

Angela Stephi

From: Lucas Smith [REDACTED]
Sent: Sunday, February 25, 2024 12:40 PM
To: House Transportation
Subject: HB332: Sale of Alaska Railroad

Dear House Transportation Committee:

I support HB332, the sale of the Alaska Railroad, as a matter of principle.

At one finite point in time – say... 1958-ish – state corporations could have been viewed as appealing as a means to spark the development and growth of Alaska. Today, however, maintaining the existence of state corporations like the Alaska Railroad presents a slippery slope down which all the pitfalls of a manipulated economy sit like crevasses in a glacier.

The principles upon which individual freedoms depend are inconsistent with the creation, support, and expansion of state corporations. Certain individual freedoms depend on the variety of choices that exist due to competition within and across markets. State corporations detract from and diminish market competition. For individuals, a lack of choice could potentially be viewed as a variation of conscription. Only a market free from both socialist and fascist influences truly supports the freedoms of individuals. Privatizing the Alaska Railroad is one action the State of Alaska can take to buffer itself and its citizens from extreme influences and promote freedom for individuals. Furthermore, a broad range of potential benefits are offered by privatization.

A private corporation is much less susceptible to unfairly gaining or losing from the government's potential support or its withdrawal of support. By virtue of their linear qualities, the advantages and challenges of a private railroad are similar to that of a pipeline, which places competition for economic inputs across all of Alaska's resources on a more level playing field. A private railroad would also be compelled to compete in the freight and passenger market alongside other transportation modes. A private railroad would be more mindful and caring for its largest asset – land – to the extent that asset is owned and not an easement. And, being unshackled from the state's reigns, a private railroad presumably be free to reasonably negotiate with landowners on property matters.

Expanding the scope of oversight, I caution, at the level of the legislature, as may be desired should privatization efforts fail, may lead to the creation of additional bureaucracy, an increase in the degree to which critical decisions at the railroad are diluted and delayed, and generally compound problems that privatization seeks to resolve.

I look forward to seeing HB332 expeditiously advanced through the legislature.

Sincerely,
Lucas Smith
Anchorage Resident