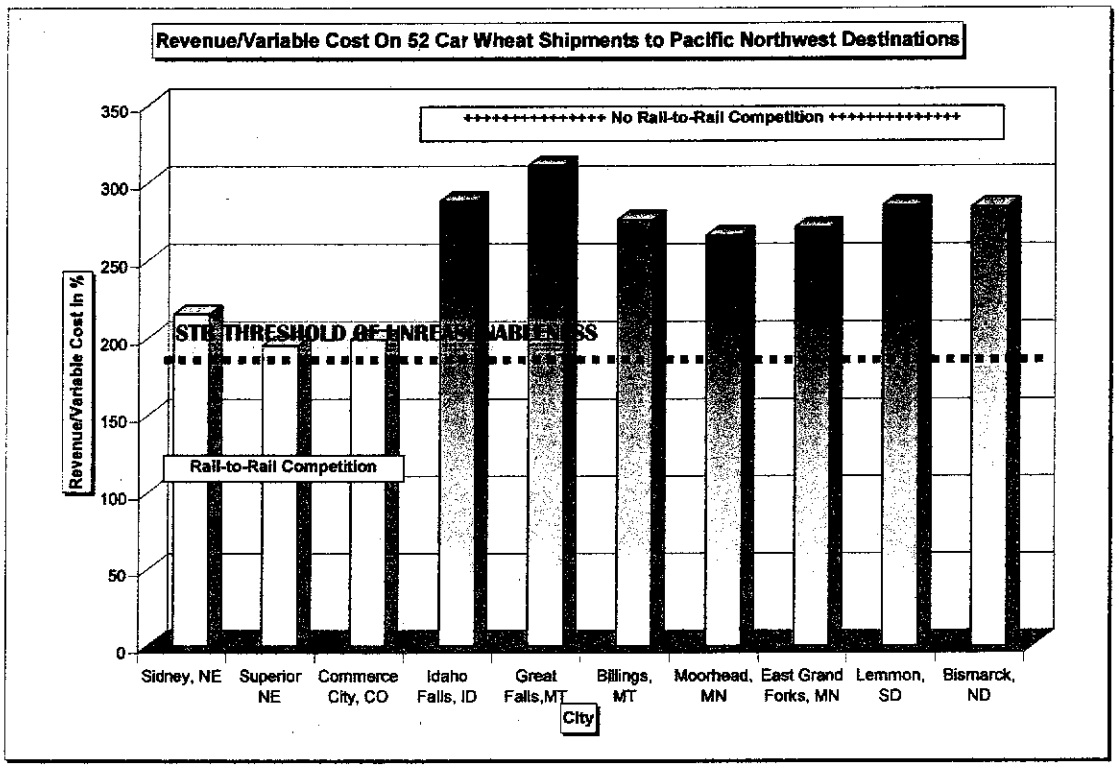
EXHIBIT 1
DATE 3.3.05
HB 703

the lack of rail competition stating that lack of rail competition transportation does not allow them to remain competitive in the market place.

Washington: The State DOT Has Been Active In Purchasing Lines, Developing Car Fleets and Branch line Support

The State of Washington DOT recently purchased one of the main branch lines in the state in order to preserve it from abandonment. The rationale for the purchase revolves around the economic analysis involving ascertainment of all of the costs associated with the potential abandonment. Unlike many other state DOT's who analyze a potential abandonment based upon the direct costs



associated with the immediate abandonment, the Washington DOT took a look at all quantifiable impacts including economic dislocation of industries, effect on tax base, schools, future economic development, as well as direct costs such as increased wear and tear on highway infrastructure. The result was that the State of Washington has recently purchased the line and will put forth money to rehabilitate the line to bring down the operating costs on the line.

Additionally the State of Washington, several years ago, purchased a train set and now has expanded that train set by two more train sets. These train sets are utilized to help move grain from the state rail branch line system and serves to keep facilities such as non-unit train facilities, in car supply at a time