



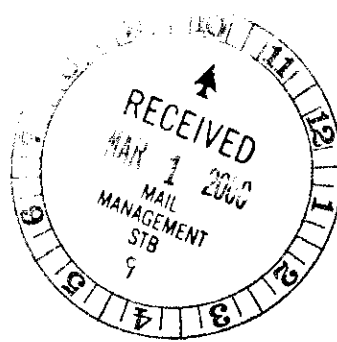
MERRITT BROS. LBR. CO. INC.

Remanufacturing Division

P.O. Box 190
Athol, ID 83801-0190
Phone (208) 683-3321
FAX (208) 683-3328

February 25, 2000

Surface Transportation Board
Office of the Secretary
Case Control Unit, Attn: S T B Ex Parte No. 582
1925 K St., N.W.
Washington, D.C. 20423-0001



U.S. DEPARTMENT OF TRANSPORTATION
Surface Transportation Board

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Public Record

Dear STB Members:

We at Merritt Brothers Lumber Co. would like to commend you for allowing us the opportunity to express our concerns regarding the proposed BNSF/CN merger. We are a forest products manufacturing company of 38 years with four locations in the states of Idaho and Oregon. Our rail shipments exceed 3,000 cars annually. Our facilities ship and receive product on both the Union Pacific and Burlington Northern Railroads.

The potential approval or disapproval of the BNSF/CN merger should not be determined on the basis of railroad vs. railroad. Your decision should be based to a substantial degree on the input you receive from the railroads customers. We feel the proposed BNSF/CN merger is extremely premature based upon the previous round of mergers. The railroads need to concentrate their efforts on the existing needs of industry before they further expand their operations.

An approval of the BNSF/CN merger would undoubtedly prompt the remaining four major railroads to consider some type of consolidation as well. The result being fewer railroads for shippers to access and the possibility of an anti-competitive situation occurring. Since the last round of mergers we have dealt with lower service levels, tighter equipment availability and 3-5% rate increases.

As a domestic shipper we are also very concerned that our car supply could be dramatically reduced. Railroads could conceivably favor the higher revenue generating, longer hauls originating in Canada and moving to domestic destinations. Equipment might be prioritized and domestic shippers could suffer equipment shortages.

We hope our input will assist you in your decision making process. Thank you for the opportunity to express our thoughts on this extremely critical issue.

Best Regards,

Ronald W. Brady
Ronald W. Brady
Merritt Brothers Lumber Co.