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April 5, 2018

Honorable Chair Matt Claman
Chair House Judiciary
State Capitol
Juneau, Alaska 99801

**RE: House Joint Resolution 38 "Conveyances to the Alaska Railroad Corporation
under the Alaska Railroad Transfer Act"**

Representative Claman and Members of the Committee:

I am contacting you today on behalf of Petro Star Inc. (Petro Star) to oppose House Joint Resolution 38 (HJR 38), a resolution that relates to certain conveyances to the Alaska Railroad Corporation (ARRC) under the Alaska Railroad Transfer Act of 1982. Petro Star believes that HJR 38, as written, will have serious financial impacts to the services offered by ARRC by jeopardizing the exclusive Right-of-Way (ROW). The ROW is vital to the ongoing and continuous operations of rail service between Anchorage and Fairbanks; denying ARRC an exclusive ROW will impede developments to connect Anchorage to the Interior. During this time of economic hardship in Alaska, HJR 38 could seriously impact ARRC's commercial operations by slowing train speeds, and further impact plans for new rail services from Anchorage.

This matter is best resolved by the courts – an avenue already provided for in the Alaska Railroad Transfer Act – rather than by the legislature. The Alaska Railroad Transfer Act includes detailed provisions to resolve third-party claims while ensuring that ARRC can operate a railroad on its ROW without interference. Legislators should defer action to those laws already in place to handle this matter, rather than issuing a decree favoring one party over the other in what will ultimately be resolved by the judiciary.

Thank you for your time and consideration of Petro Star's opposition to HJR 38. Please feel free to contact me or Angela Speight, Petro Star VP/General Counsel, at aspeight@petrostar.com or 907-339-6621.

Best regards,

Petro Star, Inc.

A handwritten signature in blue ink, appearing to read "Doug Chapados", is written over a horizontal line.

Doug Chapados
CEO/President