

February 12, 2018

The Honorable Cathy Giessel
Chair, Senate Resources Committee
Alaska State Legislature
Capitol Building
Juneau, Alaska 99801

Dear Senator Giessel:

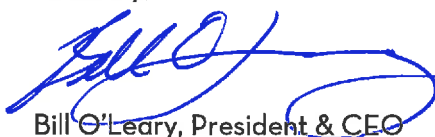
During the Senate Resources Committee meeting on Friday, February 9, 2018, Senator Bill Wielechowski had questions regarding Senate Bill 86. In particular, Senator Wielechowski asked what would keep the Alaska Railroad Corporation (ARRC) Board of Directors from selling the ARRC right-of-way (ROW) corridor, which may be critical for a future natural gas pipeline or for use by other state agencies for utility or transportation purposes compatible with rail operations. It is important to note that the Alaska Railroad Corporation Act (ARCA), AS 42.40, has significant protections for the ARRC ROW and other railroad operating lands that ensure that those lands will remain available and useful as a utility corridor. Those protections, some of which are enumerated below, will remain in place if SB 86 passes.

The legislative findings and purpose section of ARCA requires that ARRC must "preserve the integrity of the railroad utility corridor for transportation, communication, and transmission purposes." §1, ch. 153, SLA 1984. This means that ARRC is required to manage the ROW in a manner that supports transmission utility projects, such as a gas pipeline, and other utility projects as long as such projects are compatible with safe rail operations. ARRC regularly works with other agencies, such as AKDOT&PF and other agencies with needs for transportation and utility corridors, to coordinate planning and projects in the best interest of Alaskans.

The integrity of the ROW for utility corridor use is further protected by AS 42.40.352(a), which prohibits ARRC from selling land unless the ARRC Board of Directors finds that "the land is not necessary for railroad purposes." Because the ROW is an integral part of the ARRC rail system, it is by its very nature necessary for railroad purposes and therefore cannot be sold. Other ARRC rail operating land that supports operations in the ROW, also is by its nature necessary for railroad purposes. This provision will remain unchanged if SB 86 is enacted.

Thank you for your time on this issue

Sincerely,



Bill O'Leary, President & CEO
Alaska Railroad Corporation

cc Senator John Coghill
Senator Bill Wielechowski
Representative Adam Wool