

**ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON MILITARY AND
VETERANS' AFFAIRS**

January 28, 2003
11:09 a.m.

MEMBERS PRESENT

Representative Bob Lynn, Chair
Representative Beverly Masek, Vice Chair
Representative Nancy Dahlstrom
Representative Hugh Fate
Representative Bruce Weyhrauch
Representative Sharon Cissna
Representative Max Gruenberg

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative John Coghill

COMMITTEE CALENDAR

HOUSE CONCURRENT RESOLUTION NO. 2
Relating to the extension of the Alaska Railroad to Fort Greely
to serve the anti-ballistic missile launch facility.

- FAILED TO MOVE CSHCR 2(MLV) OUT OF COMMITTEE

PREVIOUS ACTION

BILL: HCR 2

SHORT TITLE: EXTEND ALASKA RAILROAD TO FT. GREELY

SPONSOR(S): REPRESENTATIVE(S) LYNN

Jrn-Date	Jrn-Page		Action
01/21/03	0024	(H)	READ THE FIRST TIME - REFERRALS
01/21/03	0024	(H)	MLV
01/21/03	0024	(H)	REFERRED TO MLV
01/24/03	0065	(H)	COSPONSOR(S): HOLM
01/28/03		(H)	MLV AT 11:00 AM MAJORITY CAUCUS RM

WITNESS REGISTER

FATHER THOMAS MOFFATT, Staff
to Representative Bob Lynn
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified briefly on HCR 2, which was sponsored by Representative Lynn.

MICHAEL A. BARTON, Acting Commissioner
Department of Transportation & Public Facilities (DOT&PF)
Juneau, Alaska

POSITION STATEMENT: During hearing on HCR 2, offered the governor's support for an extension of the railroad to Fort Greely, which would not only provide access for defense, but also would benefit mining and agriculture.

PATRICK GAMBELL, President and Chief Executive Officer (CEO)
Alaska Railroad Corporation (ARRC)
Department of Community & Economic Development
Anchorage, Alaska

POSITION STATEMENT: During hearing on HCR 2, stated his support and that of Bill O'Leary for extending the line to Fort Greely, which would be about a 15-percent growth for the corporation; answered questions.

ACTION NARRATIVE

TAPE 03-1, SIDE A

CHAIR BOB LYNN called the House Special Committee on Military and Veterans' Affairs meeting to order at 11:09 a.m. Representatives Lynn, Masek, Weyhrauch, Dahlstrom, Fate, and Gruenberg were present at the call to order. Representative Cissna arrived as the meeting was in progress. Also in attendance was Representative John Coghill.

[Chair Lynn led participants in saying the Pledge of Allegiance. He then facilitated discussion by individual members of their interest in and involvement with military issues.]

HCR 2-EXTEND ALASKA RAILROAD TO FT. GREELY

11:21 a.m.

CHAIR LYNN announced that the committee would consider HOUSE CONCURRENT RESOLUTION NO. 2, Relating to the extension of the Alaska Railroad to Fort Greely to serve the anti-ballistic

missile launch facility. As the prime sponsor of HCR 2, he read the resolution to the committee.

11:23 a.m.

REPRESENTATIVE DAHLSTROM moved to adopt Amendment 1, labeled 23-LS0157\D.1, Utermohle, 1/28/03, which read:

Page 1, line 8:
Delete "killer"
Insert "defense"

There being no objection, it was so ordered.

REPRESENTATIVE MASEK moved to adopt Amendment 2, labeled 23-LS0157\D.2, Utermohle, 1/28/03, which read:

Page 1, line 4:
Delete "Air Force"
Insert "Department of Defense"

There being no objection, it was so ordered.

CHAIR LYNN called the preceding "housekeeping amendments" and indicated further amendments could be entertained at any appropriate point.

11:26 a.m.

FATHER THOMAS MOFFATT, Staff to Representative Bob Lynn, Alaska State Legislature, pointed out that HCR 2 has 18 House cosponsors thus far. Noting that extension of the railroad to Fort Greely was mentioned "rather strongly" in the governor's recent State of the State address, he offered his belief that the resolution adequately encompasses the governor's views, as well as the feelings of the legislature. He called it a good start towards getting the railroad through Canada and finally down to the Lower 48.

11:28 a.m.

MICHAEL A. BARTON, Acting Commissioner, Department of Transportation & Public Facilities (DOT&PF), came forward to testify, noting that he is an Army veteran. He informed members that clearly the governor supports extending the railroad to Fort Greely. The project would assist the military in implementing the new missile-defense system, he said,

emphasizing the need to support the military in protecting the country. It also would help the mining and agricultural sectors of the economy and would be an important part of developing the state's transportation. "We look forward to working with the railroad and the Bush Administration to make it happen," he concluded.

11:29 a.m.

REPRESENTATIVE GRUENBERG asked whether the railroad bed would be capable of [transporting materials] for mining activities, which are much harder on a railroad bed than would be just the transportation of missiles. He acknowledged that it might be better to ask Mr. Gambell [of ARRC].

ACTING COMMISSIONER BARTON deferred to Mr. Gambell.

11:30 a.m.

REPRESENTATIVE CISSNA followed up, inquiring whether there are other ways to further use the railroad to aid the state in development. She asked if Acting Commissioner Barton knew of any studies regarding a railroad extension and its impacts.

ACTING COMMISSIONER BARTON answered that he is sure there are [other ways to further use the railroad], as well as studies, although he isn't personally acquainted with those. He noted that it has been an ongoing effort for some time, though not necessarily for this particular segment. He offered to obtain studies.

11:31 a.m.

REPRESENTATIVE MASEK referred to page 2, lines 4-6, which says in part that "the Alaska Railroad has a long and proud history of providing transportation services to the armed forces of the United States". She said it is crucial to begin looking at better access in the state, especially for the military; it will then open up a lot of areas. She offered her understanding that some [federal] money seems to be earmarked, and that perhaps this railroad [extension] would fit into that. She said this resolution speaks highly for [the legislature's] support for better access.

CHAIR LYNN surmised that it would greatly benefit the Delta Junction area as well.

ACTING COMMISSIONER BARTON replied that it has a lot of benefits, in a lot of ways and [to] a lot of people. Mentioning economic development through resource and transportation development, he said the governor is very committed to providing access to Alaskans, as well as providing some transportation in rural areas for the sake of better lives for rural residents in terms of schools, health care, and access.

11:34 a.m.

PATRICK GAMBELL, President and Chief Executive Officer (CEO), Alaska Railroad Corporation (ARRC), Department of Community & Economic Development, came forward to testify, noting that with him at the hearing were Bill O'Leary, chief financial officer and vice president of finance, and Wendy Lindskoog. Mentioning his own extensive military background, Mr. Gambell indicated he'd been asked to be an advisor to [the U.S. Department of Homeland Security] in Alaska. He said committee members would hear [from ARRC] the practical side of things, and presumably would want the railroad to provide the best technical and practical advice possible from an engineering and planning point of view.

MR. GAMBELL conveyed his and Mr. O'Leary's support for the proposal to extend the line to Fort Greely, as well as ARRC's support for moving frontiers. Describing transportation as a common denominator for economic development, he said the operative word in Alaska is access, which converts potential [into reality]. When access is provided, as shown by the history of the railroad in the U.S., people who are adventurous and entrepreneurial will take advantage of what has become available. He surmised that this new project to extend the frontier would be no different.

11:40 a.m.

MR. GAMBELL pointed out that, significantly, this first step to Fort Greely, about 70 miles, represents about a 15-percent growth overall in ARRC. He related the assumption that for a capital project, some federal funding would be the most important part. He described ARRC as a "state instrumentality" and a private corporation that doesn't take money from the general fund.

MR. GAMBELL informed members that federal funds are available to passenger-carrying railroads nationwide. If there will be regularly scheduled passenger service over the line, a

significant federal source is "formula funding"; if not, the job is a little tougher, although not impossible: money may have to come directly through the Federal Railroad Administration (FRA), could come through a direct appropriation in a particular year's budget, or possibly could be obtained through "federal highway dollars." The funding source will be an important issue that will require discussion and planning. Federal funds, as opposed to private funds, require going through sequential "hoops and hurdles," he noted. However, those funds are available and will certainly be considered.

11:42 a.m.

MR. GAMBELL reported that ARRC has on its books an alternate route around Fairbanks. Perhaps a \$100-million project, it was split into two phases about two years ago. The first phase, the northern piece, goes from Fort Wainwright to North Pole. Therefore, [ARRC] has done some work on the initial phase of this 70-mile route to Fort Greely, although not knowing at the time that Fort Greely was an objective. "We think there's opportunity here," he remarked.

MR. GAMBELL noted that annually ARRC sits down with [DOT&PF] to compare projects up and down the Railbelt; this is to see whether the two can leverage their money and take advantage of scale. If the route [in HCR 2] is for DOD [U.S. Department of Defense] purposes, he noted, DOD money may be an important component to consider, along with whether there are advantages of scale or synergy "with what would be supported to the DOD and necessary for this rerouting, as well as the splitting of grades at important crossings along the way where the highway goes, for safety purposes and so on." The opportunity is to involve DOD planning and DOD dollars as a result.

MR. GAMBELL informed the committee that [ARRC] has spent about \$350,000 studying this portion of the route, including a "concept study" completed in March, and could address it in more detail; however, it has done no work beyond North Pole on the way to [Fort] Greely. He offered ARRC's experience that there will be a lot of support in that area.

MR. GAMBELL noted that there also is a Fairbanks-North Star Borough rail taskforce, chaired by Bonnie Williams (ph); it is taking a 100-year look at what the railroad should be doing in that part of the Interior. A railroad strategic planner sits on a committee of that taskforce, and there have been several meetings on the idea of extending the railroad to the border

[and] down to Fort Greely. Acknowledging that the taskforce has probably taken more of a long-term look beyond North Pole than the railroad itself has, he suggested that members of the House Special Committee on Military and Veterans' Affairs might want to hear from a member of that progressive group to see what they've come up with. He surmised that the taskforce would support this [extension of the line to Fort Greely].

MR. GAMBELL also offered his understanding that some work is underway inside the University of Alaska Fairbanks (UAF), not from a railroad perspective but from the perspective of what kind of transportation would most benefit the opening up of Interior Alaska. Principally, the look is at resources, including "heavy lift," longer distances, markets that need to be served, conditions over which transportation must be routed, and year-round conditions that must be contended with. Logically, he said, a secondary benefit would be the ability for tourists to come in and so forth.

MR. GAMBELL said [UAF] is looking for some funds and has a commercial partner, but reiterated that he doesn't know how far they've gone. He offered his belief that [UAF] is capable of a further study of the impacts; it could include the viability of a line to the Canadian border, which "would take us back to the Tanana River valley and down to Fort Greely." Surmising that [UAF's] work might be of interest to the current committee, depending on how far it has progressed, he suggested that staff inquire about it. Mr. Gambell pointed out that the foregoing are other players in the arena that he is aware of who have done some work.

11:48 a.m.

MR. GAMBELL spoke in support of moving the line forward, noting that the railroad is built on a model with 17 years of solid success. It hasn't had to come back to the state for operating funds. It must generate its own operating funds from the net earnings, since the federal government doesn't pay for operating and maintenance.

MR. GAMBELL offered some history. After the federal transfer, when the state wrote the laws governing the railroad, he explained, [ARRC] built a model such that if one component is removed, it breaks down. As with the transcontinental line in the Lower 48, one of the most important pieces was land, which was conveyed with the intent of its becoming fee simple once it was entirely surveyed and turned over; the surveying hasn't been

completed yet, although the intention is there. The land component is important for generating revenue. In the Lower 48, it allowed success for the transcontinental railroad, which was given as much as 6,000 acres per mile of railroad in order to generate revenue and thereby fund itself. He said that formula has allowed the Alaska Railroad to be successful; it contributed significantly to [ARRC's] net earnings of about \$11 million in 2002. That money goes towards operating and maintenance expense, which, according to his rule of thumb, is about \$33,000 a mile per year.

MR. GAMBELL pointed out that if 15 percent is added to the length of the railroad, maintenance costs will increase 15 percent. Once [an extension] is built, therefore, he is looking for a guarantee of some significant revenue coming across that line that would go to ARRC and help in maintaining the line and the standards that can be expected. Referring to an earlier question about the heavy weight [of mine ore, for example], he told members:

That's what we build our standards to. We build our bridges to it. We build our rail to it. And we want to be able to haul the heaviest load, which is, ... for the Alaska Railroad, about a 10,000-ton train, which is far more weight than probably any military train that would be going to Fort Greely. We would build to the worst case, or the best case, however you want to look at it, which would be a pretty substantial line ..., that were mining to develop, were the line to be extended to Canada, were the heavy ores to be transferred in long trains - which is really what railroads do best - this line would be no different than any other piece of our line. It would be substantive. And it would be capacity- and weight-capable and weight-bearing-capable, to get the most out of it

11:50 a.m.

MR. GAMBELL turned attention to another important component, indemnification. One consequence of building more rail is that development occurs along the corridor. The result is immediate pressure, as soon as there is development in a small town, "to want to cross the track and join the two pieces." He reported that "at-grade crossings" are the primary killer in the Lower 48 with regard to railroads; he mentioned stories of people who want to beat a train at a crossing, for example. Hence the

railroad has been indemnified through a "very, very healthy indemnification" by the state, realizing that there were going to be many crossings on the rail line that wouldn't be put there because the railroad wanted them. The railroad is indemnified against multimillion-dollar lawsuits such as those seen in the Lower 48. He explained the theory behind state indemnification:

Even though many times the experience has shown that it's the fault of the person trying to make the crossings, the railroad is still sued. The suits go to court. They're very expensive. And many times the jury, if it's sympathetic, is ... going to find fault with the railroad in some way. And I think the state realized that [for] a small railroad like this, it wouldn't take but two or three of something like that, and it could break the railroad's back. And so we have a very healthy indemnification. And the theory is, we didn't ask for those roads, we didn't put those roads there, but if somebody needs a road and wants to come in - if they take responsibility for it - we'll allow them to cross there.

MR. GAMBELL reiterated support [for extending the line] and concluded:

We can do it. We'll be delighted to participate in the process, whatever you determine that process to be. We do have some equities ... in that process that we think would make it more successful. There's more than one way to skin a cat, but for 17 years we've skinned it one way; it's been pretty good. And we would hope that you would consider that in ... your considerations, as well as others who might take this subject up.

11:55 a.m.

REPRESENTATIVE FATE asked if Mr. Gambell has looked at whether and how the rest of the line might have to subsidize the additional 15 percent [proposed to Fort Greely] because of lack of passengers or the "periodic shipping," depending on how big Pogo or any other mine is.

MR. GAMBELL replied that, as a practical matter, in the beginning it would not. The good news, however, is that the line would be brand new. That \$33,000 [a mile] is an average; with a brand-new line, for two or three years the maintenance

would be rather routine, and [the costs] wouldn't be as high. It would give [ARRC] some time to develop the revenue picture. He said that is probably what the railroad would be counting on to have happen. "But we would have to subsidize that line through the rest of the railroad for some additional period," he added. "I don't see any way around it at the present time."

REPRESENTATIVE FATE asked whether Mr. Gambell foresees any permitting or land-acquisition problems with the bill. He offered his understanding that most of it would be federal or state land, but that there might be some private land that [the railroad] would have to go over.

MR. GAMBELL answered:

We have not really gone out to the degree that you're asking and tried to look into what those problems might be. As a general rule, anytime you've got to go out and get permitting, there's always problems. But it's a way of life; you've just got to get through it.

TAPE 03-1, SIDE B

11:58 a.m.

MR. GAMBELL mentioned the ability to request eminent domain, a time-consuming legal process that has its own steps. First of all in the process, he said, the EIS [environmental impact statement] is very important: it takes the first look at alternatives and some of these issues. Second, if there is a successful EIS and a decision is made to go forward, part of that decision is based on not only the geography, but also the permitting. He explained:

The permitting is going to be in the micro; the geography's going to be more in the macro. But it may require that you sidestep or go around or ... take some unusual actions. We would hope that that would be minimized, because from a transportation point of view ... you want the most direct line from A to B, to keep your velocity up and to keep the goods and services moving. ... That's where you not only [get] efficiency, but you make (indisc.) too.

REPRESENTATIVE CISSNA asked what kinds of hoops exist for federal money. Saying she is a fan of the railroad, she pointed out that rail line is semi-permanent and requires much forethought; it has huge implications for the part of the state

[where it goes]. She said it sounds as though it has implications for the success of the whole line if it isn't done prudently and with forethought.

MR. GAMBELL agreed.

REPRESENTATIVE CISSNA inquired about possible financial effects on ARRC. She mentioned Alaskan hire as an example of something desirable, but emphasized the desire to avoid weakening the railroad. She asked what the legislature should be adding to this resolution to make sure it is done right.

MR. GAMBELL offered his opinion that most likely this would be contentious, that the clock would tick fast during the legislative session, and that there would be debate over whether to study it more or take steps. A likely compromise would be an agreement to study it, which would be a "win" for everybody and would buy time. A route most likely won't be part of the debate. Citing several studies - beginning in the 1940s during [World War II] and including some studies in the 1970s and 1980s - he said the geography isn't that difficult, and pretty much dictates which way the line will run: "If you want to get to civilization on the other side, you've pretty much got to head down with the route that we've already seen, past Greely down to the border, which is about a 270-mile route, and then it's 600 miles to join up with the ... railroad that's going up to Whitehorse, and that's the road down through Canada and down to the Lower 48."

MR. GAMBELL acknowledged, however, that the governor and others are talking seriously about moving forward; that this first section to [Fort] Greely isn't rocket science; and that once there is momentum and what it takes is determined, the next step will be easier. "Not a bad philosophy, actually," he remarked. Pointing out the necessity of an [EIS], he suggested that one step, if legislators want to act, is to put "reasonable dollars down" to take the first step towards doing the EIS. He reported that for an EIS on a project this size, the railroad uses a rule of thumb of 10 percent of the capital costs, which has worked pretty well for projects in the "double-digit millions"; he said he didn't know how it would apply to a project costing billions of dollars. He estimated that for a \$40-million project, therefore, a full EIS would cost about \$4 million and take about two years.

MR. GAMBELL also reported that for a big project like this, [ARRC estimates] \$3 million to \$8 million a mile [in capital

costs], with an average of perhaps \$5 million a mile, depending on terrain, the number of bridges, and so forth. At \$5 million a mile, capital costs would be \$350 million to [Fort] Greely. After the engineering survey is done, he pointed out, the cost would be nailed down; the foregoing is estimated on the rule of thumb, and the cost of the EIS could be estimated at 10 percent of that.

MR. GAMBELL, because of the costs, suggested the need for the legislature to debate whether to do [the EIS] on just the section to Fort Greely or clear to the [Canadian] border, so that it would be done already when there is a desire to extend the next phase as markets develop and so forth. He said permitting would be part of that. Returning to Representative Cissna's question, he said:

I think that the movements that you're looking for are probably going to be in the environmental area, and then, if you're going to study something, study the permitting that's going to be required - at the detail level, for example, with private landowners and those agencies, whether it's state, whether it's federal, or whether it's tribal. Find out who ... owns what. And that's all been mapped out, but take the next level down and say, ... "What do you think about running a railroad through here? What are you going to tell us ... when we really sit down and start talking to you about it?" And maybe start to develop that dialog a little bit.

12:04 p.m.

REPRESENTATIVE CISSNA asked how HCR 2 could be worded best, then, to set the stage to start this off in the best possible way. She said she was thinking more about what other uses are potentially affected, as well as what social factors there are to think about. She asked whether those usually are in an [EIS] as well.

MR. GAMBELL answered that an [EIS] "mandates alternative routes," and its purpose is to look at impacts, including impacts on wildlife. He indicated it depends on how it is written and remarked, "A lot of what you're concerned about would be in the environmental impact statement and studied." For what isn't included, he suggested possibly looking to the University of Alaska, for example, which may have already done some work to look at those types of issues.

REPRESENTATIVE CISSNA agreed there is no reason to reinvent the wheel if studies already have been done. She said she'd like to think about it awhile and then request [Mr. Gambell's] expertise when the committee fine-tunes it.

12:09 p.m.

[There was overlapping discussion of where this extension would be on a map, following a request by Representative Weyhrauch.]

REPRESENTATIVE GRUENBERG inquired about using "requests" rather than "direct" on page 2, line 13. He expressed concern about the relationship between the State of Alaska and ARRC, since it is an independent corporation.

MR. GAMBELL responded that the use of "direct" is appropriate. He explained, "We work for the governor through the board of directors of the railroad, and the governor can direct the board of directors."

12:11 p.m.

REPRESENTATIVE WEYHRAUCH explained that he'd been concerned whether this proposed extension is for a branch line instead of the main line.

MR. GAMBELL said it is the main line. He added, "It will become ... a new main line, depending on what else you did to the railroad. But since it's a single, yes, it would be the main line, unless you went up northwest, ... in which case it's sort of a new ..."

REPRESENTATIVE WEYHRAUCH interjected. He referred to the last "WHEREAS" clause [page 2, line 9], and suggested this would get the railroad closer to Canada.

MR. GAMBELL indicated it is along the same route that was surveyed to go to Canada.

REPRESENTATIVE WEYHRAUCH asked where this extension falls in the railroad's priority list.

MR. GAMBELL replied that it isn't [on the priority list].

REPRESENTATIVE WEYHRAUCH asked who wanted this resolution, then. He specifically asked whether the railroad wanted it.

MR. GAMBELL said no.

REPRESENTATIVE WEYHRAUCH asked whether this would be billed as a passenger line to the federal government.

MR. GAMBELL said no.

REPRESENTATIVE WEYHRAUCH suggested the railroad wouldn't be getting federal funds in the passenger formula, then.

MR. GAMBELL answered, "Not until such time as we would start regularly scheduled, year-round passenger service."

REPRESENTATIVE WEYHRAUCH highlighted the zero fiscal note. He surmised that any [funding] would be from either the federal government or railroad revenues.

MR. GAMBELL replied, "We assumed that the state was not going to fund this railroad. Now, ... that's a very short-notice assumption; just last night, really, is the first time we got the question about the fiscal note." Adding that the assumption might not be accurate, he said it is up to the legislature and the governor. In response to a further question from Representative Weyhrauch regarding whether the military wants this line, he said [ARRC] hadn't been contacted by the military. As to whether building the line will upset any truck traffic that currently delivers supplies to Fort Greely, he indicated he didn't know.

12:14 p.m.

REPRESENTATIVE GRUENBERG related his understanding that it wasn't certain until the results of the last presidential election were known that the U.S. would deploy a large number of missile-defense [systems] like that at Fort Greely, and that in some ways the decision was as much political as military and strategic.

MR. GAMBELL said he thought that was a fair statement.

REPRESENTATIVE GRUENBERG asked: If that is the case, and if there is a change in the political climate in Washington [D.C.], might the Fort Greely site no longer be operative at some point in the future, perhaps even before the rail [extension] is built?

MR. GAMBELL replied that it isn't really a "railroad question," but observed that because the deployment itself is phased over several years, there will continue to be debate about it.

REPRESENTATIVE GRUENBERG asked whether it is necessary to have a railroad in order to get missiles onto the site, or whether they can be trucked.

MR. GAMBELL answered that they'll be delivered by air.

REPRESENTATIVE GRUENBERG asked whether facilities at that site could allow an aircraft of that size to land, and whether missiles can be maintained without a railroad, either by air or by road.

MR. GAMBELL replied:

Again, my expertise on the maintenance of the missiles is almost nonexistent, but I can tell you that ... if they're going to be maintained by air, the state of the art ... in weaponry these days is, they're more and more self-contained. They're ... encapsulated, in other words. In ... a lot of cases, they're environmentally controlled. Their diagnostics are internal to each weapon; you plug it in and read it on a computer.

It's not like building a hole in the ground in Grand Forks, North Dakota, like it was before, where you had to have a blockhouse and a lot of computers and those kinds of things. The ability to move the missiles is much easier; they're much smaller; they weigh less. And my understanding at this point is that that's what allows air to lift them in and out. As you've said, if you've got the right-size runway and all the arctic hardware ...

12:17 p.m.

REPRESENTATIVE GRUENBERG asked why a railroad is necessary.

MR. GAMBELL answered that he was simply responding to the question of whether [ARRC] would be able to construct this railroad satisfactorily. He suggested the need to have a dialog with the military in order to determine why the military hadn't contacted [ARRC] regarding maintenance or logistics support.

REPRESENTATIVE GRUENBERG, noting that he is a cosponsor of the resolution, agreed it is worthy of discussion. He said he didn't want to see [the state] do something unnecessary or expensive that would waste time or money.

12:18 p.m.

REPRESENTATIVE FATE, with regard to the military importance, said he was privy to some discussion with "the senior officers" who were doing the strategic planning for the military for the site. He agreed with [Mr. Gambell] but added, "They did, however, say, that if there was a railroad to that site, even though the railroad ... was not necessary for the project itself, they would certainly use that for infrastructure." He cited as examples concrete, supplies, and logistical support. Noting that [then-Representative] Jeannette James [had introduced legislation regarding extending the railroad] for years, and that the congressional delegation has "been on the subject" as well, Representative Fate said this expansion of the transportation system is sorely needed throughout Alaska. He expanded on his remarks:

There are huge deposits of minerals in that area that we need to ... not only develop but to ship, and make it ... economic for that to take place. Transportation is the one, sole thing in the development in the state of Alaska that is lacking. And if we're going to develop this state, we have to have transportation. It just so happens that a railroad is usually much cheaper transportation than any other mode of transportation, unless it's water transportation.

REPRESENTATIVE FATE suggested moving on and taking a hard look at what the resolution does. He noted that if there is a bill to fund the right-of-way or provide matching funds, for example, it will be well debated before the permitting process even begins on this huge project.

12:21 p.m.

CHAIR LYNN thanked Mr. Gambell and asked whether anyone else wished to testify; there was no response.

REPRESENTATIVE CISSNA requested to hear from a member of the military with regard to support for this.

CHAIR LYNN responded that the committee could certainly contact the military for input, but that at this point he didn't see the need to delay anything for the military to comment. He said it is simply a resolution.

REPRESENTATIVE CISSNA expressed concern on behalf of her constituents about not wasting money through governmental spending of huge amounts of money around the state. She suggested the need for vigilance, even if this is a resolution. She again asked to hear from the military.

12:24 p.m.

REPRESENTATIVE GRUENBERG suggested, in view of Mr. Gambell's comments and that this is the first week of [hearings during] the session, that no damage would be done by getting testimony [before moving the resolution forward]. He pointed out that the House Special Committee on Military and Veterans' Affairs is the only committee of referral for this legislation, after which it goes to the House floor.

CHAIR LYNN called an at-ease at 12:25 p.m. [Side B of the tape ends early; no testimony is missing.]

TAPE 03-2, SIDE A

CHAIR LYNN called the meeting back to order at 12:33 p.m.

REPRESENTATIVE GRUENBERG informed members that he'd checked with [legislative] legal counsel and that a concurrent resolution is the right format for this.

12:34 p.m.

REPRESENTATIVE CISSNA [moved to adopt] "informal" Amendment 3 [later clarified off the record to be a conceptual amendment], as follows:

Page 2, line 13:

Delete the second "the"

Insert "a feasibility study including ... the required ... environmental impact statement, plus any additional studies that have been completed on an extension of the Alaska Railroad to Fort Greely"

REPRESENTATIVE CISSNA said the foregoing would take care of any objections she had.

REPRESENTATIVE FATE objected. He said the EIS is part of the process of permitting, and there are many hurdles before even beginning a project. "Any fear that you're going to upset ... an environmental balance, you really don't have to worry about, because that will take place even before the project," he added.

REPRESENTATIVE CISSNA indicated that although she'd used the term "environmental impact statement," she was referring to testimony that the EIS covers a great many things. She offered her own concern that "we really know what we're spending," and that [the extension of the rail line] is being suggested without following the due course that's required.

REPRESENTATIVE FATE said the EIS covers "basically everything" and that the coastal zone management [requirements] may even cover the Interior. He mentioned water quality and said that any project of this size will be scrutinized thoroughly with regard to the environmental aspects.

REPRESENTATIVE CISSNA expressed concern that the state has made mistakes in the past, that not all projects have been viable, and that the state cannot afford to make more mistakes at this crucial time in Alaska's history.

REPRESENTATIVE FATE said this resolution is more than helping the military. It has to do with the development of Alaska, including resource development. He offered his belief that those developments are "secure" because the state and federal governments have existing law "that scrutinizes the effects of this project on any environment." He added, "And so, I don't have the problems with the environment that some people have, because of the law of the land - both federal and the state - that cover these areas so well. But we must get on with projects to help develop the state of Alaska." He again offered his belief that the regulations and laws exist to make certain that development occurs properly.

12:40 p.m.

REPRESENTATIVE GRUENBERG suggested that the record of this committee will go along with the resolution to the President and the congressional delegation. However, the committee has no evidence that the military needs this railroad for the [anti-ballistic] missiles, which Mr. Gambell has said come in by air and don't even require a road. If the state is going to ask the federal government to provide the millions of dollars for this -

and for perhaps developing that part of the state, which may require a heavy-duty rail bed and additional rolling stock or locomotives, for example - there needs to be a strong record [in support of HCR 2]. Pointing out that this committee deals with the military aspect, not the resource-development aspect, he urged the chair to take one more week in order to get testimony from the military, in order to have evidence in the record from that perspective. Otherwise, the resolution might not be doing the project any good.

CHAIR LYNN conveyed his preference for taking action. He said he would be contacting the military for comments.

The committee took an at-ease from 12:45 p.m. to 12:49 p.m.

REPRESENTATIVE CISSNA asked about adding to [Conceptual Amendment 3] a request that railroad officials respond to whether the amendment would be helpful to [ARRC] in terms of making sure that this is financially viable for the railroad.

REPRESENTATIVE FATE, as a point of order, questioned the concept of asking a question in a resolution in order to gain information. He suggested dealing with Conceptual Amendment 3 without this new amendment to it.

CHAIR LYNN concurred.

A roll call vote was taken. Representatives Cissna and Gruenberg voted in favor of Conceptual Amendment 3. Representatives Dahlstrom, Fate, and Lynn voted against it. Representatives Masek and Weyhrauch were absent for the vote. Therefore, Conceptual Amendment 3 failed by a vote of 2-3.

REPRESENTATIVE FATE moved to report HCR 2 [as amended] out of committee [with individual recommendations and the accompanying zero fiscal note].

REPRESENTATIVE GRUENBERG moved to table the resolution until the next meeting. He offered his understanding that the chair wanted to get the views of the military.

CHAIR LYNN clarified that he would talk to the military, but that it wouldn't [affect what was done this current day].

REPRESENTATIVE GRUENBERG withdrew his motion.

A roll call vote was taken. Representatives Dahlstrom, Fate, and Lynn voted in favor of [reporting HCR 2, as amended, out of committee]. Representatives Cissna and Gruenberg voted against it. Representatives Masek and Weyhrauch were absent for the vote. Therefore [because a majority of the seven-member committee didn't vote to move the resolution from committee], CSHCR 2(MLV) failed to be reported from the House Special Committee on Military and Veterans' Affairs by a vote of 3-2.

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 12:58 p.m.