO. 4861610740 P 2

Woods Run Forest Products, Inc.

310 West 3rd Avenue Colfax, WI 54730
715-962-3608 • Fax 715-962-3253

March 21, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Canadian National Railway Company - Control
Wisconsin Central Transportation Corporation
(SFTB Finance Docket No. 34000)

My name is Tom Wittek. I serve as Vice President of Woods Run Forest Products, Inc. located in Colfax Wisconsin. I am in charge of general operations, which includes inbound and outbound transportation.

Woods Run Forest Products consists of 2 sawmills and 2 wood pressure treating plants all located in Colfax. Woods Run along with our customers bring 30-40% of our annual production into our facility by rail car. Loosing our rail service would be crippling to our company. In fact, last year we built an addition on to one of our treating facilities specifically to handle car load quantities.

WC includes the Wisconsin Central Ltd, Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, Algoma Central Railway, Inc. and Wisconsin Chicago Link Ltd.

CN includes the Illinois Central Railroad, Chicago, Central & Pacific Railroad, Cedar River Railroad, Grand Trunk Western Railroad, Duluth Winnipeg & Pacific Railway, Waterloo Railway Company, ECO Rail Inc., Quebec and Lake St. John Railway and Canadian Northern Quebec Railway.

Our firm needs rail service if we are to successfully expand our markets. Merger of CN and WC will afford the advantages of single line service as well as greatly assist our firm in finding those critical new markets through the expanded reach of CN.

Improved service will be enhanced by eliminating the need for a CN - WC interchange at Chicago, thereby creating the potential for shippers to enjoy expedited service through the busy Chicago gateway.

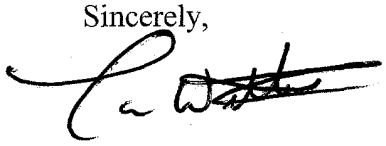
One issue STB must address is the extent the proposed combination affects competition. For example, increased competition amongst rail carriers, between CN/WC and truck carriers will allow industries in this area to reach more distant markets via single line service. Also there should be no reduced competition as CN and WC are end - to - end carriers.

You can expect the aquisition and integration to proceed smoothly and efficiently due to its end to end nature and CN's prior experience with integration of the IC, a larger carrier than WC.

In conclusion, Woods Run Forest Products, Inc. strongly supports the proposed transaction.

I, Tom Wittek, declare under penalty of perjury under the laws of the United States the foregoing is true and correct. Further, I certify I am qualified and authorized to file this verified statement.
Executed on March 21st, 2001

Sincerely,



Tom Wittek
Vice President
Woods Run Forest Products, Inc.

llh/TFW

WORLD DISTRIBUTION GROUP
DISPLAY GRAPHICS

2100 West 16th Street
Broadview, IL 60155
Phone: 708.344.4545
Fax: 708.344.4346

March 8, 2001

VERIFIED STATEMENT
OF
DOUGLAS SHARFSTEIN
on behalf of
World Distribution Group

Re: Canadian National – Control – Wisconsin Central, (STB Finance Docket No. 34000)

Dear Secretary Williams:

I am President of World Distribution Group, a third party logistics provider with annual sales of over $5 million. We are a major shipper and receiver of forest products with two facilities in Chicago, IL. One facility is located directly on the IC / CN and the second is located on a small line that directly interchanges with the BN and IC / CN. We receive in over 100,000 tons of containerboard and other forms of paper via rail annually and supply a majority of paper converters / printers in the midwest. We have recently begun handling food commodities that come in via rail as well.

I have been working in the paper business for my entire life and have been involved with warehousing, distribution and transportation for the last 10 years, not limited to routing truck and rail traffic.

The majority of our outbound activity is via truck, however we do occasionally ship via rail, however, approximately 85% of our inbound traffic comes to us via rail. We received over 2500 railcars in 1999 between our two distribution centers and will probably be well over 3500 in 2000.

We understand that the WC and CN are requesting authority to enter into a transaction that would put them under common control. We support this application as the combined company will create a rail network that offers significant opportunities for service improvements and efficiencies. We feel that this combination will improve transit times from shippers coming to the Midwest from all over the U.S. and Canada.

We also feel that this new combined organization will help attract more customers due to more direct rail access to our facilities from new markets.

World Distribution Group supports this proposed combination and believes it will greatly benefit shippers.

I, Douglas Sharfstein, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on, 3-8-2001.

Respectfully Submitted,

Douglas R. Sharfstein
President

OFFICIAL SEAL
GENEVIEVE GROSS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 10/01/04

Genevieve Gross 3/8/01

Xcel Energy™

301 East Lake Shore Drive
Ashland, WI 54806
Telephone (800) 895-4999

March 26, 2001

Verified Statement of John T. Podlesny on behalf of XCEL Energy

My name is John T. Podlesny. I am an Economic Development Consultant for XCEL Energy, based in Ashland, Wisconsin. I have been involved in this field for over 20 years. I serve 12 Northwestern Wisconsin Counties and the Western portion of the Upper Peninsula of Michigan. I have no four lane freeways in my service territory. Rail service is an essential part of the transportation picture.

We are a resource based area. Rail service is an necessary for the area to survive. Wood, and coal are economically transported by rail and especially since the Wisconsin Central Rail Road took over the old Soo Line System in my territory.

Our customers and region have benefited from and depend upon the WC system for survival. The merger of the Canadian National Railway Company with the WC system is viewed as positive for all concerned. The city of Ashland, Wisconsin has developed a Rail Road Industrial Park and are hoping to expand it. To be able to connect to the Canadian National system is a plus.

I understand that the CN places a high priority on economic development matters. Bob Larsen of the WC is viewed as an "economic development friend" for this region and we hope the CN continues this position.

I thank you for your consideration in this matter.

Yours truly,

John T. Podlesny
Economic Development Consultant
EXCEL Energy.

ZOLL Stone & Brick, Inc.

March 13, 2001

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Canadian National
Control – Wisconsin Central
(STB Finance Docket No. 34000)

Dear Mr. Secretary:

Our company is way up north in the frozen tundra of Green Bay, WI.

The reason I bring this up is because we are almost at the end of all the railroad commerce in the United States. With that in mind, we would like you to support the merger of Canadian National & Wisconsin Central, as it would give us better service because of the connections north of Green Bay with the CN Railroad.

Green Bay is a manufacturing city and needs this merger to stay strong in the weakening economy.

We in Green Bay feel we need to be in a railroad system and not just at the end of the line.

Would you please support the merger of the Canadian National & Wisconsin Central Railroad.

Sincerely,

ZOLL STONE & BRICK, INC.

Wayne G. Destree
President

WGD:ck

1425 S. Ashland Avenue • Green Bay, Wisconsin 54304-3698 • (920) 432-6438



March 16, 2001

Mr. Vernon A. Williams
Surface Transportation Board
1925 K Street N.W.
Washington, DC 20423 – 0001

Re: Canadian National Railway Company – Control –
Wisconsin Central Transportation Corporation
(STB Finance Docket No. 34000)

Zuern Building Products Inc. is a retail lumber and building products company located in Allenton, WI, served by the Wisconsin Central. We sell these products to the general public and also perform other services for our customers. Our business with Wisconsin Central consists of receiving lumber inbound from many points in North America, including several points in Canada. Our rail usage has been increasing dramatically in recent years.

With the proposed merger of the CN and WC, I foresee advantages such as single line service on the Canadian and other business, the potential for improved equipment utilization and the possibility of buying from new markets through the expanded reach of the Canadian National rail network.

I strongly support this application, as it will secure a key link in CN's network, and offer opportunities for service improvements and efficiencies. Improved service will be enhanced by eliminating need for CN – WC interchange at Chicago, IL and Superior, WI, thereby creating the potential for shippers to enjoy expedited service through WC's gateways. Also, there should be no reduced competition, as CN and WC are end to end carriers. In fact, the service improvements should assist in making rail more competitive against trucks.

In conclusion, Zuern Building Products, Inc. strongly supports the proposed transaction and urges the STB to treat this as a minor transaction.

I, Donald Zuern, declare under penalty of perjury under the laws of the United states that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on March 16, 2001.

Sincerely,

Don Zuern

P.O. BOX 378 • ALLENTON, WISCONSIN 53002
(414) 629-5551

P.O. BOX 317 • WATERTOWN, WISCONSIN 53094
(920) 261-5676

AGREEMENT
(Exhibit 2)

[CONFORMED COPY]

AGREEMENT AND PLAN OF MERGER

dated as of

January 29, 2001

among

WISCONSIN CENTRAL TRANSPORTATION CORPORATION,

CANADIAN NATIONAL RAILWAY COMPANY

and

WC MERGER SUB, INC.

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER dated as of January 29, 2001 among Wisconsin Central Transportation Corporation, a Delaware corporation (the "**Company**"), Canadian National Railway Company, a Canadian corporation ("**Parent**"), and WC Merger Sub, Inc., a Delaware corporation and an indirect wholly-owned subsidiary of Parent ("**Merger Subsidiary**").

The parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.01. *Definitions*. (a) The following terms, as used herein, have the following meanings:

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement, any offer or proposal for, any indication of interest in, or any inquiry from any Third Party relating to, (A) a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving (i) the Company or (ii) any one or more of its Subsidiaries which, individually or in the aggregate, have an aggregate value equal to 10% or more of the Company's market capitalization, (B) any purchase of any assets of the Company or any of its Subsidiaries having an aggregate value equal to 10% or more of the Company's market capitalization, (C) any purchase of, or tender or exchange offer for, 10% or more of the Company's or any of its Subsidiaries' equity securities with (in the case of equity securities of any one or more Subsidiaries of the Company) an aggregate value equal to 10% or more of the Company's market capitalization or (D) any other transaction the consummation of which would reasonably be expected to prevent or materially delay the Merger.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person.

"Business Day" means a day, other than Saturday, Sunday or any other day on which commercial banks in Montreal, Quebec, Chicago, Illinois or New York, New York are authorized or required by Law to close.

"**Canadian Plan**" means any employment, severance or similar contract or arrangement or any plan, policy, fund, program or arrangement or contract

providing for severance, insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, pension or retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or benefits that (i) is not an Employee Plan, (ii) is entered into, maintained, administered or contributed to by the Company or any of its Subsidiaries and (iii) covers any current or former Canadian employee of the Company or any of its Subsidiaries.

"**Code**" means the Internal Revenue Code of 1986.

"**Company Balance Sheet**" means the unaudited Consolidated Balance Sheet of the Company as of September 30, 2000 and the footnotes thereto set forth in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2000.

"**Company Balance Sheet Date**" means September 30, 2000.

"**Company Stock**" means the common stock, $.01 par value, of the Company.

"**Company 10-K**" means the Company's annual report on Form 10-K for the fiscal year ended December 31, 1999.

"**Competition Act**" means the *Competition Act* (Canada).

"**Confidentiality Agreement**" means the Confidentiality Agreement dated as of November 17, 2000 between the Company and Parent.

"**Data Room**" means the data room located at the offices of McLachlan, Rissman & Doll made available to Parent on December 20 and 21, 2000 and the real property and environmental records available at the Company's offices in Rosemont, Illinois and made available to Parent on the same dates and such other documents as have been delivered by the Company to Parent or its representatives prior to the execution of this Agreement.

"**Delaware Law**" means the General Corporation Law of the State of Delaware.

"**Disclosure Letter**" means the disclosure letter of the Company dated as of the date of this Agreement and delivered to Parent simultaneously with the execution and delivery by the Company of this Agreement.

"**Environmental Laws**" means any federal, state, local or foreign law (including, without limitation, common law), treaty, judicial decision, regulation, rule, judgment, order, decree, injunction, permit or governmental restriction or requirement or any agreement with any governmental authority or other third party relating to the protection of human health and safety from exposure to hazardous substances, the environment or to pollutants, contaminants, wastes or chemicals or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substances, wastes or materials.

"**Environmental Permits**" means all permits, licenses, franchises, certificates, approvals and other similar authorizations of governmental authorities relating to or required by Environmental Laws and affecting the business of the Company or any Subsidiary of the Company as currently conducted.

"**ERISA**" means the Employee Retirement Income Security Act of 1974.

"**ERISA Affiliate**" of any entity means any other entity that, together with such entity, would be treated as a single employer under Section 414 of the Code.

"**EWS**" means English Welsh & Scottish Railway Holdings Limited, a company organized under the laws of England and Wales.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"**Law**" means any federal, state, local or foreign law, statute, ordinance, rule, regulation, judgment, injunction, order or decree.

"**Lien**" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance in respect of such property or asset. For purposes of this Agreement, a Person shall be deemed to own subject to a Lien any property or asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property or asset.

"**Material Adverse Effect**" means, with respect to any Person, a material adverse effect on (i) the financial condition, business, assets or results of operations of such Person and its Subsidiaries, taken as a whole, or (ii) the ability of such Person to perform its obligations under this Agreement, other than, in the case of clause (i), any such effect arising out of or resulting from (x) changes in conditions, including economic, regulatory or political developments, applicable to the railway industry generally, (y) changes in the financial markets generally or (z) the announcement of the Merger.

"**1933 Act**" means the Securities Act of 1933.

"**1934 Act**" means the Securities Exchange Act of 1934.

"**Parent Common Stock**" means the common shares, without par value, in the capital of Parent.

"**Plan Year**" means each annual period commencing on July 1.

"**PBGC**" means the Pension Benefit Guaranty Corporation.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"**SEC**" means the Securities and Exchange Commission.

"**Subsidiary**" means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the Board of Directors or other persons performing similar functions are at any time directly or indirectly owned by such Person.

"**Third Party**" means any Person other than Parent or any of its Subsidiaries.

Any reference in this Agreement to a statute shall be to such statute, as amended from time to time, and to the rules and regulations promulgated thereunder, and any reference to a regulatory or governmental authority shall be a reference to such authority and any successor to such authority, except that any representation and warranty (other than those set forth in Section 4.10) relating to any specific statute, rule or regulation shall refer only to the specific statute, rule or regulation as in effect on the date of this Agreement.

(b) Any statement made to the "knowledge of the Company" shall mean that such statement is made only to the actual knowledge of any of Thomas F. Power, Ronald G. Russ, Walter C. Kelly, J. Reilly McCarren, Janet Gilbert, Robert Wheeler or Thomas Rissman.

(c) Each of the following terms is defined in the Section set forth opposite such term:

Term	**Section**
Adjusted Option	2.04

Term	Section
Certificates	2.03
Commissioner	9.01
Company Payment Event	11.04
Company Proxy Statement	4.10
Company SEC Documents	4.08
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Option	2.04
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STB	4.03
Surviving Corporation	2.01

ARTICLE 2
THE MERGER

SECTION 2.01. *The Merger.* (a) At the Effective Time, Merger Subsidiary shall be merged (the "**Merger**") with and into the Company in accordance with the Delaware Law, whereupon the separate existence of Merger Subsidiary shall cease, and the Company shall be the surviving corporation (the "**Surviving Corporation**").

(b) As soon as practicable, but in no event more than two Business Days, after satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Merger (other than those conditions that by their nature are to be satisfied at the Effective Time, with the consummation of the Merger to remain subject to the satisfaction or waiver of such conditions), the Company and Merger

Subsidiary will file a certificate of merger with the Delaware Secretary of State and make all other filings or recordings required by Delaware Law in connection with the Merger. The Merger shall become effective at such time (the "**Effective Time**") as the certificate of merger is duly filed with the Delaware Secretary of State (or at such later time as the parties may agree to specify in the certificate of merger).

(c) From and after the Effective Time, the Surviving Corporation shall possess all the rights, powers, privileges and franchises and be subject to all of the obligations, liabilities, restrictions and disabilities of the Company and Merger Subsidiary, all as provided under Delaware Law.

SECTION 2.02. *Conversion of Shares.* At the Effective Time:

(a) subject to Section 2.02(b), each share of Company Stock outstanding immediately prior to the Effective Time (other than shares held by Dissenting Stockholders) shall be converted into the right to receive $17.15 in cash, without interest (the "**Merger Consideration**");

(b) each share of Company Stock held by Parent, the Company or any Subsidiary of Parent or the Company immediately prior to the Effective Time shall be canceled, and no payment shall be made with respect thereto; and

(c) each share of common stock of Merger Subsidiary outstanding immediately prior to the Effective Time shall be converted into and become one share of common stock of the Surviving Corporation with the same rights, powers and privileges as the shares so converted and shall constitute the only outstanding shares of capital stock of the Surviving Corporation.

SECTION 2.03. *Surrender and Payment.* (a) Prior to the Effective Time, Parent shall appoint an agent (the "**Paying Agent**") reasonably satisfactory to the Company, for the purpose of exchanging certificates representing shares of Company Stock (the "**Certificates**") for the Merger Consideration. Concurrently with the Effective Time, Parent will deposit, or cause to be deposited, with the Paying Agent, as needed, the Merger Consideration to be paid in respect of the shares of Company Stock. Promptly after the Effective Time (and in any event within five Business Days), Parent will send, or will cause the Paying Agent to send, to each holder of shares of Company Stock at the Effective Time a letter of transmittal and instructions (which shall specify that the delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery of the Certificates to the Paying Agent) for use in such exchange.

(b) Each holder of shares of Company Stock that have been converted into the right to receive the Merger Consideration will be entitled to receive, upon surrender to the Paying Agent of a Certificate, together with a properly completed letter of transmittal, the Merger Consideration payable in respect of the Company Stock represented by such Certificate. Until so surrendered, each such Certificate shall represent from and after the Effective Time for all purposes only the right to receive such Merger Consideration. No interest shall be paid or will accrue on the Merger Consideration payable pursuant to the provisions of this Article 2.

(c) If any portion of the Merger Consideration is to be paid to a Person other than the Person in whose name the Certificate is registered, it shall be a condition to such payment that the Certificate so surrendered shall be properly endorsed or otherwise be in proper form for transfer and that the Person requesting such payment shall pay to the Paying Agent any transfer or other taxes required as a result of such payment to a Person other than the registered holder of such Certificate or establish to the satisfaction of the Paying Agent that such tax has been paid or is not payable.

(d) From and after the Effective Time, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of shares of Company Stock. If, at or after the Effective Time, Certificates are presented to the Surviving Corporation, they shall be canceled and exchanged for the Merger Consideration provided for, and in accordance with the procedures set forth, in this Article 2.

(e) Any portion of the Merger Consideration made available to the Paying Agent pursuant to Section 2.03(a) that remains unclaimed by the holders of shares of Company Stock six months after the Effective Time shall be returned to Parent, upon demand, and any such holder who has not exchanged such shares of Company Stock for the Merger Consideration in accordance with this Section 2.03 prior to that time shall thereafter look only to Parent for payment of the Merger Consideration in respect of such shares, without any interest thereon. Notwithstanding the foregoing, Parent shall not be liable to any holder of shares of Company Stock for any amounts paid to a public official pursuant to applicable abandoned property, escheat or similar Laws.

SECTION 2.04. *Stock Options*. (a) The terms of each outstanding option to purchase shares of Company Stock under any employee or director stock option or compensation plan or arrangement of the Company (an "**Option**") shall be adjusted as necessary to provide that, at the Effective Time, each Option outstanding immediately prior to the Effective Time shall be deemed to constitute an option (an "**Adjusted Option**") to acquire, on the same terms and conditions as were applicable under such Option (including, without limitation, the existing

vesting terms and expiration date applicable to each such Option), the number of shares of Parent Common Stock equal to the product of (A) and (B), where (A) is the number of shares of Company Stock subject to such Option and (B) is the Merger Consideration divided by the average of the closing sales prices of Parent Common Stock on the New York Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the day preceding the Effective Time (rounded down to nearest whole number), at an exercise price per share of Parent Common Stock (rounded up to the nearest whole cent) equal to (x) divided by (y), where (x) is the aggregate exercise price for the shares of Company Stock subject to such Option and (y) is the aggregate number of shares of Parent Common Stock purchasable pursuant to the Adjusted Option (as calculated immediately above); *provided* that, in the event that an Option is an "incentive stock option" within the meaning of Section 422 of the Code or the adjustment of any Option as provided above would cause the corresponding Adjusted Option to receive variable accounting treatment, then the option price, number of shares and the terms and conditions of exercise of the Adjusted Option corresponding to such Option shall be determined in order to comply with Section 424 of the Code.

(b) Parent shall take such actions as are necessary for the adjustment of the Options, pursuant to Section 2.04(a), including the reservation, issuance and listing of Parent Common Stock to the extent necessary to effectuate the transactions contemplated by Section 2.04(a). Parent shall use its reasonable best efforts to maintain with the SEC a registration statement on an appropriate form with respect to the shares of Parent Common Stock subject to each Adjusted Option.

SECTION 2.05. *No Appraisal Rights.* In accordance with *Schwabacher v. United States*, 334 U.S. 182 (1948), stockholders of the Company shall not have any appraisal or similar rights; *provided* that, if the STB or a court of competent jurisdiction determines that appraisal rights are available to holders of shares of Company Stock, then holders exercising such rights (the "**Dissenting Stockholders**") shall be provided with appraisal rights in accordance with Delaware Law to the extent required under Delaware Law. The Company shall give Parent prompt notice of any demands received by the Company for appraisal of shares of Company Stock, and Parent shall have the right to assume control of all negotiations and proceedings with respect to such demands. The Company shall not, except (i) with the prior written consent of Parent or (ii) as otherwise required by applicable Law, make any payment with respect to, or settle or offer to settle, any such demands.

SECTION 2.06. *Adjustments.* If, during the period between the date of this Agreement and the Effective Time, any change in the outstanding shares of Company Stock shall occur by reason of any reclassification, recapitalization,

stock split (including reverse stock split) or combination, exchange or readjustment of shares, merger, subdivision, issuer tender offer or exchange offer, stock dividend or distribution or other similar transaction, the Merger Consideration shall be appropriately adjusted to reflect such event.

SECTION 2.07. *Withholding Rights.* Each of the Surviving Corporation and Parent shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Article 2 such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of applicable tax Law. If the Surviving Corporation or Parent, as the case may be, so withholds amounts, such amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Stock (or options thereon) in respect of which the Surviving Corporation or Parent, as the case may be, made such deduction and withholding.

SECTION 2.08. *Lost Certificates.* If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such Person of a bond, in such reasonable amount as the Surviving Corporation may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent will issue, in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration to be paid in respect of the shares of Company Stock represented by such Certificate, as contemplated by this Article 2.

ARTICLE 3
THE SURVIVING CORPORATION

SECTION 3.01. *Certificate of Incorporation.* The certificate of incorporation of the Company shall be amended in the Merger to read in its entirety as set forth on Exhibit A hereto and as so amended shall be the certificate of incorporation of the Surviving Corporation until amended in accordance with applicable Law.

SECTION 3.02. *Bylaws.* The bylaws of the Company shall be amended in the Merger to read in their entirety as set forth on Exhibit B hereto and as so amended shall be the by-laws of the Surviving Corporation until amended in accordance with applicable Law.

SECTION 3.03. *Directors and Officers.* From and after the Effective Time, until their resignation or removal or until they otherwise cease to be directors or

officers of the Surviving Corporation and their successors are duly elected or appointed and qualified in accordance with applicable Law, (i) the directors of Merger Subsidiary at the Effective Time shall be the directors of the Surviving Corporation and (ii) the officers of the Company at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Parent, as of the date of this Agreement and as of the Effective Time, that, except as set forth in the Disclosure Letter:

SECTION 4.01. *Corporate Existence and Power.* The Company is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware and has all corporate powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted, except for those licenses, authorizations, permits, consents and approvals the absence of which has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The Company included in the Data Room true and complete copies of the certificate of incorporation and bylaws of the Company as in effect on the date of this Agreement.

SECTION 4.02. *Corporate Authorization.* (a) The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby are within the Company's corporate powers and, except for the required approval of the Company's stockholders in connection with the consummation of the Merger, have been duly authorized by all necessary corporate action on the part of the Company. The affirmative vote of the holders of a majority of the outstanding shares of Company Stock is the only vote of the holders of any of the Company's capital stock necessary in connection with the consummation of the Merger. This Agreement constitutes a valid and binding agreement of the Company.

(b) At a meeting duly called and held, the Company's Board of Directors has (i) unanimously determined that this Agreement and the transactions contemplated hereby are fair to and in the best interests of the Company's stockholders, (ii) unanimously approved this Agreement and declared it advisable and (iii) unanimously resolved (subject to Section 6.02) to recommend approval and adoption of this Agreement by its stockholders.

SECTION 4.03. *Governmental Authorization.* The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby require no action by or in respect of, or filing with, any governmental body, agency, official or authority, domestic, foreign or supranational, other than (i) the filing of a certificate of merger with respect to the Merger with the Delaware Secretary of State to consummate the Merger, (ii) compliance with any applicable requirements of the HSR Act to consummate the Merger, (iii) the filing with the Canadian Competition Bureau of a pre-merger notification pursuant to Part IX of the Competition Act and any additional information advisable under the Competition Act to consummate the Merger, (iv) compliance with any applicable requirements of the United States Surface Transportation Board (the "**STB**") related to the approval or exemption of the Merger, (v) compliance with any applicable requirements of the 1933 Act, the 1934 Act, and any other applicable securities Laws to consummate the Merger, (vi) compliance with any applicable requirements of the Defense Production Act of 1950, as amended (commonly known as Exon-Florio), (vii) required filings and approvals in Australia, New Zealand and the United Kingdom to consummate the Merger and (viii) any actions or filings the absence of which would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

SECTION 4.04. *Non-contravention.* The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) contravene or conflict with any provision of the certificate of incorporation or bylaws of the Company, (ii) assuming compliance with the matters referred to in Section 4.03, contravene, conflict with or constitute a violation of any provision of any applicable Law, (iii) require any consent or other action by any Person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation of any Person or the loss of any benefit to which the Company or any of its Subsidiaries is entitled under any provision of any agreement or other instrument binding upon the Company or any of its Subsidiaries or any license, franchise, permit, certificate, approval or other similar authorization affecting, or relating in any way to, the assets or business of the Company and its Subsidiaries or (iv) result in the creation or imposition of any

Lien on any asset of the Company or any of its Subsidiaries, except for such contraventions, conflicts and violations referred to in clause (ii) and for such failures to obtain any such consent or other action, defaults, terminations, cancellations, accelerations, changes, losses or Liens referred to in clauses (iii) and (iv) that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

SECTION 4.05. *Capitalization*. (a) The authorized capital stock of the Company consists of 150,000,000 shares of Company Stock and 1,000,000 shares of preferred stock, par value $1.00 per share. As of January 26, 2001, there were 46,391,357 shares of Company Stock outstanding, as well as employee or director stock options to purchase an aggregate of 2,335,164 shares of Company Stock (of which options to purchase an aggregate of 1,897,039 shares of Company Stock were exercisable). As of the date of this Agreement, there are no shares of preferred stock of the Company outstanding.

(b) Except as set forth in this Section 4.05 and Section 6.05(a) and except for changes since January 26, 2001 resulting from the exercise of employee or director stock options outstanding on such date or issued pursuant to Section 6.05(a), there are no outstanding (i) shares of capital stock or voting securities of the Company, (ii) securities of the Company convertible into or exchangeable for shares of capital stock or voting securities of the Company or (iii) options or other rights to acquire from the Company or any Subsidiary of the Company, or other obligation of the Company to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of the Company (the items in clauses (i), (ii) and (iii) being referred to collectively as the "**Company Securities**").

(c) There are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any of the Company Securities.

(d) All outstanding shares of capital stock of the Company have been, and all shares that may be issued pursuant to the exercise of any Company Stock Option will be, when issued in accordance with the respective terms thereof, duly authorized and validly issued and are (or will be when so issued) fully paid and nonassessable. No shares of Company Stock are owned by any Subsidiary of the Company.

SECTION 4.06. *Subsidiaries*. (a) Each Subsidiary of the Company is a corporation duly incorporated, validly existing and in good standing under the Laws of its jurisdiction of incorporation, has all corporate powers and all governmental licenses, authorizations, permits, consents and approvals required to

carry on its business as now conducted, except for those licenses, authorizations, permits, consents and approvals the absence of which has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. Each such Subsidiary is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. All Subsidiaries of the Company and their respective jurisdictions of incorporation are identified in the Company 10-K. The Company included in the Data Room true and correct copies of the certificate of incorporation and bylaws (or other organizational documents) of each Subsidiary of the Company as in effect on the date of this Agreement.

(b) All of the outstanding capital stock of, or other voting securities or ownership interests in, each Subsidiary of the Company, is owned by the Company, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or other voting securities or ownership interests). There are no outstanding (i) securities of the Company or any of its Subsidiaries convertible into or exchangeable for shares of capital stock or other voting securities or ownership interests in any Subsidiary of the Company or (ii) options or other rights to acquire from the Company or any of its Subsidiaries, or other obligation of the Company or any of its Subsidiaries to issue, any capital stock or other voting securities or ownership interests in, or any securities convertible into or exchangeable for any capital stock or other voting securities or ownership interests in, any Subsidiary of the Company (the items in clauses (i) and (ii) being referred to collectively as the "**Company Subsidiary Securities**"). There are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any of the Company Subsidiary Securities.

SECTION 4.07. *Minority Interests.* (a) Section 4.07(a) of the Disclosure Letter lists, as of the date hereof, (i) the name of each Person (other than any Person that is a Subsidiary of the Company) in which the Company or any of its Subsidiaries owns any capital stock or other equity interests (or any securities convertible into or exchangeable for, or options or other rights to acquire, any capital stock or other equity interests in, any such Person) (each such Person being hereinafter referred to as a "**Minority Interest**") and (ii) the current percentage ownership interest and, to the knowledge of the Company, the fully diluted percentage ownership interest, in each case of the Company or any of its Subsidiaries therein. Section 4.07(a) of the Disclosure Letter lists the governing documents for each Minority Interest (as of the date hereof) as well as each

partnership, joint venture, stockholder or other similar agreement or arrangement to which the Company or any Subsidiary of the Company is a party relating to any Minority Interest or any stockholders or other direct or indirect holders of equity interests in the Minority Interest. The Company included correct and complete copies of each document required to be disclosed pursuant to the immediately preceding sentence in the Data Room. Except for the Minority Interests, neither the Company nor any of its Subsidiaries (i) owns any capital stock or other equity interest (or any securities convertible into or exchangeable for, or options or other rights to acquire, any capital stock or other equity interest) in any Third Party or (ii) is obligated to make any investment in any Third Party such that such Third Party would become a Minority Interest.

(b) The interest of the Company or any of its Subsidiaries in each Minority Interest is owned by the Company or one of its Subsidiaries, directly or indirectly, free and clear of any Lien and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such interest).

(c) Except for agreements or arrangements entered into in connection with any divestiture permitted by Section 6.01(b), Section 4.07(c) of the Disclosure Letter lists each agreement or arrangement (i) between the Company or any of its Subsidiaries, on the one hand, and any Minority Interest or any Person that owns any capital stock or other equity interests (or any securities convertible into or exchangeable for, or options or other rights to acquire, any such capital stock or other equity interests) in any Minority Interest, on the other hand, and (ii) to which the Company or any if its Subsidiaries is a party which (A) has affected or is reasonably likely to affect the ability of Parent to direct and control the Company's or its Subsidiaries' interest in a Minority Interest after consummation of the Merger or (B) evidences (1) any commitment (whether or not contingent) for future investment of capital or otherwise to be directly or indirectly made by the Company or any of its Subsidiaries in any Minority Interest or any of its Subsidiaries or (2) any other future liabilities or obligations in respect thereof of the Company or any of its Subsidiaries. The Company included in the Data Room correct and complete copies of each document required to be disclosed pursuant to this Section 4.07(c).

(d) Except as disclosed pursuant to any of clauses (i) through (vii) of Section 4.03 or any of clauses (i) through (iv) of Section 4.04, the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) require any action by or in respect of, or filing with, any governmental body, agency, official or authority, domestic, foreign or supranational, (ii) contravene, conflict with, or result in any violation or breach of any agreement or arrangement

to which the Company or any of its Subsidiaries is a party relating to any Minority Interest, (iii) to the knowledge of the Company as of the date hereof, assuming compliance with the matters referred to in Section 4.03, contravene, conflict with or result in a violation or breach of any provision of Law applicable to a Minority Interest, (iv) to the knowledge of the Company as of the date hereof, require any consent or other action by any Person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation of any Person or the loss of any benefit to which the Company, any of its Subsidiaries or any Minority Interest is entitled under any provision of any agreement or other instrument binding upon the Company, any of its Subsidiaries or such Minority Interest or any license, franchise, permit, certificate, approval or other similar authorization affecting, or relating in any way to, the assets or business of any Minority Interest (it being understood that, with respect to any agreement or other instrument to which the Company or any Subsidiary of the Company is a party, the representation set forth in this clause (iv) shall be made by the Company without any knowledge qualification and shall not be limited to agreements or instruments in effect as of the date hereof) or (v) to the knowledge of the Company as of the date hereof, result in the creation or imposition of any Lien on any asset of any Minority Interest.

SECTION 4.08. *SEC Filings*. (a) The Company has filed with the SEC all forms, reports, schedules, statements and other documents required to be filed by it since January 1, 1997. Prior to the date of this Agreement, the Company has made available to Parent (i) the Company's annual report on Form 10-K for its fiscal year ended December 31, 1999, (ii) each amendment to each such annual report on Form 10-K, (iii) its quarterly reports on Form 10-Q for its fiscal quarters March 31, 2000, June 30, 2000 and September 30, 2000, (iv) its proxy or information statements relating to meetings of, or actions taken without a meeting by, the stockholders of the Company held since December 31, 1999 and prior to the date of this Agreement, and (v) all of its other reports, statements, schedules and registration statements filed by the Company with the SEC since December 31, 1999 and prior to the date of this Agreement (the documents referred to in this Section 4.08(a), together with any other filings made with the SEC subsequent to the date of this Agreement, the "**Company SEC Documents**").

(b) As of its filing date (or, if amended or superseded by a filing prior to the date of this Agreement, on the date of such filing), each Company SEC Document filed by the Company with the SEC prior to the date of this Agreement complied, and each Company SEC Document filed by the Company with the SEC subsequent to the date of this Agreement will comply, as to form in all material respects with the applicable requirements of the 1933 Act and the 1934 Act, as the case may be.

(c) As of its filing date (or, if amended or superseded by a filing prior to the date of this Agreement, on the date of such filing), each Company SEC Document filed by the Company with the SEC prior to the date of this Agreement pursuant to the 1934 Act did not, and each Company SEC Document filed by the Company with the SEC subsequent to the date of this Agreement will not, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(d) Each Company SEC Document filed with the SEC prior to the date of this Agreement pursuant to the 1933 Act that is a registration statement, as amended or supplemented, if applicable, did not, as of the date such registration statement or amendment became effective, and each Company SEC Document that is a registration statement filed by the Company with the SEC subsequent to the date of this Agreement will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) The Company has not filed any report with the SEC or any other securities authority or regulator or any securities exchange or other self-regulated authority that, as of the date of this Agreement, remains confidential.

SECTION 4.09. *Financial Statements.* (a) The audited consolidated financial statements and unaudited consolidated interim financial statements of the Company and its consolidated Subsidiaries included in the Company SEC Documents filed with the SEC prior to the date of this Agreement fairly present, in all material respects, and the audited consolidated financial statements and unaudited consolidated interim financial statements of the Company and its consolidated Subsidiaries included in any Company SEC Documents filed with the SEC subsequent to the date of this Agreement will fairly present, in all material respects, in conformity with United States generally accepted accounting principles ("**GAAP**") applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim financial statements).

(b) The audited consolidated financial statements of EWS and its consolidated Subsidiaries included in the Company SEC Documents filed with the SEC prior to the date of this Agreement fairly present, in all material respects, and the audited consolidated financial statements of EWS and its consolidated Subsidiaries included in any Company SEC Documents filed with the SEC

subsequent to the date of this Agreement will fairly present, in all material respects, in conformity with generally accepted auditing standards in the United Kingdom applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated financial position of EWS and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended.

SECTION 4.10. *Disclosure Documents*. Without limiting or affecting the provisions of any sub-section of Section 4.08, the proxy or information statement of the Company to be filed with the SEC in connection with the Merger (the "**Company Proxy Statement**") and any amendments or supplements thereto will, when filed, when first mailed to stockholders and at the time stockholders vote on the approval and adoption of this Agreement, comply as to form in all material respects with the applicable requirements of the 1934 Act. At the time the Company Proxy Statement or any amendment or supplement thereto is first mailed to stockholders of the Company and at the time such stockholders vote on the approval and adoption of this Agreement, the Company Proxy Statement, as supplemented or amended, if applicable, will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties contained in this Section 4.10 will not apply to statements or omissions included in the Company Proxy Statement based upon information furnished to the Company in writing by Merger Subsidiary or Parent specifically for use therein.

SECTION 4.11. *Absence of Certain Changes*. Since the Company Balance Sheet Date, the business of the Company and its Subsidiaries has been conducted in the ordinary course consistent with past practices and, except as specifically disclosed in the Company SEC Documents filed with the SEC prior to the date of this Agreement, there has not been (i) any event, occurrence, development or state of circumstances or facts (it being understood that such phrase includes, without limitation, any such event, occurrence, development or state of circumstances or facts arising out of or relating to any Minority Interest) that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company or, (ii) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of the Company, any of its Subsidiaries or any Minority Interest that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. In addition, as of the date hereof, since the Company Balance Sheet Date, neither the Company nor any Subsidiary of the Company has:

(a) other than dividends and distributions (including liquidating distributions) by a direct or indirect wholly-owned Subsidiary of the Company to its parent company, (x) declared, set aside or paid any dividends on, or made any other distributions in respect of, any of its capital stock (except as contemplated by clause (b) below), (y) split, combined or reclassified any of its capital stock or issued or authorized the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or (z) purchased, redeemed, retired or otherwise acquired any shares of its capital stock or the capital stock of any Subsidiaries of the Company or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities;

(b) issued, delivered, sold, pledged or otherwise encumbered any Company Securities or any Company Subsidiary Securities or any securities convertible into, or any rights, warrants or options to acquire, any such Company Securities or any Company Subsidiary Securities, in each case other than (x) pursuant to the exercise of stock options existing on the Company Balance Sheet Date or (y) securities issued by a direct or indirect wholly-owned Subsidiary of the Company to the Company or a direct or indirect wholly-owned Subsidiary of the Company;

(c) adopted, proposed or agreed to any amendment to (A) its certificate of incorporation, by-laws or other comparable organizational documents or (B) a material term of any of its outstanding securities;

(d) sold, leased, licensed, mortgaged or otherwise encumbered, voluntarily subjected to any Lien or otherwise disposed of any of its properties or assets, other than (w) Liens securing intercompany indebtedness, (x) sales, abandonments or other dispositions of railroad equipment and property in the ordinary course of business consistent with past practice, (y) leases and licenses with a term of less than one year of railroad equipment and property in the ordinary course of business consistent with past practice and (z) leases and licenses with a term of at least one year of railroad equipment and property in the ordinary course of business consistent with past practice which, in the case of each of clause (x) and (z), do not exceed in the aggregate $2 million (measured separately with respect to each sub-clause);

(e) made or agreed to make (x) any acquisition (including through a leasing arrangement) (other than of inventory and rolling stock in the ordinary course of business) in excess of $6 million individually or $10 million in the aggregate or (y) any capital expenditure which, exceeds in the aggregate $35 million, except (i) pursuant to agreements or commitment entered into prior to the Company Balance Sheet Date and set forth in Section 4.11(e) of the Disclosure Letter;

(f) incurred or assumed any indebtedness for borrowed money or guaranteed any such indebtedness other than (i) intercompany indebtedness, (ii) indebtedness under credit facilities in effect on September 30, 2000 incurred in the ordinary course of business consistent with past practice or (iii) in the ordinary course of business and in amounts and on terms consistent with past practice but in no event exceeding $2.5 million in the aggregate;

(g) except for loans, advances, capital contributions or investments made to a wholly-owned Subsidiary of the Company in the ordinary course of business consistent with past practice, made any loans, advances or capital contributions to, or investments in, any other Person;

(h) except as required by Law or as was consistent with past practice, made any tax election;

(i) paid, discharged, settled or satisfied any claims, liabilities or obligations (whether absolute, accrued, asserted or unasserted, contingent or otherwise) other than the payment, discharge, settlement or satisfaction of claims, liabilities or obligations (A) where there was a legal or contractual obligation to pay, (B) reflected or reserved against in, or contemplated by, the Company Balance Sheet or (C) incurred in the ordinary course of business consistent with past practice and with this Agreement; *provided* that, with respect to clause (C), none of such payments, discharges, settlements or satisfaction shall in any event exceed $2.5 million in the aggregate;

(j) except in the ordinary course of business consistent with past practice, entered into any contract or agreement involving annual payments of more than $1.0 million, modified or amended in any material respect or terminated any such contract or agreement to which the Company or any of its Subsidiaries is a party, or waived, released or assigned any rights or claims under any contract or agreement that are significant to any contract or agreement;

(k) made any change in any method of accounting or accounting principles or practice by it or any of its Subsidiaries, except for any such change required by reason of a change in GAAP or Regulation S-X under the 1934 Act;

(l) (A) granted any severance, retention or termination pay to, or amended any existing severance, retention or termination arrangement with, any current or former director, officer or employee of the Company or any of its Subsidiaries, (B) increased benefits payable under any existing severance, retention or termination pay policies or employment agreements, (C) entered into or amended any employment, deferred compensation or other similar agreement

(or amended any such existing agreement) with any director, officer or employee of the Company or any of its Subsidiaries, (D) established, adopted or amended (except as required by applicable Law) any collective bargaining, bonus, profit-sharing, thrift, pension, retirement, retention, deferred compensation, compensation, stock option, restricted stock or other benefit plan or arrangement covering any director, officer or employee of the Company or any of its Subsidiaries or (E) increased compensation, bonus or other benefits payable to any director, officer or employee of the Company or any of its Subsidiaries except for regular annual base salary increases granted in January 2001 and compensation increases as a result of employee promotions, in each case, in the ordinary course of business consistent with past practice; or

(m) authorized or committed or agreed to take any of the foregoing actions.

SECTION 4.12. *No Undisclosed Material Liabilities.* There are no liabilities of the Company or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances that could reasonably be expected to result in such a liability or obligation, other than:

(a) liabilities or obligations specifically disclosed and provided for in the Company Balance Sheet or in the notes thereto or specifically disclosed in the Company SEC Documents filed with the SEC prior to the date of this Agreement;

(b) liabilities or obligations incurred since the Company Balance Sheet Date that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company; and

(c) liabilities arising under this Agreement.

SECTION 4.13. *Material Contracts.* (a) Except for the contracts, leases, licenses, commitments, and other instruments (together, the "**Contracts**") specifically disclosed in the Company SEC Documents filed with the SEC prior to the date of this Agreement, as of the date hereof, neither the Company nor any of its Subsidiaries is a party to or bound by:

(i) any lease or license (whether of real or personal property) providing for annual rentals of $2.5 million or more;

(ii) any partnership, joint venture or other similar agreement or arrangement (other than any such agreement or arrangement disclosed in Section 4.07 of the Disclosure Letter) that, if the transactions contemplated

thereby were consummated, would result in a partnership, joint venture, Minority Interest or similar entity;

(iii) any agreement relating to the acquisition or disposition of any business (whether by merger, sale or purchase of stock, sale or purchase of assets or otherwise);

(iv) any agreement relating to indebtedness for borrowed money or the deferred purchase price of property (in either case whether incurred, assumed, guaranteed or secured by an asset), except any such agreement with an aggregate outstanding principal amount not exceeding $2.5 million and which may be prepaid on not more than 30 days notice without the payment of any penalty;

(v) any material agency, dealer, sales representative, marketing or other similar agreement;

(vi) any agreement containing any provision or covenant limiting in any respect the ability to compete in any manner with any Person or in any area which would bind the Company or any of its Subsidiaries or any Affiliate of the Company or any successor of the Company after the Effective Time;

(vii) any agreement containing any provision or covenant granting any concessions or rights to any railroad or other Person with respect to the use of any rail lines, yards of other fixed railroad property of the Company or any of its Subsidiaries (whether through divestiture of lines, the grant of trackage or haulage rights or otherwise);

(viii) any agreement with or for the benefit of any Affiliate of the Company or any Affiliate of any Subsidiary of the Company except for the continuation in the ordinary course of business consistent with past practice of arrangements or practices in effect as of the Company Balance Sheet Date; or

(ix) any other agreement, commitment, arrangement or plan not made in the ordinary course of business that is material to the Company.

(b) Each Contract specifically disclosed in any Company SEC ɔcument or required to be disclosed pursuant to this Section 4.13 is a valid and ıding agreement of the Company or one of its Subsidiaries and is in full force ɜ effect, and neither the Company nor any Subsidiary or, to the knowledge of : Company or any Subsidiary, any other party thereto is in default or breach in

any material respect under the terms of any such Contract, and, to the knowledge of the Company or any Subsidiary, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute any event of default thereunder, except for any of the foregoing which, individually or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect on the Company. True and complete copies of each such Contract were included in the Data Room.

SECTION 4.14. *Compliance with Laws and Court Orders*. Except as set forth in the Company SEC Documents filed with the SEC prior to the date hereof, neither the Company nor any of its Subsidiaries is in violation of, or has violated, any applicable Law, except for violations that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

SECTION 4.15. *Litigation*. (a) Except as set forth in the Company SEC Documents filed with the SEC prior to the date of this Agreement, there is no action, suit, investigation or proceeding (or any basis therefor) pending against, or, to the knowledge of the Company, threatened against or affecting, the Company, any of its Subsidiaries, any present or former officer, director or employee of the Company or any of its Subsidiaries or any Person for whom the Company or any Subsidiary may be liable or any of their respective properties before any court or arbitrator or before or by any governmental body, agency or official, domestic, foreign or supranational, that, (i) would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company or (ii) in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Merger or any of the other transactions contemplated hereby; *provided* that the disclosure of matters of the type contemplated by clause (ii) is limited to matters existing as of the date hereof.

(b) Section 4.15(b) of the Disclosure Letter sets forth each action, suit, investigation or proceeding pending as of the date of this Agreement against the Company or any Subsidiary of the Company or any director, officer or employee of the Company or any Subsidiary of the Company alleging any violation of federal or state securities Laws, the Laws of the State of Delaware or the rules or regulations of the NASDAQ Stock Market.

SECTION 4.16. *Labor Matters*. Each of the Company and its Subsidiaries is in compliance with all currently applicable legislation in the various jurisdictions where they operate, with respect to terms and conditions of employment of their workforce, including legislation governing unionized labor, and wages and Laws, and are not engaged in any unfair labor practice, failure to comply with which or engagement in which, as the case may be, individually or in

the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on the Company. Except as disclosed in Section 4.16 of the Disclosure Letter and the negotiation or entering into of any collective bargaining agreement or amendment thereto after the date hereof in the ordinary course of business, (i) none of the Company or any of its Subsidiaries is a party, or is otherwise subject, to any collective bargaining agreement or other labor union contract applicable to its employees, (ii) there are no material activities or proceedings by a labor union or representative thereof to organize any employees of the Company or any if its Subsidiaries, (iii) there are no pending negotiations between the Company or any of its Subsidiaries and any labor union or representative thereof regarding any proposed material changes to any existing collective bargaining agreement and no such collective bargaining agreement is subject to expiration or renewal within one year after the date hereof or the extension or renewal of such an agreement or the entering of any such agreement, (iv) there are no pending, and none of the Company or any of its Subsidiaries has experienced since December 31, 1999, any material labor disputes, lockouts, strikes, slowdowns, work stoppages, or threats thereof, (v) the Company and its Subsidiaries are not in default and have not breached in any material respect the terms of any applicable collective bargaining or other labor union contract, and there are no material claims or grievances outstanding against the Company, any of its Subsidiaries, or any of their respective employees under any such agreement or contract, (vi) there is no dispute or unfair labor practice complaint pending, or to the knowledge of the Company threatened, against the Company or any of its Subsidiaries before any administrative, judicial or other similar body or any other investigation, charge, prosecution, suit or other proceeding before any court or arbitrator or any governmental body, agency or official relating to the employees of the Company or any of its Subsidiaries, or the representation thereof or the terms or conditions of the employment or termination of employment of any such employee which would reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect on the Company, (vii) there are no claims or actions pending, or to the knowledge of the Company threatened, between the Company or any of its Subsidiaries, on the one hand, and any of their employees or labor organizations representing or seeking to represent such employees, on the other hand, which would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect on the Company and (viii) to the knowledge of the Company, there are no facts or circumstances involving any employee that would form the basis of, or give rise to, any cause of action, including, without limitation, unlawful termination based on discrimination of any kind that could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect on the Company.

SECTION 4.17. *Finders' Fees*. Except for Goldman, Sachs & Co., a copy of whose engagement agreement has been provided to Parent prior to the date of

this Agreement, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries who might be entitled to any fee or commission from the Company or any of its Affiliates (including, after the consummation of the Merger, Parent and its Subsidiaries) in connection with the transactions contemplated by this Agreement.

SECTION 4.18. *Opinion of Financial Advisor.* The Company has received the opinion of Goldman, Sachs & Co., financial advisor to the Company, to the effect that, as of the date of this Agreement, the Merger Consideration is fair to the Company's stockholders from a financial point of view.

SECTION 4.19. *Taxes.* Except as reflected in the Company Balance Sheet and the notes thereto, and except for such matters that, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect on the Company, (i) all United States federal, state, local and foreign tax returns required to be filed by the Company or any Subsidiary have been timely filed or requests for extensions have been timely filed and any such extension shall have been granted and not expired, and all such filed returns are complete and accurate in all material respects; (ii) the Company and each Subsidiary have paid, or have made adequate provision or have set up an adequate accrual or reserve in accordance with GAAP for the payment of all taxes, interest, additions and penalties owing by the Company or any Subsidiary; (iii) there is no outstanding audit examination, deficiency or refund litigation now pending with respect to any taxes owed by the Company or any Subsidiary; (iv) all taxes, interest, additions, and penalties accrued prior to the date hereof with respect to completed and settled examinations or concluded litigation have been paid in full or have been recorded as a liability on the Company Balance Sheet; (v) neither the Company nor any Subsidiary is a party to any tax sharing or similar agreement pursuant to which the Company or any Subsidiary has indemnified another party with respect to taxes; and (vi) neither the Company nor any Subsidiary has waived any applicable statute of limitations with respect to any taxes.

SECTION 4.20. *Employee Benefit Plans.* (a) Section 4.20(a) of the Disclosure Letter contains a correct and complete list identifying each material "employee benefit plan", as defined in Section 3(3) of ERISA, each employment, severance or similar contract, plan, arrangement or policy and each other plan or arrangement providing for compensation, bonuses, profit-sharing, stock option or other stock related rights or other forms of incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangements), health or medical benefits, employee assistance program, disability or sick leave benefits, workers' compensation, supplemental unemployment benefits, severance benefits and post-employment or retirement benefits (including compensation, pension,

health, medical or life insurance benefits) which is maintained, administered or contributed to by the Company or any of its Subsidiaries and covers any current or former employee of the Company or any of its Subsidiaries (other than Algoma Central Railway, Inc.), and with respect to which the Company or any of its Subsidiaries has any liability. Copies of such plans (and, if applicable, related trust or funding agreements or insurance policies) and written interpretations thereof were included in the Data Room together with the most recent annual report (Form 5500 including, if applicable, Schedule B thereto) prepared in connection with any such plan or trust. Such plans are referred to collectively herein as the "**Employee Plans**".

(b) Neither the Company nor any ERISA Affiliate nor any predecessor thereof sponsors, maintains or contributes to, or has in the past sponsored, maintained or contributed to, any plan subject to Title IV of ERISA.

(c) Neither the Company nor any ERISA Affiliate nor any predecessor thereof contributes to, or has in the past contributed to, any multiemployer plan, as defined in Section 3(37) of ERISA (a "**Multiemployer Plan**").

(d) Each Employee Plan which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter, or has pending or has time remaining in which to file, an application for such determination from the Internal Revenue Service, and the Company is not aware of any reason likely to result in revocation of such determination letter. The Company has made available to Parent copies of the most recent Internal Revenue Service determination letters with respect to each such Employee Plan. Each Employee Plan has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to ERISA and the Code, which are applicable to such Employee Plan. No material events have occurred with respect to any Employee Plan that could result in payment or assessment by or against the Company of any material excise taxes under Sections 4972, 4975, 4976, 4977, 4979, 4980B, 4980D, 4980E or 5000 of the Code.

(e) Except as described in Section 4.20(e) of the Disclosure Letter, the consummation of the transactions contemplated by this Agreement will not (either alone or together with any other event) entitle any employee, director or other independent contractor of the Company or any of its Subsidiaries to any change in control payment or benefit, transaction bonus or similar benefit or severance pay or accelerate the time of payment or vesting or trigger any payment of funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or trigger any other material obligation pursuant to, any Employee Plan. There is no Employee Plan that, individually or collectively,

would entitle any employee or former employee to any payment or benefit contingent upon the transactions contemplated hereby (either alone or together with any other event) which would not be deductible pursuant to the terms of Section 280G or 162(m) of the Code.

(f) Neither the Company nor any of its Subsidiaries has any material liability in respect of post-retirement health, medical or life insurance benefits for retired, former or current employees of the Company or its Subsidiaries except as required to avoid excise tax under Section 4980B of the Code.

(g) All contributions and payments accrued under each Employee Plan, determined in accordance with the Company's regular funding and accrual practices have been discharged and paid on or prior to the date of this Agreement except to the extent reflected as a liability in the Company SEC Documents filed with the SEC prior to the date of this Agreement. As of the Effective Time, all contributions and payments accrued under each Employee Plan will be funded or provided for in accordance with past practice.

(h) There is no action, suit, audit or proceeding pending against or involving or, to the knowledge of the Company, threatened against or involving, any Employee Plan before any court or arbitrator or any state, federal or local governmental body, agency or official.

(i) Section 4.20(i) of the Disclosure Letter contains a complete and correct list identifying each material Canadian Plan. Copies of such Canadian Plans (and, if applicable, related trust or funding agreements or insurance policies) and all written interpretations thereof and all actuarial and funding reports relating thereto have been or will be made available to Parent prior to the Effective Time to the extent requested by Parent. Each Canadian Plan has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all applicable statutes, orders, rules and regulations (including any special provisions relating to qualified plans where such plan was intended so to qualify) and has been maintained in good standing with applicable regulatory authorities. No Canadian Plan is a defined benefit pension or retirement plan.

(j) To the knowledge of the Company as of the date hereof, the Service Agreement between EWS and Philip Mengel dated July 25, 2000, including documents referred to therein and amendments and supplements thereto, made available in the Data Room represents the complete and accurate agreement between EWS and Mr. Mengel with respect to his severance entitlements.

SECTION 4.21. *Environmental Matters*. (a) Except as set forth in the Company SEC Documents filed with the SEC prior to the date of this Agreement

and except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company:

(i) no notice, notification, demand, request for information, citation, summons or order has been received, no complaint has been filed, no penalty has been assessed, and no investigation, action, suit, or proceeding is pending or, to the knowledge of the Company, is threatened by any governmental entity or other Person relating to or arising out of any Environmental Law;

(ii) the Company and each Subsidiary of the Company is and has been in compliance with all Environmental Laws and all Environmental Permits; and

(iii) there are no violations of Environmental Law of or relating to the Company or any of its Subsidiaries or liabilities, whether accrued, contingent, absolute, determined, determinable or otherwise arising under or relating to any Environmental Law.

(b) There has been no environmental investigation, study, audit, test, review or other analysis conducted of which the Company has knowledge as of the date of this Agreement in relation to the current or prior business of the Company or any of its Subsidiaries or any property or facility now or previously owned or leased by the Company, any of its Subsidiaries that was not included in the Data Room.

(c) Neither the Company nor any of its Subsidiaries owns, leases or operates or has owned, leased or operated any real property, or conducts or has conducted any operations, in New Jersey or Connecticut.

(d) For purposes of this Section 4.21, the terms "**Company**" and "**Subsidiary**" shall include any entity that is, in whole or in part, a predecessor of the Company or any of its Subsidiaries.

(e) Notwithstanding any other representation and warranty in this Article 4, the representations and warranties contained in this Section 4.21 constitute the sole representations and warranties of the Company with respect to any Environmental Law or Environmental Permit (other than Section 4.03).

SECTION 4.22. *Antitakeover Statutes*. The Company has taken all action necessary to exempt the Merger, this Agreement and the transactions contemplated hereby from Section 203 of Delaware Law, and, accordingly, neither such Section nor any other antitakeover or similar statute or regulation in

effect as of the date hereof applies or purports to apply to any such transactions. As of the date hereof, no other "control share acquisition," "fair price," "moratorium" or other antitakeover Laws apply or purport to apply to this Agreement or any of the transactions contemplated hereby. For purposes of the foregoing representation, the Company has assumed that Parent does not "beneficially own" (as such term is defined in Rule 13d-3 under the 1934 Act) more than 5% of the outstanding Company Stock.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF PARENT

Parent represents and warrants to the Company as of the date hereof and as of the Effective Time, that:

SECTION 5.01. *Corporate Existence and Power.* Each of Parent and Merger Subsidiary is a corporation duly incorporated, validly existing and in good standing under the Laws of its jurisdiction of continuance or incorporation and has all corporate powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted, except for those licenses, authorizations, permits, consents and approvals the absence of which has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Parent. Parent is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified has not and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Parent. Prior to the date of this Agreement, Parent has delivered to the Company true and complete copies of the certificate of incorporation or continuance and bylaws of Parent and Merger Subsidiary as in effect on the date of this Agreement. Since the date of its incorporation, Merger Subsidiary has not engaged in any activities other than in connection with or as contemplated by this Agreement.

SECTION 5.02. *Corporate Authorization.* The execution, delivery and performance by Parent and Merger Subsidiary of this Agreement and the consummation by Parent and Merger Subsidiary of the transactions contemplated hereby are within the corporate powers of Parent and Merger Subsidiary and have been duly authorized by all necessary corporate action. This Agreement constitutes a valid and binding agreement of each of Parent and Merger Subsidiary.

SECTION 5.03. *Governmental Authorization.* The execution, delivery and performance by Parent and Merger Subsidiary of this Agreement and the consummation of the transactions contemplated hereby require no action by or in respect of, or filing with, any governmental body, agency, official or authority, domestic, foreign or supranational, other than (i) the filing of a certificate of merger with respect to the Merger with the Delaware Secretary of State to consummate the Merger, (ii) compliance with any applicable requirements of the HSR Act to consummate the Merger, (iii) the filing with the Canadian Competition Bureau of a pre-merger notification pursuant to Part IX of the Competition Act and any additional information advisable under the Competition Act to consummate the Merger, (iv) compliance with any applicable requirements of the STB relating to the approval or exemption of the Merger, (v) compliance with any applicable requirements of the 1933 Act, the 1934 Act, the securities Laws of the provinces and territories of Canada, the stock exchanges on which Parent's securities are listed and any other similar securities Laws or requirements to consummate the Merger, (vi) compliance with any applicable requirements of the Toronto Stock Exchange in connection with the matters contemplated by Section 2.04, (vii) compliance with any applicable requirements of the Defense Production Act of 1950, as amended (commonly known as Exon-Florio), (viii) required filings and approvals in Australia, New Zealand and the United Kingdom to consummate the Merger and (ix) any actions or filings the absence of which could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on Parent or materially to impair the ability of Parent and Merger Subsidiary to consummate the transactions contemplated by this Agreement.

SECTION 5.04. *Non-contravention.* The execution, delivery and performance by Parent and Merger Subsidiary of this Agreement and the consummation by Parent and Merger Subsidiary of the transactions contemplated hereby do not and will not (i) contravene or conflict with any provision of the certificate of incorporation or continuance or bylaws of Parent or Merger Subsidiary, (ii) assuming compliance with the matters referred to in Section 5.03, contravene, conflict with or constitute a violation of any provision of any applicable Law, (iii) require any consent or other action by any Person under, constitute a default, or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation of any Person or the loss of any benefit to which Parent or any of its Subsidiaries is entitled under any provision of any agreement or other instrument binding upon Parent or any of its Subsidiaries or any license, franchise, permit, certificate, approval or other similar authorization affecting, or relating in any way to, the assets or business of the Parent and its Subsidiaries or (iv) result in the creation or imposition of any Lien on any asset of the Parent or any of its Subsidiaries, except

for such contraventions, conflicts and violations referred to in clause (ii) and for such failures to obtain any such consent or other action, defaults, terminations, cancellations, accelerations, changes, losses or Liens referred to in clauses (iii) and (iv) that would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect on Parent or materially to impair the ability of Parent and Merger Subsidiary to consummate the transactions contemplated by this Agreement.

SECTION 5.05. *Disclosure Documents*. None of the information provided in writing by Parent or Merger Subsidiary for inclusion in the Company Proxy Statement or any amendment or supplement thereto, at the time the Company Proxy Statement or any amendment or supplement thereto is first mailed to stockholders of the Company and at the time the stockholders vote on the approval and adoption of this Agreement, will contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

SECTION 5.06. *Finders' Fees*. Except for Salomon Smith Barney, whose fees will be paid by Parent, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Parent who might be entitled to any fee or commission from the Company or any of its Subsidiaries in connection with the transactions contemplated by this Agreement.

SECTION 5.07. *Adequate Funds*. Parent will have at the Effective Time sufficient funds for the payment of the aggregate Merger Consideration and to perform its obligations under this Agreement.

SECTION 5.08. *Compliance with Laws*. Neither Parent nor any of its Subsidiaries is in violation of, or has violated, any applicable provisions of any laws, statutes, ordinances or regulations except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Parent.

ARTICLE 6
COVENANTS OF THE COMPANY

The Company agrees that:

SECTION 6.01. *Conduct of the Company*. (a) Except as otherwise expressly set forth in this Agreement or as set forth in Section 6.01 of the Company's Disclosure Letter, during the period from the date of this Agreement through the Effective Time, the Company shall, and shall cause each of its

Subsidiaries to, carry on their respective businesses in the ordinary course consistent with past practice and in compliance in all material respects with all applicable Laws and, to the extent consistent therewith, shall use their reasonable best efforts to preserve intact their current business organizations, subject to the restrictions imposed by this Agreement, use their reasonable best efforts to keep available the services of their current officers and key employees and use their reasonable best efforts to preserve their relationships with those Persons having business dealings with them. Without limiting the generality of the foregoing, except as otherwise expressly set forth in this Agreement, as set forth in Section 6.01 of the Disclosure Letter or as required to implement the Rights Plan (as hereinafter defined) in accordance with and subject to clause (ii) hereof, during the period from the date of this Agreement through the Effective Time, the Company shall not, and shall not permit any of its Subsidiaries to (without the prior written consent of Parent, which consent, in the case of any action referred to in any of clauses (iv), (v), (vi), (viii), (ix), (x), (xi), sub-clause (y) of clause (xiii) (other than with respect to trackage rights) and (xv) shall not be unreasonably delayed or withheld):

(i) other than dividends and distributions (including liquidating distributions) by a direct or indirect wholly-owned Subsidiary of the Company to its parent company, (x) declare, set aside or pay any dividends on, or make any other distributions in respect of, any of its capital stock (except as contemplated by clause (ii) below), (y) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or (z) purchase, redeem, retire or otherwise acquire any shares of its capital stock or the capital stock of any Subsidiaries of the Company or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities;

(ii) issue, deliver, sell, pledge or otherwise encumber any Company Securities or any Company Subsidiary Securities or any securities convertible into, or any rights, warrants or options to acquire, any such Company Securities or any Company Subsidiary Securities, in each case other than (x) pursuant to the exercise of stock options existing on the date of this Agreement, (y) pursuant to grants of stock options as provided under Section 6.05(a) or exercises thereof in accordance with their terms or (z) securities issued by a direct or indirect wholly-owned Subsidiary of the Company to the Company or a direct or indirect wholly-owned Subsidiary of the Company *provided*, that if any Person shall have announced an Acquisition Proposal, the Company shall have the right, prior to the consummation of the Merger, to implement, modify, amend, redeem or issue securities in respect of a shareholder rights plan (the

"**Rights Plan**"), but only so long as such Rights Plan contains provisions reasonably satisfactory in form and substance to Parent to exempt this Agreement and the transactions to be effected pursuant to this Agreement from such Rights Plan and to assure that this Agreement and the Merger will not trigger such Right Plan;

(iii) adopt, propose or agree to any amendment to (A) its (or any of its Subsidiaries') certificate of incorporation, by-laws or other comparable organizational documents or (B) a material term of any of its (or any of its Subsidiaries) outstanding securities;

(iv) sell, lease, license, mortgage or otherwise encumber, voluntarily subject to any Lien or otherwise dispose of any of its properties or assets, other than (w) Liens securing intercompany indebtedness, (x) sales, abandonments or other dispositions of railroad equipment and property in the ordinary course of business consistent with past practice, (y) leases and licenses with a term of less than one year of railroad equipment and property in the ordinary course of business consistent with past practice and (z) leases and licenses with a term of at least one year of railroad equipment and property in the ordinary course of business consistent with past practice, which, in the case of each of clause (x) and (z), do not exceed in the aggregate $10 million on an annual basis (measured separately with respect to each clause);

(v) make or agree to make (x) any acquisition (including through a leasing arrangement) (other than of inventory and rolling stock in the ordinary course of business) or (y) capital expenditure which (1) in the case of any action referred to in clause (x) or (y), exceeds $5.0 million individually or (2) in the case of clauses (x) and (y) measured together, exceeds in the aggregate $75.0 million on an annual basis, except (I) whether or not in the ordinary course of business, as reasonably necessary in response to an unanticipated emergency situation, to preserve the existing level of utility of any of the Company's railroad lines, and (II) pursuant to agreements and commitments entered into prior to the date of this Agreement and set forth in Section 6.01(a)(v) of the Disclosure Letter;

(vi) incur or assume any indebtedness for borrowed money or guarantee any such indebtedness other than (w) borrowings under credit facilities existing as of the date of this Agreement and any replacements therefor or refinancings thereof in the ordinary course of business consistent with past practice (it being understood that the aggregate principal amount of any such replacement or other new financing may not exceed the principal amount of the credit facility being replaced or

refinanced and that any such replacement or other new financing shall permit termination or prepayment on not more than 30 days notice without the payment of any penalty other than standard funding "breakage" costs), or (x) other borrowings in the ordinary course of business and in amounts and on terms consistent with past practice but in no event exceeding $20.0 million in the aggregate;

(vii) except for loans, advances, capital contributions or investments made to a direct or indirect wholly-owned Subsidiary of the Company in the ordinary course of business consistent with past practice, make any loans, advances or capital contributions to, or investments in, any other Person;

(viii) except as required by Law, or as consistent with past practice, make any tax election;

(ix) pay, discharge, settle or satisfy any claims, liabilities or obligations (whether absolute, accrued, asserted or unasserted, contingent or otherwise) other than the payment, discharge, settlement or satisfaction of claims, liabilities or obligations (A) where there is a legal or contractual obligation to pay, (B) reflected or reserved against in, or contemplated by, the Company Balance Sheet, (C) incurred in the ordinary course of business consistent with past practice or (D) liabilities incurred in accordance with this Agreement; *provided* that, with respect to clause (C), none of such payments, discharges, settlements or satisfaction shall in any event exceed $10 million in the aggregate per annum;

(x) except in the ordinary course of business consistent with past practice, enter into any contract or agreement involving annual payments of more than $1.0 million, modify or amend in any material respect or terminate any such contract or agreement to which the Company or any of its Subsidiaries is a party, or waive, release or assign any rights or claims under any such contract or agreement that are significant to any such contract or agreement;

(xi) make any material change in any method of accounting or accounting principles or practice by it or any of its Subsidiaries, except for any such change required by GAAP or Regulation S-X under the 1934 Act;

(xii) (A) grant any severance, retention or termination pay to, or amend any existing severance, retention or termination arrangement with, any current or former director, officer or employee of the Company or any

of its Subsidiaries, (B) increase benefits payable under any existing severance, retention or termination pay policies or employment agreements, (C) enter into or amend any employment, deferred compensation or other similar agreement (or amend any such existing agreement) with any director, officer or employee of the Company or any of its Subsidiaries, (D) except as provided under Section 6.05(a), establish, adopt or amend (except as required by applicable Law) any collective bargaining (except for any collective bargaining agreement entered into or amended in the ordinary course of business), bonus, profit-sharing, thrift, pension, retirement, retention, deferred compensation, compensation, stock option, restricted stock or other benefit plan or arrangement covering any director, officer or employee of the Company or any of its Subsidiaries or (E) increase compensation, bonus or other benefits payable to any director, officer or employee of the Company or any of its Subsidiaries except (x) as provided under Section 6.05(a), (y) for salary and bonus increases granted in connection with employee promotions in the ordinary course of business consistent with past practice and (z) for annual salary increases and annual cash bonuses in the ordinary course of business consistent with past practice based on business conditions and Company performance; *provided* that the target level of such bonuses (expressed as a percentage of salary upon attainment of objectives) shall in no event exceed the target level in effect with respect to 2000;

(xiii) enter into any agreement or arrangement containing any provision or covenant (x) limiting in any respect the ability to compete in any manner with any Person or in any area which would bind the Company or any of its Subsidiaries or any Affiliate or successor of the Company after the Effective Time or (y) granting any concessions or rights to any railroad or other Person with respect to the use of any rail lines, yards of other fixed railroad property of the Company or any of its Subsidiaries (whether through divestiture of lines, the grant of trackage or haulage rights or otherwise), *provided* that the provisions of clause (y) shall not prohibit the grant of any such rights for a period of less than six months (other than trackage rights, the grant of which shall be prohibited);

(xiv) enter into any partnership, joint venture or similar agreement or arrangement that, if the transaction contemplated thereby were consummated, would result in a partnership, joint venture, Minority Interest or similar entity;

(xv) except as permitted pursuant to clause (vi), enter into any agreement relating to indebtedness for borrowed money or the deferred purchase price of property (in either case whether incurred, accrued,

guaranteed or secured by an asset), except any such agreement with an outstanding principal amount not exceeding $2.5 million and which may be prepaid on not more than 30 days notice without the payment of any penalty other than standard funding "breakage" costs;

(xvi) enter into any material agency, dealer, sales representative, marketing or other similar agreement other than in the ordinary course of business consistent with past practice;

(xvii) enter into any agreement with or for the benefit of any Affiliate of the Company or any Subsidiary of the Company except for the continuation in the ordinary course of business consistent with past practice of arrangements or practices in effect as of the date hereof or as otherwise permitted by this Agreement;

(xviii) take any action that would reasonably be expected to make any representation or warranty of the Company hereunder inaccurate in any respect at, or as of any time prior to, the Effective Time; or

(xix) authorize or commit or agree to take any of the foregoing actions.

(b) It is understood and agreed that the Company shall continue its program to divest the assets set forth in Section 6.01(b) of the Disclosure Letter and shall use its reasonable best efforts to effect such divestitures; provided that (i) the Company shall keep Parent informed and shall consult in good faith with Parent with respect to material developments in connection with any such divestiture and (ii) the terms of any such divestiture shall be subject to Parent's prior written approval (which approval shall not be unreasonably delayed or withheld).

(c) In addition to the Company's other obligations under this Agreement, subject to applicable Law and to the extent reasonably practicable, the Company and its Subsidiaries will, and the Company will use its reasonable best efforts to cause its directors, officers and other representatives to, consult with Parent with respect to significant matters relating to any Minority Interest and consider in good faith Parent's views when taking action (as a shareholder, director or otherwise) with respect to any such matter (it being understood that the provisions of this Section 6.01(c) shall not require any Person to take any action inconsistent with such Person's fiduciary duties under Law).

SECTION 6.02. *Stockholder Meeting; Proxy Material.* The Company shall cause a meeting of its stockholders (the "**Company Stockholder Meeting**") to be

duly called and shall use its reasonable best efforts to ensure that such meeting is held as soon as reasonably practicable after the date of this Agreement for the purpose of voting on the approval and adoption of this Agreement (it being understood that the parties intend, and will use their reasonable best efforts to ensure, that the Company Stockholder Meeting be held no later than two to three months after the date of this Agreement). In connection with such meeting, the Company will (i) promptly prepare and file with the SEC (it being understood that the Company will use its reasonable best efforts to ensure that such filing occurs within three weeks of the date of this Agreement), use its reasonable best efforts to have cleared by the SEC and thereafter mail to its stockholders as promptly as reasonably practicable the Company Proxy Statement and all other proxy materials for such meeting and (ii) subject to the fiduciary obligations of the Company's Board of Directors, use its reasonable best efforts to obtain the necessary approval and adoption of this Agreement by its stockholders. Subject to its fiduciary obligations, the Board of Directors of the Company shall recommend approval and adoption of this Agreement by its stockholders and take all lawful action (including the solicitation of proxies) to solicit such approval and adoption.

SECTION 6.03. *Other Offers*. The Company agrees (i) that neither the Company nor any of its Subsidiaries shall, and it shall direct and use its reasonable best efforts to cause its officers, directors, employees, agents and representatives (including, without limitation, any investment banker, attorney or accountant retained by it or any of its Subsidiaries) not to, initiate, solicit or encourage, directly or indirectly, any inquiries or the making or implementation of any proposal or offer (including, without limitation, any proposal or offer to its stockholders) or any indication of interest, with respect to an Acquisition Proposal, or engage in any negotiations concerning, or provide any confidential information or data to, or have any discussions with, any Person, relating to an Acquisition Proposal, or afford access to the properties, books or records of the Company or any of its Subsidiaries to any Person that may be considering making or has made or has stated an intention to make, an Acquisition Proposal, or release any third party from any obligations under any existing standstill agreement or arrangement, or enter into any agreement with respect to an Acquisition Proposal; (ii) that it will immediately cease and cause to be terminated any existing or previously conducted activities, discussions or negotiations with any parties with respect to any of the foregoing; and (iii) that it will notify Parent (including in such notification the identity of the third party making inquiries or proposals, requesting information or access or seeking to initiate or continue negotiations or discussions, as the case may be) with reasonable promptness (but in no event later than 24 hours thereafter) if any such inquiries or proposals are received by, any such information or access is requested from, or any such negotiations or discussions are sought to be initiated or continued with, it. Notwithstanding the foregoing, prior to the approval and adoption of this Agreement by the

stockholders of the Company, the Company or its Board of Directors may (x) take any action as contemplated by Section 10.01(d)(ii) and (y) directly or indirectly furnish nonpublic information and data and access to, and participate in discussions and negotiations with and may solicit or encourage inquiries and proposals or offers from, any Person in response to an unsolicited bona fide written Acquisition Proposal, if (in the case of clause (x) and (y)) the Board of Directors of the Company has concluded in good faith, after consultation with outside counsel, that such action is reasonably necessary for the Board of Directors to act in a manner consistent with its fiduciary duties under applicable Law; except that prior to furnishing non-public information and data and access to such Person, the Company receives from such Person an executed confidentiality and standstill agreement with terms not in the aggregate less favorable to the Company than those contained in the Confidentiality Agreement (it being understood that the Company may enter into a confidentiality agreement without a standstill provision or with a standstill provision less favorable to Seller, *provided* that it waives or similarly modifies the standstill provision in the Confidentiality Agreement); *provided further* that at least 48 hours prior to the entry into or announcement of an intention to enter into a definitive merger, acquisition or similar agreement with respect to an Acquisition Proposal, the Company shall have provided written notice to Parent advising Parent of its intention to enter into a definitive agreement with respect to an Acquisition Proposal and specifying the identity of the Person making the Acquisition Proposal as well as the material terms and conditions of such Acquisition Proposal (it being understood that any amendment of the price or other material term of any such Acquisition Proposal shall require an additional notice and a new 48 hour period). Within any such 48 hour period, Parent may propose an improved transaction.

SECTION 6.04. *Access to Information.* From the date of this Agreement until the Effective Time and subject to applicable Law and the Confidentiality Agreement, the Company shall (i) give to Parent, its counsel, financial advisors, auditors and other authorized representatives reasonable access to the offices, properties, books and records of the Company and its Subsidiaries, (ii) furnish to Parent, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information as Parent may reasonably request and (iii) instruct its employees, counsel, financial advisors, auditors and other authorized representatives to cooperate with Parent in its investigation *provided*, that (x) access to certain information of the Company and its Subsidiaries may require the entry of a protective order by the STB, after which date full access shall be granted to such information consistent with this Section 6.04 and subject to the terms of such order and (y) no personnel or representatives of Parent shall be entitled to access Company rail properties unless accompanied by a Company representative. Unless otherwise required by Law, Parent will hold, and will cause its respective officers, employees, counsel, financial advisors, auditors and other authorized representatives to hold, any

nonpublic information obtained in any such investigation in confidence in accordance with the Confidentiality Agreement. No information or knowledge obtained in any investigation prior to the date of this Agreement or pursuant to this Section 6.04 or otherwise after the date of this Agreement shall affect or be deemed to modify any representation or warranty made by the Company hereunder.

SECTION 6.05. *Employee Benefits*. (a) During the first half of 2001 the Company may grant to active employees of the Company and its Subsidiaries options to purchase up to an aggregate of 500,000 shares of Company Stock and during the first half of 2002 (if the Effective Time has not occurred) the Company may grant to active employees of the Company and its Subsidiaries options to purchase up to an aggregate of 500,000 additional shares of Company Stock, subject to the consent of Parent, which consent will not be unreasonably delayed or withheld. Such option grants shall be made under the Company's 1997 Long-Term Incentive Plan ("**LTIP**") to such individuals, in such amounts and subject to such terms and conditions as are consistent with the Company's past practice with respect to annual employee option grants; *provided* that the Company shall take all actions reasonably necessary (including the amendment of the LTIP) to provide that the vesting and exercisability of each such option shall not be accelerated by virtue of the transactions contemplated by this Agreement (either alone or together with any other event), nor shall the holders thereof have any additional rights, benefits or protection with respect to any such options as a result of the transactions contemplated by this Agreement (either alone or together with any other event). In addition, during the period between the date hereof and the Effective Time, options to purchase shares of Company Stock may be issued in accordance with the terms of the Company's Director Stock Option Plan as in effect on the date hereof.

(b) The Company will amend the Company's Employee Stock Purchase Plan and the Company's Algoma Central Employee Stock Purchase Plan to provide that no options will be issued and no salary deductions will be accepted with respect to any Plan Year commencing after the date hereof.

ARTICLE 7
COVENANTS OF PARENT

SECTION 7.01. *Obligations of Merger Subsidiary*. Parent will take all action necessary to cause Merger Subsidiary to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement.

SECTION 7.02. *Director and Officer Liability.* Parent shall cause the Surviving Corporation, and the Surviving Corporation hereby agrees, to do the following:

(a) From and after the Effective Time, the Surviving Corporation shall indemnify and hold harmless, and advance expenses to, the officers, directors, employees and agents of the Company as of the Effective Time as well as all former officers, directors, employees and agents of the Company (in each such case, to the extent acting in such capacity) (each an "**Indemnified Person**") in respect of acts or omissions occurring at or prior to the Effective Time to the fullest extent that such indemnification and advancement of expenses would have been permitted under the Company's certificate of incorporation and bylaws in effect on the date of this Agreement; *provided* that such indemnification shall be subject to any limitation imposed from time to time under applicable Law.

(b) For six years after the Effective Time, the Surviving Corporation shall either (i) maintain the Company's existing officers' and directors' liability insurance or (ii) maintain a run-off or tail policy or endorsement with an insurance carrier having a claims paying rating at least equal to that of the Company's existing D&O insurance carrier in respect of acts or omissions occurring prior to the Effective Time, in each case covering each such Indemnified Person covered by the Company's officers' and directors' liability insurance policy (with coverages at least as favorable to such Indemnified Person as in effect on the date of this Agreement); *provided* that, in satisfying its obligation under this Section 7.02(b), the Surviving Corporation shall not be obligated to pay annual premiums in excess of 200% of the amount per annum the Company paid in its last full fiscal year, which amount Company has disclosed to Parent prior to the date of this Agreement.

(c) If the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, in each such case, to the extent necessary, Parent shall assure the proper provision is made so that the successors and assigns of the Surviving Corporation assume the obligations of the Surviving Corporation set forth in this Section 7.02.

SECTION 7.03. *Conduct of Parent.* From the date hereof until the Effective Time:

(a) Parent will not take, and will not permit any of its Subsidiaries to take, any action that would reasonably be expected to make any representation and warranty of Parent hereunder inaccurate in any material respect at, or as of any time prior to, the Effective Time; and

(b) Parent will not, and will not permit any of its Subsidiaries to, enter into a contract or arrangement or otherwise materially take any action that could reasonably be expected to materially delay or otherwise interfere with the consummation of the Merger or any other transaction contemplated by this Agreement.

SECTION 7.04. *Employee Benefits.* (a) From the Effective Time until the end of the twenty-fourth month following the Effective Time, with respect to each individual who is an employee of the Company or any of its Subsidiaries as of the Effective Time and who is neither entitled to benefit protections under *New York Dock Railway-Control-Brooklyn Eastern District*, 360 I.C.C. 60 (1979) nor a member of a collective bargaining unit represented by a union recognized by the Company or any of its Subsidiaries, Parent (i) shall maintain or cause the Surviving Corporation to maintain salary and target annual bonus levels at no less than such levels in effect immediately prior to the Effective Time, and (ii) shall provide, or shall cause the Surviving Corporation to provide, to such individuals benefits under employee benefit plans, which are substantially comparable, in the aggregate, to those employee benefits in effect immediately prior to the Effective Time.

(b) Parent shall, or shall cause the Surviving Corporation to, (i) waive all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the employees of the Company and its Subsidiaries under any welfare plan in which such employees are eligible to participate after the Effective Time, to the extent that such conditions, exclusions and waiting periods would not apply under a similar plan of the Company to such employees, (ii) provide each employee of the Company and its Subsidiaries with credit for any co-payments and deductibles paid prior to the Effective Time in satisfying any applicable deductible or out-of-pocket requirements under any welfare plans that such employees are eligible to participate in after the Effective Time, and (iii) provide each employee of the Surviving Corporation with credit for all service with the Company and its Subsidiaries under each employee benefit plan, program, or arrangement in which such employees are eligible to participate for purposes of eligibility to participate and vesting of benefits, but not for purposes of benefit accruals, levels or amounts under any pension or retirement benefit plan.

(c) From the Effective Time until the end of the twenty-fourth month following the Effective Time, each individual who is an employee of the Company, Wisconsin Central Ltd., Fox Valley and Western Ltd., Sault Ste. Marie Bridge Company and/or Wisconsin Chicago Link Ltd. as of the Effective Time, other than (i) an employee covered by an Employment Security Agreement or Change of Control Agreement listed in Section 4.11(l) of the Disclosure Letter,

(ii) any employee covered by the protections under *New York Dock Railway-Control-Brooklyn Eastern District*, 360 I.C.C. 60 (1979) and (iii) any employee who is a member of a collective bargaining unit represented by a union recognized by the Company or any of its Subsidiaries, will be entitled to severance protections and benefits equivalent to those provided to full-time, non-represented employees of Illinois Central Corporation in connection with the acquisition of Illinois Central Corporation by Parent (as described in Annex A), which protections and benefits will be applied consistently with their application to former employees of Illinois Central Corporation.

(d) The Company and Parent will cooperate to adopt and announce to the appropriate employees of the Company and its Subsidiaries the retention and performance bonus arrangements described in Annex B as soon as practicable after the date hereof, but in any event within ninety days of the date hereof.

ARTICLE 8
COVENANTS OF PARENT AND THE COMPANY

The parties hereto agree that:

SECTION 8.01. *Reasonable Best Efforts.* (a) Subject to the terms and conditions of this Agreement, Company and Parent will use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate the transactions contemplated by this Agreement.

(b) Without limiting the generality of the provisions of Section 8.01(a), the Company shall use its reasonable best efforts to ensure that this Agreement and the transactions contemplated hereby are exempt from or otherwise not subject to any and all applicable "control share acquisition", "fair price", "moratorium" or other antitakeover laws in effect from time to time.

SECTION 8.02. *STB Approval.* As soon as reasonably practicable after the date of this Agreement, Parent shall, in accordance with its obligations under Section 8.01, prepare and present to the STB, all necessary or appropriate filings and other presentations in connection with seeking any STB approval, exemption or other authorization necessary to consummate the transactions contemplated by this Agreement on the basis that the Merger is a "minor" transaction, (i) prosecute such filings and other presentations with reasonable diligence, (ii) diligently oppose, to the extent reasonable, any objections to, appeals from or petitions to reconsider or reopen any such STB approval by Persons not party to this Agreement, and (iii) take all such further action as in the reasonable judgment of

Parent may facilitate obtaining a final order or orders of the STB approving such transactions consistent with this Agreement and the transactions contemplated herein. It is understood and agreed that Parent shall use its reasonable best efforts to make its initial filings of the type referred to in the immediately preceding sentence within three to four months of the date of this Agreement. The Company, in accordance with its obligations under Section 8.01, shall cooperate with Parent to achieve the foregoing to the extent reasonably requested by Parent including assisting in the preparation of all filings, documents or other public statements related to any STB proceedings or rulemaking or any other legal or legislative proceeding or deliberation that could in the reasonable opinion of Parent affect the likelihood of obtaining STB approval. In furtherance of the foregoing, Parent shall, subject to the terms and conditions of this Agreement, have final authority over the development, presentation and conduct of the STB case, including over decisions as to whether to agree to or acquiesce in conditions. The Company (i) shall take no regulatory or legal action (or have any communication with the STB or any other regulatory or political authority or personnel) relating to or affecting, directly or indirectly this Agreement or the transactions contemplated hereunder without Parent's prior written consent and (ii) shall not have any other communication with the STB with respect to any other matter that would reasonably be expected to affect the STB's consideration of the transactions contemplated by this Agreement, including the Merger, without Parent's prior written consent (which shall not be unreasonably delayed or withheld). Notwithstanding any provision to the contrary in this Agreement, neither Parent nor any of its Subsidiaries shall be required to take any action in connection with seeking STB approval that would cause, directly or indirectly, the Merger to be reviewed by the STB in any way other than as a "minor" transaction or would (1) require inclusion of any rail carriers or rail properties material to Parent or any of its Subsidiaries, (2) change the amount or nature of the Merger Consideration or (3) impose on the Company, Parent, Merger Subsidiary or any of their respective Subsidiaries any terms or conditions (including labor protective provisions, but excluding conditions heretofore imposed by the United States Interstate Commerce Commission in *New York Dock Railway-Control-Brooklyn Eastern District*, 360 I.C.C. 60 (1979) and any other condition offered, volunteered or agreed to by Parent) that would materially and adversely affect Parent's reasonably anticipated financial benefits of the transactions contemplated by this Agreement to Parent and its stockholders.

SECTION 8.03. *Certain Filings*. Without limiting the generality of the provisions of Section 8.01, the Company and Parent shall cooperate with one another (i) in connection with the preparation of the Company Proxy Statement, (ii) (except with respect to the STB, which is covered by Section 8.02) in determining whether any action by or in respect of, or filing with, any governmental body, agency, official, or authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any

material contracts, in connection with the consummation of the transactions contemplated by this Agreement and (iii) in taking such actions or making any such filings, furnishing information required in connection therewith or with the Company Proxy Statement and seeking timely to obtain any such actions, consents, approvals or waivers.

SECTION 8.04. *Public Announcements*. Parent and the Company will consult with each other before issuing any press release or making any public statement with respect to this Agreement or the transactions contemplated hereby and, except as may be required by applicable Law or any listing agreement with any national securities exchange, will not issue any such press release or make any such public statement prior to such consultation.

SECTION 8.05. *Further Assurances*. At and after the Effective Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of the Company or Merger Subsidiary, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or Merger Subsidiary, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

SECTION 8.06. *Notices of Certain Events*. Each of the Company and Parent shall promptly notify the other of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement; and

(c) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the Company or any of its Subsidiaries that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.15, or Parent and any of its Subsidiaries as the case may be, or that relate to the consummation of the transactions contemplated by this Agreement.

SECTION 8.07. *Confidentiality*. The parties hereby acknowledge that the provisions of the Confidentiality Agreement shall apply with respect to all information provided hereunder to Parent or any of its Affiliates and the same

terms shall apply with equal force to any information or documents provided by Parent to the Company or any of its Affiliates in connection with the transactions contemplated by this Agreement.

SECTION 8.08. *Integration Planning*. From and after the date of this Agreement, the Company will, and will cause its officers, directors and representatives to work in good faith, to the extent reasonably requested by Parent, to develop plans for the integration of the operations and business of the Company and its Subsidiaries on the one hand, and Parent and its Affiliates, on the other hand; *provided* that the provisions of this Section 8.08 shall not obligate any officer, director or representative of the Company to undertake any such work that significantly interferes with such individual's ordinary course responsibilities.

ARTICLE 9
CONDITIONS TO THE MERGER

SECTION 9.01. *Conditions to Obligations of Each Party*. The obligations of the Company, Parent and Merger Subsidiary to consummate the Merger are subject to the satisfaction (or, to the extent permitted under Law, waiver by the relevant party in its sole discretion) of the following conditions:

(a) this Agreement shall have been approved and adopted by the stockholders of the Company in accordance with Delaware Law;

(b) any applicable waiting period and any extensions thereof under the HSR Act shall have expired or been terminated;

(c) the Company, Parent and all other relevant entities shall have filed all notices and information required under Part IX of the Competition Act and the applicable statutory waiting period thereunder shall have expired, and such entities shall have satisfied any requests for additional information thereunder and the Commissioner of Competition appointed under the Competition Act (the **"Commissioner"**) shall have confirmed in writing that his review of the Merger is completed and that he does not have sufficient grounds on which to apply for an order under the Competition Act, or the Commissioner shall have issued an advance ruling certificate pursuant to Section 102 of the Competition Act in respect of the Merger;

(d) the STB shall have issued a decision (which decision has not been stayed or enjoined) that (A) constitutes a final unappealable order approving, exempting or otherwise authorizing consummation of the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, as may require such authorization and (B) does not change the amount or nature of the Merger

Consideration (it being understood that, if Parent elects to waive this condition such that Parent and Merger Subsidiary will consummate the Merger notwithstanding the fact that an STB decision remains appealable or is then being appealed, the Company shall automatically be deemed to have waived such condition at the same time as Parent and shall be obligated to consummate the Merger, subject to the satisfaction (or waiver by the Company) of the other conditions to the Company's obligation to consummate the Merger); and

(e) no provision of any applicable Law and no judgment, injunction, order or decree shall prohibit the consummation of the Merger.

SECTION 9.02. *Conditions to the Obligations of Parent and Merger Subsidiary.* The obligations of Parent and Merger Subsidiary to consummate the Merger are subject to the satisfaction (or, to the extent permitted under Law, waiver by Parent in its sole discretion) of the following further conditions:

(a) (i) the Company shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time, (ii) each representation and warranty of the Company set forth in Section 4.01, 4.02, 4.05, 4.07(a), 4.07(b) (as to EWS only), 4.07(c), 4.07(d) (as to EWS only), 4.17, and 4.22 shall be true and correct in all material respects at and as of the Effective Time as if made at and as of such time (except to the extent such representation or warranty speaks as of an earlier time, in which event such representation or warranty shall be true and correct as of such earlier time), (iii) all other representations and warranties of the Company contained in this Agreement, without regard to any materiality or Material Adverse Effect qualifier contained therein, shall be true and correct at and as of the Effective Time as if made at and as of such time (except to the extent such representation or warranty speaks as of an earlier time, in which event such representation or warranty shall be true and correct as of such earlier time), with only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company and (iv) Parent shall have received a certificate signed by an executive officer of the Company to the foregoing effect;

(b) the STB shall have issued a decision (which decision has not been stayed or enjoined) that (A) constitutes a final unappealable order approving, exempting or otherwise authorizing consummation of the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, as may require such authorization and (B) does not (1) require inclusion of any rail carriers or rail properties material to Parent or any of its Subsidiaries or (2) impose on the Company, Parent, Merger Subsidiary or any of their respective Subsidiaries any other terms or conditions (including labor protective provisions, but excluding conditions heretofore imposed by the United States Interstate Commerce

Commission in *New York Dock Railway-Control-Brooklyn Eastern District*, 360 I.C.C. 60 (1979) and any other condition offered, volunteered or agreed to by Parent) that would materially and adversely affect Parent's reasonably anticipated financial benefits of the transactions contemplated by this Agreement to Parent and its stockholders;

(c) no court, arbitrator or governmental entity (other than the STB which is addressed in clause (b) above) shall have issued any order restraining or prohibiting the operation of the business of Parent or any of its Subsidiaries or the Company or any of its Subsidiaries after the Effective Time in a manner that would materially and adversely affect Parent's reasonably anticipated financial benefits of the transactions contemplated by this Agreement to Parent and its stockholders; and

(d) all consents, actions by or in respect of, or filings with, any Person or governmental body, agency, official or authority, domestic, foreign or supranational, required to be disclosed pursuant to Section 4.07(d) shall have been taken, made or obtained, all such consents and actions shall be final, no such consent or action shall have been stayed or enjoined and, to the extent relating to EWS, no such consent or action shall include or be subject to any condition that would materially and adversely affect Parent's reasonably anticipated financial benefits of the transactions contemplated by this Agreement to Parent and its stockholders.

SECTION 9.03. *Conditions to the Obligations of the Company.* The obligation of the Company to consummate the Merger is subject to the satisfaction (or, to the extent permitted under Law, waiver by the Company in its sole discretion) of the following further conditions: (i) each of Parent and Merger Subsidiary shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time, (ii) each representation and warranty of Parent contained in Sections 5.01, 5.02 and 5.06 shall be true and correct in all material respects at and as of the Effective Time as if made at and as of such time (except to the extent such representation or warranty speaks as of an earlier time, in which event such representation or warranty shall be true and correct as of such earlier time), (iii) all other representations and warranties of Parent contained in this Agreement, without regard to any materiality or Material Adverse Effect qualifier contained therein, shall be true and correct at and as of the Effective Time as if made at and as of such time (except to the extent such representation or warranty speaks as of an earlier time, in which event such representation or warranty shall be true and correct as of such earlier time), with only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Parent and (iv) the Company shall have received a certificate signed by an executive officer of Parent to the foregoing effect.

ARTICLE 10
TERMINATION

SECTION 10.01. *Termination.* This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time (notwithstanding any approval and adoption of this Agreement by the stockholders of the Company):

(a) by mutual written agreement of the Company and Parent;

(b) by either the Company or Parent, if:

(i) the Merger has not been consummated on or before July 31, 2002 (the "**End Date**");

(ii) there shall be any Law that makes consummation of the Merger illegal or if any judgment, injunction, order or decree enjoining the Company or Parent from consummating the Merger is entered and such judgment, injunction, order or decree shall become final and nonappealable;

(iii) this Agreement shall not have been approved and adopted in accordance with Delaware Law by the Company's stockholders at the Company Stockholder Meeting (or any adjournment or postponement thereof); or

(iv) the STB shall have issued a decision (which decision shall not have been stayed or enjoined) that (A) constitutes a final unappealable order approving, exempting or otherwise authorizing consummation of the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, as may require such authorization and (B) changes the amount or nature of the Merger Consideration.

(c) by Parent, if:

(i) a breach of or failure to perform any representation, warranty, covenant or agreement on the part of the Company set forth in this Agreement or any event, circumstance, development, set of circumstances or facts shall have occurred or exists such that the condition set forth in Section 9.02(a) is not capable of being satisfied by the End Date;

(ii) (A) the Company shall have breached any of its obligations under either of Section 6.02 (which breach remains uncured 30 days after written notice of such breach by Parent to the Company) or Section 6.03 or (B) the Board of Directors of the Company shall have withdrawn, modified or changed in a manner adverse to Parent its recommendation that the Company's stockholders approve and adopt this Agreement or (C) the Board of Directors of the Company shall have approved or recommended an Acquisition Proposal or the Company shall have entered into a definitive agreement with respect to an Acquisition Proposal;

(iii) prior to the adoption of this Agreement by the stockholders of the Company, if any person or group (as defined in Section 13(d)(3) of the 1934 Act) (other than Parent or any of its Subsidiaries or any of its Affiliates) shall have become the beneficial owner (as defined under Rule 13d-3 promulgated under the 1934 Act) of at least a majority of the outstanding shares of Company Stock;

(iv) the STB (A) with respect to any application or petition anticipated by the Parent, that the Parent would in good faith regard as complete and sufficient under the STB rules, standards and decisions in effect or applicable as of the date of this Agreement for such authorization of the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, as may be required for a "minor" transaction, announces or otherwise indicates before such an application or petition is tendered for filing that it will decline to receive or accept such an application or petition as being one for a "minor" transaction, (B) declines to receive or accept for filing, processing, consideration or a proceeding an application or petition by the Parent, that the Parent in good faith regards as complete and sufficient under the STB rules, standards and decisions in effect or applicable as of the date of this Agreement for such authorization of the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, as may be required for a "minor" transaction, (C) at any time more than 30 days after the filing of an application or petition by the Parent that the Parent in good faith regards as complete and sufficient under the STB rules, standards and decisions in effect or applicable as of the date of this Agreement for such authorization of the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, as may be required for a "minor" transaction, has failed to determine that such application or petition will be accepted for filing, processing, consideration or proceeding as a "minor" transaction or determines at any time that such an application or petition will not be accepted for filing processing, consideration or

proceeding or (D) at any time more than 180 days after the filing of an application or petition by the Parent that the STB accepts as complete and sufficient to a proceeding for review of a "minor" transaction, has failed to grant a final order approving, exempting or otherwise authorizing consummation of the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, as may require such authorization;

(v) the STB shall have issued a decision (which decision shall not have been stayed or enjoined) that (A) constitutes a final unappealable order approving, exempting or otherwise authorizing consummation of the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, as may require such authorization and (B) (1) requires inclusion of any rail carriers or rail properties material to Parent or any of its Subsidiaries or (2) imposes on the Company, Merger Subsidiary, Parent or any of their respective Subsidiaries any other terms or conditions (including labor protective provisions, but excluding conditions heretofore imposed by the *United States Interstate Commerce Commission in New York Dock Railway-Control-Brooklyn Eastern District*, 360 I.C.C. 60 (1979) and any other condition offered, volunteered or agreed to by Parent) that would materially and adversely affect Parent's reasonably anticipated financial benefits of the transactions contemplated by this Agreement to Parent and its stockholders; or

(vi) the STB shall have issued a decision, other than a decision that constitutes a final unappealable order approving, exempting or otherwise authorizing consummation of the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, as may require such authorization, that, with respect to the transactions contemplated by this Agreement (or subsequently presented to the STB by agreement of the Company and Parent), including the Merger, (A) requires or would require inclusion of any rail carriers or rail properties material to Parent or any of its Subsidiaries or (B) imposes or, if it were to become a final unappealable order, would impose on the Company, Merger Subsidiary, Parent or any of their respective Subsidiaries any other terms or conditions (including labor protective provisions, but excluding conditions heretofore imposed by the United States Interstate Commerce Commission in *New York Dock Railway-Control-Brooklyn Eastern District*, 360 I.C.C. 60 (1979) and any other condition offered, volunteered or agreed to by Parent) that would materially and adversely affect Parent's reasonably anticipated financial benefits of the transactions contemplated by this Agreement to Parent and its stockholders.

Notwithstanding the foregoing, Parent shall forfeit its right to terminate this Agreement pursuant to a particular provision of this Agreement in respect of a particular action of the STB if it does not exercise the particular termination right within the applicable time period specified below:

Termination Provision	***Applicable Time Period***
Clause (A) of Section 10.01(c)(iv)	30 days after a public announcement by the STB to the effect specified in such clause.
Clause (B) of Section 10.01(c)(iv)	The later of (i) 30 days after the occurrence of the event specified in such clause and (ii) if Parent elects to file any new or supplemental application (which Parent may elect to do or not to do in its sole discretion), 30 days after the expiration of the later of (x) the comment period in respect of such application and (y) the period during which inconsistent applications may be filed.
Clause (C) of Section 10.01(c)(iv)	The later of (i) 30 days after the occurrence of the event specified in such clause and (ii) if Parent elects to file any new or supplemental application (which Parent may elect to do or not to do in its sole discretion), 30 days after the expiration of the later of (x) the comment period in respect of such application and (y) the period during which inconsistent applications may be filed.
Clause (D) of Section 10.01(c)(iv)	30 days after the expiration of the 180-day period specified in such clause.
Section 10.01(c)(v)	30 days after public announcement by the STB of such a decision.
Section 10.01(c)(vi)	30 days after public announcement by the STB of such a decision, unless (i) the STB has been petitioned to reconsider such decision (in which case the termination right shall be forfeited 30 days after public announcement by the STB of its disposition of all such petitions) or (ii)

Termination Provision	*Applicable Time Period*
	Parent has determined to appeal the decision and such appeal is being pursued actively and in good faith by Parent (in which case the termination right shall be forfeited 30 days after the receipt of a final judicial determination in such appeal).

It is understood and agreed that any forfeiture of any particular termination right as set forth above in respect of a particular STB action shall not affect (i) any other particular termination right of Parent or (ii) any termination right of Parent in respect of any other particular action by the STB.

(d) by the Company, if

(i) a breach of or failure to perform any representation, warranty, covenant or agreement on the part of the Parent or Merger Subsidiary set forth in this Agreement or any event, circumstance, development set of circumstances or facts shall have occurred or exists such that the condition set forth in Section 9.03 is not capable of being satisfied by the End Date; or

(ii) prior to the approval and adoption of this Agreement by the stockholders of the Company, if the Company or the Board of Directors of the Company shall have entered into or shall have publicly announced its intention to enter into, a definitive agreement with respect to an Acquisition Proposal, if the Board of Directors concludes in good faith, after consultation with outside counsel, that such action is reasonably necessary in order for the Board of Directors to act in a manner consistent with the Board's fiduciary duty under applicable law; *provided* that the right to terminate this Agreement pursuant to this Section 10.01(d)(ii) shall not be available to the Company unless (x) the Company has complied in all material respects with its obligations in Section 6.03 of this Agreement and (y) concurrently with such termination, the Company enters into a definitive agreement to effect the Acquisition Proposal referred to herein.

The party desiring to terminate this Agreement pursuant to this Section 10.01 (other than pursuant to Section 10.01(a)) shall give notice of such termination to the other party.

SECTION 10.02. *Effect of Termination.* Except as provided in Section 11.04, if this Agreement is terminated pursuant to Section 10.01, this Agreement shall become void and of no effect without liability of any party (or any

stockholder, director, officer, employee, agent, consultant or representative of such party) to the other party hereto, *provided* that, if such termination shall result from the intentional breach by either party of any provision of this Agreement, such party shall be fully liable for any and all liabilities and damages incurred or suffered by the other party as a result of such failure. The provisions of this Section 10.02 and Sections 8.07, 11.04, 11.06, 11.07 and 11.08 shall survive any termination hereof pursuant to Section 10.01.

ARTICLE 11
MISCELLANEOUS

SECTION 11.01. *Notices*. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given,

if to Parent or Merger Subsidiary, to:

Canadian National Railway Company
935 de la Gauchetiere Street West
Montreal, Quebec H3B 2M9
Attention: Paul M. Tellier
Fax: (514) 875-8703

with a copy to:

Canadian National Railway Company
935 de la Gauchetiere Street West
Montreal, Quebec H3B 2M9
Attention: Sean Finn
Fax: (514) 399-4854

and

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Winthrop B. Conrad, Jr.
Fax: (212) 450-4800

if to the Company, to:

Wisconsin Central Transportation Corporation
Suite 9000
6250 North River Road
Rosemont, Illinois 60018
Attention: Thomas F. Power, Jr.
Fax: (847) 318-4628

with a copy to:

McLachlan, Rissman & Doll
676 N. Michigan Avenue
Ste. 2800
Chicago, IL 60611
Attention: Thomas W. Rissman
Fax: (312) 266-3330

and

Sullivan & Cromwell
125 Broad Street
New York, NY 10004
Attention: Joseph B. Frumkin
Fax: (212) 558-3588

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5 p.m., and such day is a business day, in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt.

SECTION 11.02. *Survival of Representations and Warranties*. The representations and warranties and agreements contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Effective Time or the termination of this Agreement, except for the agreements set forth in Sections 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 7.01, 7.02, 7.04, 8.07, 10.02, 11.04, 11.05, 11.06, 11.07, 11.08, 11.10 and 11.14.

SECTION 11.03. *Amendments; No Waivers*. (a) Any provision of this Agreement may be amended or waived prior to the Effective Time if, but only if, such amendment or waiver is in writing and is signed, in the case of an

amendment, by each party to this Agreement or, in the case of a waiver, by each party against whom the waiver is to be effective, *provided* that, after the adoption of this Agreement by the stockholders of the Company and without their further approval, no such amendment or waiver shall be made that requires further approval by the stockholders of the Company pursuant to Delaware law without the further approval of such stockholders.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

SECTION 11.04. *Expenses*. (a) Except as otherwise provided in this Section 11.04, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

(b) If a Company Payment Event (as hereinafter defined) occurs, the Company shall pay Parent (by wire transfer of immediately available funds) a fee of $24 million within one Business Day of the occurrence of the Company Payment Event (if this Agreement is terminated by Parent) or concurrently with the occurrence of the Company Payment Event (if this Agreement is terminated by the Company). If the Company is or becomes obligated to pay the fee contemplated by the immediately preceding sentence, the right of Parent to receive such fee shall be Parent's sole remedy in respect of the Company Payment Event except for any intentional breach of this Agreement.

"**Company Payment Event**" means any of (x) the termination of this Agreement pursuant to any of Section 10.01(c)(ii), Section 10.01(c)(iii) or Section 10.01(d)(ii) or (y) an Acquisition Proposal shall have been made to the Company or shall have been made directly to the Company's stockholders generally or any Person shall have publicly announced an intention (whether or not conditional) to make an Acquisition Proposal with respect to the Company and thereafter (A) the Company's stockholders do not approve and adopt this Agreement at the Company Stockholder Meeting and (B) this Agreement is terminated by either the Company or Parent.

(c) If a Parent Payment Event (as hereinafter defined) occurs, Parent shall pay to the Company (by wire transfer of immediately available funds) a fee of $24 million concurrently with the occurrence of the Parent Payment Event. If Parent is or becomes obligated to pay the fee contemplated by the immediately preceding sentence, the right of the Company to receive such fee shall be the Company's sole remedy in respect of the Parent Payment Event except for any intentional beach of this Agreement.

"**Parent Payment Event**" means the termination of this Agreement by Parent pursuant to clause (v) or (vi) of Section 10.01(c) or a determination by Parent not to consummate the Merger based solely upon Section 9.02(b).

SECTION 11.05. *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto, except that Parent or Merger Subsidiary may transfer or assign, in whole or from time to time in part, to one or more of their direct or indirect wholly-owned Subsidiaries, the right to enter into the transactions contemplated by this Agreement, but any such transfer or assignment will not relieve Parent or Merger Subsidiary of its obligations hereunder.

SECTION 11.06. *Governing Law*. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without regard to the conflicts of law rules of such state.

SECTION 11.07. *Jurisdiction*. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby may be brought in any federal court located in the State of Delaware or any Delaware state court, and each of the parties hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient form. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 11.01 shall be deemed effective service of process on such party.

SECTION 11.08. *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 11.09. *Counterparts; Effectiveness*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the

same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

SECTION 11.10. *No Third Party Beneficiaries*. (a) Except as provided in Section 7.02, no provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

(b) It is understood and agreed that (i) if any Indemnified Person shall institute and prevail in any proceedings against Parent in respect of a breach by Parent of its covenants and agreements contained in Section 7.02 hereof, Parent shall pay the reasonable expenses of such Indemnified Person (including reasonable attorney's fees) incurred in connection with such proceeding to the fullest extent authorized by applicable Law and (ii) if any such Indemnified Person shall institute any proceedings against Parent in respect of a breach by Parent of its covenants and agreements contained in Section 7.02 hereof where the circumstances underlying the claim for indemnification arose during the period from the date hereof through the Effective Time, Parent shall be obligated to advance to such Indemnified Person the reasonable expenses of such Indemnified Person (including reasonable attorney's fees) incurred in connection with such proceeding as such expenses are incurred subject to the obligation of such Indemnified Person to reimburse such expenses to Parent if such Indemnified Person does not prevail in such proceedings.

SECTION 11.11. *Entire Agreement*. This Agreement and the Confidentiality Agreement constitute the entire agreement between the parties with respect to the subject matter of this Agreement and the Confidentiality Agreement and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement and the Confidentiality Agreement.

SECTION 11.12. *Captions*. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

SECTION 11.13. *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement

so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

SECTION 11.14. *Guarantee of Merger Subsidiary*. Parent unconditionally and irrevocably guarantees the performance by Merger Subsidiary of its obligations set forth in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

WISCONSIN CENTRAL
TRANSPORTATION CORPORATION

By: /s/ Thomas F. Power, Jr.
Thomas F. Power, Jr.
President and Chief Executive
Officer

CANADIAN NATIONAL RAILWAY
COMPANY

By: /s/ Paul M. Tellier
Paul M. Tellier
President and Chief Executive
Officer

WC MERGER SUB, INC.

By: /s/ Paul M. Tellier
Paul M. Tellier
President and Chief Executive
Officer