

highly political question. It is not going to be beneficial to the populace at large. I don't believe that there is going to be a doubling of the traffic on this line. There is no place for this traffic to come from. If you speculate about taking it from other lines, then that is just what it is, speculation, and it is not likely to happen. If there is a derailment, this whole operation is through. I'd like to ask Senator Wickersham a question, which I believe he has already answered. Senator Wickersham, did you say that should there be some financial reversal for this group, it could be some bridges washed out, a derailment, or whatever, that at that point the state would have to resort to salvage with reference to this line? Is that what you said, or maybe I misunderstood?

SENATOR WICKERSHAM: Okay. If the transaction were structured properly, I don't think the line would ever come back to the State of Nebraska for salvage or for any other purpose, and the reason for that is because the line has a value of \$7.9 million for salvage. If we leased it with an option to purchase for \$5 million, nobody will walk away from the \$2.9 million. We will never see the line again.

SENATOR CHAMBERS: From whom does the state get its money back?

SENATOR WICKERSHAM: It gets it back out of the salvage and, in fact, one of the points we haven't discussed is if the line is rehabilitated, you expect to receive back 50 cents on the dollar from the rehabilitation dollars that are input to the line, so...

SENATOR CHAMBERS: But if the group had financial difficulty, the state would have to rely on salvage to get any money back?

SENATOR WICKERSHAM: That is correct.

SENATOR CHAMBERS: All right, what is the...I am going to presume that what you and others have indicated may be true, actually is true, that the railroad, itself, deliberately ran off business. It took a profit making line and converted it into a loser on purpose. While it is converting the line into a loser, has it been maintaining the roadbed, the right-of-ways of the track?

SENATOR WICKERSHAM: No.