

of this, and the more concerned I get of what we are leading ourselves into. I, too, can certainly testify that the railroad lines, when they want to abandon a line, they simply have many, many ways of not keeping that line up, and some of the track becomes in very, very poor condition, and the switches, and so on, and I know it costs money. This is actual experience, a little line that they were going to...that is abandoned and they did sell it between south of the power plant in Grand Island and Hansen, Nebraska, which is north of Hastings about 10 or 12 miles. There is 14 miles of line there and I got very heavily involved. They wanted to run a railroad line, a dining car, similar to Fremont, Nebraska, and, eventually, it was sold and the Union Pacific did the same thing here as we have this letter in front of us, tried and tried to negotiate, and all of a sudden they just sold it for salvage, and I don't blame them. They have to protect their stockholders and so on in a businesslike fashion to get as much as they could out of it. But that line sold, 14 miles, and if I recall it was either 357 or 387 thousand dollars, and by the time it was finished, and more power to the salvage company, I believe that they got close to 600,000 out of that. Of course, they had a lot of work but the salvage value is good on these lines. But a concern that I have with this is this is not really a through freight line, and it is somewhat of a dead end line, and I don't see that many large cities along there to support that much traffic. Now I know the trucks do a lot of harm to the highways and they cup it out north of Grand Island, and Greeley, and so on. But a question of Senator Wickersham, the salvage could very well be 7.9, it could be \$9 million, too, very easily. I figured it out here, or 10 million. Who gets that salvage value? Who is guaranteed that? If we loan \$5 million, sure, we loaned it or we gave it, but I don't see anything in the reading of this, the salvage value may be worth that but who gets the...are we any assurance that the state is going to get that salvage value back if it goes kaput?

SENATOR WICKERSHAM: Yes, the intention is to structure this like a business transaction, and if you are going to enter into a business transaction with somebody with an asset that is worth \$7.9 million, but you want to be guaranteed to get back \$5 million, you just structure the transaction to do that. The proposal that we have been talking about is structuring a lease arrangement to do that. You simply lease it to them and guarantee that, if the line is scrapped, you get back \$5 million.