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SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. AB-492 (Sub-No. 2X)

FILLMORE WESTERN RAILWAY COMPANY–
ABANDONMENT EXEMPTION–IN FILLMORE COUNTY, NE

IN THE MATTER OF A REQUEST TO SET TERMS AND CONDITIONS

Decided: October 31, 2001

Fillmore Western Railway Company (FWRY) filed a notice of exemption under 49 CFR 1152 Subpart F–Exempt Abandonments and Discontinuances of Trackage Rights to abandon a line of railroad between: (a) milepost 1.7 near Fairmont and milepost 10.0 near Geneva, NE; and (b) milepost 8.1 near Fairmont, NE, and milepost 23.0 near Milligan, NE, a distance of approximately 23.2 miles in Fillmore County, NE. Notice of the exemption was served and published in the Federal Register on June 27, 2001 (66 FR 34328-29). Under 49 CFR 1152.50(d)(3), the exemption was scheduled to become effective on July 27, 2001, but a formal expression of intent to file an offer of financial assistance (OFA) was timely filed by Provident Industries, LLC (PI) to purchase the portion of the right-of-way between milepost 8.1 near Fairmont and milepost 23.0 near Milligan.[1] On August 27, 2001, PI timely filed an OFA under 49 U.S.C. 10904 and 49 CFR 1152.27(c) to purchase the portion of the line between milepost 8.1 and milepost 23.0 for $305,103. In a decision served August 31, 2001, PI was found to be financially responsible and its offer sufficient to further postpone the effective date of the exemption for that portion so as to permit the OFA process under 49 CFR 1152.27 to proceed. Also, the August 31, 2001 decision identified September 26, 2001, as the date on or before which the buyer or seller could request the Board to establish the terms and conditions of the purchase for that portion of the line.[2]

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[1] The filing of PI's formal expression of intent to file an OFA stayed the effective date of the exemption until August 6, 2001. On July 18, 2001, PI filed a petition to toll the period for submitting the OFA pending receipt of the information required to be furnished by FWRY. By decision served July 20, 2001, the time period for PI to file its OFA was extended until August 27, 2001, or 20 days after PI's receipt of the requested information, whichever was later, and the effective date of the exemption as to the pertinent portion of the right-of-way was further postponed until September 5, 2001, or 30 days after PI's receipt of the required information, whichever was later.

[2] On September 10, 2001, FWRY appealed the August 31 decision, taking the position that PI's OFA should be rejected. By decision served October 23, 2001, we denied FWRY's appeal.

By decision served September 18, 2001, the due date for requests to establish the terms and conditions for the sale price of the line was extended to October 1, 2001, and the due date for replies to any request to set terms and conditions was extended to October 9, 2001.

On October 1, 2001, PI requested that we establish the conditions and amount of compensation for the line. PI contends that the fair market value of the segment is $238,277, consisting of $96,000 for land and $142,227 for track materials. FWRY claims that the line is worth $620,520, consisting of $166,255 for land and $454,265 for track materials. We are accepting FWRY's estimate, except for a $1,500 reduction in value for a relay turnout and application of a discount factor to the selling price of the real estate, and an addition in value for 3 scrap turnouts and 50 switch ties that FWRY did not include in its final valuation of the OFA line, but which PI may choose to acquire. Accordingly, we set the purchase price at $615,400. A summary of the parties' figures and our findings is shown in the Appendix to this decision.

TERMS AND CONDITIONS

Valuation and Evidentiary Standards. Proceedings to set conditions and compensation are governed by the provisions of 49 U.S.C. 10904(d)-(f). Under section 10904(f)(1)(B), we may not set a price that is below the fair market value (FMV) of the line. Where, as here, there is no evidence of a higher going concern value for continued rail use, we set the price at the net liquidation value (NLV) of the properties for their highest and best nonrail use. Chicago and North Western Transp. Co.–Abandonment, 363 I.C.C. 956, 958 (1981) (Lake Geneva Line), aff'd sub nom. Chicago and North Western Transp. Co. v. U.S., 678 F.2d 665 (7th Cir. 1982). NLV includes the value of the real estate plus the net salvage value of track and materials (gross salvage less removal costs).

In proceedings to set terms, the burden of proof is on the offeror, as the proponent of the requested relief. See Lake Geneva Line, 363 I.C.C. at 961.[3] Thus, in areas of disagreement, the offeror must present more detailed evidence or analysis or provide more reliable and verifiable documentation than that which the carrier submits. Absent detailed evidence supporting the offeror's estimates and contradicting the rail carrier's estimates, we accept the carrier's estimates in a forced sale context. See Burlington Northern Railroad Company–Abandonment Exemption–In Sedgwick, Harvey and Reno Counties, KS, Docket No. AB-6 (Sub-No. 358X) (ICC served June 30, 1994), and cases cited therein. We address below the various issues in this case.

[3] Placing the burden of proof on the offeror is particularly appropriate in an OFA context, which involves an involuntary taking of property, because the offeror may withdraw its offer if it considers the price that we set to be too high but the rail carrier must sell its line to the offeror at that price even if it considers the price to be too low.

Track Materials. PI's valuation is based on a verified statement it submitted from Mr. David C. Kelly, who states that he personally inspected the line on September 18, 2001. FWRY counters with its own detailed on-site estimate prepared by Mr. William D. Purcell of SMI-Rail Company.[4] The parties agree that the length of the track at issue is 15.4 miles, and they provide similar estimates of the amount of rail in place (2,078.88 and 2,052 net tons for PI and FWRY, respectively, a difference of approximately 1%).

Rail. The parties disagree on the value of four of the five weights of rail found on the line. They agree that the small amounts of 65-lb rail found on the line should be classified as scrap and valued at $104 per ton. PI also classifies all 75- and 85-lb rail as scrap. FWRY, however, classifies this rail as reroll or relay.[5] PI's classification is not based on observation of the line's current condition. Rather, during his inspection of the issue line, PI's witness Kelly observed 75-lb rail from another line stacked along the right-of-way. That rail had been cut into 2-foot strips awaiting shipping. He concluded that such 2-foot strips indicate that the rail is to be sold for scrap, from which he inferred that FWRY could not sell the rail at higher relay or reroll prices. Mr. Kelly also asserts, without support, that there is no market demand for 75- or 85-lb relay or reroll rail.

FWRY claims that the 2-foot strips of rail observed by Mr. Kelly are not an indication of the condition or value of the rail actually on the line at issue. FWRY's witness Westerlin explains that the 2-foot strips of rail that Mr. Kelly saw were cut to meet the requirements of a specific customer and do not reflect the normal practice for marketing rail.

FWRY states that there is an active market for 75- and 85-lb rail and claims that PI has understated the value of that material. FWRY classifies the 75-lb rail as relay and reroll and all 85-lb rail as relay. According to FWRY, there is a good market for lighter weight rail in this country, as well as in Mexico and in Central and South America. Indeed, the railroad states that 85-lb rail is currently in very short supply and is sought by rerolling mills.

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[4] In addition, FWRY supports its analysis by offers to buy track and materials, as described below, and a valuation of the line by L. B. Foster Company (Foster), based on an on-site inspection, to support an offer by Foster. FWRY also submitted a verified statement by Mr. Rodney G. Westerlin, an employee of Tie Yard of Omaha, a company that specializes in the removal and recycling of used railroad materials.

[5] Reroll rail may be relaid and used as track following a process known as rerolling, and is hence more valuable than scrap. Relay rail may be relaid for track use as is, and is therefore more valuable than reroll rail.

FWRY submitted an offer and analysis by Foster[6] classifying all 75-lb rail as reroll and all 85-lb rail as relay. FWRY also provided letters from four other companies — Chicago Heights Steel; R. A. Schaeffer Co., Inc.; Houston Rail & Locomotive; and SMI Rail — offering to purchase this rail for prices generally exceeding those included by FWRY in its valuation of the issue line.[7]

We agree with FWRY that PI's valuation of all 75- and 85-lb rail on the line as scrap is not warranted simply because certain 2-foot strips of rail are stacked by the side of the line, even if that rail is the same age and manufacture as the rail on the line. Because PI has failed to support its argument that the 75- and 85-lb rail should be valued as scrap, we accept FWRY's evidence that the rail is of relay and reroll quality. Moreover, FWRY has provided ample support for determining the quality and value of this rail, based on the Foster quote and other submissions, as shown in Table 1 below.[8] Therefore, we accept FWRY's classification and valuation of the 75- and 85-lb rail, as reflected in our restatement set out in the Appendix.

PI values all 90-lb rail on the line, regardless of actual quality, as reroll because of the alleged impracticality of picking up and transporting that rail in its present form. The 90-lb rail is welded together into 1400-ft. sections. According to PI's witness Kelly, it would be extremely expensive and unsafe to remove and transport such lengthy sections of rail any appreciable distance. He states that it would be more practical to cut down this rail for rerolling.

FWRY contends that the 90-lb rail is relay quality, and can successfully be relaid. FWRY supports its estimate with the valuation prepared by Foster and by Mr. Westerlin's verified statement. Mr. Westerlin explains that his company recently recovered over 5 miles of 90-lb continuous welded rail that was subsequently saw-cut and re-drilled into 39-foot segments for relay use. See Westerlin V.S., Exhibit 4, at 2. Because FWRY submitted testimony demonstrating that continuously welded rail had actually been successfully relaid, we find that the carrier has successfully rebutted PI's argument. We therefore find that FWRY's classification of 90-lb rail as relay rail is supported and reasonable.

Because PI classifies all 90-lb rail as reroll quality, it has not provided any price estimates for 90-lb relay quality rail. FWRY's valuation is the only evidence for relay rail. That valuation is supported by testimony from Foster and Mr. Westerlin. Therefore, we accept FWRY's valuation for 90-lb rail.

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[6] In an August 2001 letter (submitted by FWRY), Foster valued the line, which it had inspected, at the request of PI. PI does not mention or use the Foster valuation.

[7] The prices offered generally include the cost of delivery.

[8] PI did not provide an estimate for the value of 75- or 85-lb relay and reroll rail.

Finally, PI does not address the quality or price associated with the 112-lb rail included in its valuation. FWRY has provided quality and price data for the 112-lb rail, and we accept FWRY's evidence for 112-lb rail.

Table 1

Comparison of Price of Rail Per Ton					
	FWRY	Foster	Chicago	SMI	Houston
75-lb reroll	$136.60	$121.00	$149.40	$153.00	
75-lb relay	$155.00				$175.00
85-lb relay	$260.00	$250.00			$310.00
90-lb relay	$195.00	$200.00			$245.00
112-lb relay	$350.00	$370.00			$425.00

Other Track Material (OTM). PI classifies the OTM (tie plates, joint bars and other miscellaneous material) as scrap. PI classifies the joint bars as scrap because it classified the associated rail as scrap. Similarly, FWRY classified this material as relay on the ground that it would be used in connection with relaying the rail. Because the record does not support PI's classification of the rail as scrap, we do not accept the argument that the joint bars are scrap.

PI classified the tie plates as scrap, according to PI's witness Kelly, based on "the inferior holding power of single shoulder plates." PI Exhibit 2, at 7. Mr. Kelly asserts that, based on his experience, FWRY would not be able to "sell tens of thousands of such tie plates for relay use." Id. But because we do not accept PI's argument that the rail must be scrapped, and instead accept FWRY's position that the rail may be relaid, it does not seem unreasonable that the tie plates currently holding that rail in place could, for the most part, be relaid with it. Therefore, we will classify the OTM as being of relay quality.

PI has not provided any support for its prices per unit associated with either its scrap or relay quality designation for OTM. FWRY's price for OTM is supported by purchase offers from Houston Rail & Locomotive (FWRY Exhibits 3-5) and R. A. Schaeffer Co., Inc. (FWRY Exhibit 3-3). In fact, FWRY's unit cost figures for OTM fall within the range of quotes submitted by these companies. In addition, FWRY's estimated value for OTM compares favorably with the estimate based on the inspection performed by Foster.[9] Therefore, we accept FWRY's valuation of the OTM.

[9] FWRY and Foster estimate the OTM value at $93,511.80 and $104,000.00, respectively.

Railroad Crossties. Crossties typically used in the railroad industry are classified as scrap, landscape, and relay. Scrap ties are worthless. Landscape ties, as the name implies, may be used to build flower beds, etc. There are 3 grades of landscape ties, with number 1 being the highest and number 3 the lowest. Relay ties, the most valuable, may be used in building or repairing railroad track. The parties disagree on the number and value of the ties on the OFA line, as indicated in the following table.

Table 2

Comparison of Cross Tie Condition & Price				
	PI		FWRY	
Relay 1	2,500	$13.00	3,124	$8.00
Relay 2	650	$11.00		
#1 Landscape	11,210	$5.50	13,848	$6.00
#2 Landscape	14,240	$4.50	17,620	$3.00
#3 Landscape	4,850	$3.50	5,390	$1.50

We find that PI has not adequately supported its claims with regard to ties. It has not proven its assumption that nearly 11,000 of the ties on the line are scrap, nor is its estimate of the total number ties as reliable as that of FWRY.[10] Moreover, PI's valuation of the ties appears to be flawed.[11] As we have noted, as the offeror PI has the burden of proof, and if it does not meet

[10] PI's witness Kelly estimates that there are approximately 44,350 cross ties on the line, based on the assumption that the cross ties on the line are spaced 22 inches apart. He contends that, based on his observation, there are four scrap ties in each rail section, for a total of 10,842 scrap ties on the line. Mr. Kelly classifies the remaining ties as relay (3,150), #1 Landscape (11,210), #2 Landscape (14,240) and #3 Landscape (4,850), for a total of 33,450 ties.

FWRY's witness Purcell's calculations do not include any scrap ties. Mr. Purcell estimates that there are 39,982 ties on the line: 3,124 relay ties, 13,848 #1 Landscape ties, 17,620 #2 Landscape ties, and 5,390 #3 Landscape ties. His tie estimates are corroborated by Foster, which determined that there are about 43,000 relay and landscape ties on the OFA line. When adjusted for the difference in mileage, the Foster estimate (40,119 relay and landscape ties) is virtually the same as Mr. Purcell's estimate (39,982 relay and landscape ties).

[11] Mr. Kelly estimates the gross value of the landscape ties as $5.50 each for #1, $4.50 each for #2, and $3.50 each for #3. He estimates the per tie cost for removal and freight to be about $3.49. Consequently, PI estimates the net value of a #1 Landscape tie as $2.01, of a #2 Landscape tie as $1.01, and of a #3 Landscape tie as $.01. PI bases these valuations on a letter

(continued...)

its burden, then we will accept the reasonable estimates of the selling party, here FWRY. FWRY's valuation of $169,025 appears reasonable. While it is slightly higher than an offer that the carrier received from United Railroad Materials Company ($163,000), it is slightly lower than the $169,825 estimate made by Foster. Accordingly, we accept FWRY's valuation of tie costs.

Switch Ties. Another category of ties is switch ties, which support the rail and turnout apparatus. Being located at a switch, these ties are longer than the standard tie because they must support two sets of tracks, not merely one. The parties disagree about the number and size of the switch ties. PI claims that there is an average of 12 board feet[12] per switch tie and that the line has 262 switch ties, compared to FWRY's estimate of 50 such ties. FWRY calculates that there is an average of 63 board feet per switch tie. In the July 2001 estimates that FWRY provided to PI, FWRY estimated the value of the switch ties at $1,575, compared to PI's valuation of $1,230. FWRY did not provide a valuation for the switch ties in its final estimate, presumably in the belief that PI no longer intends to acquire these turnouts. Because PI has a right to acquire them if they are part of the line that would have been abandoned and if PI wants them, we include them in the price we set, but PI can deduct that amount from the purchase price if it does not wish to acquire them. We use FWRY's July valuation as the best evidence of the value of the switch ties because PI has failed to support its calculation.

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[11](...continued)
its witness Kelly received from Geneva Welding & Supply, Inc. (Geneva), which claims to have purchased an unspecified quantity of ties salvaged from another FWRY line for $5.50 each. In arriving at his values for landscape ties, Mr. Kelly utilized a discounted net price of a #2 Landscape tie to arrive at his gross value for a #1 Landscape tie and, in the process, double-counted the cost of transportation in estimating the unit values for all of the landscape ties.

Mr. Purcell estimates the net values for the relay ties as $8 each, the #1 Landscape ties as $6 each, the #2 Landscape ties as $3 each, and the #3 Landscape ties as $1.50 each. His estimated values are supported by Pioneer Sand Company, Inc. (Pioneer), which provided Mr. Purcell current market prices for ties, and by the offer by United Rail to purchase all of the ties on the line for $163,000. FWRY witness Westerlin states that his company sold one truckload, or about 300 #2 Landscape ties, to Geneva for $5.50 each, but that the price, was not a delivered price, as PI assumes. Mr. Westerlin further explains that his company gave Geneva an attractive price because of a previous favor for services from Geneva.

[12] A board foot is defined as length x width x thickness of 1 inch.

Turnouts. PI claims that FWRY erred by valuing a #9 relay turnout as a #11 112-lb relay turnout.[13] FWRY does not rebut PI's claim. Therefore, we accept PI's estimate of $3,000. PI also included $364 for 3 #9 scrap turnouts. FWRY excluded these turnouts from its final estimate, presumably in the belief that PI does not intend to acquire these turnouts. However, PI has a right to acquire them if it wants them. Therefore, we include the value of these turnouts in setting the price of the line. However, if PI does not want them, PI can subtract $364 from the price that we set here.

Ballast. PI's witness Kelly claims that the cost to remove and transport ballast would exceed the ballast's value, and therefore he assigns a value of zero to the ballast. Mr. Kelly bases his estimate on an invoice from Illinois Central Railroad Company (IC) reflecting a gross price of $5.50 per ton, from which transportation costs would need to be deducted. FWRY states that the IC invoice includes the cost of transporting the ballast and that Mr. Kelly has therefore erred by subtracting transportation costs a second time from the IC invoice. FWRY estimates a cost of $1.19 per ton, based upon current prices in the area. FWRY states that this price is supported by the Foster valuation, providing a gross value of $8.50 per ton and a net value of $1.55 per ton. It appears that PI did err in subtracting transportation costs twice from the IC estimate. Therefore, we accept FWRY's ballast estimate.

Bridges. PI assigns no value to the timber bridges because the cost to remove the bridges would exceed the salvage value of the timbers. FWRY claims that the bridges are worth $10,075 because the timber is reuseable. Neither party provided support for its estimates. We accept FWRY's estimate because it is incumbent on the offeror to support its valuation of the bridges.

Road Crossings. PI claims a negative cost for road crossing restoration of $13,500. PI's witness Kelly states that the estimate is based on paving three roads at a cost of $2000 each and restoring of 15 gravel roads at $500 each. He notes that, "[r]rail carriers are required by law to restore grade crossing to their prior condition upon abandonment." PI Exhibit 2, at 11.

FWRY claims that the value should be zero, stating that it has been informed by the Nebraska Department of Roads that the State will repave all rail crossings when the line is salvaged. PI has not supported its assertion that the railroad would have to pay to restore the crossings. Therefore, we will not deduct the $13,500.

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[13] A turnout is the mechanism that allows the siding to diverge from the main track. A #11 turnout allows a more gradual separation than a #9 turnout.

Real Estate. Both PI and FWRY submitted detailed real estate appraisals for the line. The parties agree to the prices per acre of each parcel,[14] but disagree on the number of acres held in fee simple and the discounts that may be applied to the gross real estate values. As a result, PI estimates the land value to be $96,000, while FWRY responds that it is worth $166,255. As discussed below, we find the land value to be $160,695.

Acreage and Title. PI's witness Wayne W. Kubert claims that there are a total of 180.7 acres associated with the line, but that only 164 acres are owned by FWRY in fee. Mr. Kubert states that FWRY holds only reversionary title to 16.7 acres, meaning that the property would revert to adjoining landowners following abandonment. FWRY claims that there are a total of 182 acres, all owned in fee. FWRY witness Bannister states that he reviewed "most" of the deeds underlying the line. Based on his review, he maintains that all of the land on the line is owned in fee. Mr. Kubert has failed to demonstrate the basis for his assertion regarding reversionary title for portions of the land. FWRY explained the difference between the 180.7-acre and 182-acre figures. See FWRY Reply, at 21. Therefore, we accept FWRY's acreage and claim to fee title.

Sell-Off Period. PI estimates a sell-off period of 5 years, based on sales of other rights-of-way and parcels contained within the valuation. FWRY claims that a 5-year sell-off period is excessive, noting that FWRY was able to sell off all of the real estate on a nearby 7.5-mile line in less than 6 months. FWRY uses a sell-off period of 2 years. Whereas PI's witness Kubert cites his experience in selling rail property as the basis for his projection, FWRY cites the sale of an actual line in proximity to this one. In light of FWRY's showing, we cannot find that PI has sustained its burden of supporting a 5-year sell-off period, and we accept FWRY's sell-off period of 2 years.

Real Estate Commission. PI claims that a 15% real estate commission should be applied to the property, but PI does not support this figure. FWRY claims that a 10% commission is more realistic. We accept FWRY's estimate because PI did not support its higher real estate commission estimate.

Holding Costs. PI states that a holding cost[15] of 10% should be applied to the property. FWRY contends that the only holding costs are real estate taxes of $521 per year. PI has not shown that a 10% holding cost should be applied during the selling period. Therefore, we accept FWRY's figure.

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[14] FWRY adopts PI's higher prices of $1,021.35 for each parcel.

[15] A holding cost is the cost incurred by retaining ownership of the property while waiting for it to be sold off.

Discount Rate. PI includes a 14% discount rate based on the assumption that the property generates no income. FWRY maintains that no discount should be applied. FWRY witness Bannister also asserts that the maximum discount factor, if the Board decides to include such a factor, should be no higher than the Prime Rate plus one-half percent. Because FWRY concedes that the property would have to be held for a 2-year sell-off period, and because the property is not generating any income, discounting the sale price of the real estate over a 2-year period is reasonable. We apply a discount rate of 6%, which is the Prime Rate plus one half percent.

Summary. The purchase price for the sought right-of-way is set at $615,400, consisting of $160,695 for land and $454,705 for net salvage value of track and materials. See Appendix.

In addition to the conditions specified herein, we will establish our typical OFA terms: (1) payment is to be made by cash or certified check; (2) closing is to occur within 90 days of the service date of this decision; (3) FWRY shall convey all property by quitclaim deed; and (4) FWRY shall deliver all releases from any mortgage within 90 days of closing. The parties may alter any of these terms by mutual agreement.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The purchase price for the portion of the segment between milepost 8.1 near Fairmont and milepost 23.0 near Milligan is set at $615,400 if PI acquires all of the property identified in this decision, and at the reduced amounts indicated in this decision if PI chooses not to acquire the scrap turnouts and/or switch ties discussed above.

2. To accept the terms and conditions established here, PI must notify in the Board and FWRY in writing, on or before November 13, 2001.

3. If PI accepts the terms and conditions established by this decision, PI and FWRY will be bound by this decision.

4. If PI withdraws its offer or does not accept the terms and conditions with a timely written notification, we will serve by November 20, 2001 a decision vacating the prior decision that postponed the effective date of the decision authorizing abandonment.

5. This decision is effective on its service date.

By the Board, Chairman Morgan, Vice Chairman Clyburn, and Commissioner Burkes.

Vernon A. Williams
Secretary

APPENDIX

Valuations

Category	PI	FWRY	STB
Metals			
Rail			
Relay	$19,219	$216,105	$216,105
Reroll	$35,355	$83,053	$83,053
Scrap	$181,530	$19,968	$19,968
OTM			
Scrap	$34,878	$66,856	$66,856
Relay	$8,898	$26,657	$26,657
Turnouts			
Scrap	$364		$364
Relay	$3,000	$4,500	$3,000
Less Cost of Removal	($90,361)	($89,090)	($89,090)
Less Transportation	($66,080)	($75,233)	($75,233)
Net Value of Metals	$126,803	$252,816	$251,680
Ties			
Relay	$39,650	$24,992	$24,992
Landscape	$142,710	$144,033	$144,033
Switch	$1,230		$1,575
Less Cost of Removal	($66,551)		
Less Transportation	($88,115)		
Net Tie Value	$28,924	$169,025	$170,600

Ballast			
Stone	$103,125		
Less Cost of Removal	($56,250)		
Less Transportation	($75,000)		
Net Ballast Value	$0	$22,350	$22,350
Bridges			
Wood Pile	$23,520		
Less Cost of Removal	($30,000)		
Less Transportation	($5,600)		
Net Bridge Value	$0	$10,075	$10,075
Grade Crossing Restoration			
Paved and Gravel Roads	($13,500)	$0	$0
Net Salvage Value	$142,227	$454,266	$454,705
Gross Real Estate	$168,901	$185,885	$185,885
Selling Costs	$25,335	$18,588	$18,589
Holding Costs	$16,890	$1,042	$1,024
Discount Factor	$30,339		$5,577
Net Real Estate Value	$96,337	$166,255	$160,695
Net Liquidation Value	$238,564	$620,521	$615,400