

WHEELING & LAKE ERIE RAILWAY COMPANY

William A. Callison
President

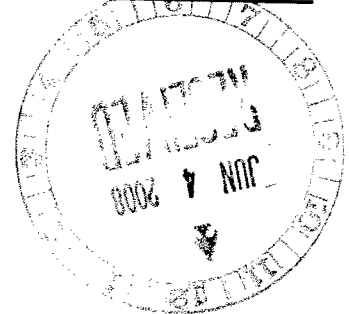
Phone: 330-767-7290

Email: law@wlerwy.com

100 E. First Street
Brewster, Ohio 44613
Fax: 330-767-7300

May 28, 2008

Anne K. Quinlan, Esquire
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington DC 20423-0001



Re: STB Finance Docket No. 35087

Dear Ms. Quinlan:

On behalf of the Wheeling & Lake Erie Railway Company (W&LE) I would like to take this opportunity to comment on the Canadian National Railway Company's (CN) May 13, filing in STB Finance Docket No. 35087. We agree with CN's request for the establishment of definitive time limits in this matter. It is a fair and reasonable request. Equally important, we believe the failure to establish a time limit is a dangerous precedent for the short line and regional railroad industry which has benefited greatly from the Board's consistent application of expeditious and definitive time tables.

In its May 13 filing CN notes that the only other control proceeding where the Board has required an environment impact statement (EIS) was the Conrail proceeding. This was a transaction of enormous complexity and geographic reach. In that case time limits were established. We agree with CN that it is difficult to understand why in a case seemingly far less complex than the Conrail sale case, such time limits cannot be put in place.

We believe that a regulatory process that is allowed to proceed indefinitely is harmful to any private business and is a particularly dangerous precedent for the short line railroad industry. Short line and regional railroads have done a tremendous job in saving the most vulnerable track in our national railroad network. Saving these lines from abandonment requires substantial private financing both to purchase the assets and rehabilitate the infrastructure. This private financing is relatively risky in and of itself. Subjecting a transaction to an indefinite federal approval process makes it even more difficult to secure and hold this financing.

This is an important subject because the short line and regional railroad industry itself is largely the product of an expedited approval process. The majority of short line and regional railroads were formed in the midst of very difficult circumstances. Communities wanted to preserve their Class I rail service. Employees were anxious about their future employment. Rail shippers

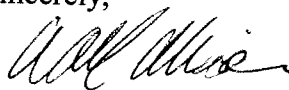
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Acting Secretary
Page Two.

wanted assurances about service and reliability. Capital dollars needed to eliminate deferred maintenance were difficult to secure for lines that had lost so much of their traffic.

We believe the decisions by the Interstate Commerce Commission (and subsequently the Surface Transportation Board) to create reasonably short timeframes for regulatory approval of short line transactions is largely responsible for our ability to succeed in these difficult circumstances. It allowed short lines to secure and hold financing in place, to make timely commitments to existing and potential shippers and to work as quickly as possible to meet employee concerns. We understand that the Board must consider all views on the environmental aspects of the proposed transaction, but we believe the Board also has a responsibility to produce a timely decision in that regard.

I appreciate the opportunity to comment on this important case.

Sincerely,

A handwritten signature in dark ink, appearing to read 'William A. Callison', written in a cursive style.

William A. Callison