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## SPONSOR STATEMENT

### **(CS)SB 123: Legislative Approval For Railroad Facilities**

Senate Bill 123 requires the Alaska Railroad Corporation to obtain legislative approval for their Program of Projects, a list of federally funded projects required by the Federal Transit Administration and the Federal Highway Administration. The committee substitute for SB 123 represents a collaborative effort with the ARRC which will require approval for major construction projects which would impact our communities, while excluding regular maintenance projects, minor construction and realignment projects, and projects outside of communities that are entirely on federal land.

SB 123 will require the ARRC board of directors to present their Program of Projects to the legislature on the first day of each regular session. The Program of Projects will be referred to the House and Senate Finance committees for review. The legislature may disapprove by law the expenditure of federal funds for the construction of a project during the first 60 days of session. Failure of the legislature to disapprove by law is approval for the expenditure of the funds. This process is similar to that utilized by the Local Boundary Commission.

The bill was introduced in response to the Alaska Railroad Corporation's multimillion dollar rail station project at the Ted Stevens International Airport. The ARRC received direct federal appropriations for the project. There was no input or coordination with the Alaska State Legislature prior for this project. More importantly, there was no public review process in Alaska at any level before it was begun.

The rail station project will impact a large number of Anchorage residents. Many West Anchorage residents are opposed to the depot because the ARRC will need to realign and elevate the railroad tracks near their neighborhoods. They may be greatly impacted by the increase of train traffic and noise. There are also serious concerns about the feasibility and economic practicality of the project.

In response to the concerns with the Anchorage rail station project, requiring the ARRC to obtain legislative approval for future projects will better ensure that those Alaskan residents affected will be informed and have the opportunity for a review process in a timely manner.

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
Bill Version: SB 123  
(S) Publish Date: 3/23/01

Revision Date/Time (Note if correction): 03/21/2001 5:00p.m. Dept. Affected: DCED  
Title: An Act relating to legislative approval for the BRU: ARRC  
design and construction of facilities of the ARRC. Component: Alaska Railroad  
Sponsor: Senator Pearce Corporation  
Requester: Senate Transportation Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Senate Bill 123 would have no fiscal impact on the state's budget but would have an impact on the Alaska Railroad's budget. Expenses resulting from SB 123 would stem from efforts directly related to seeking legislative approval for the design or construction of capital projects costing more than \$5 million. These costs would include airfare, lodging and expenses for railroad representatives other than the railroad's legislative liaison to work in Juneau.

An increase in long term maintenance and operating costs could be associated with the delay or cancellation of projects as a result of SB 123. For example, if the legislature did not support building a new car shop to house and maintain the Alaska Railroad's growing passenger fleet, the cost to the railroad would be significant. The ARRC plans to build facilities to accommodate and support its passenger business. This construction is necessary to protect equipment from the harsh environment and minimize winterization costs and will result in a significant cost avoidance. It is difficult to recoup these type costs through increased fares.

Prepared by: Wendy Lindskoog, Director Phone 907-265-2498  
Division: Alaska Railroad Corporation Date/Time 03/21/2001 5:00p.m.  
Approved by: Commissioner Deborah B. Sedwick Date 3/21/2001  
Agency: Department of Community and Economic Development

For distribution information, call the Governor's Legislative Office



# Fairbanks Industrial Development Corporation

April 12, 2001

Representative Jeanette James  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau, Alaska 99801-1182

Dear Representative James:

Recently, the Board of Directors of Fairbanks Industrial Development Corporation voted to make the extension of the Alaska Railroad to the Canadian border one of our long-term goals. We feel this project is essential to the future of economic growth in Alaska.

We strongly support the legislation you have initiated regarding the railroad. When you return to Fairbanks and your schedule allows, we would certainly appreciate an opportunity to meet with you and discuss how FIDC can assist your efforts.

If our organization can be of any assistance to you in this matter please feel free to contact me at 452-2185.

Sincerely,

  
Dean M. Owen  
Executive Director

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Grants & Claims						
Miscellaneous						
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# ALASKA STATE LEGISLATURE

REPRESENTATIVE  
**JEANNETTE JAMES**  
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North Pole, Alaska 99705  
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FAX (907) 488-4271



While in Juneau  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-3743  
FAX (907) 465-2381

House of Representatives  
House District 34

## **Sponsor Statement, HB 241**

4/17/01

If all government-funded employment in Alaska disappeared one day, only a few thousand private sector family-wage jobs would remain. It can be argued Alaska does not have an economy. ... Rather Alaska has a series of boom and bust cycles tied to the price of, and demand for, natural resources.

Alaska's economic future will be built on improved infrastructure. Connecting Alaska to the rest of North America by rail will benefit the mining, agriculture, tourism, military, manufacturing, and oil and gas sectors of the economy, while reducing the cost of bringing goods to the state as well as exporting our products.

The purpose of HB 241 is to begin the process of completing the last transcontinental railroad. Without appropriating funds, HB 241 authorizes the Alaska Railroad to delineate a transportation and utility corridor from existing tracks at Eielson AFB to the Canadian Border. After a survey and full delineation is achieved, state land would be transferred fee simple title.

This bill also authorizes and encourages the Alaska Railroad Corp. to obtain ownership or a right of way through any other lands, whether federal or private.

HB 241 mandates a 500-foot wide transportation and utility corridor that could allow for pipelines for gas or water as well as electric transmission lines and fiber optic cable. HB 241 allows the Alaska Railroad to use funds it can obtain, such as from federal appropriations or by sale of bonds, to survey and obtain a right of way to the Canadian border.

A separate section of this bill authorizes the Alaska Railroad to investigate extending to Whitehorse, Yukon.