

**ALASKA STATE LEGISLATURE  
HOUSE TRANSPORTATION STANDING COMMITTEE**

February 21, 2013  
1:05 p.m.

**MEMBERS PRESENT**

Representative Peggy Wilson, Chair  
Representative Doug Isaacson, Vice Chair  
Representative Eric Feige  
Representative Lynn Gattis  
Representative Bob Lynn  
Representative Jonathan Kreiss-Tomkins

**MEMBERS ABSENT**

Representative Craig Johnson

**COMMITTEE CALENDAR**

ALASKA STATE RAIL PLAN  
- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

MURRAY WALSH, Special Assistant; Roads to Resources Manager  
Division of Program Development  
Department of Transportation & Public Facilities (DOT&PF)  
Juneau, Alaska

**POSITION STATEMENT:** Presented a PowerPoint presentation on the Alaska State Rail Plan.

BRUCE CARR, Director  
Strategic Planning  
Alaska Railroad Corporation (ARRC)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the PowerPoint presentation on Alaska Rail Plan.

**ACTION NARRATIVE**

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**CHAIR PEGGY WILSON** called the House Transportation Standing Committee meeting to order at 1:05 p.m. Representatives Lynn, Kreiss-Tomkins, Isaacson, Feige, and P. Wilson were present at the call to order. Representative Gattis arrived as the meeting was in progress.

### Alaska State Rail Plan

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CHAIR P. WILSON announced that the first order of business would be a PowerPoint presentation on the Alaska State Rail Plan.

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MURRAY WALSH, Special Assistant; Roads to Resources Manager; Division of Program Development, Department of Transportation & Public Facilities (DOT&PF), said one of his jobs is to manage the development of the state rail plan although he is probably better known as the Roads to Resources (R2R) manager. He stated the DOT&PF is currently developing a rail plan for the state, which has been underway for several months and will take most of a year to complete.

MR. WALSH said the reason the state rail plan is being developed is due, in part, to federal funding since the federal government requires information on how the funds would be spent; however, it is also a good idea for the state to conduct rail planning [slide 2].

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MR. WALSH also referred to the Passenger Rail Investment and Improvement Act (PRIIA) of 2008 that identifies funding needs and sources. This document will serve as a guiding document for any kind of transportation mode.

MR. WALSH referred to PRIIA and said the emphasis is on passenger service although the law also addresses freight [slide 3].

MR. WALSH said the purpose of a state rail plan will be to describe the state policy involving freight and passenger rail transportation, including big projects such as rail extensions or smaller projects such as at-grade intersections that need to be made safer [slide 4].

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MR. WALSH stated that the state assigns the DOT&PF the responsibility for planning all modes of transportation [slide 5]. He said the state not only has the Alaska Railroad Corporation (ARRC) but the state also owns the White Pass and Yukon Route Railway (WPYR), rising from Skagway [slide 6]. In fact, the WPYR has a tremendous amount of Gold Rush history associated with it, he said. He emphasized that railroads transport - load on or offload - freight and people so it makes sense that the DOT&PF would perform the rail plan. Looking at slide 5, he pointed out that the Alaska Railroad rises from Seward and ends just outside Fairbanks. He noted a project is underway to lengthen the rail to Delta Junction, although the rail will be a long time in coming since only the first phase of the project has been funded.

CHAIR P. WILSON pointed to the map on slide 6 and asked whether the next intersection is shown on the map.

MR. WALSH related the yellow route shows the crossing of the Tanana River. He said, "That's what's being built now; that's what's funded now." He indicated the North Pole to Delta Junction route encompasses 81 miles, but it is very costly to build. He explained that the route has been selected, significant environmental work has been done, and the bridge will have independent utility. In fact, the military will be able to use it to bring artillery and vehicles to test firing at the facility. He understood it is one of the few places in the world that this can be accomplished. Thus the U.S. and its allies will use it, he said.

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MR. WALSH turned to "Rail Economics - Freight" [slide 7]. He said railroads are important due to economics and railroads can move lots of weight more efficiently than land methods. Thus the more freight that can be moved by rail, the less congestion on Alaska's highways and less wear and tear on roads, which makes the cost of living more affordable and industry possible that may not otherwise be possible. As a result many reasons exist to focus attention on rail. For example, one ton of cargo can be trucked 59 miles, but the same freight can be hauled by train 469 miles using one gallon of fuel [slide 8]. Certainly ships are slightly cheaper, but not by much.

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MR. WALSH related that passenger service generally falls into inter-city travel such as Anchorage to Fairbanks, short-haul rail, and excursion, which is riding the train for the rail experience or to see the countryside [slide 9]. Currently, Alaska does not have any commuter rail, but the state rail plan will consider it over time.

MR. WALSH related he previously discussed the northern rail extension [slide 10], but another project the committee has heard is the Port MacKenzie Extension [slide 11]. He indicated he would leave that discussion to others.

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CHAIR P. WILSON referred to slide 11 to the Port MacKenzie Extension map. She asked which rail currently exists or if the slide is prospective.

MR. WALSH answered the permitting is in place and the courts have cleared the way to build the rail. The different colors refer to phases. He deferred to Bruce Carr for more detail.

CHAIR P. WILSON asked how far the first segment is from Port MacKenzie [to the Point MacKenzie agricultural project]

MR. WALSH estimated the length is two to three miles in length.

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BRUCE CARR, Director, Strategic Planning, Alaska Railroad Corporation (ARRC) answered that the different phases show how the ARRC has broken the overall project down for a number of different reasons, including how it can best be financed. He recalled the committee was briefed last week from Mr. Ottesen, DOT&PF and Mr. O'Leary, ARRC. He reiterated that each one of the colors [on slide 11] represents a different rail segment. The ARRC is starting to build the green line near the port, although some work is being done at Houston headed south, he said. He reported some segments span five miles, some spans eight miles, and the blue line in the middle of the slide is approximately 16 miles in length.

MR. WALSH related the plan is to build the embankment first, but the rail will be laid all at once during the last phase of the project.

MR. WALSH related the rail plan has a robust public input and governmental coordination program [slide 12]. This process will allow the public, state, federal, and local governments the opportunity to participate in the plan, he said.

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MR. WALSH identified the steering committee members [slide 13, Commissioner Bell, Kemp, and Sullivan, as well as Eugene Hretzay, the President of the WPYR, and Christopher Aadnesen, president of the ARRC. These five members met last fall and provided the department considerable guidance on executing the plan [slide 14] and the group will meet about mid-summer once the plan has evolved more. He said at that point the department will seek further guidance. He offered his belief that the steering committee will work out well for the state rail plan.

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MR. WALSH reiterated that the steering committee will provide guidance [slide 14]. He pointed out recommendations four and five as being indicative of the broad range of recommendations. The steering committee would like the state to seriously contemplate commuter service as well as thinking big, including considering other rail extensions. He acknowledged significant analysis would need to be performed to do so. Most people involved in the project have appreciated this type of guidance, he said. He also related that recommendation six relates to developing island railroads, such as the White Pass railroad since it is not connected to other railroads. In fact, island railroads are not new to Alaska, with island railroads built in Nome and at the Kennecott mine. The Kennecott railroad brought copper to tidewater at Cordova, he said.

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REPRESENTATIVE FEIGE asked whether the island railroad is essentially from a shoreside terminal to an inland destination.

MR. WALSH answered yes, that is one example. In fact, the ARRC does have rail to barge connections with Canada and the Lower 48; however, the term island railroad basically means tidewater to some inland point, so in the case of the Kennecott the rail brought ore to ships.

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REPRESENTATIVE FEIGE asked about the potential commuter service from the Matanuska-Susitna valley to Anchorage. He indicated commuters can easily drive their vehicles to the Mat-Su railroad station, but the problem arises at the other end once the commuter arrives in Anchorage and must still travel to work. He reiterated that addressing the aspect of transporting people from the railway station in Anchorage needs forceful direction, in terms of the bus system.

MR. WALSH agreed that the commuter service can't just address part of the system. In fact, the whole system needs to be addressed from where to park vehicles at the beginning or how passengers can travel to their final destinations. He recalled some metro systems allow commuters to travel within a block of their destination. Even though it's not going to be like that in Anchorage, it is important to consider the pairing of the rail to other transportation modes, he said.

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REPRESENTATIVE FEIGE related the Anchorage transit system, [the People Mover], which may receive a government subsidy, could be required to be creative about the bus schedules and terminal locations. He offered his belief that it would fit in with this plan, could relieve congestion on the Glenn Highway, and reduce commuter costs. He characterized the [People Mover] as a critical point.

MR. WALSH, in response to Chair Wilson, offered to take questions back to the steering committee.

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MR. WALSH turned to more guidance from the steering committee with a focus on resource development [slide 15]. Certainly, trains are best used to transport high bulk, heavy weight items. He stated in the Lower 48, as well as in Alaska, trains are being used to move petroleum products. In Alaska, rail transports refined products, but in the Lower 48 lots of trains are transporting crude oil from the Bakken reserve in North Dakota to any refinery. Even though it costs more money to deliver crude oil by train than by pipeline at the current \$100 per barrel some still find it affordable, he said. He related the steering committee will focus on resource development in the Arctic. He reported the steering committee will reconvene for its next meeting sometime next summer, once the draft market analysis has been completed.

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CHAIR P. WILSON suggested the [Rail Plan's steering] committee could look at a transportation infrastructure fund as a means to help accomplish the planning process. She thought it would be very beneficial.

MR. WALSH agreed to do so.

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MR. WALSH turned to the rail plan content [slide 16]. He explained the items listed are specified in the federal act and in guidelines. He characterized them as being typical features that any transportation plan would contain. After all, the state will be thinking big and talking about building railroad extensions, but the rail plan must also address immediate concerns, including at-grade intersections that must be addressed for safety concerns. He emphasized this effort as being one of the most significant priorities for rail planning. Thus the rail plan will also consider small items, including the total inventory and track conditions for each railroad.

MR. WALSH next turned to the slide entitled, "Rail Plan Content" [slide 17]. He stated that the rail plan will consider intermodal connections and the history of publically-funded projects. He offered that high-speed rail will not be seriously considered although high-speed rail is mentioned in the plan since the federal government has an interest in it. However, high-speed rail is defined as 125 miles per hour or faster, which is not possible with any at-grade crossings. In fact, he stated that it is necessary to have large passenger traffic to accommodate high-speed rail and Alaska just doesn't have those populations.

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MR. WALSH turned to slide 18, entitled "Details." He stated that the plan horizon is 20 years; the plan should be updated every five years, although an update would not be as elaborate or expensive as a whole new planning effort. The approval process requires approval by the U.S. Department of Transportation. Draft federal guidelines exist and Alaska's plan will meet those guidelines, he said.

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REPRESENTATIVE ISAACSON related to the 20 year plan horizon and asked when the plan was last updated.

MR. WALSH answered that Alaska's State Rail Plan was updated in 1990.

REPRESENTATIVE ISAACSON asked whether any opportunity, financing, or funding has been lost since the rail plan has not been updated.

MR. WALSH offered his belief that the answer is no, but suggested Mr. Carr could better answer the question.

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MR. CARR responded that the last update to the state rail plan, which was published in 1985, was done in 1990 to accommodate the joint railroad tunnel through Whittier. The original Alaska state rail plan was required by the local rail freight assistance program, which he characterized as an attempt by the Federal Railroad Administration (FRA) and the U.S. DOT to assist local communities in improving freight connections within the local area. In the 1980s and 1990s the program was very small, falling in the hundreds of thousands of dollars, but when the six-year highway authorization bills began the program changed. In fact, to compare the 1990 environment of federal funding to today is not possible since the whole philosophy has changed. The FRA does not have programmatic funding in the same way that the Federal Highway Administration (FHWA) or the Federal Transit Administration does. He said the FRA's main focus is rail safety and it is also responsible for AMTRAC. In Moving Ahead for Progress in the 21st Century (MAP-21), the FRA has gained several more responsibilities, although he was unsure of the scope since MAP 21 is so new. However, in terms of whether the state has lost federal funding since it does not have a state plan, the answer is no. He acknowledged that the program is changing and the Passenger Rail Investment and Improvement Act of 2008 told the states that absent a state rail plan the states would not be eligible for federal programs, which would be most applicable to a freight railroad and most importantly a combination of freight and passenger railroad such as the ARRC. He characterized the ARRC as being one of the unique railroads in the county. He concluded that it is extremely important that this rail plan be put into place and as Mr. Walsh pointed out the overall system - including air, rail, highway, and marine -

must work together to provide an efficient low-cost highly compatible transportation system.

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REPRESENTATIVE ISAACSON understood the major impact of not having a state rail plan is that the state will lose out on federal funding due to the MAP 21 requirements. He further understood that Alaska has lagged behind some states in terms of updating the rail plan and, in particular, in terms of capital, operational, and expansion opportunities, since the state has concentrated on core necessities. He asked what necessitates having the state rail plan updated every five years.

MR. CARR answered that if Alaska does not have a state rail plan, the state will not be eligible to participate in some federal programs. For example, the state would not be eligible for the FRA grant program to realign railroads if the specific project is not identified in a state rail plan. The state rail plan would indicate a specific railroad is designated for realignment, he said. He explained that the state currently receives programmatic funds through the FHWA, which are not affected by the Alaska state rail plan at this time. He explained that the state rail plan will identify the commitment to passenger service. He characterized the state rail plan as being the core planning document for the state's railroads - either private or state-owned.

MR. CARR, in response to a question, responded that Alaska is ahead of some states and behind others. He related that some states are currently working to update their plans while others are performing analysis to see if their plans meet the requirements of the federal plan. He predicted that within the next couple of years all states will have upgraded their plans to become eligible for some federal programs coming online.

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MR. WALSH related the state rail plan must be coordinated with other modes of transportation [slide 19]. He recalled Representative Feige mentioned earlier the importance of coordinating the commuter rail with other modes of transportation in Anchorage. He said the state will coordinate the rail plan with the state's Long-range Transportation Plan and MAP-21 and other planning documents to ensure that the rail plan with state planning efforts.

MR. WALSH turned to public involvement [slide 20]; noting the plan development process will have a robust public involvement component. He related that public meetings will be held in Haines, Skagway, Seward, Anchorage, the Mat-Su area, Fairbanks, and Nome, as well as an online town hall. He explained that the public will be able to go online and read the item and make comments. He acknowledged this will not take the place of public hearing, but will supplement it. Additionally, a 26-person Technical Advisory Group has been appointed by the commissioner of DOT&PF. Thus far 650 are on the e-mail list.

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CHAIR P. WILSON asked if any deadline completion date exists.

MR. WALSH answered that it will be completed during this calendar year, probably by mid-fall.

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REPRESENTATIVE ISAACSON asked if the state rail plan is being developed with existing DOT&PF funds or if additional funds will be needed.

MR. WALSH answered that the DOT&PF current has the planning funds. In response to Chair Wilson, he offered to provide a copy of the final plan sometime in the fall so she can possibly convene a meeting.

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REPRESENTATIVE ISAACSON hoped that the department would work to incentivize private investment to construct the railroad since other railroads have been built in that way. He suggested it as a means for the state to avoid having to bear the brunt of the railroad construction costs.

REPRESENTATIVE KREISS-TOMKINS said he was curious about any studies in terms of commuter rail for the Glenn Highway Corridor.

MR. WALSH answered that the commuter prospects will be considered since it is one of the steering committee's recommendations; however, he was unsure that sufficient passengers would warrant a commuter rail.

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REPRESENTATIVE KREISS-TOMKINS asked if he had any figures for past studies on the costs.

MR. WALSH said he did not know.

CHAIR P. WILSON said that it would help [justify the commuter rail] if the summer population was also year round.

MR. CARR said the ARRC completed a study in 2001-2002 between Anchorage and the Matanuska-Susitna areas - Wasilla, Palmer, Anchorage, and Girdwood. Indeed, the golden mile is the term used for the range of getting people to the railway station and then to work, which is calculated all over the country. He said it is really a matter of the public transit agencies banding together to decide that coordinated transit is necessary to accomplish for the commuting public.

MR. CARR suggested that it isn't really possible to know the specific numbers, which range from as high as 700 passengers a day. He acknowledged that the department tends to be conservative in its projections, although that hasn't always been the case for transit agencies; however, many transit companies have exceeded the projections in the first year. He said there are 15,000 commuters between the Matanuska-Susitna Valley and Anchorage each day. He suggested that if the ARRC were to capture ten percent of the traffic it would amount to 1,500 commuters each way every day.

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MR. CARR pointed out the Share-A-Van program exists as well as other vanpooling opportunities. He related a scenario describing various ride sharing plans people have proposed that they were willing to do. He said the commuting in Alaska is not any different than many other places in the Lower 48, but the state rail plan will be able to answer these questions.

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#### **ADJOURNMENT**

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 1:45 p.m.