

From: [Susan A](#)
To: [House Finance](#)
Subject: Public Testimony on House Bill 65: Concerns Regarding Legal Violations, Financial Burdens, and Lack of Oversight
Date: Tuesday, February 11, 2025 4:04:43 PM

Honorable Chairperson and Members of the Committee,

I am testifying today in opposition to House Bill 65, which authorizes the Alaska Railroad Corporation (ARRC) to issue up to \$135 million in revenue bonds to finance the replacement of the passenger dock and related terminal facility in Seward, Alaska. While infrastructure improvements are necessary, this bill presents significant legal, constitutional, financial, and oversight concerns that place undue burdens on Alaska's taxpayers while disproportionately benefiting corporate interests.

I. Legal and Constitutional Violations

I. Violation of the Alaska Constitution – Incurring State Debt Without Voter Approval

Article IX, Section 8 of the Alaska Constitution prohibits the state from incurring debt without a public vote. While HB 65 states that bond repayment will come from dock revenue, the reality is that if revenue falls short, the state may be pressured to intervene.

The bill does not provide guarantees against future state liabilities, effectively allowing the legislature to bypass voter approval requirements under the guise of a revenue bond.

2. Violation of the Alaska Statehood Act and Public Trust Doctrine

The Alaska Statehood Act grants the state control over its lands and resources for the benefit of the public, not just corporate interests.

By authorizing ARRC to issue bonds without voter input, HB 65 prioritizes corporate financial mechanisms over public oversight, potentially violating the public trust doctrine, which mandates that public assets be managed transparently and for the benefit of all Alaskans.

3. Potential Violation of Federal Environmental Laws

The Clean Water Act (CWA) and the National Environmental Policy Act (NEPA) require strict compliance for large-scale infrastructure projects.

The bill does not explicitly outline compliance requirements, nor does it provide clear environmental safeguards. If the project proceeds without proper review, it could result in federal lawsuits, project delays, and additional taxpayer burdens.

4. Potential Violations of the Jones Act and Federal Maritime Law

The bill states that the new dock “must accommodate Alaska Marine Highway System vessels with side-loading doors.” However, it does not clarify how this requirement aligns with federal maritime regulations under the Jones Act (46 U.S.C. § 55102), which governs U.S. shipping laws.

A lack of compliance could lead to federal penalties or legal challenges, delaying the project and increasing costs.

II. Overlapping Law Violations and Corporate Favoritism

1. Alaska Railroad Corporation's Conflicting Financial Authority

Under AS 42.40.250, ARRC is authorized to issue bonds, but the corporation operates as a state-owned entity with limited public accountability.

HB 65 grants ARRC excessive borrowing power without clear repayment safeguards, creating a risk of financial mismanagement that could ultimately fall on the shoulders of Alaska's taxpayers.

2. Lack of Fair Bidding Process – Favoring Corporate Interests

The bill does not require competitive bidding or cost transparency in the dock replacement project.

Large corporate contractors stand to benefit without guarantees that Alaskan laborers and small businesses will receive priority contracts.

3. Increased Costs Due to Project Expansion

HB 65 increases the bond authorization from \$60 million to \$135 million without a detailed cost breakdown.

There is no cap on the number of issuances, meaning ARRC could continue to issue bonds indefinitely—creating a long-term financial burden with little legislative oversight.

III. Financial Burdens on Alaska Taxpayers

1. No Guarantees of Self-Sustainability

The bill states that dock revenue will cover bond repayment, but no risk assessment is provided.

If revenue projections are incorrect, the state could be forced to cover financial shortfalls—a hidden tax on Alaskans.

2. No Labor Protections for Alaskan Workers

The bill prioritizes corporate funding but does not mandate fair wages, benefits, or job security for Alaskan laborers.

Without strong local hire requirements, out-of-state contractors could dominate the project, leaving Alaskan workers behind.

3. Burden of Cost Overruns on the Public

Infrastructure projects frequently experience cost overruns (e.g., the Port of Alaska expansion). Without clear cost-control measures, additional funding could be extracted from public resources.

IV. Lack of Sufficient Oversight and Checks & Balances

1. Weak Legislative Oversight

HB 65 does not require legislative approval for each bond issuance.

This removes necessary checks and balances over ARRC's financial decisions.

2. No Public Accountability Measures

There is no requirement for public reporting on spending, progress, or cost overruns.

Without transparency, Alaskans have no recourse to challenge financial mismanagement.

V. Conclusion: HB 65 Puts Corporate Profits Over the People of Alaska

HB 65 is structured to benefit large corporations and financial institutions at the expense of Alaska's taxpayers and workers. While infrastructure improvements are necessary, this bill fails to ensure fiscal responsibility, legal compliance, and protections for Alaskan laborers.

To address these concerns, I urge the legislature to:

A. Require legislative approval for each bond issuance to prevent unchecked borrowing.

B. Implement strong cost-control measures to prevent taxpayer liability.

C. Mandate public reporting and transparency on project expenses.

D. Guarantee strong local hire provisions to protect Alaskan jobs.

E. Ensure full compliance with federal and state laws to avoid costly legal battles.

F. Scrap this bill.

Overall Summary

Expel the seditionist members that sit amongst you. Immunity ruling only covered official duties. Duty is to protect and defend Constitution not overthrow the Constitution. Duty is to represent all people, even the ones who believe in different definition of freedom and liberty. Duty is not weaponizing the government against private citizens and those loyal to Constitution. In short, don't be a Frank, be a Jimmy. Don't break the laws or violate the Constitution into shreds!

Without these safeguards, HB 65 should be rejected or significantly amended to protect the people of Alaska from undue financial and legal burdens. Thank you for your time and consideration.

I do NOT support this bill moving forward!

Susan Allmeroth

Two Rivers

Myself