

**ALASKA STATE LEGISLATURE
JOINT MEETING
SENATE TRANSPORTATION STANDING COMMITTEE
HOUSE TRANSPORTATION STANDING COMMITTEE**

February 3, 2015
1:09 p.m.

MEMBERS PRESENT

SENATE TRANSPORTATION

Senator Peter Micciche, Chair
Senator Click Bishop, Vice Chair
Senator Mike Dunleavy
Senator Dennis Egan
Senator Bert Stedman

HOUSE TRANSPORTATION

Representative Neal Foster, Co-Chair
Representative Shelley Hughes, Co-Chair
Representative Charisse Millett
Representative Benjamin Nageak
Representative Louise Stutes
Representative Matt Claman
Representative Dan Ortiz

MEMBERS ABSENT

SENATE TRANSPORTATION

All members present

HOUSE TRANSPORTATION

All members present

OTHER LEGISLATORS PRESENT

Representative Sam Kito
Representative Jim Colver

COMMITTEE CALENDAR

OVERVIEW OF THE ALASKA RAILROAD

- HEARD

PORT MACKENZIE RAILROAD EXTENSION UPDATE

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

BILL O'LEARY, President and CEO
Alaska Railroad Corporation (ARRC)
Anchorage, Alaska

POSITION STATEMENT: Provided Alaska Railroad Corporation (ARRC) update.

JOHN MOOSEY, Manager
Mat-Su Borough
Palmer, Alaska

POSITION STATEMENT: Provided overview of the Port MacKenzie project.

JOE PERKINS, Project Director
Mat-Su Borough
Palmer, Alaska

POSITION STATEMENT: Provided detailed overview of the Port MacKenzie project.

ACTION NARRATIVE

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CHAIR PETER MICCICHE called the joint meeting of the Senate and House Transportation Standing Committees to order at 1:09 p.m. Present at the call to order were Senators Egan, Dunleavy, and Chair Micciche; Representatives Stutes, Claman, Nageak, Oritz, Millett, Co-chair Hughes, and Co-Chair Foster.

Overview of the Alaska Railroad

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CHAIR MICCICHE announced that the first order of business was the Alaska Railroad Corporation overview.

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BILL O'LEARY, President and CEO, Alaska Railroad Corporation (ARRC), Anchorage, Alaska, said ARRC is an independent corporation owned by the state; it's managed by a seven-member board of directors appointed by the governor; it's mandated to be self-sustaining and its employees are not state employees.

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SENATOR BISHOP joined the committee.

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MR. O'LEARY said the Railroad has 656 miles of track going from Seward to Fairbanks. Last year it carried nearly a half million passengers and just shy of 5 million tons of freight. It has \$1.1 billion worth of assets and brings in \$140-145 million a year in revenues. It has 575-600 year-round employees and another 100-125 during the summer season; about three-quarters of them are members of one of five unions.

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The Railroad has three legs to its financial underpinnings. The first and largest is freight. However, freight started declining significantly in 2005. He explained that their primary lines of business include transporting gravel, coal, and bulk petroleum and the significant drop in petroleum tonnage is a direct result of the stepping down and conversion from a refinery to a terminal facility at the North Pole refinery.

REPRESENTATIVE HUGHES asked how physical weight equates to revenue volume on his chart.

MR. O'LEARY answered that not all lines of revenue are created equal and historically their largest freight revenue source has been moving bulk petroleum products, followed by their inter-line rail-barge services, coal hauls out of Healy, and then gravel. Gravel is a very heavy but a short haul coming from the Mat-Su Valley into Anchorage, whereas coal goes from Healy all the way to Seward.

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The second financial leg of ARRC's financial trinity is its passenger service that is somewhere in the 500,000 passenger range. The 2008 recession had a significant impact but a recovery started in 2012.

He explained that ARRC has two different segments of riders: those that book directly with the Alaska Railroad through its tour operators and those who work with the cruise companies, as the Railroad pulls passenger coaches owned by the cruise companies.

CHAIR MICCICHE asked to see a pie chart of freight revenue versus passenger revenue.

MR. O'LEARY responded that of \$140 million annually, passengers bring in about \$26-27 million and freight brings in around \$95-100 million.

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Third, he said the ARRC has real estate holdings. He related that the Railroad was built by the federal government and purchased by the state in 1985; with the rolling stock and track bed 36,000 acres were transferred from federal ownership to the corporation in 1985. Roughly half of that is used in the operation of the Railroad itself. The other half is available for lease or permit use by different private sector or governmental entities, primarily of economic development type activities.

He said the Railroad makes significant returns off of leased properties and owns docks in Seward and Whittier. He couldn't say enough about the importance of real estate for the Alaska Railroad as the vagaries of the business cycle hit on freight and passenger service. It provides a very consistent revenue stream for the Railroad and feeds a significant portion of its capital program.

MR. O'LEARY related that all the Railroad's income is transferred back into the infrastructure. He explained that year-round scheduled passenger service made it eligible for significant Federal Transit Administration (FTA) formula monies, at one point reaching nearly \$36 million per year. In the last FTA re-authorization it was reduced by 20 percent, because a member of Congress thought ARRC didn't meet the qualifications for receiving the money (a Ted Stevens issue). That is the compromise that was struck along with doubling the state's matching requirement. He said another reauthorization is coming up in 2015.

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He said the Alaska Railroad has been in a near constant state of financial flux. With the step-down of production at the refinery

which began in 2006, the Railroad went through significant belt tightening three times resulting in 300 position cuts, wage freezes, and a modified retirement program, as well as changes in operations to still provide the needed customer service but in a less costly manner. The goal was that the Railroad would look and feel the same on the outside but be different on the inside.

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REPRESENTATIVE NAGEAK asked if the downturns were mostly in freight.

MR. O'LEARY replied that they primarily related to the petroleum haul to the refinery outside of Fairbanks and a significant drop in the coal export line of business.

REPRESENTATIVE MILLETT said the FTA cut was only made to the ARRC and asked where the rest of our money went.

MR. O'LEARY replied that it wasn't cutting the pie up differently to other transit operator entities. It went somewhere else.

CHAIR MICCICHE recognized Representative Kito in the audience.

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MR. O'LEARY said the Alaska Railroad is set up to look very much like private enterprise from the financial reporting perspective, so they have a measure of net income. Twenty-fourteen was much stronger than anticipated especially given the news of the closure of the North Pole refinery, but a lot of slack was picked up by the inter-line business, which was directly a result of the increased exploration and development activity on the North Slope. They also had a very strong passenger season and an easy winter on both sides, plus the cost structure changes they made really took effect. So, when that revenue does come in they are well-prepared to capitalize on it.

CHAIR MICCICHE asked what percentage fuel cost is today versus one year ago.

MR. O'LEARY answered that now it's in the 12 percent range of total operating expenses and has no doubt benefited from the drop in cost of fuel, but there is also a decrease in their fuel surcharge revenue.

CHAIR MICCICHE recognized Representative Colver in the audience.

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REPRESENTATIVE STUTES asked what percentage the fuel cost was one year ago.

MR. O'LEARY answered around 14-15 percent.

REPRESENTATIVE CLAMAN asked how much of the \$.8 million difference in the net income can be attributed to the drop in fuel cost.

MR. O'LEARY answered not a significant portion; up to half a million dollars in fuel savings between 2013 and 2014, but there are big swings in key revenue items.

In the last couple of years the ARRC has been involved in large projects involving rail; one is the Northern Rail Extension. The first phase of that project is a 3,300 foot bridge over the Tanana River outside of Salcha, which currently provides year-round access to the military into some of their training grounds. This \$188-million project was funded primarily by the Department of Defense (DOF), but with \$84 million from the state. The project was completed on time and under budget and has the ability to return about \$1.2 million (in state funds) back to the general fund. The first phase extends from the current terminus in the Eielson Air Force Base area down eventually to the Delta Junction area. At this point, no funding has been identified for phases 2-4.

CO-CHAIR HUGHES asked if the \$1.2 million return to the general fund was project money that was left over or an annual return.

MR. O'LEARY replied that it is left over capital money.

He said the Mat-Su Borough's Port MacKenzie Rail Extension Project is a project that the ARRC is acting as sort of the project manager for. It is progressing nicely, but he would leave further comments on it to the next presenter.

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SENATOR STEDMAN joined the committee.

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MR. O'LEARY said this brings them to one of the hottest topics that the ARRC is facing currently: positive train control (PTC). It is "the mother of all unfunded federal mandates" that came about in 2008 as a result of some horrific train accidents. PTC

is a safety overlay that is designed to eliminate or greatly reduce human-error accidents for train operations. It has a deadline of December 31, 2015 that absolutely no railroad in the country is going to meet. No extension has been granted by Congress so far, but one is expected to occur.

He explained that PTC is roughly a \$160-million project, greater than one year's worth of ARRC revenues. He reported that the Railroad got an earlier start than most with an appropriation from Ted Stevens and other funds to use as sort of a demonstration project before it was mandated.

MR. O'LEARY said because of revenue shortfalls it is clear the Alaska Railroad will not be able to finish this project on its own. Over the past two years the legislature gave them a total of \$34 million to keep this project moving and the Railroad has roughly \$70 million of its own funds into this project, but another \$55 million is needed to complete the project.

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At ease

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Back to order.

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MR. O'LEARY stated that they have searched and found there is no way out of this mandate for the Alaska Railroad.

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CHAIR MICCICHE asked if he had \$160 million to spend on a railroad would he spend it on PTC.

MR. O'LEARY answered no.

CHAIR MICCICHE asked him for examples of what would be a better investment for the ARRC to ensure the safety of the public.

MR. O'LEARY said this project takes away from the basics needed to maintain a safe railroad system in general - rail, ties, ballast, and bridges in particular for the Alaska Railroad that require continual upkeep and significant amounts of money.

CHAIR MICCICHE asked how many times he had been to the legislature in the last five years requesting funding for those things.

MR. O'LEARY replied the only other time the Railroad requested funding was for the Northern Rail Extension Bridge to support the military.

CHAIR MICCICHE asked if PTC looks like a capital project but in reality is an operating item considering the federal requirement.

MR. O'LEARY answered that developing and implementing this system is really a capital project, but another \$5-6 million a year will be needed to maintain it. They would not come back to the legislature for that.

CHAIR MICCICHE said in his mind it translates to operating because there is no choice.

REPRESENTATIVE NAGEAK remarked that there was a need for more transportation especially in rural Alaskan to get resources to the market, which would enhance revenues for the state and the Railroad.

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MR. O'LEARY responded that the Railroad is a key piece of infrastructure for this state and expansion of it would be a good thing. They like to talk about the concept of corridors to resources more than roads to resources. Roads can be added to the geometry of a railroad. Island railroads in small areas that don't necessarily immediately connect to the main line could make good business sense.

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CO-CHAIR HUGHES asked if PTC is really designed for high traffic areas like New York City, Washington, D.C. and doesn't make sense for Alaska. In addition, she wanted to know how the Railroad plans to absorb the additional annual maintenance requirements.

MR. O'LEARY responded that PTC will make the Railroad safer, but he would not direct \$160 million to it. The maintenance costs still need to be determined.

SENATOR EGAN asked how many times the Railroad had applied for a waiver of the PTC requirement and been denied.

MR. O'LEARY answered more than once.

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REPRESENTATIVE STUTES asked what the other benefits to the Railroad would be.

MR. O'LEARY answered getting a more efficient dispatch system and the signal work will be slightly more efficient. The regulators all understand that the cost to benefit ratio on this particular initiative doesn't provide a classic return on investment.

If the Railroad doesn't comply with the mandate, he said different fines and civil and criminal penalties can be assessed on the corporation and on individuals for non-compliance, especially if it's considered willful non-compliance. Eventually, regulators would prohibit passenger service, and passenger service provides a significant amount of jobs and spending. A 2012 McDowell Group study on how discontinued passenger service would impact the whole state indicated that it would affect 2,000 jobs and put 3,700 additional motor trips on already crowded highways, especially the Parks and Seward Highways.

REPRESENTATIVE STUTES asked how many Railroads will have PTC completed by 2015.

MR. O'LEARY said it won't happen.

REPRESENTATIVE STUTES asked by 2018.

MR. O'LEARY answered more; most are pushing for a three-year extension and planning on 2018. He added that a limited number of contractors do this work, which makes it even more difficult.

REPRESENTATIVE CLAMAN asked if the extension requires an act of Congress.

MR. O'LEARY answered that it does require an act of Congress.

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He said that PTC is not the end of the world for the Alaska Railroad. Good opportunities are out there; they have just put the finishing touches on their strategic plan going forward and the first one is how to grow their way out of this situation - how the revenue base can be increased and also support the state in economic development. A rail/barge service could support oil field activities; the concept of a pipeline on rails moving LNG or refined oil products is another idea as is the concept of

additional ports in Port MacKenzie and Seward, and corridors to resources.

MR. O'LEARY said the Railroad partners with Lynden and the Canadian National Railroad to provide weekly barge service from Seattle and Prince Rupert using rail barges. Effectively, somebody can order a load of pipe from Houston and it can be railed up on other railroad systems to Seattle where it rolls onto a rail barge that can take 50 rail cars. It goes up to Whittier and rolls off onto the ARRC system and can be taken to Fairbanks or Anchorage or loaded onto trucks to the North Slope. The Alaska Railroad has the longest rail haul in North America pushing almost 5,000 miles.

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SENATOR STEDMAN asked if there had been any discussion with the Canadians on their interest in railroading oil north and delivering it into TAPS.

MR. O'LEARY said they had some discussions on that last year, but haven't heard anything recently.

SENATOR STEDMAN asked him to explain how that would work.

MR. O'LEARY answered that there are no plans for that, but they have been transporting refined oil to the Anchorage International Airport from the North Pole refinery for years and hope that could come back. At this point they are bringing refined product from south to north.

SENATOR STEDMAN said he wanted an update on the status of the Railroad with their clients at the airport and refineries along with their cash flow positions.

MR. O'LEARY said he would give him an update on that.

CO-CHAIR HUGHES remarked that some folks are floating the idea of barging propane up from Prince Rupert to Valdez and by train on up to Fairbanks and asked if he had conversations with them.

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MR. O'LEARY replied that Valdez has very little rail and nothing that connects. It could probably happen if it was brought up to Whittier or Seward. They had been in contact with a lot of different people about moving energy, primarily, to the Interior.

CHAIR MICCICHE said he thought the primary objective of this slide was to show there are a lot of other opportunities that the Railroad continues to investigate.

MR. O'LEARY answered yes and they are open for business.

CHAIR MICCICHE asked if a pre-existing railway reduces the cost of developing a corridor to resources.

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MR. O'LEARY answered that that should be part of the conversation about what makes most sense for access to resources. The concept of moving LNG to the Interior has been getting more attention lately. They have always offered their services to potential shippers as an interim energy solution for the Interior until the larger gasline is built. Five-day a week service is already provided year-round between Anchorage and Fairbanks.

A couple of conditions would need to be met to move LNG to the Interior on the Railroad: first is approval from the federal regulators. In December they met with them and got a clear picture of what it takes to gain that approval and they will be submitting an application (for moving LNG on ISO tanks on rail on flat cars) later this week. He explained that ISO cryo-tanks are about 40 feet long and hold 11,000 gallons; they can be put on a rail car and moved to different locations.

SENATOR BISHOP emphasized that the Railroad will move goods for a price.

MR. O'LEARY said yes.

CHAIR MICCICHE said they are very supportive of their mission.

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MR. O'LEARY said the Department of Transportation and Public Facilities (DOTPF) is responsible for a State Rail Plan that is a prerequisite to continue receiving federal monies. It had fallen off the radar in past years and was resurrected about three years ago. It is a planning and vision document about the different operating railroads in Alaska: the Alaska Railroad and the White Pass and Yukon Railroad.

MR. O'LEARY concluded that the Railroad is a key piece of infrastructure in a state that has little of it.

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CHAIR MICCICHE asked if the refinery being back in business will positively affect the Railroad's bottom line.

MR. O'LEARY answered that energy cost is a key piece of why the refinery is in the position it is in and the answer is yes.

CO-CHAIR HUGHES asked where the additional \$55 million for PTC will come from.

MR. O'LEARY answered originally ARRC wanted to ask the legislature for \$55 million over three years, but realizing that would be very difficult now, they came up with another creative solution. He explained that ARRC has the ability to refinance existing debt that was issued in 2006/07, take that savings and extend the maturity of the bonds from 2021 to 2025. This would allow them to max out their borrowing power, which would be an additional \$37 million and therefore they would need only one \$18 million infusion. They could take this financial package to the debt markets, sell the bonds and fund PTC. However, this would impact the Railroad by taking away its ability to continue investing in basic infrastructure.

CO-CHAIR HUGHES asked if the \$18 million could be phased over three years.

MR. O'LEARY answered their goal is to have it all this year, so the package could be taken intact to the financial markets and the grantor agency.

CHAIR MICCICHE thanked him for presentation and said he was worried about how the PTC mandate would affectively delay maintenance and increase risks that weren't there before.

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CHAIR MICCICHE introduced the Port MacKenzie update.

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At ease

Port MacKenzie Railroad Extension Update

[2:16:14 PM](#)

CHAIR MICCICHE called the meeting back to order and invited Mr. Moosey to present the Port MacKenzie Railroad Extension update.

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JOHN MOOSEY, Mat-Su Borough Manager, Palmer, Alaska, said he would relate the activity happening at Port MacKenzie over the past year and that their project is now two-thirds done. He said shipping time was reduced by 10 days when their first direct scrap metal ship went directly from Alaska to Asia instead of going first to Seattle and then to Asia. The port is able to operate during the winter months.

CO-CHAIR HUGHES asked if their ability to go straight to Asia was because of the type of ship that could come into the port.

MR. MOOSEY replied it wasn't the ship type; it's just that now the infrastructure is in place to be able to start doing it. He said Port MacKenzie has 14 square miles, 9,000 acres, of industrial business space that is unencumbered by anything else. It is controlled almost entirely by the Mat-Su Borough with a small piece owned by the University (that is cooperating on the project).

MR. MOOSEY said the port has plenty of deep water for any type of ship. At dock there are 14 acres for temporary storage of materials and there are ample opportunities to lease lots for large projects or for assembling any type of gasline. A recent Northern Economic study estimated the Port MacKenzie Rail location could save over \$100 million in transportation costs for a large in-state gasline project, just because of proximity to the project site.

He said this summer 16 lineal miles of concrete coated pipe was unloaded at Port MacKenzie. It will be loaded on support vessels on the work barge, be welded together for underwater pipeline to connect Furies' new gas/oil platform in Nikiski.

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He has two full-time people working real hard to make sure the port operation has very little overhead; they partner with local business to provide infrastructure and logistic services. They are a bulk resource and project commodities port exporting gravel and timber and importing cement and fuel modules for construction. They don't compete with anyone, but rather are complimentary to getting goods and services to and from the Interior.

For the past nine months he had been working with WesPac Midstream, an LNG company looking at two-phase project: the first is going to be a \$160 million LNG facility; the second phase will be another \$460 million. Their goal is to bring LNG

to the Fairbanks area. He noted that the ISO containers used to transport the LNG will also serve as storage when they are dropped off.

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CO-CHAIR HUGHES asked where WesPac is now in deciding to go forward.

MR. MOOSEY answered they are in lease negotiations with them now; if things fall as they would like they would be under construction this summer for the first phase (\$160 million).

SENATOR EGAN asked where WesPac is headquartered.

MR. MOOSEY replied Texas; they are a \$90 billion conglomerate with nine on-going projects throughout the United States. So, this is a small project for them.

CO-CHAIR HUGHES asked when LNG delivery to Fairbanks is expected to occur.

MR. MOOSEY replied delivery to the city gate would take two years, but Fairbanks would have to build the infrastructure to accept the LNG.

CHAIR MICCICHE clarified that Fairbanks LNG is currently meeting 100 percent of Fairbanks current needs, so they are talking about a potential build-out in the future.

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MR. MOOSEY added that the current needs are for less than 20 percent of the population. He said that WesPac is just one of LNG projects Port MacKenzie is working on. If it works out, WesPac will be a great tenant but not the only one.

Hilcorp and Alaska Industrial Development and Export Authority (AIDEA) are interested in buying a gas processing plant owned by Tita (Pentex is the parent company) near Port MacKenzie.

CHAIR MICCICHE commented that Blue Crest could be added to that slide in terms of a competing interest in the LNG facility.

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MR. MOOSEY added that Blue Crest announced a month ago that it has an agreement with WesPac to sell them the natural gas. It bought some assets from Buccaneer about one year ago and is a new investor in Cook Inlet.

The Central Alaska Energy project is a 6.9 million-gallon fuel tank farm and could be used to bring in lower cost fuel, mostly low sulfur diesel fuel. They hope to break ground in 2015; this is also an AIDEA project that was approved for financing a year and a half ago.

MR. MOOSEY showed pictures of a 110-car rail loop over a mile in length that provides great staging for bulk resources, such as gravel, coal and timber. He said they expect exports to Asia. Last month the governor and Resource Energy, Inc. (REI) signed an MOU for natural gas. They believe the REI project and the WesPac project can all co-exist. The first phase of REI is getting Cook Inlet gas to Japan. When the state gasline is available, the project can be scaled up to its full size with the market still being in Japan.

CHAIR MICCICHE asked if REI has any facilities on the planet.

MR. MOOSEY answered no and that WesPac is looking for a market in Interior Alaska and using the ISO container concept for delivering LNG to coastal communities via water. He said the port can also be used for importing construction materials easier and less expensively.

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JOE PERKINS, Project Director, Mat-Su Borough, Palmer, Alaska, explained that they broke this project up into six construction segments of embankment comprise of leveled D1 - and a seventh segment which includes placing material on the embankment. Segment eight is basically finishing the job by putting in ties and rail.

The following is a status of the six segments that start at the loop and run all the way up to the highway:

Segment 1: Completed embankments.

Segment 2: Runs through the farm district, so the Railroad has purchased all the land they need and the Borough is in the process of condemning the covenants (against the state). He hoped to have all of the segment two land available in four or five months.

Segment 3: Starts outside of the farm district and heads up to the Papoose Twins road. All the embankment is finished.

Segment 4: Embankment is under construction and will be completed next year.

Segment 5: Have funding and are negotiating with Knik-Ahtnu to purchase the right-of-way that is owned by them. If they are not successful, they intend to condemn that portion of segment five. Segment 6: Two new sitings in a Y formation along the main line to tie into the main line so trains can be turned in any direction; it includes a new bridge across the Little Susitna River. That is 100 percent complete and includes all of the ballast, ties and track. A communications tower was required there and that is up and completed.

MR. PERKINS said the whole thing is about 30 miles long and is about 65 percent complete. He said a railroad is not difficult to build; the only problem is that they maintain at least a 1 percent grade. This means that a road can dip down in a valley, but the railroad has to fill them. So, in the long run, it is tougher to build than a road if you're in country that has hills.

In 2013/14, he reported having 200 direct jobs. All five bridges are currently under contract. Segments 2 and 5 (the two that don't have embankments) have no bridges. Starting in 2008 they had been appropriated a total of \$184 million in seven separate appropriations and one statewide general obligation (GO) bond. In 2010, they didn't get any money but got it in every other year. In 2016 it will take \$120 million to complete this job; completion of it is totally dependent on money. He summarized that segments 1,3,4,6, and 5 are funded; segments 1,3, and 6 are complete.

REPRESENTATIVE CLAMAN asked if he is asking for \$120 million this year.

MR. PERKINS answered that \$35 million is needed this year to keep the project going (and complete segment 2) and the remainder of the money is basically to purchase things like ties and track. Segment 8 is the one that ties the track ballast. The ballast is being made at Curry and about one-third of it is already made.

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He explained that segment 7 includes fiber optics along the whole line and another communications tower at the port.

CO-CHAIR HUGHES asked if the communication towers are tied into infrastructure needed for PTC.

MR. PERKINS answered that the communication towers are needed for operation of the spur and may later serve some other function for PTC, but not now. He said they join the total communications system of the Alaska Railroad. He said Segment 6 is done and the Alaska Railroad is backing trains all the way up to Miller's Road at the end of it. If they get all the funding they need it will be complete and operating by the end of 2018. If it is piecemealed, then the timeline will stretch out and the cost of the project will go up.

MR. MOOSEY said they understand the state's budget concerns, but completing this project will create jobs and lessen dependence on oil.

REPRESENTATIVE STUTES asked how much money his municipality had put into this project.

MR. MOOSEY answered less than 10 percent, plus staff time and most of the gravel; no bonding.

CO-CHAIR HUGHES pointed out that this project can add jobs in the Mat-Su area, but it is a state project that will connect to the rail system to take things into the Interior, and hopefully to someday be a route to get things out to very rural communities. She asked who will maintain the railroad once it is finished.

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MR. PERKINS answered that they are working closely with the Railroad that has a project manager, also, who he meets with every two weeks on this project. When all of the land is "squared away," the land required to operate the railroad will be transferred to the Railroad including land needed for a terminal reserve where trains can be parked and fueled and crews can be changed (600-700 ft. wide in the farm district). In some cases, they have had to buy uneconomic land remnants and those will remain with the Mat-Su Borough.

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CHAIR MICCICHE thanked them both for being at the meeting and passed the gavel to Co-chair Hughes.

[2:51:55 PM](#)

CO-CHAIR HUGHES adjourned the Joint Meeting of the Senate Transportation Standing Committee and the House Transportation Standing Committee at 2:51 p.m.