

208546

Transportation

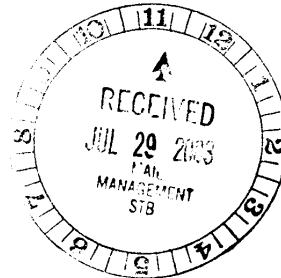


P.O. Box 9777
Federal Way, WA 98063-9777
253-924-3408
253-924-3249
john.ficker@weyerhaeuser.com

July 17, 2003

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

ENTERED
Office of Proceedings
JUL 29 2003
Part of
Public Record

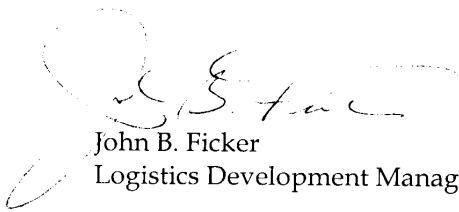


Re Finance Docket No. 34342, Kansas City Southern - Control -- The Kansas City Southern Ry. Co., et. al.

Dear Mr. Williams;

Enclosed please find the statement of Weyerhaeuser Company in the above captioned proceeding.

Respectfully submitted,



John B. Ficker
Logistics Development Manager

Enclosure

BEFORE THE
SURFACE TRANSPORTATION BOARD

UNITED STATES DEPARTMENT OF TRANSPORTATION

Finance Docket No. 34342

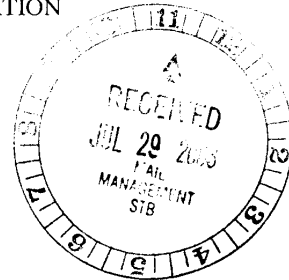
KANSAS CITY SOUTHERN

-- CONTROL --

THE KANSAS CITY SOUTHERN RAILWAY COMPANY,
GATEWAY EASTERN RAILWAY COMPANY
and
THE TEXAS MEXICAN RAILWAY COMPANY

SUBMISSION OF
WEYERHAEUSER COMPANY

DATE: JULY 16, 2003



ENTERED
Office of Proceedings

JUL 29 2003

Part of
Public Record

John B. Ficker
Logistics Development Manager
Weyerhaeuser Company
PO Box 9777
Federal Way, WA 98063-9777
253-924-3408 (Telephone)
253-924-3249 (Facsimile)
e-mail: john.ficker@weyerhaeuser.com

BEFORE THE
SURFACE TRANSPORTATION BOARD
UNITED STATES DEPARTMENT OF TRANSPORTATION

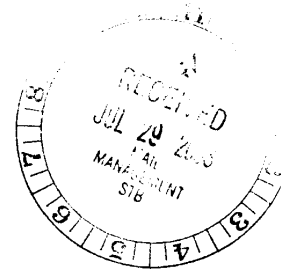
Finance Docket No. 34342

KANSAS CITY SOUTHERN

-- CONTROL --

THE KANSAS CITY SOUTHERN RAILWAY COMPANY,
GATEWAY EASTERN RAILWAY COMPANY
and
THE TEXAS MEXICAN RAILWAY COMPANY

SUBMISSION OF
WEYERHAEUSER COMPANY



Introduction:

My name is John B. Ficker. I am employed by Weyerhaeuser Company as its Logistics Development Manager. My business address is: Weyerhaeuser Company, PO Box 9777 Federal Way, WA 98063-9777. I am familiar with all of Weyerhaeuser's facilities and its transportation requirements. I have worked in the transportation industry for thirty years. I have worked for Weyerhaeuser since 1986. For the first four years of my employment, I was Southern Transportation Manager. In that position, I was responsible for transportation from and to eleven (11) Weyerhaeuser manufacturing facilities and forty (40) distribution centers east of the Rocky Mountains. In 1990, I assumed my current responsibilities, which include reviewing Weyerhaeuser's transportation agreements, determining whether they comply with applicable regulations and statutes, and representing Weyerhaeuser before regulatory agencies. I am a registered practitioner before the Surface Transportation Board and am authorized to represent Weyerhaeuser before federal and state regulatory bodies and present this statement on behalf of Weyerhaeuser.

Background -- Weyerhaeuser is a large user of rail:

Weyerhaeuser is a multi-plant forest products company with facilities across North America. Our 2002 annual sales were over \$18 billion. We manufacture, distribute, and sell logs, woodchips, lumber, plywood, particleboard, hardboard, oriented strandboard, woodpulp, paper, pulpboard, shipping containers, chemicals, and related products. We own and operate large mill complexes in Alabama, Georgia, Mississippi, Kentucky, West Virginia, North & South Carolina, Oklahoma, Oregon, Washington, Louisiana, Tennessee, Pennsylvania, and Wisconsin, and the Canadian provinces of British Columbia, Alberta, Saskatchewan, Ontario, and New Brunswick. We have numerous packaging plants and distribution facilities across the United States, Mexico, and Canada. We also own and operate five Class III shortline common carrier railroads. Weyerhaeuser is a significant user of rail transportation services in both the United States, Canada and Mexico.

Comments on the Proposed Transaction:

Weyerhaeuser believes that the proposed transaction will have a positive impact on the rail environment in both the United States and Mexico, and as such we support the transaction. Weyerhaeuser has some concerns, which we believe the Board should address in this case. The commonly controlled railroad must insure that all existing gateways will remain open and it will not provide undue preference to any gateway. The commonly controlled railroad must continue to offer competitive rates to and from other connecting railroads.

Weyerhaeuser's major concern is the need for the commonly controlled railroad to provide a 'firewall' between its marketing effort and that of the Mexican carrier TFM who will become a partner in the new NAFTA railway. Without such protection, the KCS/TM will have an unfair advantage over the other connecting railroads. The commonly controlled carrier must provide the Board with assurances and process, which can be monitored to insure the impartiality of its Mexican partner in its dealings with other railroads.

Summary:

Weyerhaeuser supports the proposed transaction with the provision that a verifiable 'firewall' can be developed between the Mexican partner and its US partners.