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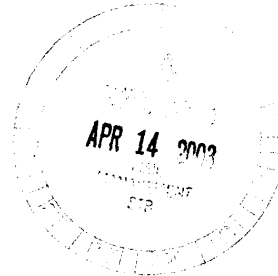
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April 14, 2003

BY HAND

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001



Re: Finance Docket No. 34330, The Burlington Northern and Santa Fe
Railway Company – Acquisition and Operation Exemption – Montana
Western Railway Company, Inc.

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding are (i) an original and 10 copies of Montana Rail Link, Inc.'s Comments to the Petition for Exemption filed by The Burlington Northern and Santa Fe Railway Company on March 25, 2003, and (ii) a disk containing this filing that is formatted in Word Perfect.

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy and returning it to our messenger.

Office of Proceedings

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Very truly yours,

Mark H. Sidman

A handwritten signature in dark ink, appearing to read "Mark H. Sidman", written over the typed name.

Part of
Public Record

Enclosures

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 34330

**THE BURLINGTON NORTHERN AND SANTA FE
RAILWAY COMPANY – ACQUISITION AND OPERATION
EXEMPTION – MONTANA WESTERN RAILWAY COMPANY, INC.**

COMMENTS OF MONTANA RAIL LINK, INC.

Montana Rail Link, Inc.

By its attorneys:

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Dated: April 14, 2003

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SURFACE TRANSPORTATION BOARD**

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**THE BURLINGTON NORTHERN AND SANTA FE
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COMMENTS OF MONTANA RAIL LINK, INC.

On March 25, 2003, The Burlington Northern and Santa Fe Railway Company (“BNSF”) filed a Petition for Exemption with the Surface Transportation Board in this proceeding (the “Petition”) to reacquire and operate the 52-mile rail line currently operated by Montana Western Railway Company, Inc. (“MWR”). Montana Rail Link, Inc. (“MRL”) hereby provides comments on the Petition.

I. BACKGROUND

MRL is a class II carrier. Its 654-mile main line, which MRL leases from BNSF, extends from Huntley, MT (where MRL interchanges with BNSF), to Sandpoint, ID. MRL has overhead trackage rights over BNSF from Sandpoint to Spokane, WA, where MRL interchanges with BNSF. In addition, MRL owns approximately 236 miles of branch lines. MRL acquired its interest in its rail assets, in transactions in 1987 and 1992, from BNSF.

In the original transaction between MRL and BNSF, BNSF retained local operations on the MRL mainline between West Helena, MT and Phosphate, MT (the “Gap”), including the exclusive right to interchange with MWR at Garrison, MT. (MRL had overhead trackage rights over the Gap.) In 1992, MRL and BNSF entered into a series of agreements whereby MRL took

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over local operations on the Gap. As a result, MRL obtained the right to interchange directly with MWR. At that time, MRL, BNSF and MWR also entered into certain agreements that established commercial arrangements among those carriers for various categories of traffic.

II. COMMENTS

In the Petition, BNSF seeks an exemption from the requirements of 49 U.S.C. § 11324(d) to reacquire and operate the rail line from Garrison, MT, to Butte, MT, which is currently operated by MWR. MRL and MW interchange traffic at Garrison. The interline traffic handled by MRL and MWR includes traffic originating or terminating on MRL (the "MRL/MWR Traffic"), and traffic that MRL bridges between MWR and BNSF (the "BNSF/MWR Traffic").

Pursuant to agreements between MRL and MWR, MRL and BNSF and BNSF and MWR, MRL has power of attorney to market certain MRL/MWR Traffic. The traffic covered by the power of attorney includes moves that both originate and/or terminate on MRL and originate and/or terminate on MWR, as well as certain traffic that is bridged by MWR between Union Pacific Railroad ("UP") and MRL. These commercial arrangements are important both to MRL and to shippers whose traffic is efficiently and competitively handled under the existing agreements.

In the Petition, BNSF states that its reacquisition of the MWR rail line will not have any material effect on the commercial relationships that now exist for shippers located on the MWR line or whose traffic moves over the MWR line as a bridge move:

BNSF will continue to provide common carrier service to shippers located on the Subject Line at competitive rates, and there would be no material change in the service provided to those shippers. They can continue to ship their products as they have previously, both before and after MWR's possession of the line, via either Garrison (interchange with MRL) or Silver Bow (interchange with UP). Similarly, bridge traffic between BNSF or MRL and UP that currently moves over the Subject Line can continue to move just as

relationships between Rarus,¹ BNSF and MRL will not be materially changed as a result of this transaction. *As a practical matter, the proposed transaction will only result in a change in ownership, not a change in service or competition.*

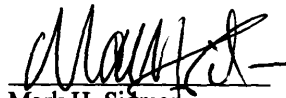
Petition at 7 (emphasis added).

Consistent with BNSF's stated intention of preserving the competitive *status quo* following acquisition of the MWR line, BNSF has agreed to amend certain of its existing commercial agreements with MRL in a manner that would preserve MRL's rights with respect to MRL/MWR Traffic and BNSF/MWR Traffic without material change (the "Amendments"). MRL anticipates that the Amendments will be in place within ninety (90) days after BNSF's reacquisition of the MWR rail line.

III. CONCLUSION

In view of BNSF's undertaking in the Petition to maintain service and competition, and its agreement to enter into the Amendments in connection with that undertaking, MRL urges that the Board grant the exemption sought in the Petition. MRL reserves the right to submit additional filings with the Board if the Amendments are not entered into within 90 days following BNSF's reacquisition of the MWR line, and requests that the Board reserve jurisdiction to entertain any such filings.

Respectfully submitted,



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¹ MRL assumes that the omission of MWR from this list of commercial relationships is inadvertent, and that BNSF has committed that the existing commercial relationships among MWR, BNSF and MRL also will not be materially changed as a result of the proposed transaction. MRL requests that the Board clarify this issue in its decision.

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of April 2003, a copy of the foregoing Comments in Finance Docket No. 34330 was served overnight by first-class mail, postage prepaid, upon:

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