

SENATOR WICKERSHAM: No. Those are Class, what are referred to as Class I rail lines. It would probably be what is known as a short line operator. They operate under different rules and, in fact, that is part of the way in which they are successful.

SENATOR WESELY: And why do you think that, having had this line fail previously with C&NW, that this restructured mechanism would succeed?

SENATOR WICKERSHAM: The short line operators have several advantages over Class I operators, and primarily it has to do with the flexibility of their operations. They are able to more effectively respond to shippers' needs and they are also more flexible in their work rules and their equipment rules. Short line operators have been successful in other states and, in fact, we have one, at least one short line operator in Nebraska that is being successful with the excursion train at Elkhorn.

SENATOR WESELY: Do you anticipate any rail traffic moving over that line that would otherwise move over other lines located elsewhere in the state?

SENATOR WICKERSHAM: No, at the present time, all of the traffic that would be contemplated for the line would be grain or fertilizer that is used locally along the line. We have, in the past, shipped rock along the line that came from the Rapid City area and was used on the roads and highways in the State of Nebraska, but that aggregate or crushed rock would have not gone over other lines in the State of Nebraska.

SENATOR WESELY: Now we are purchasing from Norfolk to Chadron, what about the line west of Chadron, what happens to it?

SENATOR WICKERSHAM: As we were originally discussing the transaction, the line west of Chadron would remain in C&NW ownership. They were...had a significant amount of traffic that came from the Rapid City area, actually Colony, Wyoming, which is a little to the northwest of Rapid City. It was bentonite traffic. It came down to a point known as Dakota Junction, and then went west through Crawford, through Harrison, and joined up with existing C&NW lines at Crandall, Wyoming. Subsequent to the flood at Crawford, the line west of Crawford is, in part, is washed out. The line east of Crawford to Dakota Junction, we have had an assessment of that by Mr. Sabin, and we believe that