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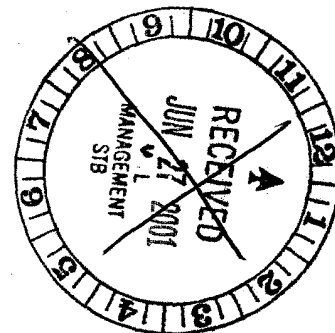
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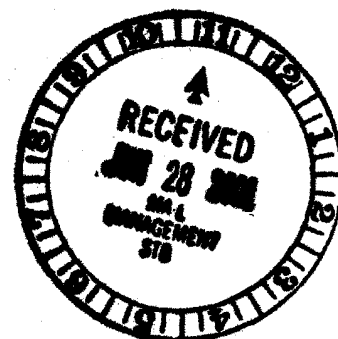
BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34000



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

COMMENTS OF ONDEO NALCO COMPANY
ON THE PROPOSED CN-WC MERGER



Set forth on the following pages are the comments of the ONDEO Nalco Company regarding the proposed consolidation of the Canadian National Railway Company and related companies ("CN") and the Wisconsin Central Transportation Corporation and related entities (collectively referred to as "WC").

ONDEO Nalco Company, formerly Nalco Chemical Company, leads the world in water treatment and process chemicals with annual revenues of \$2.8 billion. ONDEO Nalco's approximately 11,000 employees work with more than 60,000 customers in 130 countries in industry, government and institutions to solve and prevent problems, protect the environment,

decrease costs and increase productivity and profitability. ONDEO Nalco's mission is to serve industries where water, energy and efficiency are of primary importance. ONDEO Nalco is a subsidiary of Suez, a world leader in infrastructure services in the areas of water, energy and waste, with sales of more than \$30 billion and 220,000 employees.

Nalfleet® is one of the business units of ONDEO Nalco's Specialty Division. It supplies comprehensive water and fuel treatment programs and services for the worldwide marine shipping industry.

ONDEO Nalco appreciates the opportunity to express its concerns with the proposed CN-WC merger. Among our objections, ONDEO Nalco is concerned that by disrupting service and reducing convenient transport options, the proposed consolidation could seriously harm Great Lakes shipping interests involved in moving taconite. As a result, the proposed merger could materially impact other Great Lakes economic interests supporting taconite shipping and affect investments in Great Lakes shipping infrastructure.

More broadly, ONDEO Nalco is concerned that the proposed merger at issue may further compound the difficult situation our company—and industry as a whole—already face: the lack of effective competition between railroads. ONDEO Nalco's advocacy of increased rail competition is consistent with that of the American Chemistry Council, and has been based on our own experience. A substantial amount of ONDEO Nalco's rail shipments are sent by captive railroad, meaning ONDEO Nalco has no competitive shipment alternative. At sites that are "captive" to one railroad, it is estimated that companies are paying 15-60 percent higher rates than similar shipments from competitively served facilities. Mergers are likely to generate service disruptions, which could raise rates and force affected companies to switch traffic to more costly trucking to meet customer needs.

The chemical industry ships 143 million tons by rail each year and pays \$5 billion in rail freight costs. With approximately 63 percent of all chemical facilities captive to a single railroad, the railroads exercise monopoly power over the majority of the chemical industry. Rail customers require consistent and reliable rail transportation to deliver raw materials and pick up finished products on a predictable and timely basis. The quality and cost of rail transportation directly affects our ability to compete in a global marketplace, generate low-cost energy, and contribute to U.S. economic prosperity. Current rail policies frustrate these objectives by allowing railroads to prevent competitive access to terminals, maintain monopolies through “bottleneck pricing,” and hamper the growth of viable short line and regional railroads through “paper barriers.”

The Staggers Rail Act was enacted in 1980 with the goal of replacing government regulation of the railroads with competitive market forces. Since that time, the structure of the nation’s rail industry has changed dramatically. Where there were 30 Class I railroad systems operating in the U.S. in 1976, now there are only seven. The goal of the Staggers Rail Act has, over the years, been effectively derailed.

The Surface Transportation Board should be commended for its review of its guidelines concerning the merger of major railroads. The Board’s recent merger rule is an improvement in that it includes more stringent standards for mergers among major freight rail companies, requiring them to provide written assurances that any proposed merger would not interrupt existing services. It is ONDEO Nalco’s hope that while the new rules appear not to provide anticipated relief to captive rail customers, they represent a renewed interest in supporting meaningful rail competition.

ONDEO Nalco recognizes that mergers can provide competition if structured to do so.
Unfortunately, recent major rail consolidations have accomplished just the opposite.

Respectfully submitted,

A handwritten signature in black ink that reads "Jennifer Marsh Ginder". The script is cursive and fluid, with the first name "Jennifer" being the most prominent part of the signature.

Jennifer Marsh Ginder
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 22nd day of June, 2001, a copy of the foregoing "" was sent by U.S. first class mail, postage prepaid, to each of the following, and the attached service list:

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