**NAVCOR**

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To Whom It May Concern:

Navcor is an outsourced logistics provider. We represent Conifex Inc. and Welco Lumber Corporation in all their freight negotiations and administration. This includes the production of two rail served sawmills, one in Fort St James, BC and another in Mackenzie, BC. While these mills have OGRM access all our switch service and car supply is provided by CN Rail. We also represent a number of other offline shippers that access rail via transload facilities in Canada and the US.

Our experience with CN has been exceptionally good. We have found them to be very responsive. They also have excellent local account representation. While we do have good reps assigned from the CP, BNSF, UP, CSX, and NS – most of these railroads have consolidated all Forest Products for BC under one representative which creates for them a heavy workload.

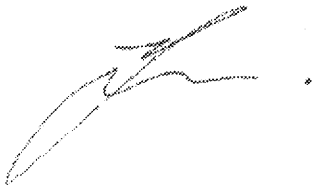
In addition to good account representation we have also found the CN network to be well managed. The transit times for shipments across Canada and into Chicago are efficient. Our mill direct pricing has generally been competitive. It has been our experience that with good open communication with our account and operations representatives our empty car supply and switching service has also been well forecasted and scheduled. Customer service enquiries are handled promptly with little to no time spent waiting to be connected.

We have one concern that merits note. The recent economic changes have resulted in reduced rail shipment volumes. Volume reductions have been matched with changed switching service levels. Our customers plan is to increase business volumes. If the surrounding industries are not able to do the same CN may determine that there is not sufficient traffic to warrant an increased switching schedule. Our mill in Mackenzie has only enough track to support daily switching. Our suggestion would be that if our facility is able to produce more rail volume, but daily switching for our region is not cost effective, consideration be made to assisting the facility in the cost of installing more track for additional supply capacity.

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We have extensive experience in shipping lumber, steel, and other industrial products in both Canada and the US. We have marketed the services of transload facilities on both sides of the border. We have worked with the AAR and the RAC in the development of safe load patterns for shipping new products by rail. Our staff has experience in private fleet management. We have used the online tools provided by all the class 1 railroads as well as integrating some of our tools with the carriers. In all our experience we have found that the overall service provided to our mills in BC by CN has been good.

Regards,



Nathan Hall
President