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**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: _____

REQUEST

FISCAL DETAIL

Bill/Resolution No.: SB 10
 Title: Removing a limitation on the Alaska Railroad to apply for a right of way or exercise eminent domain
 Sponsor: Coghill
 Requestor: Senate Labor & Commerce
 Date of Request: _____

Agency Affected: Alaska Railroad
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Alaska Railroad not subject to Executive Executive Budget Act.

Prepared by: Mark K. Johnson, Counsel Phone: 455-3822
 Division: Senate Labor & Commerce Committee Date: 2-18-87

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SENATE COMMITTEE REPORT

FURTHER:

2/19/87

DATE TURNED INTO OFFICE March 3, 1987

Mr. President:

TRANSPORTATION Committee considered SB 10

removing a limitation on the power of the Alaska railroad to apply for a right-of-way or exercise eminent domain.

and recommended:

replace with CS FOR _____) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature]
Chairman signature and recommendation

Committee Backup Attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 2-12-87 5-DAY NOTICE IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: TRANSPORTATION

**FISCAL NOTE(S) ATTACHED X ** IN ACCORDANCE WITH AS 24.08.035 (see below)

1/19/87

DATE TURNED INTO OFFICE

Mr. President:

LABOR & COMMERCE

Committee considered SB 10

removing a limitation on the power of the Alaska Railroad to apply for a right-of-way or exercise eminent domain.

and recommended:

- [] replace with CS [] same title [] attached amendment(s) and [] new title

[] do pass

[] do not pass

~~[]~~ no recommendation

~~[]~~ individual recommendations

[] further referral to

[] letter of intent adopted and attached

** Committee [X] attached or [] adopted fiscal note(s) [X] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]

[Signature] m rec. Mike [Signature] - NO REC.

[Signature] Chairman signature and recommendation

[] Committee Backup Attached

L + C Permit

Senator John B. (Jack) Coghill
Alaska State Legislature



Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862

TO: TRANSPORTATION COMMITTEE
FROM: SENATOR JACK COGHILL
DATE: MARCH 2, 1987
RE: SB 10 ALASKA RAILROAD RIGHT-OF-WAY

SB 10 repeals Section 42.40.355 of the Alaska Railroad Act. This sub-section prohibits the railroad from applying for rights-of-way in the western unit of the Gates of the Arctic National Preserve under 16 U.S.C. 410hh(4)(b)-(e). 16 U.S.C., etc., refers to Chapter 11 of the ANILCA Act. Chapter 11 allows the State of Alaska to apply for access across or into national parks and preserves if the appropriate requirements are met.

This bill would provide the Alaska Railroad Corporation with the flexibility to study and plan for future railroad extension into an important mineral and resource rich area of the state.

Frank Turpin, President and CEO of the Alaska Railroad Corporation, favors repeal of A.S. 42.40.355. He states in a letter to me: "The legislature has previously found that the Corporation must function as a viable economic entity, which will also provide a level of transportation service that best satisfies the needs of the people of the State. Although any proposed extension of the rail system calls for careful scrutiny consistent with such Legislative purposes, by promoting flexibility, SR 10 meshes well with our desire to responsibly plan for the future."

I urge you to pass this bill as one step toward future resource development.

ALASKA RAILROAD CORPORATION



P.O. Box 7-2111 • Anchorage, Alaska 99510-7069

Via Telecopier

March 2, 1987

Honorable Jack Coghill, Senator
P.O. Box V, Room 30
Juneau, Alaska 99811

Dear Senator Coghill:

I understand that Senate Bill 10 which you sponsored is scheduled for a hearing before the Senate Transportation Committee on March 3, 1987.

SB 10 repeals AS 42.40.355 which prohibits ARRC from applying for a right-of-way across or exercising its rights of eminent domain in the western unit of the Gates of the Arctic National Preserve. Although the Alaska Railroad Corporation does not have any present plans to extend the railroad into the western unit of the Gates of the Arctic National Preserve, we certainly do not oppose the bill. We support this and all other efforts which will meaningfully serve Alaska's developmental needs, present or future.

Sincerely,

Frank G. Turpin
President and CEO

cc: Honorable Senator Lloyd Jones, Chairman
Senate Transportation Committee
James O. Campbell, Chairman
Alaska Railroad Corporation

3875L

- ARC Position -

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(c) The corporation may lease, subject to AS 42.40.285 and (d) of this section, grant easements in or permits for, or otherwise authorize use of portions of rail land. However, the corporation may not convey its entire interest in rail land except as provided in AS 42.40.285, 42.40.370(d) and 42.40.400.

(d) A lease or disposal of land approved by the legislature under AS 42.40.285 by the corporation to a party other than the state shall be made at fair market value as determined by a qualified appraiser or by competitive bid. (§ 2 ch 153 SLA 1984)

Sec. 42.40.355. Prohibition. Notwithstanding any other provision in AS 42.40, the state-owned railroad as defined under 45 U.S.C. 1202(14) may not apply for a right-of-way across, or exercise eminent domain in, the western (Kobuk River) unit of the Gates of the Arctic National Preserve under 16 U.S.C. 410hh(4)(b)-(e). (§ 2 ch 153 SLA 1984)

Sec. 42.40.360. Request for land. (a) The board may nominate federal land it determines may be useful for present or future railroad purposes for selection under the Alaska Statehood Act (P.L. 85 — 508, 72 Stat. 339), as amended, and request the commissioner of natural resources to select the land for the state through the federal land selection process.

(b) The board may identify and request the commissioner of natural resources to convey land necessary or useful for present or future railroad purposes owned by or tentatively approved for transfer to the state, including land not contiguous with a railroad utility corridor or rail land. The request must include a statement of and justification for the present or future railroad use. Upon receipt of a request, the commissioner shall temporarily reserve the land identified in the request for railroad purposes and defer disposal or lease of that land under other laws to a party other than the corporation. The temporary reservation of land is subject to valid existing rights and remains in effect for 180 days. (§ 2 ch 153 SLA 1984)

Sec. 42.40.370. Conveyance of land. (a) Within 90 days after receiving a request under AS 42.40.360(b) the commissioner of natural resources shall by written decision

(1) designate the identified land for railroad purposes and, subject to valid existing rights, convey the state's interests in the land to the corporation;

(2) notify the corporation of reasons for refusal to designate the identified land for railroad purposes; or

(3) approve the request in part and deny it in part and convey as appropriate.

(b) A conveyance of land under this section may be for less than its appraised value as determined by the commissioner of natural resources.



AS 42 40.355