

railroad, both for a lease and for a potential purchase of the line. The C&NW is still telling us that the line is indeed for sale for \$5 million. Since we did not have the \$5 million to purchase it, those negotiations have not come to fruition. There are other issues to be resolved before we could purchase the line but if we had the money, I think it could be done. One of the issues that was discussed last year was, can the line make money? And, at that time, we had to talk about the potential of the line to produce additional revenue. We said that even at the current levels of traffic, we thought the line could make money but the shippers had committed to doubling the traffic on the line and, at that level, we were assured that it could be a moneymaker. One of the facts that was discussed in the abandonment proceeding in Valentine, in February, was the issue of whether or not the line is making money. The case that was presented by the State of Nebraska, I believe, shows that even at the current traffic levels that the line is making about \$100,000 a year. If we were able to double the traffic on the line, as projected by the shippers, certainly the line can be made profitable and can make money. The other issue that was raised last year is, can we find a short-line operator? Yes, we can find a short-line operator and, in fact, we have found a short-line operator, an operator from Denver, Colorado that has been instrumental in proceeding with the negotiations with the C&NW and has been willing to make commitments to saving the line. It's the Great Western Railway Company. So, yes, we can find an operator. Yes, they think it can be made profitable. The other issue that was raised last year in connection with this issue is, will the state get its money back? And the answer to that question is still yes also. Last year we were advising you that the salvage value of the line was approximately \$7.9 million. The salvage value of the line is still \$7.9 million, or thereabouts, and if we were able to acquire the line for \$5 million, yes, we would be secure. The other issue that was raised last year, is this some sort of a black hole where we'll continue to put money? No, this is not a black hole where we will continue to put money. I think I expressed my opinion on that in no uncertain terms last year. I will reiterate it this year. I have no interest in seeing the State of Nebraska actually operate this line. I have no interest in seeing the State of Nebraska get caught in a situation where we have to provide continuing subsidies for this line. My perception of our efforts to save this line is that we simply need to make what is, in effect, an interest-free loan so that we give the operator and the shippers along the line the