

SB

123

Subject: SB 123 Public Testimony

Date: Thu, 22 Mar 2001 14:10:18 -0900

From: brooks chandler <bkhc@v-mmp.gci.net>

Reply-To: bkhc@gci.net

To: Kristy_Tibbles@legis.state.ak.us, allgbos@girdwood.net

Chairman Cowdery and other members of the Transportation Committee:

My name is Brooks Chandler. I am the chair of the Girdwood Board of Supervisors, however, these are my individual comments. The earliest our board could take an official position on SB 123 would be after our April meeting.

Please accept this written testimony in support of SB 123 with a suggestion that this bill be combined with Senator Cowdery's SB 51. These two bills serve complementary if not identical public policy goals- bringing significant decisions of the Alaska Railroad that will impact Alaska residents for decades under some oversight of publicly elected officials. This oversight is needed and is appropriate. Decisions regarding railroad expansion need to consider the state-wide interests of Alaskans. Policy goals of the railroad need to be meshed with state and regional transportation goals. Past railroad decision making has failed to accomplish this. A change in the current manner in which the railroad operates is needed. Legislative action such as SB 123 and SB 51 will sensitize the railroad to the need to look beyond their own parochial interests when making building decisions. These two pieces of legislation are equally important and should be combined perhaps by including the minimum dollar value in Sen. Pearce's bill with the land acquisition feature of Sen. Cowdery's bill. Thank you for the opportunity to comment.

Placed in each Senator's packet

Linda C. Anderson

From: Linda C. Anderson <lindaa@gci.net>
To: <kristy_tibbles@legis.state.ak.us>
Sent: Wednesday, March 21, 2001 10:25 AM
Attach: SB 123(Trans), ARRC by Pearce.doc
Subject: SB 123 amendment

Hi Kristy. Thanks for getting this to Drue. I took the liberty of including it in the existing bill as follows:

- 1) Title amendment to add "and railroad realignment projects"
- 2) add new subsection "(7) begin the design or construction of a new railroad line, realignment project and railroad corridor through an existing community having an estimated cost greater than \$10,000,000."

I'm not sure is railroad corridor is defined so I don't know if this is the language that legal would use but it probably works fine. I think this is in line with Drue's preference to not require legislative approval for "routine" realignment projects.

I understand John Binkley is coming to town for this hearing tomorrow also. I would be absolutely thrilled if Drue requested a CS for adoption at the committee rather than an amendment. Let her know that I did talk to Cowdery and we had a positive conversation. He was receptive.

Thanks Kristi. Please let me know what you can do.
Linda Anderson

3/21/01

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Senator
John J. Cowdery

Session:
State Capitol Bldg.
Juneau, AK 99801

Phone: 907-465-3879
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Toll Free: 1-888-269-3879

FAX COVER

DATE: 3/22/01 TIME: 9:30 10:30

TO: George Utermole

FAX: 2029 PHONE: _____

FROM: _____

FAX: _____ PHONE: _____

NUMBER OF PAGES: (INCLUDING COVER) _____

NOTES: George
Senator Pearce's Office
has asked that a CS be
prepared
We're considering SB 123
at 130 today in committee
Sorry for the short notice

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Senator Drue Pearce

MEMORANDUM

Date: March 13, 2001

To: Senator John Cowdery, Chair
Senate Transportation Committee

From: Senator Drue Pearce 

Re: Hearing Request for Senate Bill 123

I respectfully request a hearing for Senate Bill 123 in the Senate Transportation Committee. SB 123 requires the Alaska Railroad Corporation to obtain legislative approval for the design and construction of facilities having an estimated cost greater than \$5,000,000.

I have introduced SB 123 in response to the ARRC's rail station project at the Ted Stevens International Airport, which, in my opinion, lacked an adequate public review process before it was funded. Requiring the ARRC to obtain legislative approval for future projects will help ensure that those Alaskan residents affected will be informed and have the opportunity for a review process in a timely manner.



Fairbanks Bypass Reconnaissance Study

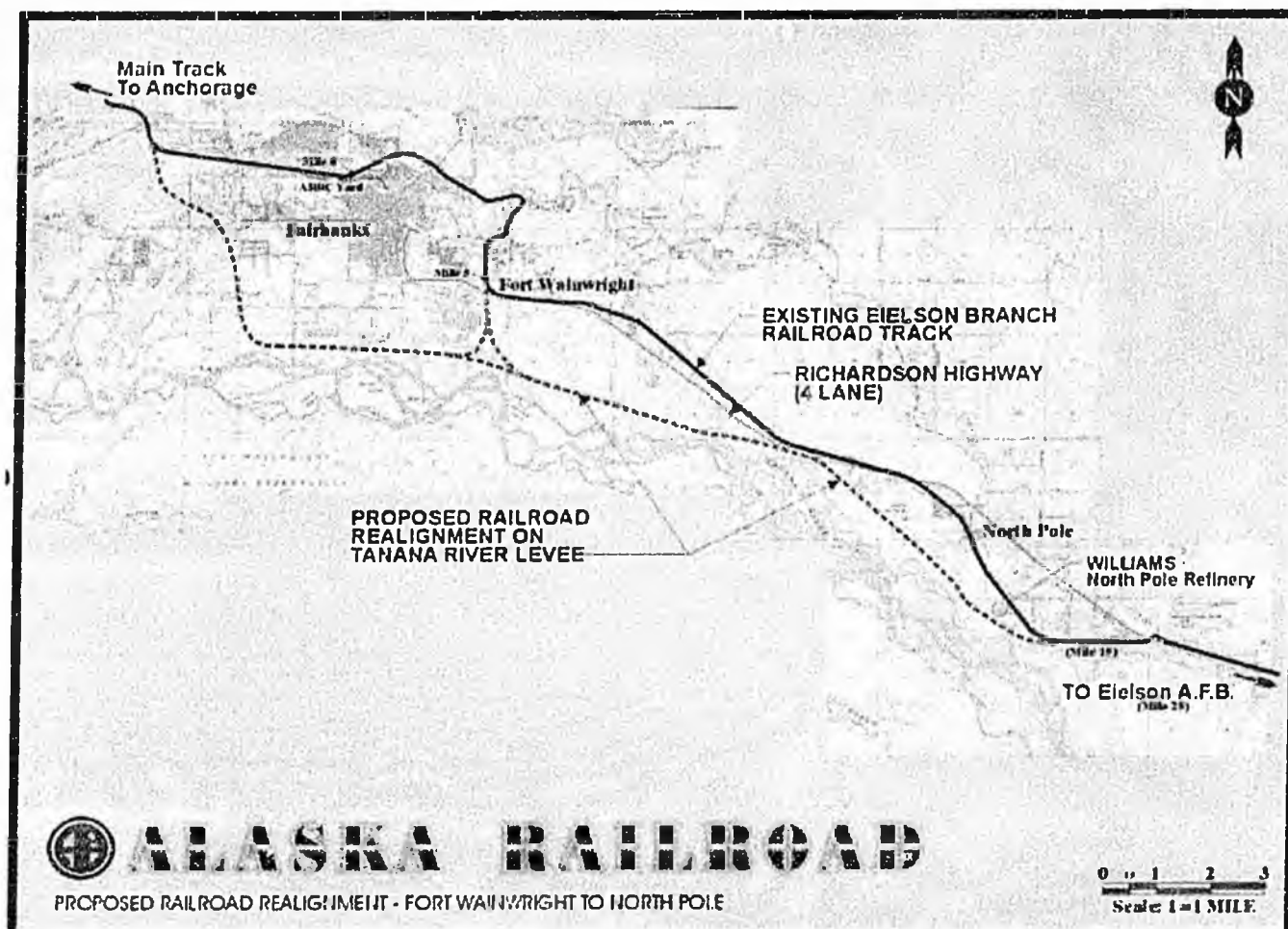
AKRR

Corp

Plan H

Proposed Project:

The Alaska Railroad Corporation (ARRC) proposes to re-locate its mainline from Sheep Creek Road to the median of the Parks Highway and continue down the median until just East of the University Avenue/Parks Highway Interchange. The new alignment will move onto the Tanana River Dike and stay on the dike to Moose Pass Road Interchange.



Purpose and Need:

This project will eliminate 48 at-grade road/rail crossings. The current track alignment parallels the four lane Richardson Highway and crosses this major highway twice. It also includes many other road crossings constructed over the past several decades. Road crossings include one of the main gates to Ft. Wainwright (one of the two military bases this track serves), a main downtown road in the City of North Pole, and the primary access to North Pole High School.

Benefits:

- Closure of 48 road/rail crossings
- Safety
- Easier maintenance of the dike. A railroad will allow fill materials and rip rap to be moved inexpensively to maintain the dike.
- Improvement to the North Pole community. Removing the railroad from downtown resolves conflicts with noise, pedestrian and school foot traffic, and emergency response vehicles.
- Improved efficiency and speed of service to Ft Wainwright and Eielson Air Force Base

Status:

- Reconnaissance study awarded September 6.
- Work completed by local Fairbanks firm in December, 2000.
- Project concept cost estimated between \$80 to \$95 million

[Send Alaska Railroad your Public Comments - public_comment@akrr.com](mailto:public_comment@akrr.com)

updated 03/05/00

Executive Summary

The *Market Analysis for ARRC Anchorage International Airport Rail Station* presents the results of a study of potential benefits of the new rail station at the Anchorage International Airport (AIA), the various markets that could support the station, and the marketing requirements necessary to take full advantage of the station. Appendixes to the report contain detailed information on equipment options and copies of a commuter rail survey conducted as part of the study.

The number of available markets and potential size of each market suggest that the Alaska Railroad Corporation (ARRC) can determine the amount of airport-station-related ridership by developing the necessary infrastructure, providing adequate levels of service, and marketing the service. Marketing efforts would include negotiations with primary customers such as cruise lines and tour companies, and efforts to attract independent travelers and area residents. The user groups exhibit differences in terms of frequency of service and destination. Necessary infrastructure includes port improvements and facilities to serve commuters and tour groups. The ARRC is already addressing many of these items.

Total airport-station-related ridership could exceed 200,000 passengers per year by 2004 and grow to more than 500,000 by 2024. The market with the most immediate potential is the cruise market, in which passengers require transportation between cruise ships and the airport. Rail ridership for cruise-related services could be more than 60,000 passengers per year in 2004 and exceed 75,000 per year by 2024 (assuming that 3 train sets with a capacity of 250 passengers per train are dedicated to this service). Other markets such as providing related services to tour-and-charter visitors and serving area residents traveling to the airport offer even greater potential, but marketing efforts and additional infrastructure are needed before this potential can be realized.

Airport station related ridership could exceed 100,000 travelers in the independent tourists, tour group, and charter categories in 2004. In addition, the demand for rail service to the airport by area residents could exceed the expected use by cruise passengers if the necessary infrastructure and adequate levels of service were in place.

Revenues generated by transporting cruise passengers between the airport and cruise ships could exceed \$750,000 in 2004 and \$1 million in 2024. Revenues generated by other markets cannot be estimated until critical decisions related to facilities, equipment, and levels of service have been made and more is known about the markets.

The new AIA rail station should be viewed as a vital part of the transportation infrastructure in Southcentral Alaska and could be a catalyst for increased and improved tourist activity in the area. However, not all of the benefits associated with improved infrastructure can be assigned to the AIA station. Shorter travel times between cruise ships (or other places) and the airport, improved travel experiences, and other benefits are associated as much with track changes and other rail system improvements as with the AIA station itself.

The AIA station would help to promote a variety of benefits such as reduced roadway congestion, improved air quality, and postponement of the date when future roadway improvements are needed. Once the ARRC makes decisions regarding new equipment and various system improvements, revenues and other benefits can be compared with the estimated annual cost of \$300,000 for maintaining and operating the new station. In the meantime, the station can be viewed in the context of the broad tourist industry. Anchorage Convention and Visitors Bureau (ACVB) statistics show that in 1998 the travel trade brought roughly \$72 million to the Anchorage area, and conventions resulted in a positive economic impact of \$59 million. To the extent that the new rail station adds incrementally

to these values or helps increase retention of travel-related money in the Anchorage area, the value of the station could be quite significant.

In summary, ARRC decisions regarding level of service, marketing effort, and the rate at which new infrastructure is put in place are the critical factors in generating significant use of the AIA rail station. If the ARRC is sensitive to the demands of the various market segments and aggressive in meeting those demands, then passenger volumes and related revenues should be sufficient to support the new station.

1 Introduction

The Alaska Railroad Corporation (ARRC) is evaluating the construction of a \$28-million intermodal rail station at the Anchorage International Airport (AIA). This report is a first step in understanding the potential benefits and marketing requirements necessary to take full advantage of the new station. The State of Alaska's \$230-million AIA Redevelopment Plan and accompanying road improvements offer ARRC the chance to combine construction of the new rail station with other physical changes at the airport and to locate the station next to the main airport terminal.

The intermodal station is one of numerous projects that are being undertaken to dramatically improve the Southcentral Alaska transportation system. Concurrently, long-range plans are being initiated for expanding commuter options into Anchorage from Girdwood and the Matanuska-Susitna Valley, and market opportunities for linking rail to other modes are emerging. The new station is expected to give cruise ship passengers "port-to-airport" service, provide future commuter rail services a direct link from the main Anchorage rail terminal to the airport, and generate new opportunities for tour-and-charter companies.

Such changes would create a transportation system in Anchorage similar to systems being planned in cities around the world. A recent article in *Railway Gazette International* (June 1998) noted that there are approximately 62 airport rail links currently operating around the world, and at least 116 being built, planned, or considered. Currently there are airport rail links in London, Hong Kong, and Brussels. Links under construction include new stations in New York; San Francisco; and Sydney, Australia. These links represent a growing business in the air travel industry and reflect the growing need to connect different transportation modes.

The *Railway Gazette* article also stated that airports around the world are struggling to meet the growing demand for space and improved services. As airports become more congested, there is incentive to expand. However, the cost of expansion can be prohibitive, and airport authorities have begun to consider new ways to accommodate passengers. One alternative is remote check-in for passengers and baggage. For example, remote check-in at rail stations can reduce the demand for space at airports and reduce waiting times at ticket counters. Airport rail links also offer air travelers an attractive transportation option. Certain passengers arriving at AIA may be more accustomed to rail travel than to auto or bus. Passengers from other countries may prefer to purchase a rail ticket at a multilingual kiosk rather than exchange currencies and rent a car.

In short, the new AIA rail station is the result of market opportunities, the timing of other Southcentral Alaska transportation projects, and the need to improve the transportation system in Alaska. The station will benefit ARRC, Anchorage, AIA, and business all along the rail corridor, as well as the visitors and residents who will use it.

1.1 Purpose and Organization

This report presents the results of a market identification study for the new intermodal rail station and preliminary observations regarding the extent to which the markets can support the station. ARRC contracted with Northern Economics, Inc., in November 1998 to conduct the necessary research and analysis. The consultant team includes HDR Alaska, Inc.; and Klugherz & Associates. The purpose of the report is to provide information that will be useful to ARRC in its decisions for marketing priorities and related equipment needs for the new station. The report includes analyses of potential markets, a preliminary benefit-cost analysis for the station, observations on the station's financial feasibility, a discussion of issues that ARRC may wish to consider in its near-term marketing strategy, and an appendix containing information on equipment options for serving these markets. Available data was

supplemented by interviews with visitor industry representatives, and a survey was conducted to allow commuter rail forecasts.

The consulting team considered markets that would be available in the near term—by working with the cruise industry—and markets that could be developed in the future—for example, by offering a rail shuttle between AIA and downtown Anchorage and by offering connections with commuter rail lines.

The major market categories are the cruise industry, tour-and-charter opportunities, and commuter services. The report includes a separate analysis for each of these categories, with forecasts of potential ridership for the years 2000 through 2024.

Specific markets are identified and evaluated within each market category. For example, within the cruise industry category, there are potential markets for service between AIA and Seward or Whittier (direct connections between cruise ships and the airport), between cruise ships at Seward or Whittier and downtown Anchorage, and involving both cruise operators and smaller, established tour companies.

The following paragraphs briefly outline the report organization.

Cruise Industry Markets

The cruise industry is the first market category discussed because of the primary role it will have in supporting the AIA rail station in the near future (Section 2). When a large cruise ship docks in Seward, more than 1,500 people may need to be transported directly from the ship to AIA. Cruise lines currently use motorcoaches to transport these passengers and have expressed interest in working with ARRC. Other markets will take more time to develop and do not offer a comparable volume of potential ridership originating or ending at the AIA station.

Tour-and-Charter Industry Markets

The analysis of tour-and-charter opportunities focuses on opportunities that might have a relationship to the new AIA rail station in the near term (Section 3). Numerous opportunities exist for ARRC to work with existing tour-and-charter groups, and opportunities may exist for ARRC to design its own tour packages. In time, group tour vendors may work the AIA rail station into different tour package options.

Opportunities that do not have a clear connection (now or in the near future) to the AIA rail station are not included in this section. It may be important to note the distinction between the cruise industry and tour-and-charter opportunities. While there is some overlap between the cruise market and tour-and-charter market, there are enough differences in terms of how reservations are made, the number of passengers involved, transportation requirements for passengers, and other factors to view these markets as separate.

Commuter Rail Markets

The discussion of potential commuter rail markets in Section 4 incorporates a broader perspective than the analysis of more immediate markets. It is easy to envision a day when residents of the Matanuska-Susitna Valley, Girdwood, and Seward consider the train a viable or attractive option for getting to and from the airport, but it is difficult to know when that day might come.

A regional commuter rail network needs to be established before residential demand for rail service to the airport can be considered a dependable market. Without an established commuter rail system, it is virtually impossible to analyze potential ridership or willingness to pay for rail service to the airport.

For this reason, the discussion of commuter rail markets begins with an analysis of commuter rail potential in general and then focuses on subsets of the commuter market that would relate to the AIA rail station. For example, one subset includes easy access to AIA for military base personnel and commuter services from area communities to Fort Richardson and Elmendorf Air Force Base.

Equipment Options

Equipment options are summarized and detailed technical information about these options is provided in Appendix A. The discussion shows the service items ARRC could offer on different routes with different equipment, explains how running times on different routes would vary with different equipment, and identifies other strengths and weaknesses of different options. This information is designed to help ARRC in future decisions regarding equipment purchases.

Benefit-Cost Analysis

The benefit-cost analysis takes a broad perspective to include all parts of the ARRC mission. The primary mission of ARRC is "to provide high-quality, cost-effective freight, passenger and real estate services" for its customers.¹ As a state agency, ARRC is also given the responsibility of fostering and promoting "the long-term economic growth and development of the state," and developing and implementing "plans for a transportation network."² The information available at this time does not support a detailed benefit-cost analysis. However, there are sufficient data to support an outline of major issues and identification of critical factors. These issues and factors are discussed in Section 5.

Marketing Issues

Section 6 outlines the major marketing issues related to the visitor industry markets discussed in this report. In particular, it highlights marketing strategies ARRC might consider as it moves into new market areas and expands services in existing markets. The commuter rail market is not addressed in the marketing plan outline suggested because it would not be a marketing target until a commuter rail system is implemented, and is therefore not viewed as a near-term market.

1.2 Modeling Issues and Underlying Assumptions

The forecasts for rail ridership presented in this report are based on assumptions about growth in the cruise industry and the tour-and-charter industry, acceptance of rail for regular commuting between Anchorage and the neighboring communities, and other factors. Forecasts for rail ridership in the cruise market are based on illustrative scenarios. The scenarios take into consideration a wide range of factors, including the considerable uncertainty associated with looking 25 years into the future. The scenarios were designed to show the impact on rail ridership of different potential ARRC policy decisions as well as factors beyond ARRC control. Forecasts of commuter rail passenger volumes are based on survey results.

It should be emphasized that in all cases forecasts are based on assumptions that can be considered plausible rather than simply conceivable.

Cruise market forecasts are based on scenarios that account for high, medium (base-case), and low growth rates in the Alaska cruise industry, different train set sizes, and different train utilization rates. The consultant team developed these scenarios to facilitate discussion regarding ARRC equipment

¹ From ARRC Mission Statement, as presented in ARRC RFP 98-17078.

² Alaska Statutes 42.40, Section 1, Legislative Findings and Purpose, as cited in ARRC RFP 98-17078.

purchases, ARRC operations decisions, and future cruise industry decisions. Rail ridership forecasts are presented in 5-year increments for the 25-year planning period. Multiple forecasts of rail ridership can be cumbersome when discussing the implications of different passenger volumes, because the forecast associated with each scenario must be discussed separately. Still, this burden is necessary given the degree of uncertainty associated with a 25-year planning horizon.

The approach used in this report may have resulted in conservative estimates—higher forecasts could be supported with particular assumptions and alternative scenarios. However, it should be emphasized that a goal of this report is to describe what ARRC is most likely to encounter and not just what might happen. The following items discuss reasons for this approach.

- Recent trends may not be valid over the 25-year planning period. For example, the growth rate in the number of independent travelers to Alaska has been more than 5 percent per year in the recent past. Forecasts in this report call for a growth rate of 2 to 3 percent over the next 25 years. This average allows for higher growth in the short term, but slower growth in the future because growth can be expected to slow as the market matures. In addition, on the national level the last 8 years have been unique in terms of economic history. The U.S. economy has grown steadily, inflation has not been significant, and many markets have seen unprecedented growth. Forecasts based on trends from this period should not be considered likely because the economic conditions of the last 8 years are not expected to continue. In fact, because of the length of the planning period used in this study, a recession should be considered likely sometime during the 25 years, and the effects of a recession on tourist activity taken into account.
- Forecasts for commuter rail ridership in this report are based on survey responses and estimated population growth rates. It is possible that people may be more likely or willing to use a mass transit system once they have seen the system in operation, understand how the system works, and gain confidence that they can use the system to fit their needs. No attempt has been made in this report to account for these possible behavioral changes.

The markets discussed in this report are related directly to the new AIA rail station or are part of the larger rail system and can be viewed as complementary to the new station. Where possible, the links between the markets and the new station have been explained and passenger use of the new station estimated. It should be emphasized that in all cases passenger forecasts are based on the best evidence available and are intended to provide ARRC with numbers for planning purposes—numbers that ARRC can view as dependable and other researchers should be able to duplicate.

1.3 Market Analysis Summary Table

Table 1 provides a brief encapsulation of the rail ridership forecasts developed in sections 2, 3, and 4 of this report. The table focuses on potential ridership using the AIA rail station.

The cruise market estimates are based on an assumption of two train trips per vessel call. If the ARRC were to purchase additional equipment to provide more trips, the cruise market ridership estimates would be higher. The tour and charter market is composed of several segments including cruise-and-tour, other package and inde-package, and independents. Interviews with industry representatives provide widely varying opinions on the potential use of rail by the tour and charter market. The range of estimates for the other package and inde-package market segments suggests that the ARRC might be able to capture 10 to 30 percent of these visitors for rides on the rail system. Industry representatives anticipate that the ARRC could capture 10 to 20 percent of the independent travelers to Southcentral Alaska on travel to and from Seward or otherwise using the AIA rail station. Approximately 5 to 10 percent of the conventions and meetings held in Anchorage could result in bookings destined to or from the rail station. The cruise-and-tour market can provide additional

ridership between the AIA and Seward or Whittier, but train capacity may not be adequate to transport the cruise passengers that are likely to use the rail, so the potential ridership associated with the cruise-and-tour market segment is not included in Table 1. If additional capacity were available, the cruise-tour segment could account for about 10,000 passengers in 2004, ranging to almost 70,000 passengers in 2024.

There is a considerable amount of uncertainty associated with the estimated number of residents that might travel to the airport from the Matanuska-Susitna Valley and Girdwood. Residents of those areas provided information on the number of trips they make to the airport, but information was not sought on the price they were willing to pay for rail service or the preferred time of travel. Table 1 assumes that rail service could capture 25 percent of trips to the airport that respondents make. The total number of passengers using the AIA rail station is anticipated to range between approximately 240,000 and 370,000 in the early years of operation and increase over time.

The commuter estimates reflect a regional rail commuter system between the Matanuska-Susitna Valley, Girdwood, and the rail depot near Ship Creek in Anchorage. The estimates reflect ridership levels with a one-way trip fare of \$5.00. Commuter passengers represent the largest portion of future rail ridership.

Table 1. Base-Case Rail Ridership Summary by Major Market Category

| Market | Rail Ridership by Year (Number of Passengers in Thousands) | | | | |
|-----------------------------|--|---------|---------|---------|---------|
| | 2004 | 2009 | 2014 | 2019 | 2024 |
| Cruise | 62 | 72 | 77 | 77 | 76 |
| Tour-and-Charter | 100-230 | 120-280 | 140-330 | 160-380 | 170-440 |
| Resident Travel to AIA | 80 | 90 | 100 | 120 | 130 |
| Total AIA Related Ridership | 242-372 | 282-442 | 317-507 | 357-577 | 376-646 |
| Commuter | 1,200 | 1,350 | 1,550 | 1,770 | 2,010 |

Note: The cruise estimates are based on a train capacity of 250 passengers.

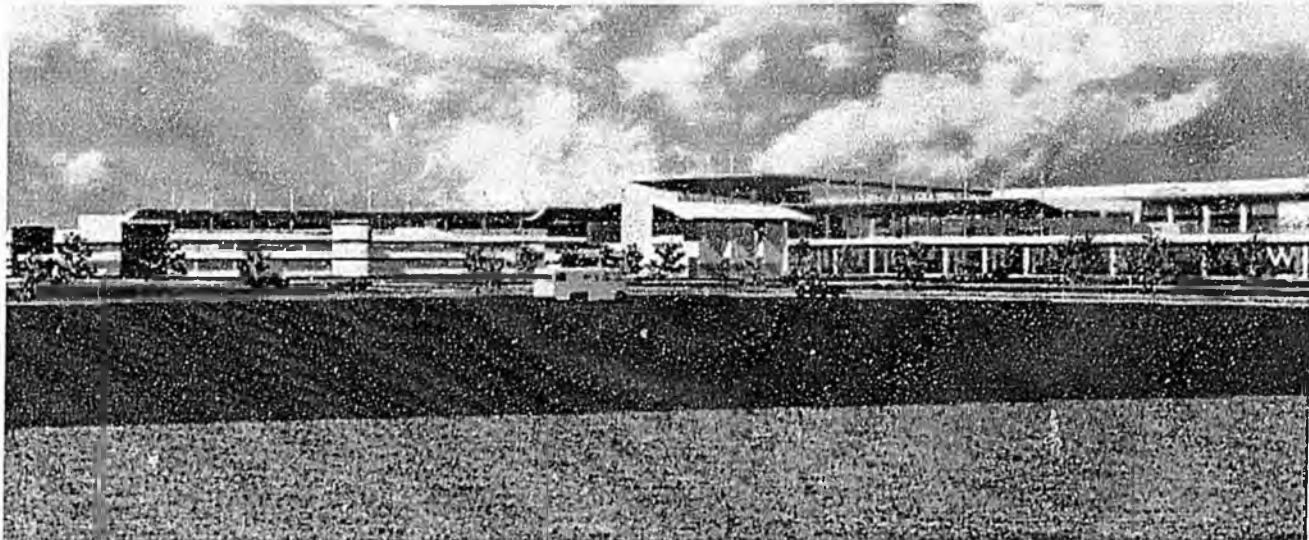


Anchorage International Airport Expansion and Rail Passenger Station

AKRR

Corp

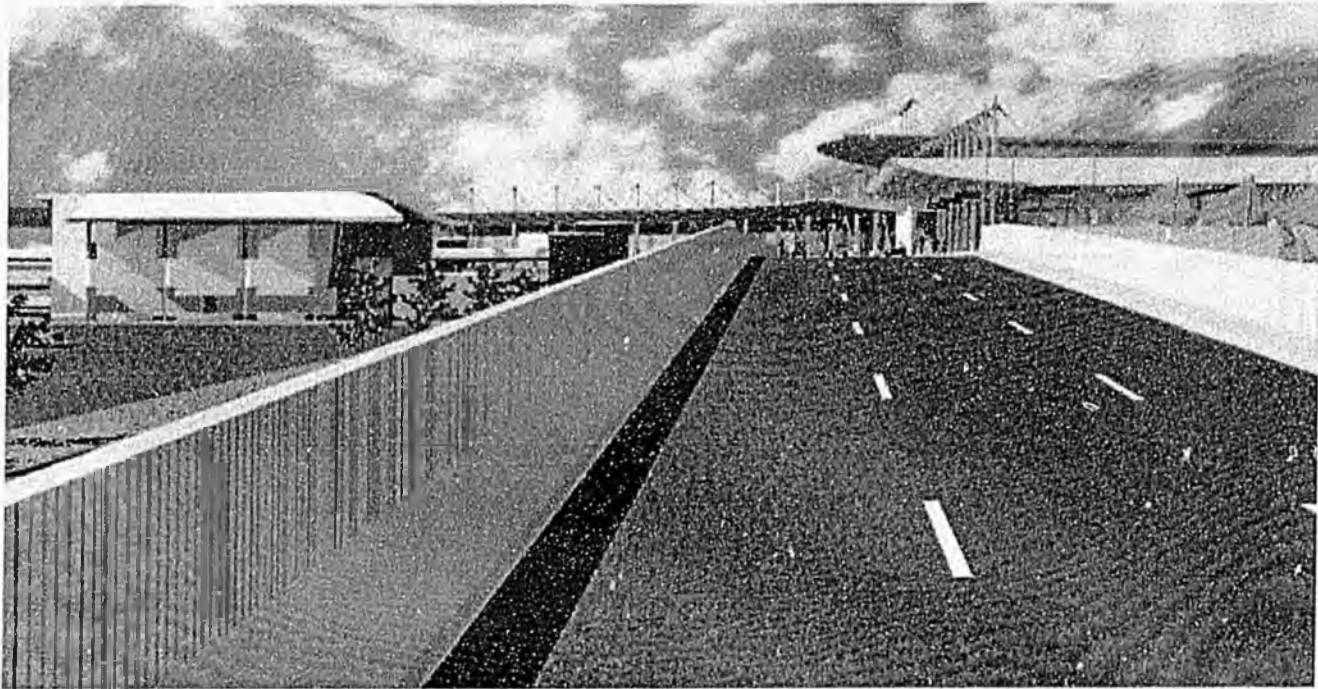
Plan H



Renderings throughout this page are courtesy of Mike Carlson of McCool Carlson Green.

Project Scope:

This project includes construction of a new rail terminal located north of the existing parking garage at Ted Stevens Anchorage International Airport. The 17,300 sq. ft terminal will provide a second-floor passenger assembly area, offices and lease space on the ground floor, and a public access underground pedestrian tunnel connecting with Concourse C. Railroad tracks will be elevated on a concrete trestle over parking lots and access roads below, and will meet with the terminal at a covered elevated pedestrian platform. The project further extends within the ARRC rail right-of-way on earthen fill, providing full clearance over the Airport's outbound lane and South Aircraft Drive. East of South Aircraft Drive, the tracks will taper down approximately 1200 ft to meet existing ground elevation near West 50th Avenue.



Status

- Environmental permitting, lease agreements, and final design have been completed.
- Unit Company has been awarded construction contract. Notice to proceed issued February 1, 2001.
- Construction of the underground pedestrian tunnel shell was included with DOT&PF Phase I Landslide Civil Improvements project, prior to construction of approach roads immediately above, and is complete.
- DOT&PF Phase II is underway (outbound lanes and parking improvements). ARRC project will bridge over new construction.
- Substantial completion of project construction scheduled for Fall 2002.



Frequently Asked Questions

Airport Web Cam

Status

Environmental Permitting

- Submitted to HDR Alaska, Inc
FHWA February
2000, transmitted

| | | |
|--|--|---|
| | to FRA March 2000, now complete. | |
| Preliminary and Tunnel Shell Design | • Complete | <u>McCool Carlson Green & RISE Alaska</u> |
| Terminal Design | • 100% Complete | <u>Kumin Associates, Inc.</u> |
| Tunnel Shell Construction | • 99% Complete | <u>Kiewit Construction Co.</u> |
| Terminal Construction | • Begins mid-March 2001 | <u>Unit Company</u> |

Public Involvement:

| | |
|---|--------------------|
| 30 Day Public Notice, Lease Option | 7/20/99 - 8/20/99 |
| 30 Day Public Notice, Environmental | 9/15/99 - 10/15/99 |
| Public Meeting | 9/29/99 |
| Open House, Anchorage | 2/16/00 |
| Open House, Fairbanks | 3/16/00 |
| Regional Community Council Meeting, North Star elementary | 7 - 9 pm 4/11/00 |
| Regional Community Council Meeting, Taku Elementary | 7 - 9 pm 4/18/00 |
| Federation of Community Councils, City Hall | 6 pm 4/19/00 |
| Turnagain Community Council | 7pm 5/4/00 |
| AIA Community Advisory Council | 7pm 5/16/00 |
| Taku/Campbell Creek Community Council | 7pm 5/24/00 |
| ARRC Open House | 4 - 7pm 1/24/01 |

* More Community Council meetings are scheduled for Fall and Winter 2000/2001

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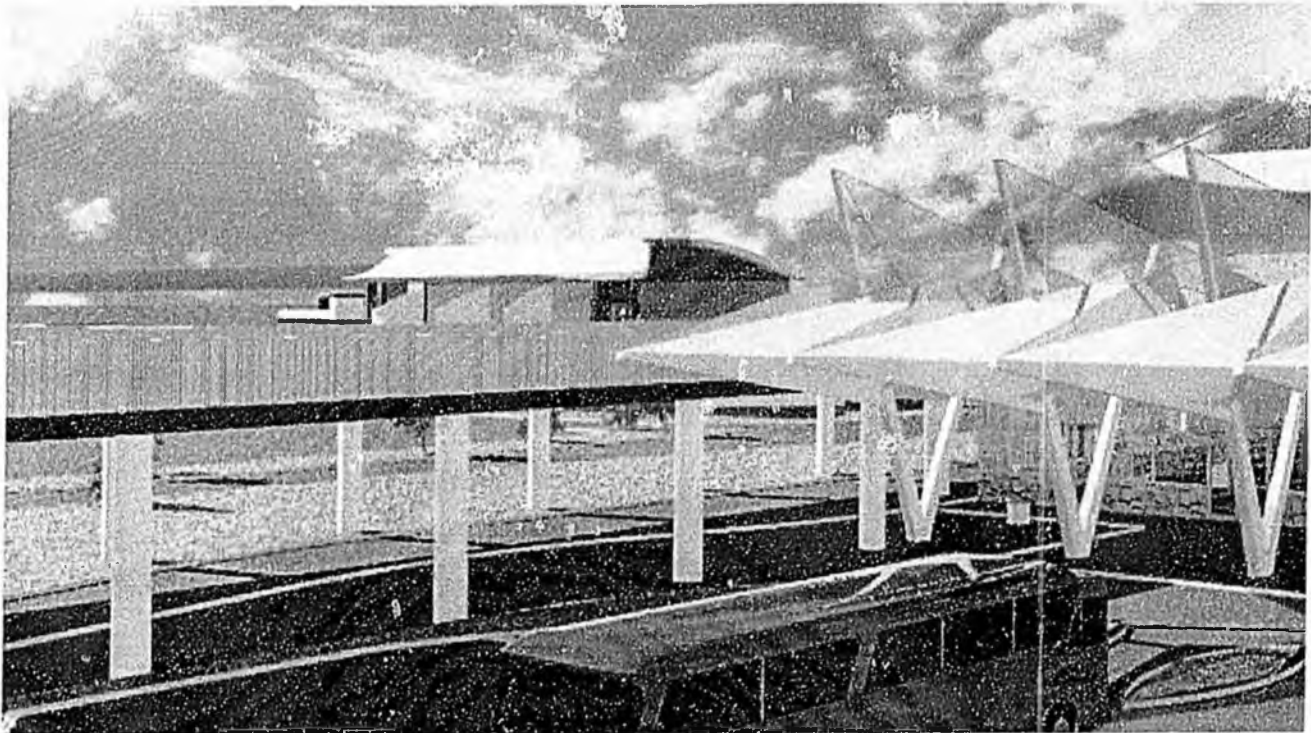
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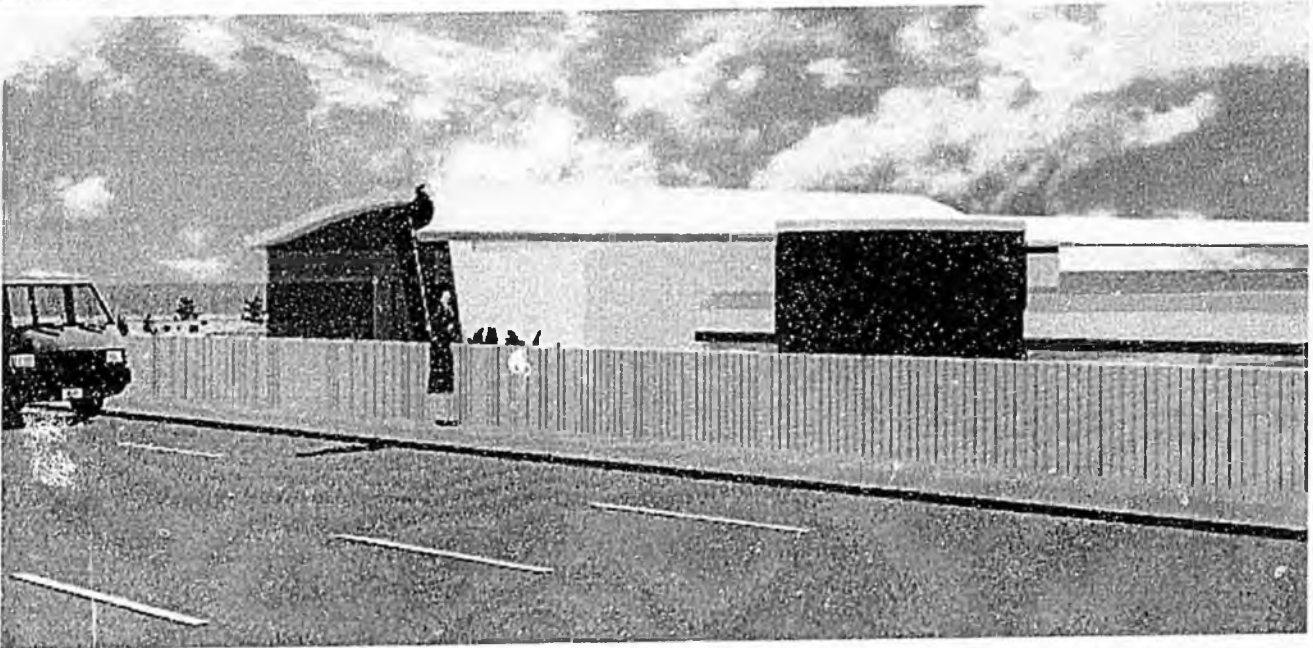
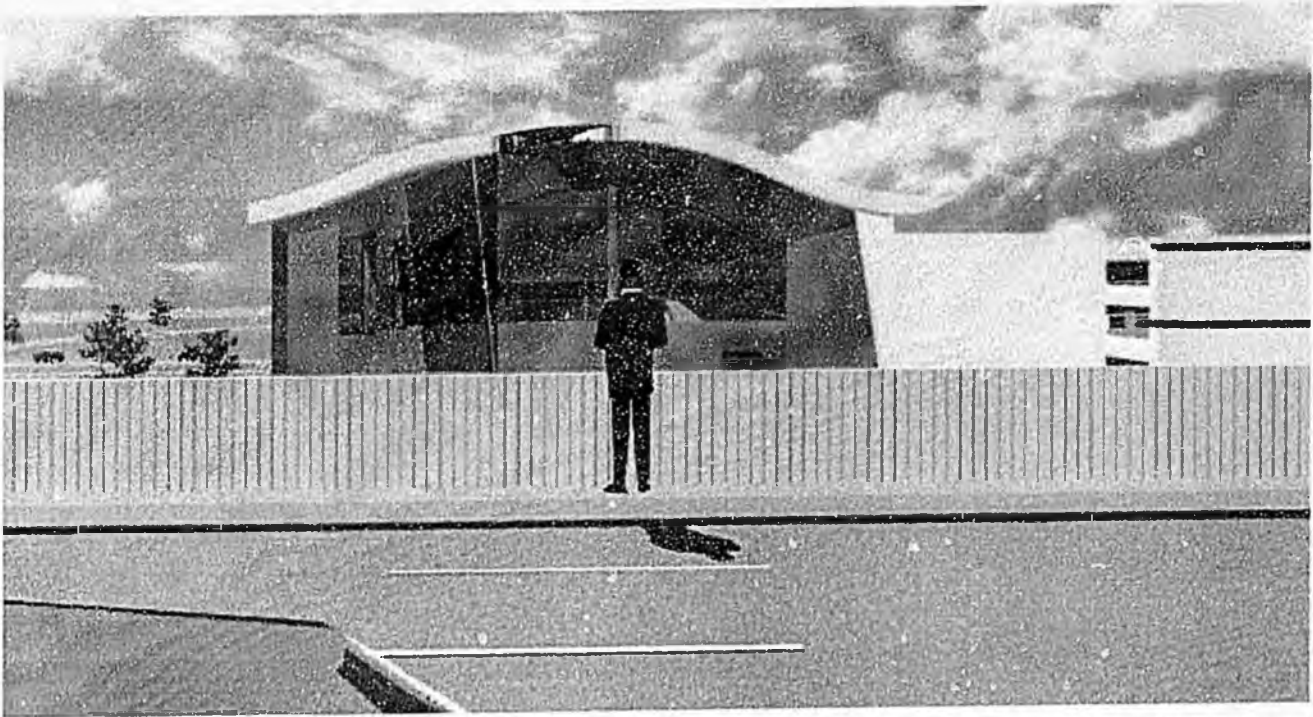
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Locher. LLC

Jim Dokoozian, Program Manager (907) 258-2200

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[Send Alaska Railroad your Public Comments - public_comment@akrr.com](mailto:public_comment@akrr.com)

Last Updated 02/16/01

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Senator Drue Pearce

SPONSOR STATEMENT

SB 123: Legislative Approval For Railroad Facilities

Senate Bill 123 requires the Alaska Railroad Corporation to obtain legislative approval for the design and construction of facilities having an estimated cost greater than \$5,000,000.

SB 123 has been 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 to the design of this project. More importantly, there was no public review process prior to the appropriation.

The rail station project will impact a large number of Anchorage residents. Many Anchorage residents are opposed to the depot because the ARRC will need to realign and elevate the railroad tracks near their neighborhoods. They will 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. Lastly, federal highway funding may well be necessary to finish the project and realign the tracks to access the airport which may necessitate that the legislature to set back other road projects.

Because of 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.

RESOLUTION 01-03
SAND LAKE COMMUNITY COUNCIL

SUBJECT: RESOLUTION IN FAVOR OF SENATE BILL NO. 123

Whereas, we, the Sand Lake Community Council Executive Board support the orderly development of the Sand Lake area:

Whereas there needs to be a public process on large capital improvement projects by the Alaska Railroad that impact neighborhoods and roads;

Whereas the Alaska Railroad needs to be accountable to the citizens for the money it spends on capitol improvement projects;

NOW THEREFORE BE IT RESOLVED THAT: The Sand Lake Community Council Executive Board whole-heartedly supports Senator Drue Pearce in the eventual passing of Senate Bill No. 123.

Adopted on the 20th day of March, 2001, at Anchorage, Alaska, by the Sand Lake Community council Executive Board.

President
Sherri Jackson

Secretary
Becky Roth

March 20, 2001

TO: Representative Andrew Halcro

FROM: Michael and Rose Marie Citti
4641 Edinburgh Drive
Anchorage, Alaska 99515

Good Morning Representative:

It was good to hear Senator Pearce and you on KENI RADIO this AM. We are writing in support of SB 123. We feel that it is important that oversight of the Alaska Railroad take place.

Sincerely:



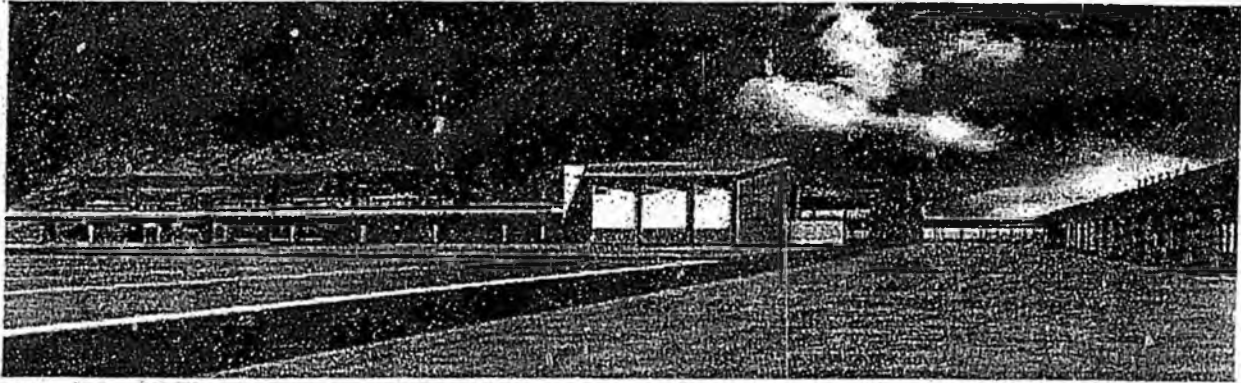

Subject: Bill 123 dealing with the Alaska Railroad
Date: Wed, 14 Mar 2001 21:40:22 -0900
From: "Mike Miller" <biggame@alaska.net>

To: <Senator_Drue_Pearce@legis.state.ak.us>

We support bill 123. The railroad owned by the State of Alaska should have to go through the process of legislation before developing any projects over 5 million dollars. These railroad projects must have public input and acceptance; it must be for the better of all and not just for the better of the railroad.

Mike Miller, President
Portage Valley Community Council
783-2025 phone
783-2370 fax

Rail Station at Ted Stevens Anchorage International Airport



Project Scope:

This project includes construction of a new rail terminal located north of the existing parking garage at Ted Stevens Anchorage International Airport. The 17,300 sq ft terminal will provide a second-floor passenger assembly area, offices and lease space on the ground floor, and an underground pedestrian tunnel connecting with the airport's newly constructed Concourse C. Railroad tracks will be elevated on a concrete trestle over parking lots and access roads below, and will meet with the terminal at a covered elevated pedestrian platform. The project further extends within the Alaska Railroad right-of-way on earthen fill, providing full clearance over the Airport's outbound lane and South Aircraft Drive. East of South Aircraft Drive, the tracks will gradually descend approximately 1,200 ft to meet existing ground elevation near West 50th Avenue.

This project is the center piece of the ARRC's rail improvement plan from Klatt road to Wasilla. It will help service the increased cruise ship passengers coming from Seward and Whittier and will help make the proposed commuter service between Girdwood and Wasilla more viable.

Status:

- Tunnel shell construction is complete and final design completed by Kumin Associates.
- Construction bids open January 11, 2001. Contractor to be on-board in February. Construction will proceed through fall, 2002.
- \$28 million budget for design, construction, and project administration. Funded in full by Federal Railroad Administration. Total construction budget is \$21 million.

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Airport station is runaway idea

Article Date: Monday, January 01, 2001
Page: B6
Section: Metro
By Rep. Andrew Halcro

The Alaska Railroad Corp.'s plan to build a \$28 million train depot at the Ted Stevens Anchorage International Airport raises serious concerns about ridership and the financial projections. The railroad's project analysis references a recent article in the Railway Gazette that notes there are dozens of rail links operating in other cities and more planned for the future. What is not mentioned is the overall disappointment of the rail-link experience. In a Wall Street Journal story entitled 'Airport Rail Links Misconnect With Fliers,' a recurring fact was how in many cities the thought of racing to the airport in a speeding train has become only a dream. It says that problems from slow trains, too many stops, not enough stops, the need for bus connections, poor baggage space and infrequent service have made most of the links unattractive to travelers. Philadelphia, a city with a population 15 times that of Anchorage, has service only once every half-hour, which makes waiting for the train longer than the drive from downtown. The ARRC assumes that the main supporter of the \$28 million project will be cruise ship passengers. However, cruise-line companies will tell you that motor coach transfers are the cheapest and most efficient way to transport passengers due to their volume and varying flight times. A letter from one company states, 'the existing ARRC depot at Ship Creek is not adequate for collecting cruise passengers and their baggage,' which means in addition to the \$28 million for the airport spur, the ARRC will have to invest millions more in improvements to handle cruise passengers. All of this for a market that exists for only five months of the year.

The report further states that by the year 2004, a total of 80,000 residents will be using the rail to get to the airport annually. It is assumed that these passengers would buffer the winter months to make up for the absence of summer cruise ship or charter traffic. This number represents approximately 6,600 residents per month utilizing this service. The report fails to identify how and why these 80,000 local residents are going to use airport rail service. In fact, the report goes so far as to mention that although 8,200 people work at the airport, "it appears that the schedules of workers and the locations where they live are not conducive to mass transit."The problem lies in the fact that not all of the 8,200 people work at the terminal. Most of these employees would have to find some way to get from the depot at the airport to the front door of their businesses, some of which are located a considerable distance from the terminal. So if not employees then whom? How about the family of four heading off for a week vacation? Once again the analysis raises questions. The Origin and Destination Study mentions that residents make an estimated 36,000 one-way trips to the airport each week. It goes on to state, "However, a vast majority of these trips originate from neighborhoods or districts that are distant from rail lines and depots (existing or planned)."The analysis concludes by stating, "airport employees travel to and from the airport at different times and live in many different areas, suggesting that ridership on any commuter line would be low at any given point in time." If you inserted the words "local residents" in place of "airport employees," the conclusion remains the same. Additionally, the \$28 million price tag pays for only the rail station at the airport. Area tracks and roads would still need

to be re-aligned for rail traffic accessing the airport. At a recent public hearing, the railroad laid out options for the track running down International Airport Road to the airport. This portion alone will require another \$18 million in improvements. This is not the time to be building speculative projects. This rail station is not economically practical and will actually inconvenience travelers. The construction of the airport depot will result in a loss of valuable short-term parking spaces that will cause travelers to park at greater distances from the terminal. Unfortunately, all of the evidence in the world that casts serious questions on the practicality and profitability of this proposed project is probably not enough to stop the poor use of \$28 million in taxpayer dollars.

Airport Rail Links Misconnect With Fliers

By DANIEL MACHALARA

Staff Reporter of THE WALL STREET JOURNAL

Like many travelers, Tom Hoen of Baltimore dreams of racing to the airport aboard a fast train.

His reality: crawling to the airport aboard a slow trolley. Extended to Baltimore-Washington International Airport a couple of years ago, Baltimore's airport trolley lumbers through city streets, mixes with traffic and waits at sections of single track for trains traveling in the opposite direction to pass. Mr. Hoen, a vice president of BT Alex. Brown, could drive from his house to the airport in half an hour but prefers public transportation, which can take almost twice as long. "It's hardly a bullet train," he says.

Mr. Hoen's frustration is common among passengers of the nation's airport rail links. "Compared to the potential, the American experience with air-rail links has often been quite disappointing," says Matthew Coogan, a transportation consultant in White River Junction, Vt., and a former undersecretary of transportation in Massachusetts. "Many of the systems have been cobbled together and fail to deal with the unique needs of air travelers."

Most airports were built in remote areas far from downtown and were easily reached by new highways. But the surge in air travel, airport expansions and urban sprawl changed all that, resulting in clogged roads to, from and within the airports and putting airport parking at a premium. Instead, travelers are forced to park their cars at distant satellite lots and board shuttle buses to the terminals.

The rail links were envisioned as an antidote for all that, but that hasn't been the

The Trains to the Planes

New York's planned Airtrain to Kennedy Airport, shown at right, is being heralded as cheap and quick, but critics have emerged



| CITY | ADVANTAGES | DISADVANTAGES |
|-----------------|---|-----------------------------------|
| Atlanta | Fast, frequent rides to downtown | Rail doesn't reach some suburbs |
| Baltimore | Direct links to downtown; new trolleys | Slow trip downtown |
| Boston | Station near airport, frequent service | Bus connection required |
| Chicago | Centralized station location at airport | Frequent local stops |
| Cleveland | Direct airport-rail link | Limited rail network downtown |
| Philadelphia | Three stations at airport | Infrequent service |
| St. Louis | New trains | No rail links to suburbs |
| Washington D.C. | Fast frequent service | No special provisions for luggage |

case very often. Many of the systems follow indirect routes, share tracks with local trains or require a switch to another train or bus. In Boston, for example, travelers have to board a bus between the subway station and airport terminals.

Few of the systems make special provisions for luggage. What's more, some airports that derive revenue from their parking lots do little to encourage the links. As a result, the trains often tap less than 5% of the market of travelers going to or from airports.

"I think a rail link to the airport is a great idea," says David Gunn, who heads Toronto's transit system and ran transit systems in Philadelphia, New York and Washington. "But it's very

difficult to make it work."

Proponents insist that airport trains are often faster than autos and cabs, especially during commuting times when highways are jammed. And the trains are economical, with fares ranging from \$1.50 to \$5 a ride, compared with \$25 or more for a taxi. To demonstrate the potential of air-rail links, transit planners point to successful systems in London and Hong Kong, which include features like airline counters at downtown train stations, nonstop service and luggage racks on the trains.

Among U.S. systems, the one linking Washington, D.C., and Ronald Reagan Washington National Airport is considered among the most effective. Travelers used

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Few Fliers Use Airport Rail Links

Continued From Page B1

to complain about: having to walk through parking lots from the terminal to the train station—a distance of more than 1,000 feet. But in 1997, a new airline terminal serving most carriers was completed adjacent to the station, making the connection between plane and train among the most convenient in the country.

The Washington system also boasts frequent trains and an extensive rail network to downtown locations. "It has them all beat," Ken Bird, a manager at an industrial-controls company in Illinois, says of Washington's airport trains. "You can walk right from the plane to the train and get a clean, quiet and fast ride downtown."

The system linking Chicago with O'Hare International Airport also wins praise for its convenience, although it travels along a line used mainly by local riders, with frequent stops and crowded cars.

More typical is Philadelphia, where commuter trains were extended to the airport in 1985 but haven't made much headway with the traveling public. For budgetary reasons, service is confined to one train every half hour. The result: Travelers often wait longer for a train than the time it takes to drive downtown.

The Philadelphia system carries about 2,500 people a day to or from the airport—about a fifth of its capacity. "Airline travelers are accustomed to stepping out to the curb and flagging a cab," says Stephan Rosenfeld, a spokesman for Philadelphia's transit system. "We haven't been able to break that habit."

That may change. Philadelphia Airport officials, who manage neither the airport nor gain revenue when most people drive there, haven't promoted the trains in the past. A separate authority operates the trains and collects fares. But airport officials say they are now encouraging more travelers to use the train in an effort to ease airport traffic congestion. The airport has added bigger signs directing travelers to the trains and is spending \$5.5 million to build new passageways from the baggage-claim area to train platforms.

Despite the problems many cities have encountered with airport rail systems, New York, San Francisco and Portland, Ore., are developing new links. The Port Authority of New York and New Jersey's plans to spend \$1.5 billion to build "Airtrain" to Kennedy International Airport are already drawing fire, because they require passengers to change trains.

The Airtrain plan has also stirred opposition from airlines, which object to the

Port Authority's use of a \$3-per-passenger airport departure tax. To qualify for the funds, which are designed for on-airport improvements, the Port Authority plans to annex Airtrain's track right of way and make it part of the airport.

The drawback: Airtrain will take passengers to nearby rail stations, where travelers transfer to other trains. "They are building a second-rate system that dumps you at a remote transit hub only 20% of the way to the center city," contends George Haikalis, a transportation consultant in New York.

Port Authority officials say the system will be cheaper, faster and more reliable than from Manhattan than cabs. They dismiss concerns about the inconvenience of changing trains. "How are you going to make something perfect for eight million people who don't live in one place?" says Port Authority spokesman Mark Hatten. "We are trying to create the best system that serves the most people."

Meanwhile, improvements to other systems are on the way. Atlanta wants to install a baggage drop-off counter at the airport train station. And in Baltimore, officials say they are addressing the problem of delays and plan to install special signals to give trolleys priority over cars and buses.

Baltimore has also considered making space available on its trolleys for luggage. But Wayne Jubb, a deputy director of Baltimore's transit system, says there is no rush: Trolleys to and from the airport are 70% empty. "There's plenty of room for those vehicles, even if people set the luggage behind them," Mr. Jubb says.

GLAXO WELLCOME PLC

Unsuccessful Partner Search Leads to Phaseout of Unit

Glaxo Wellcome PLC said it will discontinue funding for HealthMatics Inc., citing an unsuccessful search for a venture partner. HealthMatics is a Cary, N.C., health-care information systems and services company. Glaxo, a British drug maker, said HealthMatics will begin phasing out operations immediately under a plan that continues to support existing customers through 1999. The decision will affect 100 employees, according to Glaxo. HealthMatics was created in 1994 as a joint venture by Glaxo and Physician Computer Network Inc. Glaxo acquired Physician Computer Network in December 1998 and said at the time it would seek another partner.