

TRANSPORTATION INSTITUTE

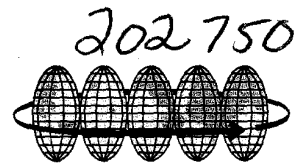
5201 Auth Way
Camp Springs, Maryland 20746
(301) 423-3335 (MD)
(202) 347-2590 (Wash., D.C.)
Telecopier (301) 423-0634

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(206) 443-1738
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JAMES L. HENRY
Chairman and President

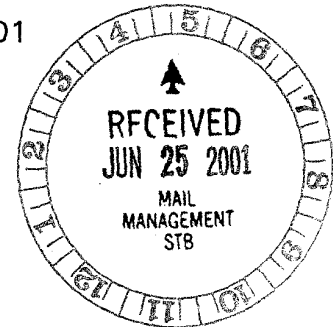
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June 25, 2001

Surface Transportation Board
Office of the Secretary
Case Control Unit
1925 K Street, N.W.
Washington, D.C. 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, Finance Docket No. 34000*

Dear Sir/Madam:

On behalf of the Transportation Institute representing U.S.-flag shipping companies providing services on the Great Lakes waterway system, I would like to take this opportunity to express the Institute's concerns regarding the pending merger of the Canadian National Railway (CN) and the Wisconsin Central Transportation Company (WC).

The Institute's reservations about the pending CN-WC merger are not grounded in the fear of additional competition to the existing marine transportation system, but rather, in the very real threat of the potential for *unfair and predatory* competition. Of particular concern is the carriage of taconite pellets from iron ranges in Northern Minnesota to steel mills located throughout the U.S. Great Lakes region.

Currently, the movement of taconite via waterborne transport is a cost-effective method of providing the essential American steel industry with basic raw materials. The waterborne route is however, seasonal due to the extreme conditions that prevail during winter months in the region. Due to these seasonal operational constraints, rail transport is only competitive during the limited period (typically about two months annually) when U.S.-flag shipping assets cannot be utilized.

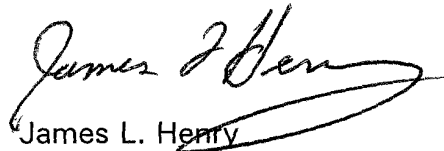
Surface Transportation Board
June 25, 2001
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The maintenance of the waterborne transportation system is not only vital to the economic health of the region, but to U.S. national security. It provides for the shipment of raw materials for the national industrial base as well as preserving essential sealift resources through the maintenance of the U.S. shipbuilding base and critical operational expertise and manpower assets for use in any region of the globe.

In the Institute's view, it is not an illogical concern that the possibility of future predatory pricing by CN-WC to gain market share would devastate U.S. maritime assets in the region.

Thus, the Institute must respectfully urge disapproval of the proposed merger unless it contains significant legal restraints preventing such an impact on the U.S.-flag fleet and related industries. A permanent mechanism should be included in any approval action which would allow for the immediate reopening of the proceeding, if such a negative impact on the marine industry should materialize.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Henry", with a large, sweeping flourish extending from the end of the name.

James L. Henry
President
Transportation Institute
5201 Auth Way
Camp Springs, MD 20746
301-423-0634
jhenry@trans-inst.org

Enclosure (Certificate of Service, Diskette)

CERTIFICATE OF SERVICE

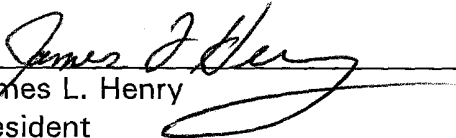
I HEREBY CERTIFY that on this 25th day of June, 2001, a copy of the Transportation Institute's comments on Docket No. 34000 was sent by first-class mail, postage prepaid, to each of the following:

The Honorable Norman Mineta
Secretary
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590

Paul A. Cunningham, Esq.
Harkins Cunningham
801 Pennsylvania Avenue, N.W.
Suite 600
Washington, D.C. 20004-2664

The Honorable John Ashcroft
Attorney General of the United States
c/o Assistant Attorney General
Antitrust Division - Room 3645
Department of Justice
Washington, D.C. 20530

William C. Sippel, Esq.
Fletcher & Sippel LLC
Two Prudential Plaza
180 North Stetson Avenue
Chicago, Illinois 60601-6721


James L. Henry
President
Transportation Institute
5201 Auth Way
Camp Springs, MD 20746
301-423-0634
jhenry@trans-inst.org