

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

April 2, 2019

1:02 p.m.

MEMBERS PRESENT

Representative Louise Stutes, Co-Chair
Representative Adam Wool, Co-Chair
Representative Matt Claman
Representative Harriet Drummond
Representative Andi Story
Representative Dave Talerico

MEMBERS ABSENT

Representative Sara Rasmussen

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 12

Supporting the completion of the Northern Rail Extension; supporting the increase in defensive capabilities at Fort Greely, Alaska; and encouraging the development of critical Arctic infrastructure.

- HEARD & HELD

PRESENTATION(S): UNITED STATES COAST GUARD

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HJR 12

SHORT TITLE: NORTHERN RAIL EXTENSION

SPONSOR(S): REPRESENTATIVE(S) TALERICO

03/13/19	(H)	READ THE FIRST TIME - REFERRALS
03/13/19	(H)	MLV, TRA
03/19/19	(H)	MLV AT 2:00 PM GRUENBERG 120
03/19/19	(H)	Heard & Held
03/19/19	(H)	MINUTE(MLV)
03/21/19	(H)	MLV AT 2:00 PM GRUENBERG 120
03/21/19	(H)	Moved HJR 12 Out of Committee
03/21/19	(H)	MINUTE(MLV)
03/22/19	(H)	MLV RPT 4DP

03/22/19 (H) DP: RAUSCHER, JACKSON, TARR, LEDOUX
04/02/19 (H) TRA AT 1:00 PM BARNES 124

WITNESS REGISTER

THOMAS STUDLER, Staff
Representative Dave Talerico
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered a question during the hearing on HJR 12, on behalf of Representative Talerico, prime sponsor.

VIKKI JO KENNEDY
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HJR 12.

REAR ADMIRAL MATTHEW BELL, JR.
Seventeenth Coast Guard District
U.S. Coast Guard
Juneau, Alaska

POSITION STATEMENT: Gave a PowerPoint presentation regarding the activities of the U.S. Coast Guard (USCG) in Alaska, as related to the Alaska Marine Highway System.

ACTION NARRATIVE

[1:02:45 PM](#)

CO-CHAIR ADAM WOOL called the House Transportation Standing Committee meeting to order at 1:02 p.m. Representatives Drummond, Claman, Talerico, Story, Stutes, and Wool were present at the call to order.

HJR 12-NORTHERN RAIL EXTENSION

[1:03:27 PM](#)

CO-CHAIR WOOL announced that the first order of business would be HOUSE JOINT RESOLUTION NO. 12, Supporting the completion of the Northern Rail Extension; supporting the increase in defensive capabilities at Fort Greely, Alaska; and encouraging the development of critical Arctic infrastructure.

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REPRESENTATIVE TALERICO, as prime sponsor, presented HJR 12. He offered his sponsor statement, which read as follows [original punctuation provided]:

Completing the Northern Rail Extension to Fort Greely and Delta Junction would support Military operations, mining, and agricultural in the Interior of Alaska.

In the Act of 1914, the United States Congress authorized the construction of a railroad in Alaska. The railroad was to connect one or more open harbors in Alaska, with the Interior of Alaska, to develop agricultural and mineral resources of Alaska, and the settlement of people on public lands therein, to provide transportation of fuels for the Military, transporting troops, arms, munitions, the mail, and other governmental and public uses. Unfortunately, that dream was never realized.

The Alaska Railroad Transfer Act (ARTA) of 1983, the U.S. Congress again recognized the importance of the railroad in providing freight and passenger rail service to Alaska. Congress also found that continuation of services and the expansion of those services are necessary to achieve Federal, State, and private objectives. The State's continued operation together with expansion of the railroad constitutes an appropriate public use of the rail system. Once again, the dream of expansion was unrealized.

Finally, in 2013, almost one hundred years later, the Northern rail expansion was proposed by Alaska Railroad in conjunction with the Department of Defense, the four phased plan was completed. Phase one, Crossing the Tanana River, was completed. The remaining three phases need to be accomplished before we can realize completion of the Northern rail expansion.

With the expansion of the Fort Greely missile complex and expanded training ranges, increased agriculture in Delta Junction, and increased mining operations in the area. This resolution supports critical infrastructure development, national security, economic development, and natural resource development in the State of Alaska. The Northern Rail Extension project would provide essential freight and passenger service to

support transportation and mobility needs of the region.

This is a project long overdue for Alaska and I ask for your support for this resolution.

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REPRESENTATIVE TALERICO cited AS 42.40.550, which read as follows:

Sec. 42.40.550. Extension of railroad to Fort Greely.

The corporation may acquire a transportation corridor between the existing railroad corridor and Fort Greely, Alaska, and construct a rail line within the corridor to provide rail service to the Fort Greely area and points between. The transportation corridor may be designated for a use identified under AS 42.40.350(b) and other transportation and utility uses. The corporation may also acquire land along the corridor for use as rail land that can be developed for terminal, station, and maintenance facilities, switching yards, and any other purposes associated with the railroad utility corridor.

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REPRESENTATIVE TALERICO stated that the Act of 1914 authorized the U.S. President to construct a thousand miles of rail line. He estimated that Alaska currently has 467 miles of rail line. He stated that his request "has a lot to do with national security." He said that the expansion of infrastructure in Ft. Greely is significant.

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CO-CHAIR STUTES asked what the distance is between Ft. Greely and the railway's current end.

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REPRESENTATIVE TALERICO answered that it is about 70 miles. He said the railway extends all the way to Eielson Air Force Base from Fairbanks. A bridge was built across the Tanana River about four years ago, at an approximate cost of \$184 million. In response to a follow-up question, he said an environmental

impact statement (EIS) process has been done, and a route has been identified. Phase one is complete, which leaves phases two-four.

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REPRESENTATIVE CLAMAN asked how much the railroad between Fairbanks and Eielson Air Force Base is being used currently.

REPRESENTATIVE TALERICO offered his understanding that coal trains travel the route twice a week. Also, jet fuel is transported to Eielson Air Force Base. In response to follow-up questions from Representative Claman, he said the estimated cost per mile to lay tracks can range from \$3-\$8 million. He affirmed that the state currently does not have the funds; HJR 12 is request to the federal government, particular to the Department of Defense (DoD). In regard to a proposed \$17 billion project to lay rail from the tar sands in Canada to Alaska, he said he believes that would just be a connection to wherever the railway [in Alaska] stopped in Delta. He said he thinks the \$17 billion estimate may be to run the tracks all the way to Eielson Air Force Base; therefore, "if this was actually put in there," that amount may be less.

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REPRESENTATIVE DRUMMOND stated that she traveled to Delta last summer with Representatives Talerico, Tarr, and Rauscher and Senator Shower on the first legislative farm tour since 1984. She said that experience showed her that "they could sure use an alternative form of transportation." She said she would not wish driving to Southcentral Alaska on the Richardson Highway on a regular basis on anyone. She said, "I absolutely saw the need ... for this." She expressed disbelief regarding the cost of the Canada rail proposed, and she asked if 80 miles would be the total through all phases of the proposed northern rail extension and at a cost of about \$600 million.

REPRESENTATIVE TALERICO said it would be about \$640 million. He mentioned a map [included in the committee packet], and he offered his understanding that the location of the right-of-way was moved to the other side of the Tanana River [to avoid mountains].

REPRESENTATIVE DRUMMOND observed that the route through Canada, the "A2A" line, would have 200 of its 1,700 miles in Alaska;

therefore, she concluded that [the northern rail extension] would take care of about 80 miles of those 200 miles.

REPRESENTATIVE TALERICO confirmed that is correct.

REPRESENTATIVE DRUMMOND stated, "I can be supportive of this."

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REPRESENTATIVE STORY inquired as to the extent of communication with property owners of the land and other interested parties.

REPRESENTATIVE TALERICO responded that most of the extension is on a military reserve in Tanana Flats; one area of private property is near Delta Junction and is owned by Ahtna, Incorporated; and most of the rest of the property is on government-owned land. In response to a follow-up question, he said the Alaska Railroad has spoken previously with representatives of Ahtna, Incorporated, and those discussions will continue.

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CO-CHAIR WOOL asked a series of questions about water crossings. He remarked that if the federal government wanted to put in "structural money," it would "tie in nicely to the A2A project." He also asked how missile components are brought to Ft. Greely.

REPRESENTATIVE TALERICO confirmed that the tracks go over the newly constructed bridge. He offered his understanding that "the bridge would cross the Delta River."

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THOMAS STUDLER, Staff, Representative David Talerico, Alaska State Legislature, on behalf of Representative Talerico, prime sponsor of HJR 12, explained that missiles are brought up by barge, then taken to Fairbanks by rail, then shipped by truck to Ft. Greely, where they are reassembled. The addition of the northern extension of the rail would shave off a couple days in that shipping process.

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CO-CHAIR WOOL opened public testimony on HJR 12.

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The committee took a brief at-ease at 1:20 p.m.

[1:20:59 PM](#)

VIKKI JO KENNEDY opined that because the sole purpose of the northern extension of the train will be for federal use, the federal government - not Alaska - should pay the full cost. She said Alaska is broke. She said the federal government is militarizing Alaska and owns 65 percent of the land in Alaska. She reemphasized that the federal government needs to pay for all of it, and she stated, "I'm not happy about any of it." She questioned when the EIS was done.

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CO-CHAIR WOOL closed public testimony on HJR 12.

CO-CHAIR WOOL noted that HJR 12 had a zero fiscal note. He said, "It is all federal money, as proposed."

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CO-CHAIR WOOL announced that HJR 12 was held over.

PRESENTATION(S): United States Coast Guard

[1:24:31 PM](#)

CO-CHAIR WOOL announced that the final order of business would be a presentation by the United States Coast Guard.

[1:24:47 PM](#)

The committee took an at-ease from 1:24 p.m. to 1:25 p.m.

[1:25:50 PM](#)

REAR ADMIRAL MATTHEW BELL, JR., U.S. Coast Guard, said he is commander of the Seventeenth Coast Guard District; therefore, all U.S. Coast Guard (USCG) resources in Alaska are under his purview. He said he would talk about USCG activities in Alaska, particularly with regard to the Alaska Marine Highway. He said the marine transportation system in Alaska is vital to national security. The USCG stands ready to meet challenges, because national prosperity is closely linked to the maritime community.

REAR ADMIRAL BELL began a PowerPoint presentation [hard copy included in the committee packet], entitled "U.S. Coast Guard Seventeenth District Brief." As shown on slide 2 of the presentation, he said in Alaska there are approximately 2,500 active duty, reserve, civilian, and auxiliary members in the USCG; with dependents, that number reaches about 3,500. He said limiting Alaska Marine Highway System (AMHS) options would affect USCG members in Alaska, many of whom are in communities with limited and expensive flight options. Referring to information on slide 3, he noted that the M/V Columbia had a fire in June 2018, which impacted the arrival of some USCG members for up to two weeks.

REAR ADMIRAL BELL, pointing to slide 4, noted that cruise ships present the highest risk for mass rescue operations in Alaska, especially in Southeast; a commercial airline crash ranks next. He said 1.36 million passengers arrive in Alaska on 34 cruise ships calling to Alaska over 500 times this year alone. He said the USCG lacks the resources to rescue a large number of survivors in a timely manner and relies heavily on "vessels of opportunity" to assist with mass rescue operations. He said AMHS vessels provide a valuable resource to the USCG because of their capacity to hold a large number of survivors. He named recent incidents in Norway, Italy, and Alaska.

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REAR ADMIRAL BELL referred to slide 5, which addresses the Alaska Shield (AkS) Exercise, wherein the USCG conducts a pelagic strike counter-terrorism exercise in conjunction with Arctic Shield 19 to meet shared preparedness objectives. He said the exercise tests the USCG's ability to mobilize specialized forces to Alaska, to respond to a terrorism or homeland security threat on a vessel. He stated that approximately 70 missile site radar (MSR) Key West personnel employed small boats and other equipment from their home base in San Diego, California, via airlift to Alaska provided by Alaskan Command (ALCOM). He listed other entities integral to planning as: the City of Cordova, the State of Alaska Division of Homeland Security and Emergency Management, the Department of Transportation & Public Facilities, AMHS, and other state agencies.

REAR ADMIRAL BELL turned to slide 6 and talked about the Seventeenth Coast Guard District's Operation Salmon Run 2018, which was requested by Governor Mike Dunleavy. The purpose of the operation was to "detect and deter illicit activity on Alaska's Marine Transportation System, directly supporting

Alaska's 2018 high intensity drug threat area designation." He said the operation focuses on the Alaska Marine Highway System and interisland ferry traffic, since illegal drugs are transported into and throughout Alaska via this mode of transportation. He said this built on an operation that started in 2014, and it was done in coordination with District 13. Operation Salmon Runs were conducted in the ports of Kodiak, Whittier, Juneau, Ketchikan, and Bellingham. The operations screened 30 ferry port calls, approximately 3,000 passengers, over 500 crew members, and over 750 vehicles, resulting in confiscations, which included 56 grams of heroin, an ounce of methamphetamines, and almost 2 pounds of noncommercial marijuana.

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REAR ADMIRAL BELL moved on to slide 7, regarding marine inspections. He stated, "The Coast Guard is responsible for every piece of the ship, from plans, to installation, to operation." He said vessels get dry docked annually or twice every five years; most receive a full-scale annual inspection, with three additional quarterly inspections to ensure maintenance and operations are being kept according to the manual. He said emergency drills and crew knowledge play a large part in inspections. Any time something breaks, or someone is hurt, the USCG investigate to find out what happened and to ensure it does not happen again. The crews of the vessels all have USCG merchant mariner licenses.

REAR ADMIRAL BELL brought attention to slide 8, entitled "Terminal Safety and Security." He said the Marine Transportation Security Act of 2002 (MTSA) put considerable responsibility for the safe and secure operations of passenger terminals on the operators, who are required to ensure training, operations, plans, communication, and access control that provide safe operations of terminals. He related that terminals and ships have "similar sets of security rules that overlap to ensure harmonized efforts" to protect both the ship and the terminal. He said the USCG ensures that all plans and aspects of operations encompass MTSA in its entirety. The plan is reviewed and must be approved by the captain of the port, and compliance is demonstrated through an annual inspection and random spot checks throughout the year.

REAR ADMIRAL BELL offered to take questions from the committee.

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CO-CHAIR STUTES stated that being from Kodiak, Alaska, which has the largest USCG base, as well as a huge fishing fleet, she "doubly" appreciates what the USCG does. She asked Rear Admiral Bell how large a part he thinks the Alaska Marine Highway System plays in bringing his staff to and from Kodiak.

REAR ADMIRAL BELL answered that approximately 1,500 [USCG members] live on Kodiak Island, and of those, roughly 600-800 of them are rotating on or off the island. A good portion of those will use a commercial shipping company for their vehicles and will fly in themselves; a smaller portion will take AMHS the entire way; and some will drive to Whittier or Homer and then take AMHS the rest of the way. He said, "So, the actual numbers vary from year to year. Last year I think the numbers were 300." In response to a follow-up question, he indicated that folks transferring to USCG stations in Southeast Alaska rely more on AMHS, because it is a shorter route from Bellingham, Washington, to Southeast Alaska than it is from that starting point to Kodiak, Alaska. In response to a further question, he confirmed that during his presentation, he had stated that AMHS is integral to search and rescue missions.

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REPRESENTATIVE STORY asked whether Rear Admiral Bell had communicated to Governor Dunleavy the importance of AMHS to the USCG's search and rescue efforts.

REAR ADMIRAL BELL answered that he had not. In response to follow-up questions, he said he has made requests to meet with the governor.

REPRESENTATIVE STORY indicated that her question about communications would include Commissioner John MacKinnon of the Department of Transportation & Public Facilities (DOT&PF).

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REPRESENTATIVE DRUMMOND asked for a definition of "PCS," as shown on slide 2 of the presentation.

REAR ADMIRAL BELL said it stands for "permanent change in station." He noted that he does not track those members who use AMHS on a day-to-day basis for personal travel. In response to follow-up questions, he confirmed that the USCG spends approximately \$500,000 annually toward PCS. Regarding the use

of the phrase "organic high capacity vessels," on slide 4, he explained that means the USCG does not have any vessels with such high capacity [as the AMHS].

REPRESENTATIVE DRUMMOND shared that the Norwegian Bliss, with a capacity of 6,000 guests and crew, came to Southeast Alaska last year. She remarked that even with the largest marine vessel, that would take many trips to load all the passengers to safety in an emergency.

REAR ADMIRAL BELL said he would get back to the committee with the number of people that have been rescued via the AMHS helping out the USCG. He said, "That type of assistance occurs routinely."

[1:42:14 PM](#)

REPRESENTATIVE CLAMAN asked whether USCG has the ability to demand a vessel come to assistance, but it does not have that authority with cruise ships.

REAR ADMIRAL BELL answered that is correct. To a follow-up question, he said he would have to get back to the committee regarding "actual authorities." He said USCG runs a program called "Amver," through which it asks for assistance from industry on a volunteer basis.

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REPRESENTATIVE STORY asked about USCG requirements for crew numbers aboard the AMHS.

REAR ADMIRAL BELL answered that the requirements are based on the length of the vessel, how many passengers will be carried, and what type of cargo will be on board. He said he could get those numbers for Representative Story.

[1:44:29 PM](#)

CO-CHAIR WOOL noted there was no mention in the presentation of the terminal in Valdez.

REAR ADMIRAL BELL confirmed the USCG has a presence there. He pointed out that the presentation today was focused on the USCG as it relates to AMHS. He offered some information regarding USCG's involvement in Valdez and Prince William Sound. He

confirmed there is a ferry terminal in Valdez, but there are no cruise ships.

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REPRESENTATIVE DRUMMOND shared that she had witnessed the spill cleanup practice drill in Whittier last summer, along with Representative Josephson. The AMHS ferries were not discussed, but she offered her understanding that the M/V Kennicott had been designed to assist with spill cleanup.

REAR ADMIRAL BELL responded that USCG partners with the Department of Environmental Conservation (DEC) for spill response. He said the USCG has "staged equipment" in a number of communities, and it would look for commercial transportation to bring that equipment out to where it was needed, and that could include the AMHS vessels. He said, "I believe that's the connection to the Alaska Marine Highway to do that, but you'd need the ability to get it off the ferry when it gets there." He said "vessels of opportunity" is the term USCG uses for those vessels it would hire to help with spill cleanup. That could mean fishing vessels or AMHS vessels.

REPRESENTATIVE DRUMMOND offered her understanding that there were 400 to 500 vessels available for assistance.

REAR ADMIRAL BELL added that [their locations] range from Valdez, to Cordova, to Kodiak.

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CO-CHAIR STUTES expressed her gratitude for the members of the USCG.

REAR ADMIRAL BELL expressed his thanks and noted that most USCG members love what they do and appreciate getting to live in Alaska.

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REPRESENTATIVE STORY shared her appreciation for USCG.

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CO-CHAIR WOOL noted he had toured the bases in Kodiak last year with Representative Stutes.

REAR ADMIRAL BELL briefly outlined the operations in Kodiak.

CO-CHAIR WOOL noted his daughter's ski coach had spent 10 years with USCG, and he had a friend who also served.

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REPRESENTATIVE STORY noted that many members of USCG are involved in the communities in which they are stationed.

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ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 1:52 p.m.