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The Lake States Lumber Association

The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E. Street, S.W., Room #100
Washington, DC 20423-0001

Re: Proposed CN/WATCO Transaction

Surface Transportation Board Finance Docket No. FD 36503

Grand Elk Railroad, Inc. – Acquisition – Lines of Wisconsin Central Ltd. in the State of Michigan

Surface Transportation Board Finance Docket No. FD 36504 *Fox Valley & Lake Superior Rail System, L.L.C. – Acquisition and Operation Exemption – Lines of Wisconsin Central Ltd. in the State of Wisconsin*

Dear Ms. Brown,

The Lake States Lumber Association (LSLA) is a non-profit organization representing the Wisconsin, Michigan, sawmills, wood manufacturers and their supporting industries. Our members are very dependent on a good, efficient transportation system. Unfortunately, since the 2001 purchase of the Wisconsin Central Railroad by the Canadian National Railroad, (CN), the level of service provided to the forest products industry in Wisconsin has declined dramatically. From what I understand the CN's business model is more focused on very large-scale operations. Many of the smaller railroad yards that used to service Wisconsin industry were closed. The resulting lack of rail service has forced many of our forest products onto our highways, at increased financial cost, increased environmental cost, and increase wear and tear on our rural roads.

There is some hope that the proposed sale of CN track to WATCO would result in a return to a better level of service to our Wisconsin rail industry. We sure hope so. I understand one thing the proposed sale does not do is, allow for the rail tracks in the WATCO purchase, to connect to another Class I railroad. While we are very tempted to hope for better customer service on the proposed track sale, we would be more optimistic if the tracks would connect to another Class I railroad. Wisconsin has suffered too long with the near monopolistic control of most of our rail by the CN. Let's finally have a hope for some competition. We the Lake States Lumber Association, would respectfully request a delay in the sale of the CN track to WATCO pending an agreement that the purchase includes the right for WATCO to connect the tracks to any willing Class I railroad.

Respectfully submitted,

Rob Paradise

Rob Paradise
LSLA President

CC Parties of Record

LAKE STATES LUMBER ASSOCIATION, INC.

1353 W Hwy US 2 Suite 2

Crystal Falls, MI 49920

920/884-0409 ▲ 906/875-3724 (Fax)

www.lsla.com ▲ lsla@lsla.com