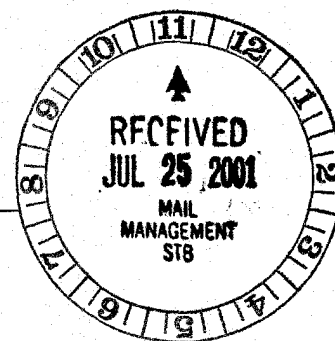


BEFORE THE
SURFACE TRANSPORTATION BOARD



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.

ENTERED
Office of the Secretary

JUL 26 2001

Part of
Public Record

COMMENTS OF MC FOREST PRODUCTS INC.

Pursuant to the schedule set forth in the Decision served on May 9, 2001, MC Forest Products submits these comments in response to the condition proposed by CP in its comments dated June 25, 2001. MC Forest Products supports the first condition requested by CP; namely, that the STB should require CN and WC to quote commercially reasonable contract through rates and charges for the transportation of property originating or terminating at points on WC at the request of connecting carriers." MC Forest Products agrees with CP that this condition is necessary to maintain effective rail and source competition for shipments to and from WC's service area.

MC Forest Products is a producer of hardwood and softwood pulp. Our office is located at 1930-200 Burrard Street, Vancouver, BC V6C 3L6, and our production facility is located near Athabasca, Alberta. M.C. Forest Products sells woodpulp produced at our Athabasca facility to customers at several locations served by WC, including Green Bay, Appleton, Neenah, Stevens Point, Combined Locks, Kimberley, Marinette, Wisconsin Rapids, and Rothschild, Wisconsin, and Menominee, Michigan. WC is the only rail carrier serving these destinations. During the year 2000, we shipped approximately 23,000 tons (244 carloads) of woodpulp to WC-served customers via a CP-Minneapolis-WC joint line route.

The Wisconsin market is important to MC Forest Products; during 2000, shipments to customers in WC's service area accounted for nearly 20 percent of our

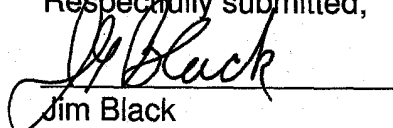
total business moved by CP to United States destinations. The cost of rail transportation is a critical factor in our ability to compete with other woodpulp producers for this business. MC Forest Products is very concerned about retaining a strong competitive option via the CP-WC routing for shipments to Wisconsin woodpulp consumers.

CN and WC state that they will maintain "commercially reasonable" rates for shipments using interline routes with other carriers following their merger. But the mechanism for quoting those rates provided for in the settlement agreement between CN and the NIT League would impose a significant new administrative burden on MC Forest Products. In order to avail ourselves of CP-WC routes in the future, we would be required to negotiate separately with CP and WC to determine the rate for each carrier's portion of the transportation. Today, CP arranges the rate for transportation over WC's lines, and presents MC Forest Products with a "through" rate for the entire movement from origin to destination.

Our company's logistics requirements are handled by a department with a staff of only 3 positions. The additional burden of negotiating separately with CP and WC would be onerous, and could require us to incur additional personnel expenses in order to use CP-WC routes in the future. This problem is complicated by the fact that our shipments to WC's area involve several different destination points, each of which would require separate rate negotiations under CN's proposal. In addition, the remedy for "unreasonable" rates contained in the CN proposal, arbitration before the AAA, would be of limited value to us, particularly for a dispute involving shipments to a smaller volume customer.

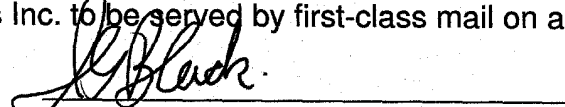
Therefore, we urge the STB to approve the condition proposed by CP in its comments, which would enable CP and other connecting railroads to continue to quote "through" rates to shippers for joint line shipments to points served by WC.

Respectfully submitted,


Jim Black
Vice President, Logistics
MC Forest Products Inc.

CERTIFICATE OF SERVICE

I hereby certify on this 25th day of July, 2001, that I caused copies of the foregoing Comments of MC Forest Products Inc. to be served by first-class mail on all other Parties of Record.


Jim Black