

**ALASKA STATE LEGISLATURE**  
**SENATE TRANSPORTATION STANDING COMMITTEE**

March 11, 2025

1:46 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Löki Tobin, Vice Chair  
Senator Jesse Kiehl  
Senator Mike Shower

**MEMBERS ABSENT**

Senator Bert Stedman

**COMMITTEE CALENDAR**

PRESENTATION(S): PORT MACKENZIE: MULTIMODAL INFRASTRUCTURE  
DEVELOPMENT

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

MEGHAN CLEMENS, Director  
External Affairs  
Alaska Railroad Corporation (ARRC)  
Anchorage, Alaska

**POSITION STATEMENT:** Co-presented Port MacKenzie Multimodal  
Infrastructure Development.

DAVID GRIFFIN, Port Operations Manager  
Port MacKenzie  
Matanuska-Susitna Borough  
Anchorage, Alaska

**POSITION STATEMENT:** Co-presented Port MacKenzie Multimodal  
Infrastructure Development.

**ACTION NARRATIVE**

[1:46:55 PM](#)

CHAIR BJORKMAN called the Senate Transportation Standing Committee meeting to order at 1:46 p.m. Present at the call to order were Senators Kiehl, Tobin, and Chair Bjorkman. Senator Shower arrived thereafter.

**PRESENTATION(S): PORT MACKENZIE: MULTIMODAL INFRASTRUCTURE DEVELOPMENT**

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CHAIR BJORKMAN announced the presentation Port MacKenzie Multimodal Infrastructure Development.

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DAVID GRIFFIN, Port Operations Manager, Port MacKenzie, Matanuska-Susitna Borough, Anchorage, Alaska, introduced himself and gave a brief overview of the presentation structure. He said that Port MacKenzie and the surrounding (borough-owned) port district lands - is a multimodal gateway to Southcentral and Interior Alaska. He described how the location attracts a wide variety of maritime industry operators and business interests. He noted that other ports in the region are experiencing (among other things) congestion and issues related to aging infrastructure and indicated that Port MacKenzie is an alternative that can meet operators' needs. He said that Port MacKenzie seen an increase in business from several new operators and briefly described these. He discussed how Port MacKenzie has been utilized by the military and offered examples.

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MR. GRIFFIN shared about the Pile Sleeve Protection Project, which is expected to add 25 years to the life of the dock. He briefly discussed additional dock upgrades. He shared information on the design process for the new barge haul-out facility.

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MR. GRIFFIN advanced to slide 2, which shows a map of Alaska with Cook Inlet circled in red. He noted that Port MacKenzie is situated at the top of the circle.

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MR. GRIFFIN advanced to slide 3, which shows a map of the area. Port MacKenzie, Port of Alaska, Knik Arm, Turnagain Arm, and Upper Cook Inlet are labeled on the map. He explained that Port MacKenzie is located at the base of the Knik Arm. The port is

subject to extreme tidal fluctuations (30 feet per tide cycle, on average) as a result of its location. He noted that the water is silty, cold, and can contain ice at times.

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MR. GRIFFIN advanced to slide 4, which shows a regional access map indicating Port MacKenzie's current and proposed access. He noted that Port MacKenzie is outlined in red (roughly 9,000 acres). He said that acreage surrounding the port is dedicated to industrial use in support of the port. He noted that additional land could be utilized for port expansion in the future. He explained that Port MacKenzie is approximately 90 miles from Anchorage by road. He briefly described the path to the port from Anchorage and the surrounding area. The road is paved and the port has power. He noted the green hatch-line on the map, which is the Port MacKenzie Rail Extension (PMRE). He briefly discussed the status of PMRE. He noted the yellow hatch-line, which is the West Susitna Access Route. He briefly discussed the status and benefits of this route.

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MR. GRIFFIN advanced to slide 5, which shows a map of Port MacKenzie current and proposed access. He explained the location of Port MacKenzie in relation to Fairbanks. He stated that Port MacKenzie is the only port that can service the export of bulk commodities. He briefly discussed the ports in Anchorage, Seward, and Whittier and emphasized that Port MacKenzie is the natural fit for exporting natural resources.

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MR. GRIFFIN advanced to slide 6, a photo illustrating the 2-mile distance between Port MacKenzie and the Port of Alaska. He He stated that Port MacKenzie differs from the Port of Anchorage. He explained that Port MacKenzie is an industrial port and was originally planned as a bulk commodity export port. Wood chips were previously shipped to Asia, where they were processed into paper. He briefly discussed the surrounding maritime industry, pointing out that skilled labor and equipment is nearby.

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MR. GRIFFIN advanced to slide 7, an image of containers being loaded onto a Seatac Marine Services barge.

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MR. GRIFFIN advanced to slide 8, an image of Port MacKenzie with the barge dock and deep draft dock labeled. He noted the small size of the port, which was originally built in 2000 and

expanded in 2004 and 2010. He briefly discussed the various aspects of the dock and their uses.

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MR. GRIFFIN advanced to slide 9, an image of a paved access road, high mast lights, gravel pad, three-phase power, terminal building, and dock. He noted that the port is utilized year-round. He shared that the first ship to dock at Port MacKenzie docked in winter 2005.

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MR. GRIFFIN advanced to slide 10, which describes the deep draft dock and contains an image of the JP Azure. This is the largest ship to dock at the port. The deep draft dock consists of trestle, platform, catwalk, lighting, breasting dolphins, mooring dolphins, motorized capstans, and quick release mooring hooks.

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MR. GRIFFIN advanced to slide 11, an image of the barge dock. The barge dock is 375' long to 20' at MLLW. He noted the large pile of Peruvian salt in the image, which was part of a Department of Transportation and Public Facilities (DOTPF) winter maintenance contract. He briefly explained the process of transporting this product, which is similar to a hub and spoke model.

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MR. GRIFFIN advanced to slide 12, an image of a Cruz Construction, Inc. barge and a bow ramp at high tide. He briefly described the products transported Cruz Construction, Inc. and the company's transport timeline.

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MR. GRIFFIN advanced to slide 13, an image of several vessels (barge, cargo vessel, etc.) at the dock at high tide. He pointed out that, in the image, all three berths were occupied by different operators.

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MR. GRIFFIN advanced to slide 14, a map titled, Port MacKenzie Area Overview - land status. He said that the area contains a great deal of private property. He surmised that this is an indicator that growth will continue. The map legend indicates the following land ownership: Borough, Mental Health Trust, Native Corporations, Public University, State, No Data (likely State), and Private. The Port District boundary is outlined in

red. Proposed Knik Arm Bridge and Toll Authority (KABATA) Right-of-way (ROW) and Port MacKenzie Rail Extension (PMRE) are also indicated.

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MR. GRIFFIN advanced to slide 15, a map titled, Port MacKenzie Area Overview - land status, zoomed in to show the land ownership that falls within the area. He commented on the potential opportunity in this area. He stated that the land is zoned as industrial/commercial. He briefly discussed the map focal points, noting the Chugach Electric substation.

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MR. GRIFFIN advanced to slides 16 and 17. Slide 16 shows the Atlas and the Dalarna (June 2020) in port at high tide. This is contrasted with Slide 17, which shows the Industrial Brio (390' Long x 64' Wide, 25' Draft) at low tide. Slide 17 also indicates deep draft dock piles that are exposed at low tide. Tidal fluctuations average 30' or more per tide cycle. The outgoing tide (ebb) speed is 5-7 knots. Incoming tide (flood) average speed is 3-4 knots. He stated that the water is cold and contains sediments.

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MR. GRIFFIN advanced to slide 18, an image of the Keoyang Majesty, in dock on February 3, 2005. He said this is the first ship to dock at Port MacKenzie. He noted that ships can successfully be brought to port in the winter.

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MR. GRIFFIN advanced to slide 19, an image of dredging with a symbol indicating that dredging is prohibited or unnecessary. The text reads: dredging is not required at Port MacKenzie. He explained that one of the reasons for this is the port's location.

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MR. GRIFFIN advanced to slide 20, which shows a map of the Knik Arm, Port MacKenzie and Cairn Point JBER. Port MacKenzie and Cairn Point JBER form a naturally scoured channel. He noted that the currents in this area are strong but manageable. He added that an upcoming navigational assessment would provide updated information about the currents. Yearly bathymetric studies are also done.

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MR. GRIFFI advanced to slide 21, an image of the Pile Sleeve Project, summer 2024. He explained that the sleeves are heavy gauge steel that surround the pile and provide protection.

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MR. GRIFFIN advanced to slide 22, an additional image of the Pile Sleeve Project. He said that this is a best management practice.

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MR. GRIFFIN advanced to slide 23, an aerial image of Port MacKenzie with planned barge dock updates outlined. He noted that the barge haul-out facility would be located on the north side of the barge dock. The ramp would be approximately 300 feet long and 200 feet wide, with a 7 percent grade. The ramp would be made of rock and would not contain any steel. He explained that this would allow the port to haul barges out of the water and store them over the winter. He briefly discussed the benefits of this.

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MR. GRIFFIN advanced to slide 24, a photo of the John Wormlinger barge.

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MR. GRIFFIN advanced to slide 25, an aerial view of Port MacKenzie with various updates noted in red.

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MR. GRIFFIN advanced to slide 26, a map of Port MacKenzie current and proposed access.

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MR. GRIFFIN advanced to slide 27, a conceptual image of the proposed Knik Arm bridge project.

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MR. GRIFFIN advanced to slide 28, a conceptual image of the proposed Knik Arm bridge project. He shared his understanding that the state is composing a feasibility study for a tunnel instead of a bridge and expressed interest in the findings. He reiterated that the upland area surrounding the dock could potentially be developed in the future.

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MR. GRIFFIN advanced to slide 29, a map depicting the West Susitna Access Road. He briefly discussed this 100-mile road,

which would bring ore to the Port District. This would be processed on-site or shipped elsewhere for processing.

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MR. GRIFFIN advanced to slide 30, images of construction.

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MR. GRIFFIN advanced to slide 31, an Alaska Industrial Development and Export Authority (AIDEA) map of the West Susitna Access project. He noted land status, mineral claims, and access routes in the area. He noted the various land ownerships.

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MR. GRIFFIN advanced to slide 32, a map indicating the West Susitna Access alternative.

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MR. GRIFFIN advanced to slide 33, a map of the Port MacKenzie Rail Extension (PMRE). He said PMRE is approximately 32 miles long and connects Houston, Alaska/Miller's Reach Road to Port MacKenzie. He briefly discussed the area's topography and the construction of the rail.

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MR. GRIFFIN advanced to slide 34, an aerial image of the Port MacKenzie Rail Extension. The slide states that the extension is 18 miles to mainline.

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MR. GRIFFIN advanced to slide 35, a map of the Port MacKenzie Rail Extension construction status. There are six segments. Segment six begins in Houston (Y). This section has track and is currently in use. He briefly discussed the following segments, noting that the section from segment 6 to [W. Ayrshire Ave] is completed (i.e. bridges and embankment are completed for segments 3-5). Segment 2 is incomplete. Segment 1 is completed.

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MR. GRIFFIN advanced to slide 36, an image of the SW segment (5, 6) of the Port MacKenzie Rail Extension. The slide states that it is 18 miles to Titan Plant.

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MR. GRIFFIN advanced to slide 37, showing a SW view of Segment 5 of the Port MacKenzie Rail Extension.

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MR. GRIFFIN advanced to slide 38, showing Port MacKenzie Rail Extension Segment 4.

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MR. GRIFFIN advanced to slide 39, showing Port MacKenzie Rail Extension Segment 3.

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MR. GRIFFIN advanced to slide 40, showing Port MacKenzie Rail Extension Segment 2. He noted that this segment contains farmland and stated that the section on the right is the cleared right-of-way, where the embankment would be constructed.

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MR. GRIFFIN advanced to slide 41, showing Port MacKenzie Rail Extension Segment 1/2. This is where segment 2 meets segment 1. the image is looking north.

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MR. GRIFFIN advanced to slide 42, an image of Port MacKenzie Rail Extension Segment 1 Rail Loop.

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MR. GRIFFIN advanced to slide 43, an aerial view of the Port MacKenzie Rail Extension Rail Loop. The PMRE Rail Loop is on an approximately 80 acre parcel and is approximately 1 mile long.

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MR. GRIFFIN advanced to slide 44, an aerial image of Port MacKenzie.

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MR. GRIFFIN advanced to slide 45, a map of the Port MacKenzie Current and Proposed Access, highlighting the Port MacKenzie Rail Extension (under construction).

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MR. GRIFFIN advanced to slide 46, contact information.

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MEGHAN CLEMENS, Director, External Affairs, Alaska Railroad Corporation (ARRC), Anchorage, Alaska, said ARRC has worked closely with the ports and Mat-Su Borough on the PMRE project. She noted that there are updates since the ARRC presented its overview to the Senate Transportation Standing Committee. She stated that ARRC would ultimately own and operate PMRE. She emphasized the relevance to Port MacKenzie, the surrounding

area, and the state. She said this is reflected in the state's investment in the project and noted that over \$180 million has been invested and a large amount of significant work has been completed. She acknowledged that the project has been dormant for the past 10 years as a result of budget constraints. She stated that ARRC and the Mat-Su Borough have remained engaged in seeking opportunities to advance the project; however, construction has not yet resumed.

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MS. CLEMENS stated that in 2021, ARRC submitted a federal grant application to build the extension from the mainline to the Titan Plant. This would have allowed liquified natural gas transport to the interior. However, this effort was not successful. This market is no longer available. However, she said that ARRC is looking into other grant opportunities and potential customers.

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MS. CLEMENS briefly discussed the remaining work to be done on PMRE. The majority of the embankment work is complete; however, one section is incomplete. She surmised that grade repairs and sub ballast repairs are needed after 10 years of dormancy. She noted that the Y-section (in segment 6) and communications also need work. Work is also needed near the port. An estimate done at the end of 2023 determined that an additional \$275-\$300 million is required to complete the project. She acknowledged that this is a large amount and indicated that ARRC would take advantage of available grants for this project. She briefly discussed the grants that ARRC would apply for. ARRC is considering ways to meet match requirements. She said that ARRC is considering ways to replicate the model used for the Seward passenger dock replacement project for PMRE. She briefly discussed the search for an anchor tenant and offered examples to illustrate the volume needed. She said that ARRC has partnered with Port MacKenzie, Representative McCabe, and the Mat-Su Borough to reach out to customers and businesses to gauge interest. A number of customers are interested in utilizing PMRE for incidental moves. She indicated that this is not sufficient to fund the rail.

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MS. CLEMENS said that a small number of customers indicated that they would move current operations to Port MacKenzie if track were already in place. This would provide one-third of the needed volume. She indicated that this could potentially grow with time. A small group of large projects are currently in the

conceptual/planning stage but could potentially provide the volume needed. She stated that bonding would be difficult for ARRC without an anchor tenant. ARRC will continue business outreach and continue looking for customers.

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SENATOR KIEHL asked about past coal transport.

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MS. CLEMENS replied that the Usibelli coal mine in Healy, Alaska sent coal to the dock in Seward. She stated that at the height of the market, ARRC hauled over 1 million tons of coal. She explained that changes in the global market for export coal impacted the mine. The equipment used to handle coal at the dock has been dismantled. She acknowledged that this is one example of a high-volume customer that could meet the model.

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SENATOR SHOWER commented that there is a resurgence of coal market. He shared his understanding that the coal mine would need to purchase rail cars. He emphasized the importance of PMRE for economic growth and state activity and acknowledged that without funding, the project cannot proceed. With respect to the anchor tenant, he asked about the business plan model. He asked about US Coast Guard. He asked about tax impact for acreage. He asked about the short line railroad potentially taking over the project.

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MR. GRIFFIN replied that, with respect to an anchor tenant and/or businesses, the Mat-Su Borough has shared this information with ARRC. The Mat-Su Borough and ARRC have met regularly over the past few months to discuss this. Port MacKenzie has one agreement in place, with Central Alaska Energy. He briefly discussed this agreement. He said the port has struggled with the question of an anchor tenant. He noted that a fuels company recently expressed interest and described how they would utilize the port and rail extension. He noted discussion about expanding cement import, which would utilize the rail. However, there is nothing firm. He noted discussions with the Ambler Mine and hydrogen fuel companies that have expressed interest. He stated that the borough is considering all long-term agreements. He opined that an increase in resource production could provide business for the rail (both to and from the port). He said one company is interested in drilling for ammonia in the Houston, Alaska area. The rail would be used to move the ammonia to the port for export. He reiterated that

there are many potential projects to consider; however, nothing is firm.

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MR. GRIFFIN he that he has not spoken with the US Coast Guard but would be welcome this discussion. He commented that there is room for a base in the surrounding area.

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SENATOR SHOWER shared his understanding that the US Coast Guard is interested in this.

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MS. CLEMENS echoed Mr. Griffin's appreciation for the ongoing meetings and open communication between ARRC and the Mat-Su Borough. She said that ARRC is working to capture interest and keep the PMRE at the top of mind for potential clients and stakeholders. She noted the economic benefits and resiliency and emphasized that ARRC is considering all avenues that would lead to completion of PMRE.

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MS. CLEMENS turned to the question about the Short Line and said ARRC is open to opportunities to partner with others to complete the rail extension. She briefly discussed the right-of-way and said there is no obstacle to working with a private rail line. She said that, in the case of a partnership, ARRC would seek to understand any drastically different estimates in order to come to a shared understanding of the proposed final infrastructure.

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SENATOR KIEHL asked about toll structure and fees.

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MR. GRIFFIN replied that there is a tariff. This is the third version and was approved by the borough assembly. He said this includes dockage and wharfage fees and briefly discussed these, providing examples. He estimated that each ship at Port MacKenzie pays \$100,000. He contrasted this with barges, which pay fewer dockage fees. He explained that Port MacKenzie is an enterprise fund.

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SENATOR KIEHL asked whether the tariff structure factors in depreciation.

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MR. GRIFFIN said Port MacKenzie works through the borough on depreciation. He explained that setting up the port as an enterprise fund was one way to factor in depreciation. He said the port is self-supporting and not tax supported.

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SENATOR SHOWER asked whether Port MacKenzie/the Mat-Su Borough has discussed potential funding with Alaska's congressional delegation.

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MR. GRIFFIN replied yes. He opined that the rail plays a large role in making Alaska more capable and said conversations have focused on ways to fund the completion of PMRE.

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MS. CLEMENS concurred and added that ARRC has remained engaged with the congressional delegation on this issue. She reiterated that ARRC will continue to seek federal funding through grants.

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CHAIR BJORKMAN asked how materials move from the dock to the rail yard in the uplands.

[2:42:03 PM](#)

MR. GRIFFIN returned to Slide 43, showing an aerial view of the rail loop. He explained that materials would be moved to or from the rail via chassis and driven to or from the dock. He briefly described the distance between the railway and the dock. He noted that it also depends on the type of cargo. He described the different ways to transport various types of cargo.

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CHAIR BJORKMAN thanked the presenters.

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There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Transportation Standing Committee meeting at 2:45 p.m.