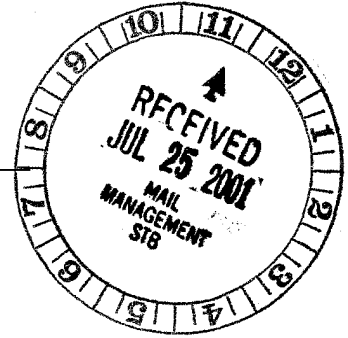


BEFORE THE
SURFACE TRANSPORTATION BOARD



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 TEMBEC INC

Tembec Inc. submits these comments in response to the comments filed by Canadian Pacific Railway Company (CP) on June 25, 2001. Tembec supports the condition requested by CP in its comments to require CN and WC to quote commercially reasonable through rates and charges for transportation of freight to and from points located on WC's lines at the request of railroads that interchange with WC today.

Tembec produces woodpulp at a plant located in Skookumchuck, BC. CP provides the only rail service to our plant. Tembec sells woodpulp to a number of customers in Wisconsin. These shipments are handled by CP to St. Paul, MN, where they are interchanged to WC for delivery to receivers located at Kimberly, Stevens Point, Wisconsin Rapids, Marinette and Combined Locks, WI. Most of these destinations are served exclusively by WC. During the year 2000, Tembec shipped 368 cars to these Wisconsin destinations via the CP-St. Paul-WC rail route, which was approximately 46% of all of our business into the United States for that time period.

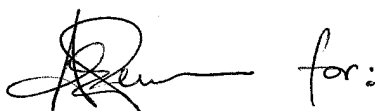
Tembec competes with woodpulp producers elsewhere in Canada and the United States for sales of woodpulp to the Wisconsin paper industry. Many of our competitors are located much closer than we are to these destination points. The cost of rail transportation from our Skookumchuck plant is a major factor in our ability to remain competitive in the Wisconsin market. Tembec is concerned that the proposed CN-WC rail merger will harm the future competitiveness of the CP-WC route for our traffic. With alternative sources of woodpulp located at points served by CN, the CN-WC might prefer to favor shipments from those

producers to Wisconsin, rather than continue participating in shipments from CP-served origins such as Skookumchuck. A significant increase in the cost of shipping woodpulp via the current CP-WC route could price Tembec out of the Wisconsin market.

The CP-WC rail route is Tembec's only commercially viable transportation option for shipments to Wisconsin. We do not have direct rail service from a carrier other than CP. While Skookumchuck is located less than 100 miles from UP's line at Kingsgate, UP does not serve the Wisconsin destinations where our customers are located (most of which are served only by WC). It is doubtful whether the cost of trucking woodpulp from Skookumchuck, which is more than 1,500 miles from Wisconsin, would enable us to remain competitive in this market. Therefore, the "sourcing" competition that Tembec offers to Wisconsin woodpulp users today would be threatened by any reduction in the competitiveness of the CP-WC route via the St. Paul gateway.

The condition proposed by CP will preserve effective competition for woodpulp shipments to WC-served points in Wisconsin, by enabling CP to obtain reasonable rate quotes from WC for traffic interchanged at the St. Paul gateway. Tembec agrees with CP that the "interchange protection" terms of the settlement agreement between CN-WC and the National Industrial Transportation League would not be as effective as CP's condition in preserving rail and source competition for traffic moving to WC's territory. Accordingly, Tembec requests that the condition proposed by CP be approved by the STB.

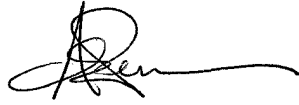
Submitted by:

A handwritten signature in black ink, appearing to read "Benesh", followed by the word "for:" in a cursive script.

Tim Benesh
Manager – Logistics
Tembec Inc.

CERTIFICATE OF SERVICE

I hereby certify on this 25th day of July, 2001, that copies of the Comments of Tembec Inc. were served by first-class mail on all Parties of Record.

 for.

Tim Benesh