SB

241

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 456-1546
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

MEMORANDUM

To: Senator John Cowdery
chair, Senate Transportation Committee

From: Representative Jeannette James

Date: January 15, 2001

Subject: Request for Hearing: HB 241

Please schedule the following bill to be considered by the Senate Transportation Committee at your earliest convenience:

> HB 244, An Act relating to a railroad utility corridor for extension of the Alaska Railroad to Whitehorse, Yukon, Canada.

A copy of the resolution, a sponsor statement, fiscal notes and background information is attached. Thank you for your attention to this matter.

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Sponsor Statement, HB 241

1/14/02

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.

Report of the office of

REP. JEANNETTE JAMES

on a

RAILROAD / TRANSPORTATION-UTILITY CORRIDOR TO CONNECT ALASKA WITH THE REST OF NORTH AMERICA

Fourth Printing, December 1, 2001

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Richard F. Schmitz, Editor

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SPEECH TO CHAMBER OF COMMERCE
by REPRESENTATIVE JEANNETTE JAMES,
February 22, 2001

Before I begin, I have to tell you it took a few minutes to come up with suggestions for a title for my address to you here today. ...

So I see from the flyer the final draft turned out to be "The Inside **Track** to a Growing, Healthy Economy."

Now, I know you know that building a railroad to connect our state with the rest of North America is a project I've worked long and hard on. I have to tell you I think it's a very good sign when I find little puns included in titles of my speeches.

I'm working hard on this railroad connection ... How hard? Well, I have to tell you ... I think a gas pipeline to the Lower 48 will be an excellent add-on to this railroad project!

But I'm here to speak about **a growing, healthy economy** ... and about **growing a healthy economy**.

To begin, let me offer you a couple of my basic tenets. ... because I've been repeating them a lot lately, or so it seems.

One. I do not believe Alaska has an economy. Not really. Alaska does have a series of boom and bust cycles, framed by federal pass-through funds. ... All of which are restricted and most of which require a state match.

What we have is an out of balance economy ... most of it in the service sector. We do not have sufficient basic industries to support steady, long-term growth ... and a steady long-term growth pattern is absolutely necessary for a growing, healthy economy and quality of life. ...

We are fortunate right now -- the price of oil is high ... Although the price of oil is an important part of our income, it also increases our cost of living as fuel prices rise.

Our most tremendous asset, of course, is our three guys in Washington. Their seniority and prowess is unmatched. ... But we don't have a lot of control over that, either. At some point we will not have these people holding up what is **really** a major portion of Alaska's economy, and we should all think long and hard about that now. ...

Two. We must have a long term revenue plan. What should that plan look like? ... I will repeat, as I have many times before ...

I believe we need a broad-base tax ... where everyone pays a little ... there ain't no free lunch. And in that statement, two negatives do not make a positive ... they make a bigger negative.

We need to use some earnings of the Permanent Fund. We need to maintain a healthy dividend program over the long term.

We must continue to find efficiencies in government --- and we need to accelerate our opportunities to develop our natural resources ... and that, of course, includes our people.

My constituents are very insistent about cutting and streamlining the cost of state government ... and I fully agree with them .... But backing up is very hard to do.

I would like to tie one and two together with another of my basic tenets ... you can not tax your way to prosperity!

The public does not seem to understand that we have less money coming in than we need to fund the services they want and the ones we are required to provide. In anyone's math, that means we are eating up our savings ... which will soon be gone ... and what then? We have to fill that gap some way.

I believe you understand this issue. You know, as business people who depend on income to cover your expenses and paycheck, you cannot continue to operate by spending more than you take in without inviting disaster.

We have exercised restraint and reduction in spending over the last five years. It has been very, very difficult.

There are only two ways to balance the issue -- one is to cut spending, the other is to increase income. You as business people also understand that you cannot cut spending when it eats into your ability to bring in income ... or your paycheck will disappear.

The general public does not understand this fact ... It takes money to make money. We need to balance our benefits with our responsibilities.

And you can help.

The Alaska public needs a reality check. We need a serious dose of education. As business people you create -- or at least spread the cash flow in this state ... .

We need to be sure we have a reliable source. Is it a spring that will be ever-flowing? Or will it be a slough that just collects runoff?

The public must understand this theory.

I am a supporter of building a rail connection because I am convinced it will become a lynchpin of a real Alaska economy. We lack infrastructure, and therefore much of our state's wealth is off the table.

Trains are cutting edge. New locomotives use natural gas as fuel. Other new locomotives use gravity to generate electricity. Intermodal technology allows for rapid movement of cargo.

Railroads were cutting edge in the 1850s. And they're cutting edge in 2001. When the White Pass and Yukon Route was built in 1899, it was considered truly visionary. And it will be visionary when Alaska is finally connected with the rest of North America by rail a century or so later.

Relative to other forms of transportation, railroads are inexpensive, durable, effective and easy to build.

The footprint a railroad makes on the land and environment is small. But the impact a railroad makes on an economy is great.

Lets look at Alaska, where railroads are limited compared to most of the rest of North America. Is it just coincidence that Alaska's economic heartland is called "The Railbelt?" Is it only coincidence that Anchorage -- and not Valdez -- is Alaska's largest city?

Remember, for a second, that when the visionaries decided to build the Alaska railroad, Valdez was the main Alaska port and what we now know as Anchorage was a tent city construction camp.

I represent North Pole, and the railroad's economic presence is certainly evident every time a refinery employee cashes a paycheck. The same could be said for Healy or Usibelli, communities also in my district.

I am very encouraged about this project. Senator Murkowski passed legislation authorizing a bilateral commission -- and up to $6 million to fund it. The commission's task will be to complete a feasibility study.

A number of meetings will be taking place in Washington D.C. before the month is over, all involved with moving this project forward. I have been told the next step is formally presenting the commission to Canada's federal government.

Folks in the Yukon are solidly behind this project, and I think we are seeing some good signs that the Canadian government will stand behind them.

Much of the criticism of the railroad connection surrounds its cost, which will be in the billions of dollars. But in talking with folks involved with the business of

building a gas line, I am convinced there is an opportunity to see economies of scale in building **both** along a shared corridor.

That's why I'm advocating a transportation and utility corridor. One Environmental Impact Study (EIS) could cover all, allowing for efficient construction of not only a gas line and a railroad, but also fiber optic cable and energy transmission lines.

Someday Alaska may export mining concentrates and coal ..., agricultural products ... frozen seafood ... But Alaska can also export information ... vision ... expertise ... and ideas.

If we are going to have an economy in Alaska, we have to create wealth. To do this we sorely need to have transportation infrastructure, and this is the heart of the reason why I have been pressing this issue since 1993 when I began my service in the Alaska House of Representatives.

A railroad connection to the rest of North America will mean incentive and opportunity for the private sector to invest in Alaska, thereby creating the roots of a real and stable economy.

I have learned that for each job in the basic economy, two and a half are created in the service sector. Service industry jobs cannot exist in a vacuum -- or in an economy that lacks long-term stability. To put it simply, If no wealth is created, then there's no one way to pay for services.

I am fully aware that some of my contemporaries don't believe the railroad will ever be built, and I guess they wonder why I or other supporters of the project bother to put in the effort. ...
Let me quote for them from a work of classic literature ... and I'll pose it in the form of a question ... Just when did we as Alaskans decide to let "I Think I Can, I Think I Can, I Think I Can" be the *end* of the story?

I love to talk about economic development and transportation infrastructure -- but I can't say I love talking about raising taxes. But I have to.

Alaskans -- all of us -- will be facing some bad news in a few short years. I said as much in a newsletter I sent to a little over 3,000 voters in my district. I laid it out just as plain as I know how. ... Here are a few of the things I said:

When it comes to a long-term revenue plan, I have ideas -- but I don't have solutions. ... For that reason, I need to hear from you. No long term revenue plan can ever work if it doesn't have the support of the people.

Then, I explained that in a few years the constitutional budget reserve will be empty. In the long term, some earnings of the permanent fund will have to be used to pay for state government. To balance our budget, we will have to use

some combination of fair and equitable taxes ... and earnings of the permanent fund.

I added that the longer we limit use of the permanent fund to inflation-proofing and paying dividends, the more vulnerable the fund is to IRS taxation.

Well, the constituents who responded to the survey I enclosed offered their support -- and I'm thankful for that -- but, clearly, there is a lot of educating we have to do.

Let me share with you the gist of comments I received in response to my request for their ideas as to how we can balance the budget in the next decade or so. I asked respondents to assume we will need to raise between $500 million and $1 billion a year.

The majority of respondents did not want any new taxes ... or for us to spend any of the permanent fund earnings. They want to keep the dividend as it is ... and they're not willing to let the budget grow with any increased population or cost of living.

Obviously they didn't hear me -- nor do they believe there is a problem.

One respondent said he supports both an income tax and a sales tax -- with two conditions -- surely he jests -- that anyone who receives a permanent fund dividend be exempted from the income tax, and that anyone who has an Alaska drivers license be exempted from the sales tax.

I have no intention of poking fun of the people who've taken the time to respond to my survey. Just the opposite, because I am extremely grateful for the time and effort these folks put in to answering questions none of us have yet been able to answer.

We may be making some progress. In the 1999 "**what part of 'no' don't you understand**" vote, just 16 percent of my district voted in favor of the long-range plan. Of survey results I've tallied, 19 percent said they would at least support a cap on the permanent fund dividend; 36 percent said they could support using excess earnings of the Permanent Fund, and 29 percent said they could support a flat income tax.

Progress? Maybe. ...

One thing my survey respondents did agree on -- almost totally -- was the need to continue to find efficiencies in state government.

But sometimes these efficiencies cost money up front. In other words, we might have to pay to save money in the future.

ADDRESS BY REPRESENTATIVE JEANNETTE JAMES TO PAC-COM CONFERENCE, ANCHORAGE, FEB. 14, 2001

Remember the last time you were stopped at a railroad crossing gate ... Your first reaction was probably great annoyance, particularly if you were in a big hurry.

But think about it ... I'll bet you still looked for that train as it approached. And I'll go so far as to say that you probably felt a little, tiny thrill as the train went by. There's something about a train that seems to just force you to stop, look and listen.

I've always loved trains. And it's no secret that I'd love to see a railroad built to connect Alaska with the rest of North America ... which is the reason I'm speaking to you right now.

Not everyone in Alaska is as big a fan of trains as I am, though. Take Anchorage Daily News columnist Mike Doogan, for example. Mike's big problem with building a railroad to the Lower 48 is that it would be using, and I quote here, "the very best of 19th century technology."

I think Mike Doogan should get out a little more.

Just because railroads were visionary in the 19th century doesn't mean they won't be visionary in the 21st. Have you been in Salem, Oregon lately? The train station there is shiny-new and fully restored to its original grandeur. Seattle's King Street Station will be similarly restored. These are no tourist attractions, they're working train stations -- and they're plenty busy. Amtrak's new Cascades service connects Vancouver, B.C. with Eugene, Oregon three times a day. The lines' new Talgo trains, designed and partly manufactured in Spain, are sleek ... fast ... and packed with passengers. Commuters now move between Seattle and Tacoma on the brand-new Sounder ... double deck passenger cars with locomotives just as new and shiny as the California Zephyr was in 1936.

There's nothing 19th century about either of these trains. There's nothing 19th century about the Eurostar -- the high speed train which connects London and Paris through the Channel Tunnel in about the same time it would take by air, counting the time to and from the airport, for a little less money.

Trains are cutting edge. New locomotives use natural gas as fuel. Other new locomotives use gravity to generate electricity. Intermodal technology allows for rapid movement of cargo.

Railroads were cutting edge in the 1850s. And they're cutting edge in 2001. When the White Pass and Yukon Route was built in 1899, it was considered truly visionary. And it will be visionary when Alaska is finally connected with the rest of North America by rail a century or so later.

Relative to other forms of transportation, railroads are inexpensive, durable, effective and easy to build.

The footprint a railroad makes on the land and environment is small. But the impact a railroad makes on an economy is great. And that's another reason why I'm speaking to you here.

Lets look at Alaska, where railroads are limited compared to most of the rest of North America. Is it just coincidence that Alaska's economic heartland is called "The Railbelt?" Is it only coincidence that Anchorage -- and not Valdez -- is Alaska's largest city? Remember, for a second, that when the visionaries who decided to build the Alaska railroad, Valdez was the main Alaska port and what we now know as Anchorage was a tent city construction camp.

I represent North Pole, and the railroad's economic presence is certainly evident there every time a refinery employee cashes a paycheck. The same could be said for Healy or Usibelli, communities also in my district. Chances are you've watched those gold and blue Alaska Railroad engines haul rail car after rail car of coal or jet fuel.

I was at a committee hearing the other day, and the economist who was speaking made the off-hand comment that "Alaska didn't have an economy." People were kind of taken aback by that statement. ... But I knew exactly what he was talking about. We don't have an economy in Alaska ... we have a series of boom and bust cycles, and do you know the worst part of that? We aren't even the engineer that drives those booms and busts. Alaska's economy is *re*actionary instead of actionary. There ... I made up a new word!

This is why I am such a strong advocate of building this railroad. Over and over again we are told that Alaska must improve its infrastructure. Mining -- which historically has provided among the best-paying jobs this state can offer -- will remain limited to narrow belts around existing roads, ports or cities. A railroad from Eielson Air Force Base to the Canadian Border, however, passes within miles of some of the state's most promising and proven mineral reserves. Not only are the Tanana uplands rich in gold and silver, but there are proven deposits of copper, lead, zinc, tin, molybdenum and tungsten.

This rich geological belt extends across the border to the Yukon Territory, where mining now is in steep decline due to transportation issues. Still, mining is the No. 1 commercial activity in the territory.

Railroads provide mines with exactly the kind of transportation they need, because, once connected with the North American rail system, concentrates can be shipped to a smelter economically and efficiently. Manufactured goods, timber and agricultural products could be sent to market with similar efficiency. And I see a new role for Alaska's ports such as Anchorage. Freighters sailing between the West Coast and Asia pass right by Alaska. With a rail connection to the rest of North America, containerized goods from, or headed to, the Mid West or East Coast could transfer to rail right here, putting Alaskans to work in this transportation sector.

This summer I bought a new, digital camera. One of its features is a lens with an adjustable view. Push the button one way, and you get a wide view. Push it the other way and you get what I call a long view. I believe Alaska must take two looks at this railroad

project: a broad view, and a long view. When I talk about benefits to resource industries, I'm taking the long view ... to a time when the railroad link is up and running.

Now let's look at the wide view.

The project I envision is more than simply iron tracks, ties and locomotives. I see a transportation and utility corridor. When we lay tracks, we must also lay fiber optic cable. I don't think you can have too much fiber optic connectivity. True, Alaska can export mineral concentrates. But Alaska can also export information ... vision ... expertise ... and ideas.

If we are going to have an economy in Alaska, we have to create wealth. To do this we sorely need to have transportation infrastructure, and this is the heart of the reason why I have been pressing this issue since 1993, when I began my service in the Alaska House of Representatives. A railroad connection to the rest of North America will mean incentive and opportunity for the private sector to invest in Alaska, thereby creating the roots of a real and stable economy.

I have learned that for each job in the basic economy, two and a half are created in the service sector. Service industry jobs cannot exist in a vacuum -- or in an economy that lacks long-term stability. To put it simply, If no wealth is created, then there's no one to pay for services.

In taking a broad view of the railroad I see great potential for tourism. I am convinced tourism will be a major user of this railroad ... particularly when you consider the trip itself will be the destination. In a week you could go from Fairbanks to New York and back. Imagine, you could watch the northern lights one day ... and the lights of Broadway a few days later.

I am fully aware that some of my contemporaries don't believe the railroad will ever be built, and I guess they wonder why I or other supporters of the project bother to put in the effort. ... Let me quote for them from a work of classic literature ... and I'll pose it in the form of a question ...

Just when did we as Alaskans decide to let "I Think I Can, I Think I Can, I Think I Can" be the *end* of the story?

SPEECH TO ALASKA STATE CHAMBER
October, 2001

When I was 15 years old, I took my first long-distance train trip -- from Portland, Ore. to Clinton, Iowa -- to attend my grandparents' 50th anniversary celebration.

I particularly remember going through Wyoming. There were herds of antelope. All around I could see country that looked, to me, as if no human being had ever walked on it. It was spectacular, utter wilderness, except every once in a while there would be an oil well pumping to remind me that people had been there before.

I also remember the trip back to Oregon. The whole train was full of servicemen, and here I was, this 15-year-old girl. . . . I'll never forget the look on my dad's face.

Over most of my adult life, I have seen train travel kind of fade away -- replaced by high speed highways and air travel. It's no surprise, really. If I was planning a trip to Anchorage ... or Atlanta, for that matter, I'd fly. Or in Alaska, I might drive.

Now, however, I am convinced our next generation will see train travel in a whole new way. First, let me state, that my long-held dream of building -- completing, really -- a railroad to connect Alaska with the rest of North America will come to pass. A few years ago, I would have told you I didn't really expect to see this happen in my lifetime. Now, I'm not so sure I won't ride the rails from the Northern Lights of Fairbanks to the Midnight Lights of Broadway!

A railroad connecting Alaska is an old idea, first popularized by Edward Harriman, who proposed a tunnel under the Bering Strait.

In 1914, President Woodrow Wilson committed to building a railroad in Alaska. By 1923, two failed short lines were bought and consolidated into 382 miles of track -- from Seward to Fairbanks -- which now comprises most of the Alaska Railroad. At the time, it was assumed the railroad would be extended to connect with the Lower 48 states.

During the Second World War, the Army completed a route survey and worked to begin completing that rail connection. But when the Japanese invaded the Aleutians, the rail option was dropped in favor of a road -- which was easier to build and didn't require badly-needed steel.

After statehood, Gov. Walter Hickel promoted the rail connection, and in 1972 Nenana Rep. Red Swanson took up the cause, passing legislation which established a right of way to the Canadian Border.

After I was elected to the State House for my first term, I determined to bring the rail connection to the front burner. I remember that for a long time I'd get mostly polite smiles and rolled eyeballs -- maybe even from some of you here right now! In general, though, the project was seen as pie-in-the-sky."

Not today.

As we speak, the railroad connection has achieved a profile higher than I would have imagined even two or three years ago. For that, we can thank Senator Frank Murkowski and Congressman Don Young. Last year, Senator Murkowski passed his "Rails to Resources" legislation, which provides for a 24-member U.S.-Canada commission -- and $6 million in funding -- to complete a feasibility study of the rail connection.

The commission is awaiting an OK from the Canadian government in Ottawa, but it has strong support in the Yukon Territory and Northern B.C., and has growing support in Alberta and the population centers of British Columbia.

Let me pass on an example. In 2000, I put together a conference in Vancouver, B.C. on the topic of the rail connection -- at the request of Senator Murkowski, who was looking to see if there was in fact tangible support for his Rails to Resources legislation. Well, we had a great turnout. But it was hard to get anyone's attention at a high level. There were representatives of the B.C. Rail, and some government ministries -- all at a lower level.

Earlier this year I took part in a round-table conference in Calgary, organized by our consul-general, Mr. Roy Chavera. This time, the level of interest was noticeably higher as executives from the major railroads took part. Now, they didn't commit to anything, but they were at the table and asking real questions.

One of the round-table organizers was the Van Horne Institute, a top-level transportation think-tank associated with the University of Calgary. Just this week I learned the Van Horne Institute was joining forces with some folks who attended a rail conference we held in Fairbanks earlier in the month, and are taking some proposals and ideas to Washington DC for further talks on the topic of the rail connection. It's this kind of interaction that I hoped would be the product of the conferences and committee meetings I've organized on this issue.

This year, Rep. Young introduced his RIDE-21 legislation, which is a $71 billion package to promote high-speed double-track rail in the U.S. Some are calling in "Interstate 2." In the bill, Alaska is specifically exempted from high-speed requirements, meaning some of the loan guarantees and other funds could be used to build the railroad connection at single-track, or branch line, standard.

A very short 1,100 miles separates the Alaska Railroad from the British Columbia Railroad at Fort Nelson. About 280 miles of track would have to be laid to extend the Alaska Railroad from Eielson AFB to the border, following the Alaska Highway.

The total cost of the railroad connection has been placed at $2-3 billion, at $2-3 million a mile.

And that's small change, considering how much money was just spent to keep our nation's airlines afloat following the attack on America on Sept. 11.

Please remember that I'm not just promoting a rail connection. We need A Connection. That mean gas pipeline, fiber optic cable, power transmission, improved air service, even aqueducts to move fresh water.

In the 1970s the British Columbia railroad constructed a railbed as far north as Dease Lake, just a stone's throw from Watson Lake, Yukon. That route, however, has been abandoned. Today the BC Rail extends to Chipmunk, just north of Fort St. John.

To the East the BC Rail extends to Fort Nelson, on the Alaska Highway, where it serves a major natural gas field and a growing timber industry.

As discussions of a rail connection increase, so do arguments about which route to pursue. In the Yukon, this discussion is particularly acute with residents of the old mining community of Faro actively calling for the rails to run through the so-called Tintina Trench, rather than through the territory's population center of Whitehorse. In fact, in October 2001, a community association drove a ceremonial "first spike" on a one-rail-length section of track built for the occasion.

I applaud this effort, but it is premature to begin any kind of debate as to what route the railroad should take. First, we need the connection, and it's my belief that a feasibility study will show the most economic route to take. Once the connection is made, all regions near the corridor will benefit. If the railroad bypasses Whitehorse, for example, a spur will, I'm, sure, be added. In fact, there is a real opportunity to see the White Pass railroad extended to meet a new railroad -- and that will be a tremendous benefit to Southeast Alaska.

I truly believe the economic case can be made for building this railroad. In fact, I have said that over the long run the railroad will prove more valuable to the economy of our state than even the oil pipeline. I don't think that is a shocking statement ... after all, when the transcontinental railroad was completed in the 1880s, it was done with a long-term return on investment in mind. There were no great resources on hand to be moved immediately -- it took the connection itself to light fire to an economic boom that expands even to this day.

But here in Alaska, we don't have an economy. What we have is a series of boom-and-bust cycles ... and we have a lot of government jobs. A railroad would open markets for the mining and petrochemical industry, agriculture, timber and tourism.

I believe joint construction of a railroad and a natural gas pipeline could achieve economies of scale for both projects. In fact, I think a good case can be made for building the railroad first.

We will build the natural gas pipeline. Having a railroad in place -- even if there are separate corridors -- will make job a whole lot easier. Can you imagine the impact of pipeline construction on the Alaska Highway? I have been told that without a railroad, the impact of bringing all the pipe in by truck will be the equivalent of 6.8 million cars driving the Alaska Highway.

In addition, a rail connection could cut the cost of constructing the controversial missile defense system, to be based largely in Alaska. In fact there is presently considerable interest in extending the Alaska Railroad 82 miles south to Fort Greeley, where early stages of the defense system are already under construction. The estimated cost of the extension has been put at $125 million, and I believe this project has been worked on by Senator Ted Stevens, who is also on record as being a supporter of the rail connection.

"No one is talking about moving missiles by rail. But bringing construction materials directly from Seward or Whittier would be a real efficiency.

From an environmental standpoint, a railroad means less impact on the land.

Dr. Paul Metz, Professor of Geological Engineering at the University of Alaska Fairbanks, has told me many times of the many major mineral deposits that have been identified within just 50 miles of the rail corridor in Alaska. It's only a lack of transportation infrastructure that has kept them from being developed. World-class mineral deposits of copper, copper-molybdenum, Platinum Group metals, chromite and tungsten are all found within 50 miles of the rail corridor in Alaska -- and across the border the trend continues with no let-up.

Fairbanks is a world-scale mining center. Delta Junction is the terminal supply point for developing the recently-discovered Pogo gold deposit (with an estimated reserve of 5.2 million ounces of gold). And Tok serves the Fortymile and Delta Districts. Senator Murkowski's office has reported over 200 million cubic feet of timber can be found within 50 miles of the rail corridor in Alaska.

There's also a key strategic element to an Alaska railroad connection. In Alaska, roads, railroads and pipelines all cross high mountain ranges that are subject to geological hazards. A railroad connection follows very stable ground. In fact, Dr.

Milt Wiltse of the Alaska Division of Geological and Geophysical Surveys, has pointed out that the proposed routes are ideal for rail construction.

The value of tourism is beyond measure, and I am convinced that adventure travel and passenger service will bring a bigger return to investors than many predict.

Think about it. You could ride in a dome car under the Northern Lights in the wilderness of Alaska -- and finish your journey under the lights of Broadway. I think the tourism potential of this railroad is tremendous, particularly when you consider the success of the White Pass Railroad or the Rocky Mountain Rail Tours, for example.

Alaska's cruise industry would benefit if passengers could complete a circle by taking the train. The Alaska Railroad has been a key factor in reinventing leisure rail travel, as it began using Ultradome cars on its Midnight Sun Express between Anchorage and Fairbanks in 1988. Today the railroad, Princess Cruises and Holland-America Westours use Colorado Railcar Manufacturing's Ultradome II cars on the Anchorage-Denali route. These cars use high-tech design and materials to put super clear, super strong domes on refurbished rail cars that had been thought lost with the decline of passenger service in the 1950s and 60s.

Alaska could also benefit as a port, considering Seward is at least a day closer to Asia than Seattle. With a railroad likely connecting to the Midwest, it would be in a good position to carry intermodal freight or bulk commodities such as grain bound for Asian markets. I also see the rail connection as a way of offering opportunities for growth of the sector in Alaska. It would be a lot more cost-efficient to bring in fertilizer or farm equipment. And with refrigerated containers, Alaskan seafood would have a more efficient way of getting to market in the Midwest.

This legislative session I will push hard to pass HB 241, which is now in the Senate. This bill will allow the Alaska Railroad to seek a right of way as far as Whitehorse, Yukon. No money comes with the bill, but it authorizes the corporation to seek funding to obtain and survey a corridor.

Senator's Murkowski's bilateral commission is now in the hands of the Canadian government. No quick action is expected, however. Larry Bagnell, the Yukon's member of Parliament in Ottawa, said there may be some reluctance to match the $6 million for the bilateral commission.

One of the strongest supporters of this project is Gil Carmichael. He's not a household name here in Alaska, but he may be some day. He's the chairman of the Amtrak Reform Council and Senior Chairman of the Intermodal Transportation Institute at the University of Denver. His most recent words to me

were that Alaska must put its foot down hard as hell and insist this project be completed.

Energy resources will be the driving economic engine for this railroad. Sometime in the next decade or two we're going to have another energy crisis, Gil told me.

I believe that one of the lessons of Sept. 11 is just how vulnerable our aviation system is. We cannot allow Alaska and all its tremendous reserves of oil, coal and natural gas to remain stranded.

SECTION 1:

SIGNIFICANT LETTERS, MEMOS

URL: www.repjames.org

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

515 Seventh Avenue, Suite 320, Fairbanks, Alaska 99701 (907) 452-2185 Fax: (907) 451-9534

FRANK H. MURKOWSKI
ALASKA

COMMITTEES:

CHAIRMAN
ENERGY AND NATURAL RESOURCES

FINANCE
VETERANS' AFFAIRS
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-0202
(202) 224-6665
(202) 224-5301 FAX

222 West 7th Avenue, Box 1
Anchorage, AK 99513-7570
(907) 271-3735

101 12th Avenue, Box 7
Fairbanks, AK 99701-6278
(907) 456-0233

P.O. Box 21647
Juneau, AK 99802-1647
(907) 586-7400

130 Trading Bay Road, Suite 350
Kenai, AK 99611-7716
(907) 283-5808

109 Main Street
Ketchikan, AK 99901-6489
(907) 225-6880

851 E. Westpoint Drive, Suite 307
Wasilla, AK 99654-7142
(907) 376-7665

RECEIVED BY

J

Rep. Jeanmette James

June 6, 2001

Dear State Legislator:

As a consequence of your being in session, even for such a short time, I did want to take the opportunity to communicate some preliminary thoughts on a project we are working on to expand the scope of the natural gas pipeline feasibility study.

I will be asking the producers to expand the scope of their study to consider the conjunctive building of a rail corridor to be part of the proposed pipeline route. In my view, such a corridor could offer an ideal route for complementary rail and telecommunications services. I hope you will consider what appropriate role the State might take regarding this proposal. Perhaps a Resolution encouraging the producers to evaluate the multiple use concept of a pipeline, rail and telecommunications corridor would be appropriate.

For the first time in many years, there is a concerted effort to construct a natural gas pipeline carrying Alaska North Slope natural gas to markets in the lower 48 states. Factors such as the current energy crisis and the worldwide concern over air quality and climate change have combined to change the landscape, making an Alaska gas pipeline a matter of "when," not "if."

The consortium of gas producers has put together an excellent team to analyze and assess the economic feasibility of constructing the pipeline. And the consortium has been willing to commit substantial resources to that assessment. As the consortium continues its analysis, we urge them to consider a cost/benefit assessment that is truly comprehensive and encompasses all potential uses of the projected pipeline corridor.

Pipeline construction would occur in a yet-to-be-designated corridor. It is my well-known view that the preferred route is from the North Slope to Fairbanks, thence southeastward along the Alaska Highway through Canada. Such a corridor could, if carefully chosen, offer an ideal route for complementary services such as rail and communications, in addition to serving Fairbanks, the Pogo mine and other markets in Alaska - Yukon Territory (Whitehorse to British Columbia.)

Just as conditions now warrant serious consideration of a pipeline, there is growing interest, both in the United States and Canada, in the construction of a rail connection to Alaska from the existing Canadian system. There is the possibility of a petro-chemical industry developing from the conditioned gas in Alaska. These and other products would require rail transportation to markets east and south. Further, the right-of-way could support fiber optic for both pipeline monitoring as well as commercial uses of the advanced land line technology.

In my view, there are enormous potential long term economic benefits to the State of multiple utilization of the corridor route containing pipelines, railroad and fiber optic communications.

The economics of the railroad, of course, are based on long term cost-benefit metrics that

deserve considerable evaluation. For the interim I ask that the gas owners only concern themselves with the multiple use right-of-way concept. As an example, it may be possible to use materials excavated for a pipeline to form part of the roadbed for a rail line, building both simultaneously. Conversely, if a rail platform were built with the pipeline, it might be significantly less costly to transport pipe, excavate materials and lay pipe. In fact, the Canadians have already developed a method to lay pipe directly from a railroad.

In the same way, it seems clear that fiber optic cable would provide an ideal basis for broad-band communications for pipeline monitoring and rail communication needs, and for continuous monitoring and control of both utilities' operations. There would also be significant benefits to communications within Alaska, Canada and the lower 48 from such a telecommunications network.

In addition, should a National Missile Defense (NMD) facility be sited in Alaska at Delta along the Alaska Highway route, it seems clear that such a facility would require secure broad-band communications with other defense command sites.

Both an NMD facility and a gas pipeline would require the movement of very significant quantities of construction materials, equipment and manpower -- and rail is far and away the most efficient and environmentally sound method of moving material overland. Unlike the road that parallels the TAPS pipeline, a railroad would eliminate any need for an access road.

All this presents a unique one-time opportunity to combine several efforts, each of which would be complementary to the others, and any of which might later either be incorporated or spun off as individual ventures with their own long-term potential.

I urge the State to evaluate this unique opportunity, and to take the appropriate steps to ensure that a route analysis is comprehensive. This is a once in a lifetime opportunity to combine all these projects into an undertaking that is truly greater than the sum of its parts.

Sincerely,

Frank H. Murkowski
United States Senator

cc: The Honorable Tony Knowles

Alaska State Legislature

Senator Rick Halford
President of the Senate

during interim:
P.O. Box 670190
Chugiak, AK 99567-0190
voice: (907) 694-4958
fax: (907) 694-0549

during session:
State Capitol
Juneau, AK 99801-1182
voice: (907) 465-4958
fax: (907) 465-4928

Representative Brian Porter
Speaker of the House

during session:
State Capitol
Juneau, AK 99801-1182
voice: (907) 465-4930
fax: (907) 465-3834

during interim:
716 West 4th Avenue, Ste., 300
Anchorage, AK 99501-2133
voice: (907) 269-0155
fax: (907) 269-0154

June 8, 2001

Michael J. Hurley
North American Natural Gas Pipeline Group
601 West 5th Avenue
Suite 500
Anchorage, Alaska 99501

Dear Mr. Hurley:

Attached is a copy of recent correspondence from Senator Frank Murkowski. We agree with this suggestion for including a rail and utility corridor in the planning process for a natural gas pipeline parallel to the Alaska Highway. We urge you to consider the financial and time advantages such consideration would bring about.

Sincerely,

Senator Rick Halford
President of the Senate

Representative Brian Porter
Speaker of the House

cc: Ken Konrad, BP Exploration (Alaska) Inc.
R.D. (Robbie) Schilhab, ExxonMobil Production Company
Joseph R. Marushack, Phillips Alaska Inc.
Senator Frank Murkowski

COOPER CONSULTING COMPANY

June 20, 2001

Mr. Jack Phelps, Executive Assistant
Office of Senator Frank Murkowski
United States Senate
323 Hart Senate Office Building
Washington, D.C. 20510

Dear Mr. Phelps:

I am writing to you at the request of Alaska State Representative Jeannette James of North Pole with regard to the proposed railroad project between Alaska and Canada in order to connect with the rest of the North American rail network.

This past week I attended the Alaska Chukotka Summit Conference as the representative of State Rep. James which was held in Nome on June 13-14, 2001. I made a presentation at this Summit Conference on this proposed Alaska-Canada railroad project and of the possible colocation of one or more natural gas pipelines from Alaska to Canada for supplying the Lower 48 States.

I mentioned to the Alaska Chukotka Summit Conference participants that it was not only possible for the natural gas pipelines to be located in parallel on a common right-of-way, but thta there were considerable economies in doing so. The recent capital cost estimates by the Canadian Arctic Railway indicate that as much as 10 to 15 percent of the estimated capital cost of the natural gas pipelines of $10 to 15 billion can be saved through reductions in the transportation costs during construction.

These transportation cost savings available by having a railroad line already in place in advance or by parallel simultaneous construction of as much as $1.0 to 1.5 billion are equivalent to the estimated capital cost of the initial construction of the new railroad line between Canada and Alaska. The estimated capital cost of the natural gas pipeline is then basically the same for the cases of either having the railroad or not having the railroad located in parallel to the natural gas pipeline.

There is a parallel situation where a similar capital cost savings could be attained by the parallel construction of a railroad line and a natural gas pipeline in Russia. Several years ago, a consortium of South Korean companies proposed to build a new natural gas pipeline from the southwest part of the Sakha Republic of the Russian Far East to South Korea by way of Russia and North Korea over a 3,000 mile route in order to transport up to 2.0 billion cubic meters per year in a 58 inch diameter pipe.

The route of this natural gas pipeline approximately followed the route of the Trans Siberian Railway from Skovorodino in the Amurskaya region to the south of the Sakha Republic to Khasan at the border of Russia and China and the far northeast corner of North Korea to the southwest of Vladivostok. The pipeline was also planned to follow the northern extension of the railway line from Skovorodino to Tynda to Nerungri at the southern end of the Sakha Republic.

11715 N.E. 145th Street • Kirkland, Washington 98034 U.S.A. • Tel (425) 488-4798 Fax (425) -821-4184

The natural gas pipeline was planned to start in the very large natural gas fields in the southwest of the Sakha Republic and go east to the right-of-way of the proposed extension of the railroad line between Berkakit, Tommot and Yakutsk at the major new bridge crossing over the Lena River(3 miles wide) to the south of the capital city of Yakutsk from Haptagay to Tabaga on a common structure.

The natural gas pipeline would then be built in parallel to the railroad line over the 450 mile distance between Haptagay and Nergungri to join with the existing railroad line from Tynda, some of which was already in existence but which needed to be upgraded. The entire natural gas pipeline could then be built over the 3,000 mile distance from the Sakha Republic at Lensk to Seoul, South Korea.

The estimated capital cost of this natural gas pipeline alone was approximately $20 billion, or $6.7 million per mile, if there was no railroad line built or existing in parallel. The combined capital cost of the natural gas pipeline with the railroad built over the 500 miles in the Sakha Republic plus upgrading the rest of the route was also $20 billion, with $18 billion for the pipeline and $2 billion for the railroad. The capital cost estimate for this railroad included approximately $500 million for the very large bridge over the Lena River to carry the railroad and the natural gas pipeline plus a highway and electric transmission lines plus oil and water pipelines on the same structure.

I prepared a report for the Yakutia Railway of the Sakha Republic in 1997 with regard to the feasibility of the railway project extension from Berkakit to Tommot to Yakutsk. This feasibility study also included the expected impact of the parallel construction of the natural gas pipeline along the same right-of-way as the railroad line. A copy of this feasibility study is enclosed for your information and review along with my previous study of commodity transport for the proposed Alaska-Canada railroad line and also a similar study of the proposed Bering Strait railroad tunnel presented in Russia in 1994.

In conclusion, it is my opinion that considerable economies of scale are possible through the parallel location of one or more natural gas pipelines from Alaska to Canada and the Lower 48 States along with a railroad line. The railroad line can be built slightly in advance of and in parallel to the natural gas pipeline(s) on a common right-of-way from Eileson to Fort Nelson so that the equipment, materials and piping for the natural gas pipeline can be hauled by the economical rail as compared to the noneconomical road or helicopter transport modes at a considerable savings to all of the projects in common for the present and future.

Please let me know if you have any questions with regard to any or all of the above or with respect to any of the enclosed reports or papers.

Respectfully submitted;

Hal B. H. Cooper, Jr.
Consulting Engineer

cc. State Rep. Jeannette James
State Rep. Lecil McGuire
State Senator Loren Leman
Mr. Jesse Duke-Yukon Terr.
Mr. J. David Broadbent-CAR

P.S. It might be desirable to begin the major new energy development in Alaska to supply the Lower 48 States with the natural gas pipeline(s) now being proposed along with the railroad as an alternative to the Arctic National Wildlife Refuge oil development so that there will be more political support and less environmental opposition from the Lower 48 States to Alaska energy usage.

CONSTITUENCY OFFICE
204 Black Street, suite 204
Whitehorse, Yukon Canada
Y1A 2M9
Tel: (867) 668-6565
Fax: (867) 668-6570
E-mail: bagnell1@parl.gc.ca

HOUSE OF COMMONS
CHAMBRE DES COMMUNES
OTTAWA, CANADA
K1A 0A6

BUREAU DE COMTÉ
204 rue Black, pièce 204
Whitehorse (Yukon) Canada
Y1A 2M9
Tél : (867) 668-6565
Télécopieur : (867) 668-6570
Courriel : bagnell1@parl.gc.ca

May 31st, 2001

Mr. Norman Y. Mineta
Secretary of Transportation
U.S. Department of Transportation
400 7th Street, S.W.
Washington D.C. 20590

Dear Mr. Mineta,

Allow me to begin by congratulating you on your recent appointment as Secretary of Transportation. I hope we will be able to meet soon to discuss transboundry issues between Yukon and Alaska.

In particular, I would like to work closely with you on the Alaska/Yukon/B.C. railroad project envisioned under Congress "*The Rails to resources Act*".

Personally I have been for years a big supporter of this project, and hope Congress will approve this year's requested 2 million dollars appropriation as soon as possible. (I also mentioned this to Paul O'Neill, Secretary of the Treasury when I met him a few weeks ago at the Asian Development Bank meeting). I am continuing to promote the idea of this great international project with my colleagues in Parliament.

Please keep me up to date on this file as things progress and I look forward to discussing this issue with you in the near future.

Sincerely,

J. Bagnell

Larry Bagnell, M.P.
Yukon

c.c. Hon. David Collennette, Minister of Transport

OTTAWA
Room 448-S, Centre Block
House of Commons
Ottawa, Ontario Canada
K1A 0A6
Tel: (613) 995-9368
Fax: (613) 995-0945
E-mail: bagnell.l@parl.gc.ca

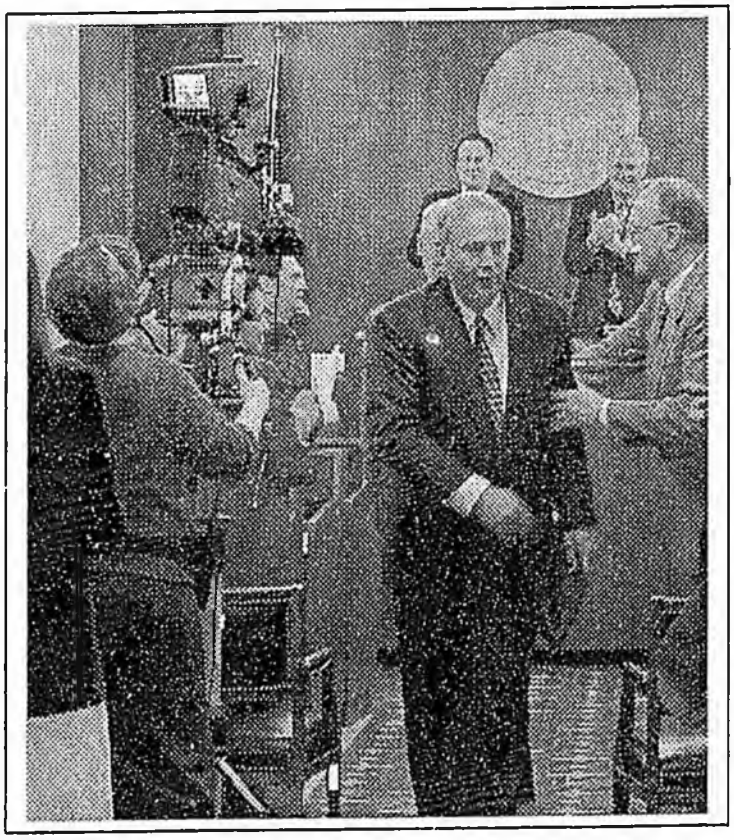
LARRY BAGNELL, M.P., député
YUKON

OTTAWA
Pièce 448-S, Édifice du Centre
Chambre des communes
Ottawa (Ontario) Canada
K1A 0A6
Tél : (613) 995-9368
Téléc. : (613) 995-0945
Courriel : bagnell.l@parl.gc.ca

Hon. John Manley, Minister of Foreign Affairs
Senator Frank Murkowski (Alaska)
Senator Ted Stevens (Alaska)
Governor Tony Knowles (Alaska)
Rep. Jeannett James (North Pole), Republican Majority Leader
Rep. Don Young (Alaska)
Mr. Glen Everitt, President of AYC, Mayor, Dawson City, Yukon
Mrs. Sandy Babcock, Executive Director of the Yukon Chamber of Commerce
Mr. Stephen Dunbar, President of the Whitehorse Chamber of Commerce
Mrs. Claire Fastel, Executive Director of the Tourism Industry Association of the Yukon

SECTION 2:

'RAILS TO RESOURCES' REPORT OF SENATOR FRANK MURKOWSKI



URL: www.repjames.org

Rails to Resources

Bringing Alaska and the Yukon closer to the world

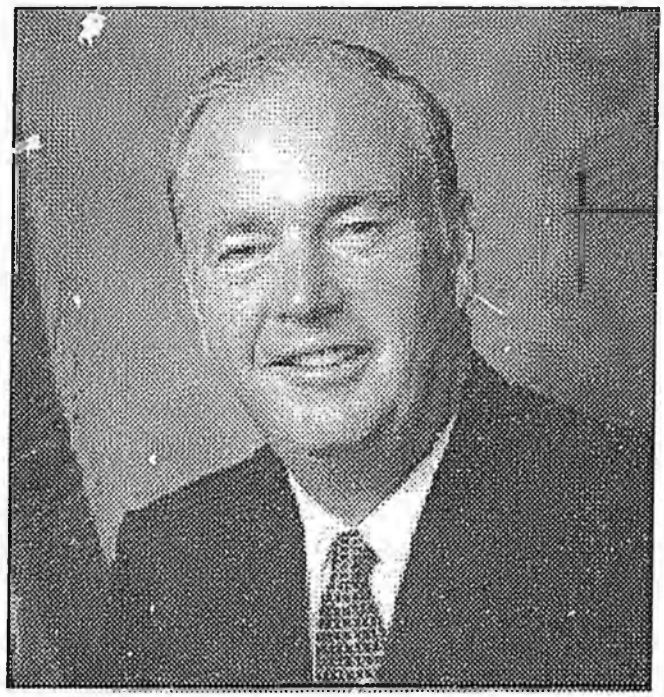
United States Senator Frank H. Murkowski

Press Information Packet
March 16, 2000

Here is an Op-Ed on the Senator's view on expanding railroads in Alaska. It is timely because of the introduction of legislation to set up a commission to consider railroad extension. Please consider for use. (Words 988) 3-15/16-00

Let's Get Alaska's Economy Back on Track by Extending Railroads

By Senator Frank Murkowski



Senator Frank H. Murkowski of Alaska

Back in April 1915, President Woodrow Wilson decided that construction of a railroad to Alaska's Interior was the single greatest step he could take to unlock the then territory's great promise and to get the region's economy on track.

Some eighty-five years later times have ***not*** changed.

Alaska and the neighboring Yukon Territory in Canada are still North America's last uptapped storehouse of mineral and natural resource wealth. We now know where much of that treasure lies — economic transportation to get the materials to market being the chief impediment to its development.

Over the years one thing has changed: We now know how to develop our mineral, energy and timber resources in an environmentally sensitive manner, so we can protect the beauty and the wildlife of the North, while producing jobs to sustain the region's human inhabitants.

We know there is a mineral zone that extends throughout the Yukon-Tanana uplands near Faro, Y.T., north to Fairbanks. The zone, home already to the Fort Knox gold mine in Alaska and the future home of mines working the huge Pogo gold deposit, contains large amounts of silver, tungsten, copper, lead, zinc and other ores. On the Alaska side of the border there are already more than 14 major hardrock deposits identified, while in the Yukon there are more than 10 major mineral deposits known. This does not include the Alaska coal deposits a line could move to Lower 48 or East Asian markets.

The same zone is also filled with timber. Within just 15 miles of a likely 1,200-mile railroad corridor through Canada into Alaska, there are 1.4 billion board feet of hardwood pole timber and almost 1.7 billion board feet of mixed pole timber.

Further to the North lies a second developmental target that another railroad could help get on track. That is the huge low-pollution, high-quality coal deposits at Point Lay and also the vast minerals of the Amber mining district farther to the southeast.

It would take just a 90-mile line to carry the coal from Point Lay to the Red Dog mine where a 60-mile line along the existing mine haul road would carry it to tidewater. Such a railroad could bring energy, in the form of coal, to the mine where it could be used to power a new electro-refining technology that would add tremendous value to the zinc-lead ore being shipped from Alaska, and most importantly provide additional jobs to the region. It also would finally allow some of the North Slope's 6 trillion tons of coal to be exported.

It would take just a 150-mile line to access the vast hard-rock resources of the Ambler Mining District and bring them to the coast, or about a 350-

mile line to tie into the Alaska Railroad heading south.

Some would say talk of railroad extension is nothing more than "pie-in-thesky" rhetoric. But railroads offer a host of benefits. They are the most energy efficient form of transportation. More importantly, they are one of the most environmentally sensitive forms of transportation. Railroads offer controlled access that removes the environmental threat of uncontrolled development. They emit the lowest levels of air pollution and usually cause the least disruption to the land.

And a rail corridor would encourage the co-location of all pipelines and power transmission lines — a process that makes especially good environmental sense.

I propose a public/private alliance to conduct a comprehensive feasibility study. Let's join forces to make a modest investment to examine this carefully.
- US Senator Frank H. Murkowski, speaking to the CAN/AM Border Trade Alliance in September of 1999

Last year, after talks with Canadian Parliamentarians during the Canada-U.S. Interparliamentary Conference, I held discussions with Canadian Ambassador Raymond Chretien and Canadian Minister of Transport David Collinette, and later with the Canadian-American Border Trade Alliance. In January I was further encouraged by estimates that their might be 120 million tons of freight a year from new mines and timber development along the Alaska-Canada rail corridor that would utilize such a new railroad link.

Thus I am introducing legislation in Congress to advance consideration of that railroad project. My bill will create an impartial bilateral commission to study the economic, environmental and engineering feasibility of completing the transcontinental railroad linking Canada with Alaska.

A joint commission should have the funding — I'm proposing $6 million -— and the authority to oversee a comprehensive feasibility study of a line from where the Canadian rail system ends at either Fort Nelson or near Fort St. James, about 900 miles from the Alaska border, northward to link up with the Alaska Railroad, 270 miles from the border near Fairbanks.

My bill would create an 18-member commission, half being appointed by each country. The commission would be fully representative of the residents of the area and also include scientific expertise to make sure that the difficult issues surrounding a railroad will be thoughtfully considered.

Quick action to set up the commission is particularly timely since a decision is likely within the next year on whether the United States should proceed with construction of an anti-missile defense system. And perhaps the best site for an initial 100-missile intercepter base is at Delta. That decision might justify extending the railroad to Fort Greeley, 80 miles closer to the border than Eielson Air Force Base — reducing the amount of additional track needed in Alaska to about 190 miles.

We should not be afraid to think seriously about big projects. Just because they're daunting, doesn't make them impossible. In this day and age of great concern for the environment: if one assumes — as I do — that the resources of the Yukon and Alaska inevitably will be developed, then rail looks like a very healthy way to make that possible.

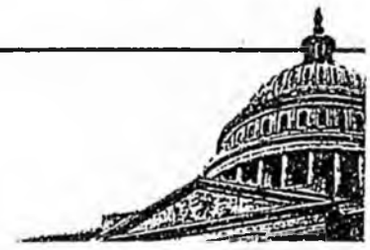
All the commission will do is bring about debate. It will consider and explore new ideas. If a railroad connection is economically, environmentally and socially sound, then we should move ahead with it. If it is not, then it should be dropped. But at the very least, let's give the idea an honest hearing, now before any more decades pass.

-30-

NEWS FROM THE OFFICE OF

FRANK MURKOWSKI

United States Senator • Alaska



For Immediate Release:
March 16, 2000

Chuck Kleeschulte or Cindi Bookout
O (202) 224-9306; H (301) 283-4149; O 224-8767
(Email: chuck_kleeschulte@murkowski.senate.gov)

Murkowski Introduces Alaska-Canada Railroad Extension Bill

FAIRBANKS — Alaska Sen. Frank Murkowski took another step in efforts to link the continental rail system with the Alaska Railroad when he announced today he will introduce legislation to create a bilateral U.S.-Canada Commission to study the feasibility of the rail link.

Murkowski announced legislation in the Senate that would create an 18member commission, equally appointed by the President and the Canadian government, to conduct a technological and economic feasibility study of linking the rail system in Alaska to the "nearest appropriate point" in Canada. The commission would be charged with reporting on the results of its study within five years, and it would be authorized to spend $6 million in American funds on preliminary engineering and environmental work.

"Alaska and the Yukon both are woefully deficit in the transportation systems to move goods to market. A railroad extension might provide the essential transportation infrastructure to allow the Far North to blossom in the decades ahead, while protecting the environment. If a railroad connection proves to be economically, environmentally and socially sound, then let's move ahead. If not, let's drop the idea. But at the very least we need this commission to give the idea a honest hearing," said Murkowski in announcing the legislation.

Last year, after discussions with a group of Canadian parliamentarians, Canadian Ambassador Raymond Chretien, Canadian Minister of Transport David Collinette, and the Canadian-American Border Trade Alliance, Murkowski suggested it might make sense to build the roughly 1,200 miles of rail that would be needed to finish the linkup. The Alaska Railroad currently ends at Eielson Air Force Base, outside of Fairbanks, about 270 miles from the Canadian border, while the Canadian rail system ends at spurs to Fort Nelson or beyond Fort St. James, both about 900 miles from the Alaskan border.

Noting that America is continuing testing on a North American anti-missile defense system, Murkowski noted this is a particularly good time to launch a review of railroad extension since one of the prime sites under consideration for a missile interceptor

base is at Delta Junction in Alaska, which could well justify construction of the first 80 miles of the Alaska Railroad's extension toward the Canadian border.

Murkowski also encouraged a railroad conference held in Vancouver, B.C. in January. He said some estimates during the conference indicated the potential for such a line to carry up to 120 million tons of freight per year — future mineral developments and timber making up the majority of the potential freight.

He noted the line would allow economic development of the mineral resources of the Yukon-Tanana uplands that stretch from Faro, Y.T., north to Fairbanks. The zone, home already to the Fort Knox gold mine in Alaska and the future home of mines working the huge Pogo gold deposit, contains large amounts of silver, tungsten, copper, lead, zinc and other ores. On the Alaska side of the border there are already more than 14 major hard-rock deposits identified, while in the Yukon there are more than 10 major mineral deposits known. This does not include the Alaska coal deposits a line could move to markets in the rest of North America or to port facilities connecting to East Asia.

Murkowski said the railroad's likely corridor is also filled with timber. He said within just 15 miles of a likely railroad corridor, there are 1.4 billion board feet of hardwood pole timber and almost 1.7 billion board feet of mixed pole timber.

"I am not an expert. I cannot verify the 120 million ton freight estimate. But it is fuel for thought and a reason why we need a comprehensive feasibility study," said Murkowski.

He said such a study commission might be opposed by environmentalists because of their bias against the use of natural resources or fear of the opening of undeveloped land in the north by a rail line. But Murkowski said a railroad should be most favored transportation system by environmentalists since railroads have small "footprints," and are controlled access systems that prevent uncontrolled development and uncontrolled land and wildlife impacts.

Under the bill, the commission would be comprised of representatives from local communities and local/Native residents, individuals with economics, engineering and resource management backgrounds, including representatives with minerals, timber and wildlife and fisheries management training. Specifically the American side of the commission will contain two members from local communities, one representing the State of Alaska nominated by the Governor, one representing Alaska Natives, four from commercial activities including one associated with the Alaska Railroad, and two scholars employed by Alaska education institutes, one with subarctic engineering expertise.

The bill will formally be introduced in the Senate on Monday, March 20. -30-

Resolution of Support for a U.S.-Canada Cooperative Feasibility Study on Extending the North American Rail System through British Columbia, the Yukon Territory, and to Alaska

Alaska-Canada Rail Link Conference, January 20, 2000, Vancouver, BC

Whereas, rail transportation is the most cost-effective long distance method of overland transportation; and,

Whereas, rail transportation is an essential component of the North American inter-modal transportation system; and,

Whereas, rail transportation is energy efficient, capable of moving goods three to nine times as far as highway transportation with a given amount of fuel; and,

Whereas, rail transportation emits lower levels of carbon monoxide, carbon dioxide, nitrogen oxides and volatile organic compounds than other modes of freight transportation; and,

Whereas, rail transportation systems allow controlled access and reduced overall impacts to environmentally sensitive regions; and,

Whereas, rail transportation remains an important component of national and continental defense planning; and,

Whereas, the continental rail system cannot be said to be complete until it includes all states, provinces and territories; and,

Whereas, the Government of Alaska recently enacted legislation to reauthorize the delineation and acquisition of a rail transportation corridor from the present terminus of the Alaska Railroad to the Alaska-Yukon border; and,

Whereas, Alaska, the Yukon Territory, and British Columbia contain extensive oil and gas, mineral and timber resource reserves that currently are inaccessible, and require bilateral cooperation in the development of freight transportation infrastructure to facilitate their utilization for the benefit of the United States and Canada; and,

Whereas, northern rail transportation may provide significant potential for the visitor industry by facilitating the comfortable movement of passengers over long distances while minimizing the impact of such movement on the surrounding environment; and,

Whereas, ongoing research and advancement in rail technology continues to increase the efficiency of rail transportation, ensure rail safety, and decrease the impact of rail transportation on the environment,

Therefore be it resolved, that the undersigned call upon the United States and Canada to engage in a cooperative feasability study to examine the costs and benefits of constructing a rail connection to link Alaska and the Yukon Territory via northern British Columbia with the existing North American rail system; and,

Be it further resolved, that a bilateral commission representing local governments, business interests, and aboriginal stakeholders be created to define the goals and objectives for the cooperative feasability study, and to report the results of the study to the appropriate governmental entities of Canada and the United States; and,

Be it further resolved, that funding for operation of the bilateral commission and for the conduct of the cooperative feasability study should be considered a priority by the federal, state, provincial and territorial governments; and,

Be it further resolved that copies of this resolution shall be disseminated to local, provincial, territorial, state and federal governments in the affected regions of the United States and Canada.

Ed Asp, Dease Lake & Tahltan District Chamber of Commerce
Laurel Barger-Sheen, Delta Junction Chamber of Commerce
Dave Beatty, Ironworkers Local 97
Tom Blackbird
John Blair, McElhanney Land Surveys
Douglas Blamey, Whistle Poke Railway Co.
Kells Boland, Prolog Canada Inc.
Morris Booth, The Bering Connection
J. D. (David) Broadbent, Canadian Arctic Railway
Al Broadfoot, Thompson Foundry
Bill Brophy, Fairbanks Industrial Development Corporation
Jim Carlyle, Seaspan International Ltd.
Gil Carmichael, Board of Directors, Intermodal Transportation Institute
Domenico Celli, Canadian Arctic Railway
Terry Chandler
Alben Chmelauskas, MacMillan Bloedel Paper Co.
Jim Christie, McElhanney Land Surveyors
Marshall Cohoe, Confederation Pacific Roadways Ltd.
George Colquhoun
Hal Cooper, Cooper Consulting Company
Iain Cuthbert, Triton Environmental Consultants
Graham Dallas
Lyle Dallman, Ahtna Enterprise Corp.
Paul Daniels, The Bering Connection
Steven Dean, Teck Corp.
Jesse Duke, Yukon Dept. Of Economic Development
James Evavold, A Financial Source
Bruce Feltham
Michael Fournier
Peter Fraser, Pacific Corridor Enterprise Council
T. C. Fuglestad, Tryck Nyman Hayes, Inc.
Jim Gleeson
David Gobel, Technical Services and Design
Gloria Goodwin, Fort St. James Chamber of Commerce
Diane Gregory, Kennecott Canada Exploration
Paul Grigsby, BC Chamber of Commerce
Kees Groot, Canadian Arctic Railway
Pete Hallgren, City of Delta Junction (Ft. Greely Reuse Authority)
John Hansen, Northwest Cruise Ship Association
David Hayer
Gordon Hazlewood
Joe Henri, International Bering Strait Tunnel and Rail Group
Laurie Herman, Alaska Railroad
Scott Hinds
Steve Hites, Skagway Street Car Company
Jeannette James, Alaska House of Representatives
Scott Janke, City of Seward
Graham Kedgley, NW Corridor Development Corp./ Kitac Ent. Ltd.
Doug Kelsey
James Kohnke, BC Chamber of Commerce
Gerard Koldyk, Railpower Technologies, Inc.
Pam LaBolle, Alaska State Chamber of Commerce
Paul Levelton, KPMG International
Darren Lewis, Lance Yearly Exp. Metal Trades Division
Arnold Lincoln, Ahtna Enterprises Corp.
Don Lowell, Alaska Transportation Consultants, Inc.
Andrew Lund, Lance Yearly Exp. Metal Trades Division
Donna Mercier, Yukon Chamber of Commerce
Paul Metz, UAF Dept. Of Mining and Geological Engineering
Debbie Miller
Daniel Morris
Roberta Mulholland, BC Yukon Hotel Association
Susan Munro, Ft. Nelson Chamber of Commerce
John Murphy, Cominco Ltd. Transportation Dept.
Hansi Natzke, Pro Tours
Clynton Nauman, Viceroy Resource
Peter Norton
Jerry Ofukany, Canadian Arctic Railway
Bruce Patnode
Stephen Phillips
Merle Railton, Westrail Construction
Steve Rhodes
Scott Robart, Can-Al Rail Link
Marc Ross, National Automobile
Fred Ruddell
Jon T. Rudolph, BC Yukon Hotel Association
Brodie Sakakibara, WESTAC
Helvi Sandvik, NANA Development Corp.
David Servage, Terus Construction Ltd.
Dave Slater
Dave Smith, Thurber Engineering Ltd.
Susan Steen
John Melvin Stewart
R. J. Stoeckly, Southern Railway of British Columbia
John Strini, Thompson Foundry
Steven Szeplaky
David Tait, Tait and Tait Consultants
Joan Tait, Tait and Tait Consultants
Tony Tennessy
Bob Tivy
Jim Togyi, Ft. Saint James
Greg Vezina, Canadian Arctic Railway
Thomas Vissing, University of British Columbia
Patrick Weber, Canadian Arctic Railway
James Wilson
Milton Wiltse, Alaska Division of Geological and Geographic Surveys
John Winter, BC Chamber of Commerce
Mike Young, Fairbanks North Star Borough Assembly
R. Walt Young
Tom Zbaren, Hebert Research
Richard Zimmer

DRAFT--FOR DISCUSSION PURPOSES ONLY--DRAFT

106TH CONGRESS
2D SESSION

S. ____

IN THE SENATE OF THE UNITED STATES

Mr. MURKOWSKI introduced the following bill; which was read twice and referred to the committee on

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A BILL

To authorize the establishment of a joint United States-Canada commission to study the feasibility of connecting the rail system in Alaska to the North American continental rail system; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rails to Resources Act of 2000."

SEC. 2. FINDINGS.

Congress finds that—

(1) rail transportation is an essential component of the North American intermodal transportation system;

(2) the development of economically strong and socially stable communities in the western United States and Canada was encouraged significantly by government policies promoting the development of integrated transcontinental, interstate and interprovincial rail systems in the states, territories and provinces of the two countries;

(3) U.S. and Canadian federal support for the completion of new elements of the transcontinental, interstate and interprovincial rail systems was halted before rail connections were established to the state of Alaska and the Yukon Territory;

(4) Both public and private lands in Alaska, the Yukon Territory and northern British Columbia, including lands held by aboriginal peoples, contain extensive deposits of oil, gas, coal and other minerals as well as valuable forest products which presently are inaccessible, but which could provide significant economic benefit to local communities and to both nations if an economically efficient transportation system was available;

(5) per ton of freight moved, rail transportation systems emit lower levels of carbon monoxide, nitrogen oxides and volatile organic compounds than other modes of freight

transportation;

(6) rail transportation systems are capable of moving cargo with up to nine times the energy efficiency of highway transportation;

(7) rail transportation in otherwise isolated areas facilitates controlled access and reduced overall impact to environmentally sensitive areas;

(8) the extension of the continental rail system through northern British Columbia and the Yukon Territory to the current terminus of the Alaska Railroad would significantly benefit the U.S. and Canadian visitor industries by facilitating the comfortable movement of passengers over long distances while minimizing effects on the surrounding areas;

(9) extension of the Alaska Railroad system to the Canadian border is consistent with the intent of Congress as expressed in the Alaska Railroad Organic Act of 1914, which called for a system of up to 1,000 miles in length; and,

(10) ongoing research and development efforts in the rail industry continue to increase the efficiency of rail transportation, ensure safety, and decrease the impact of rail service on the environment.

SEC. 3. AGREEMENT FOR A UNITED STATES-CANADA BILATERAL COMMISSION ON THE EXTENSION OF THE CONTINENTAL RAILROAD SYSTEM

The President is authorized and urged to enter into an agreement with the government of Canada to establish a joint commission to study the technological and economic feasibility of linking the rail system in Alaska to the nearest appropriate point on the North American continental rail system.

SEC. 4. COMPOSITION OF COMMISSION.

(a) MEMBERSHIP.—

(1) TOTAL MEMBERSHIP.—The Agreement should provide for the Commission to be composed of 18 members, of which 9 members are appointed by the President and 9 members are appointed by the government of Canada.

(2) GENERAL QUALIFICATIONS.—The Agreement should provide for the membership of the Commission, to the maximum extent practicable, to be representative of—

(A) the interests of the local communities (including the governments of the communities), aboriginal peoples, and businesses that would be affected by the connection of the rail system in Alaska to the North American continental rail system; and

(B) a broad range of expertise in areas of knowledge that are relevant to the significant issues to be considered by the Commission, including economics, engineering, management of resources (such as minerals and timber), social sciences, fish and game management, environmental sciences, and transportation.

(b) UNITED STATES MEMBERSHIP.—Under the Agreement, the President shall appoint the United States members of the Commission as follows:

(1) Two members from among persons who are qualified to represent the interests of communities and local governments of Alaska.

(2) One member representing the State of Alaska, to be nominated by the Governor of Alaska.

(3) One member from among persons who are qualified to represent the interests of Native Alaskans residing in the area of Alaska that would be affected by the extension of rail service.

(4) Four members from among persons involved in commercial activities in Alaska who are qualified to represent commercial interests in Alaska, of which one shall be a representative of the Alaska Railroad Corporation.

(5) Two members from among scholars employed in institutions of higher education in Alaska, at least one of whom must be an engineer with expertise in subarctic transportation.

(c) CANADIAN MEMBERSHIP.—The Agreement should provide for the Canadian membership of the Commission to be representative of broad categories of interests of Canada

as the government of Canada determines appropriate, consistent with subsection (a)(2).

SEC. 5. GOVERNANCE AND STAFFING OF COMMISSION.

(a) CHAIRMAN.—The Agreement should provide for the Chairman of the Commission to be elected from among the members of the Commission by a majority vote of the members.

(b) COMPENSATION AND EXPENSES OF UNITED STATES MEMBERS.—

(1) COMPENSATION.—Each member of the Commission appointed by the President who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. Each such member who is an officer or employee of the United States shall serve without compensation in addition to that received for services as an officer or employee of the United States.

(2) TRAVEL EXPENSES.—The members of the Commission appointed by the President shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Agreement should provide for the appointment of a staff and an executive director to be the head of the staff.

(2) COMPENSATION.—Funds made available for the Commission by the United States may be used to pay the compensation of the executive director and other personnel at rates fixed by the Commission that are not in excess of the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(d) OFFICE.—The Agreement should provide for the office of the Commission to be located in a mutually agreed location within the impacted areas of Alaska, the Yukon Territory, and northern British Columbia.

(e) MEETINGS.—The Agreement should provide for the Commission to meet at least biannually to review progress and to provide guidance to staff and others, and to hold, in locations within the affected areas of Alaska, the Yukon Territory and northern British Columbia, such additional informational or public meetings as the Commission deems necessary to the conduct of its business.

(f) PROCUREMENT OF SERVICES.—The Agreement should authorize and encourage the Commission to procure by contract, to the maximum extent practicable, the services (including any temporary and intermittent services) that the Commission determines necessary for carrying out the duties of the Commission. In the case of any contract for the services of an individual, funds made available for the Commission by the United States may not be used to pay for the services of the individual at a rate that exceeds the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

SEC. 6. DUTIES.

(a) STUDY.—

(1) IN GENERAL.—The Agreement should provide for the Commission to study and assess, on the basis of all available relevant information, the technological and economic feasibility of linking the rail system in Alaska to the North American continental rail system through the continuation of the rail system in Alaska from its northeastern terminus to a connection with the continental rail system in Canada.

(2) SPECIFIC ISSUES.—The Agreement should provide for the study and assessment to include the consideration of the following issues:

(A) Railroad engineering.

(B) Land ownership.

(C) Geology.
(D) Proximity to mineral, timber and other resources.
(E) Market outlook.
(F) Environmental considerations.
(G) Social effects, including changes in the use or availability of natural resources.
(H) Potential financing mechanisms.

(3) ROUTE.—The Agreement should provide for the Commission, upon finding that it is technologically and economically feasible to link the rail system in Alaska as described in paragraph (1), to determine one or more recommended routes for the rail segment that establishes the linkage, taking into consideration cost, distance, access to potential freight markets, environmental matters, and such other factors as the Commission determines relevant.

(4) COMBINED CORRIDOR EVALUATION.—The Agreement should also provide for the Commission to consider whether it would be useful and technologically and economically feasible to combine the power transmission infrastructure and petroleum product pipelines of other utilities into one corridor with a rail extension of the rail system in Alaska.

(b) REPORT.—The Agreement should require the Commission to submit to Congress and the Secretary of Transportation and to the Minister of Transport of the government of Canada, not later than 5 years after the Commission commencement date, a report on the results of the study, including the following:

(1) FEASIBILITY.—The Commission's findings regarding the technological and economical feasibility of linking the rail system in Alaska as described in subsection (a)(1).

(2) ROUTE.—If such an action is determined technologically and economically feasible, the Commission's recommendations regarding the preferred route and any alternative routes for the rail segment establishing the linkage.

SEC. 7. COMMENCEMENT AND TERMINATION OF COMMISSION.

(a) COMMENCEMENT.—The Agreement should provide for the Commission to begin to function on the date on which all members are appointed to the Commission as provided for in the Agreement.

(b) TERMINATION.—The Commission shall terminate 90 days after the date on which the Commission submits its report under section 6.

SEC. 8. FUNDING.

(a) RAILS TO RESOURCES FUND.—The Agreement should provide for the following:

(1) ESTABLISHMENT.—The establishment of an interest-bearing account to be known as the "Rails to Resources Fund".

(2) CONTRIBUTIONS.—The contribution by the United States and the government of Canada to the Fund of amounts that are sufficient for the Commission to carry out its duties.

(3) AVAILABILITY.—The availability of amounts in the Fund to pay the costs of Commission activities.

(4) DISSOLUTION.—Dissolution of the Fund upon the termination of the Commission and distribution of the amounts in the Fund between the United States and the government of Canada.

(b) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to any Fund established as described in subsection (a)(1) in the total amount of $6,000,000, to remain available until expended.

SEC. 9. DEFINITIONS.

In this section:

(1) Agreement.—The term "Agreement" means an agreement described in section 2.

(2) Commission.—The term "Commission" means a commission established pursuant to any Agreement.

(3) Commission commencement date.—The date determined under section 6(a).

The North American Rail System

From Real Horses to Real Horsepower

The first primitive "railroad" in the United States used horse-drawn cars on wooden rails, but experiments with steam locomotion began in the early 1800s, and in 1831, regular steam powered service began in South Carolina. Rapid expansion followed. Four years later, over 1,000 miles of track had been laid, and there were 200 railroad charters in eleven states.

Western development in the United States spurred even greater growth. By 1860, there were 11,000 miles of track. The westward expansion also prompted the first Congressional land grants to railroads. Government leaders felt that railroads would spur settlement, and the grants allowed companies not only to retain the rights of way for rail lines but to have saleable land to offset construction costs.

In the United States, four of the first five transcontinental railroads were largely made possible by such grants, along with a considerable number of smaller lines in the western United States. A total of 131 million acres of public land was appropriated to dozens of rail-lines. A receiving company was given the right-of-way along with alternate sections of land, with the Federal Government generally raising the price of the sections it kept. In return, all rates were reduced by 50% for Federal traffic. From 1850 until the practice was ended in 1946, it is estimated that the government saved $900 million; a considerable deal considering that the land was only worth a total of $500 million at the time it was granted. After the Civil War ended, trackage grew from 35,000 miles to an all-time high of 254,000 miles in 1916.

Canada's first railroad began operations in 1836, but by the middle of the century, although some 40 companies had been granted government permission to build rail lines, only six had actually laid any track, totaling only 80 miles. In 1849, the government stepped in to help, offering to lend enough money to cover half the construction costs of any line longer than 74 miles (120 kilometers).

Companies proved eager to take Canada's offer. By 1860, Canada's rail lines reached more than 2,000 miles. The first east-west link was achieved in 1885 when the last spike in the Canadian Pacific Railway was driven. That set the tone, and in just 50 years, from 1850 to 1900, the miles of track available to Canada's railroads grew from 80 miles to 19,000.

Today, Canadian National operates about 17,000 miles of track in Canada and another 950 miles in the United States. The CN network serves all five of Canada's major ports: Halifax, Montreal, Prince Rupert, Thunder Bay, and Vancouver.

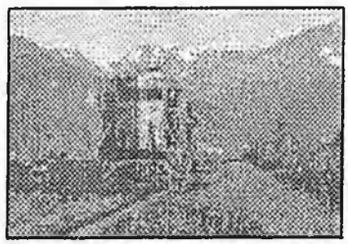
Meanwhile, Canadian Pacific operates a 15,000 mile network extending from Montreal to Vancouver and into the U.S. midwest and northeast. It serves ports on the east coasts of Canada and the U.S. and the Port of Vancouver.

Technological developments for rail lines rode the swelling tide of industrial change. Larger, more powerful locomotives, cars with larger capacities, improved couplers, the application of air-brakes, as well as adoption of standard gauge rail and standard time resulted in huge gains of efficiency and economic rail service. The development of national, rather than regional, economies in North America is owed in no small way to the influence of our railroads.

The Alaska Railroad

The history of the Alaska Railroad begins in 1903 with the Alaska Central Railway; a failed venture that managed to lay only 71 miles of track out of Seward, in an unsuccessful attempt to reach Anchorage.

But Congress still felt it was wrong that a territory twice the size of Texas had no rail system. The Alaska Railroad Organic Act of March 12, 1914 required incoming President Woodrow Wilson to construct a rail not to exceed 1,000 miles and, among other things, to "...best aid in the development of the agricultural and mineral or other resources of Alaska...and so as to provide transportation of coal for the Army and Navy, transportation of troops, arms, munitions of war, the mails, and for other governmental and public uses." The act gave the President broad powers to acquire land, operate terminals, or anything else that could help make the railroad a reality.



In 1915, the government purchased the remains of the Alaska Central for $1.2 million, and selected the current route northward. In 1917, it also bought the Tanana Valley Railroad, a narrow-gauge miners' line northwest of Fairbanks, for $300,000. These acquisitions formed the nucleus of the present system.

By the end of 1920, the Alaska Engineering Commission completed 382 miles of new track, and rebuilt the original 71 miles out of Seward and 32 miles in the Tanana Valley. The main obstacle for completion were bridges to span the Tanana River and Hurricane Gulch. The Tanana bridge had a 701 foot span, which at the time was the longest such in the United States. The Hurricane Gulch bridge spanned a total of 918 feet with a height of 296 feet.

Just before his untimely death, on July 15, 1923, President Warren G. Harding drove the golden spike officially completing the Alaska Railroad.

Military bases and construction projects starting in the 1930s spurred continued refinements to accommodate heavier loads and straighter hauls, and a large "picture postcard" terminal was built in Fairbanks. The assumption was that the latter would become the terminus for a railroad across British Columbia and the Yukon Territory to link Alaska with the railways of the lower 48 states.

World War II provided another influx of new equipment. Post-war rehabilitation encouraged passenger service and in 1946, a blue and gold streamliner, the AuRoRa, made its first run between Anchorage and Fairbanks. For military purposes, a spur to Whittier had been established by tunneling next to Portage Glacier in 1944.

Also during World War II, in 1942, U.S. Army Engineers surveyed a route that would have taken the railroad all the way from Fairbanks to Prince George, British Columbia, connection to the North American rail system there, and extended the Alaska portion of the line all the way to Teller, on the northwest coast.

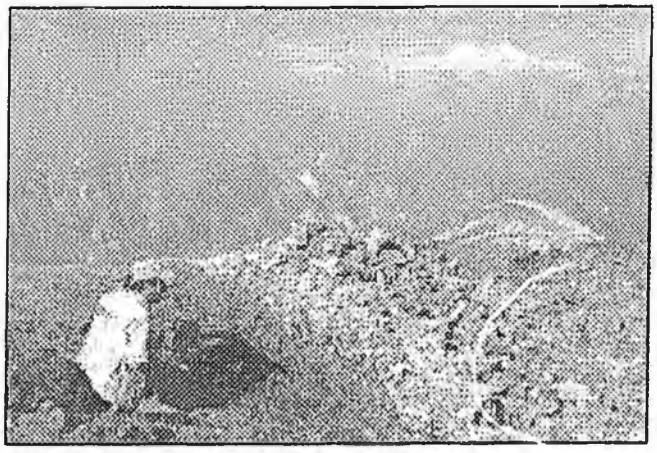
Although the latter parts of the once-planned system have not yet been built, the U.S. Department of Defense has consistently maintained that Alaska's strategic location remains critical, and that rail is an essential element of a comprehensive defense transportation system.

The Alaska Railroad was transferred from the Federal Government to the State of Alaska in 1983, and today it remains a great asset.

Proposed Railroad Corridor Resources

The Tanana uplands, which stretch over 250 miles from the Yukon Territory into Fairbanks, Alaska, appears to be rich in base metal potential (gold, silver, copper, lead, zinc, molybdenum, and tin). Because of the lack of infrastructure, there has been little detailed exploration for base metals other than gold in this region. With rail access, there is no question that significant new base metal deposits will be identified.

The Uplands have a history of incredible resource potential dating back to the gold rush days along the Yukon River. Today the area still remains mostly as it was then: inaccessible. In spite of this, one of the most productive gold mines in the United States, Fort Knox, operates just outside of Fairbanks and produces over 1,000 ounces of gold per day. Access is currently being worked out to reach the Pogo deposit, further to the east, which contains an estimated 5.2 million ounces of gold. Although gold is still a draw, the uplands contain tremendous amounts of silver, tungsten, copper, lead, zinc, and other minerals in identified deposits.



Silver/gold prospect in the Chulitna mining district.
-photo by K. H. Clautice

Further to the northwest lies the largest coal field in the United States near Point Lay. Not only is this coal very near the surface, but it is of exceptional quality averaging 12,000 BTUs and an extremely low sulfur content of less than 0.02%. Not far south from Point Lay is the Red Dog zinc mine, which last summer announced new finds. Unfortunately, the mine can only ship product for a few months of the year when pack ice retreats enough to allow barge traffic. The Matanuska-Susitna Valley region to the south hides yet another large, high quality coal deposit that already sits on the Alaska Railroad line. With the development of a connection, this would be available for shipment to the rest of the continent.

Claim staking activity in Alaska also has a traditional fall-off curve, but recent years have not seen that tradition followed. 1998 was the third $1 billion year for mining in Alaska. Staking continued strong through the summer of 1999 with results still being processed. Figure 1 shows a select list of Alaska mines near the railroad corridor.

On the other side of the border in the Yukon, active mining, approvals, and exploration are all ongoing, but with similar access problems as occur in Alaska. 1998 mineral production exceeded $100 million (Canadian), and the industry continues to play the largest role in the private sector economy of the territory. Recent exploration and development activity has reached a peak not seen since the Klondike Gold Rush. With a government committed to seeing a healthy investment climate for the mining industry combined with citizen support, mining potential for the Yukon has far to go. Figure 2 shows a few mines in the Yukon Territory near the proposed corridor.

Forestry information along the proposed corridor is similarly bright, but yet again with similar access problems. Within 15 miles of the corridor from the Yukon to Fairbanks lies 117 million cubic feet of hardwood pole timber and 141 million cubic feet of mixed pole timber. The Ladue River valley alone has the potential to create a chipping industry in Alaska even with its low-value fiber.

The forest products industry is still a fledgling in the Yukon Territory, but activity has developed throughout the last couple of decades in the Watson Lake area. Other potential areas include Mayo, Dawson City, Teslin, and Haines Junction. Timber supply shortages in the northwest combined with increased demand in Asian markets keep the future of this industry positive, but much of the territory has yet to be surveyed.

figure 1, mining data in Alaska

Alaska Mines	Ownership	Resource Information
Koyukuk-Huges mining district	production mostly from Alaska Gold Co.	231,000 oz Au produced 1930-1995
Innoko-Tolstoi mining district		Placer Au district; significant Au-Sb-Hg potential 706,267 oz Au produced through 1995
Hot Springs mining district	(numerous)	Placer Au-Sn district; 568,532 oz Au and 720,000 lb cassiterite produced through 1995
Fairbanks mining district	(numerous)	8,022,434 oz placer Au 1902-1995; 304,548 oz Au and over 4 million lbs Sb from veins and shear zones produced through 1990
Fort Knox	Kinross Gold Corp.	3,745,000 oz Au proven and probable reserves open at depth; 702,295 oz Au produced between 1996 and 1998
Ryan Lode	reclaimation by La Teko Resources Inc.	822,200 oz Au and 2.4 million oz Au in two shear zones
Grant Mine		212,000 tons of 0.36 oz/ton Au
True North	La Teko Resources Inc.	Estimated 1,314,000 oz Au
Gil Claims	Kinross Gold Corp./ Teryl Resources Corp.	Resource of 433,000 oz Au
Delta massive sulfide belt		40 million ton reserve containing percentages of: Cu, Zn, Pb, Ag,Au
Taurus		Cu-Au prospect; 140 million ton reserve containing percentages of: Cu, Au, Mo
Big Creek/Ladue		Pb-An-Ag massive sulfide prospects
Slate Creek	Slate Creek	55 million tons of 6.3% high quality chrysotile asbestos
Fortymile mining district	Kennecott Exploration Co.	Placer Au district; 534,974 oz Au produced 1883-1995
Pogo	Teck Corp./Sumitomo Metal Mining America Inc.	5.2 million oz Au reserves; exploration and development on-going
Red Dog Mine*	Cominco Alaska Inc.	157,8 million tons proven and probable reserves containing percentages of Zn, Pb, Ag; production and exploration on-going; over 1 million tons of concentrate produced in 1998

*Red Dog Mine, in Northwest Alaska, could become the terminus for a spur from Fairbanks to the Ambler mining district.

figure 2, mining data in the Yukon Territory

Yukon Mines	Ownership	Resource information
Brewery Creek Mine	Viceroy Resouce Corp.	613,000 contained oz Au; 1997-1998 production of 125,025 oz Au
Kudz Ze Kayah Property	Cominco Ltd.	13 million ton reserve containing percentages of: Cu, Pb, Zn, Ag, Au; final approvals expected in 1999
Sa Dena Hes Property	Cominco Ltd.	3.2 million ton reserve containing percentages of: Pb, Zn, Ag; opened in 1991 but closed in 1992 due to low prices
Wolverine Property	Boliden Ltd./Atna Resources Ltd.	6.237 million ton reserve containing percentages of: Cu, Pb, Zn, Ag, Au; further delineation planned
Minto	Asarco Inc./Minto Explorations Ltd.	7.2 million ton reserve containing percentages of: Cu, Ag, Au; production planned for late 2000
Carmacks Copper	Western Copper Holdings Ltd.	14.1 million ton reserve containing percentages of: Cu, Au; undergoing final stages of environmental assesment
Division Mt. Coal	Cash Resources	52.9 million ton resource at 9,328 BTU/lb and 0.43% Sulfer; under study with environmental assesement to begin next year
Wolverine	Atna Resources/ Expatriate Resources	6.2 million ton reserve containing percentages of: Zn, Cu, Pb, Ag, Au; metallurgical work planned
Wolf	Atna Resources/YGC Resources	4.1 million ton inferred resource containing percentages of: Zn, Pb, Ag; further exploration planned
Fyre Lake	Pacific Ridge Exploration	15.4 million tons preliminary resource containing percentages of: Cu, Co, Au; still in exploration

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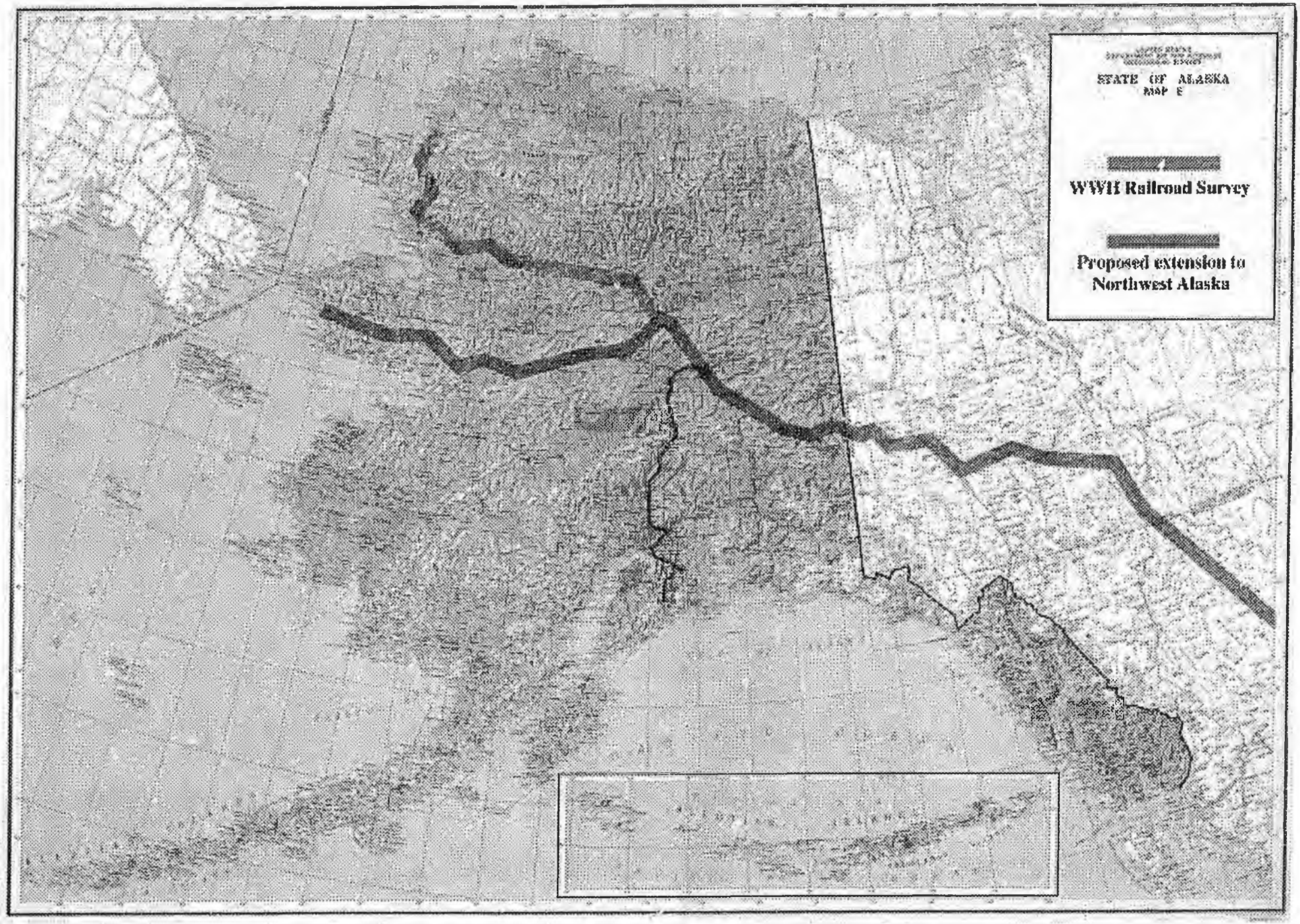
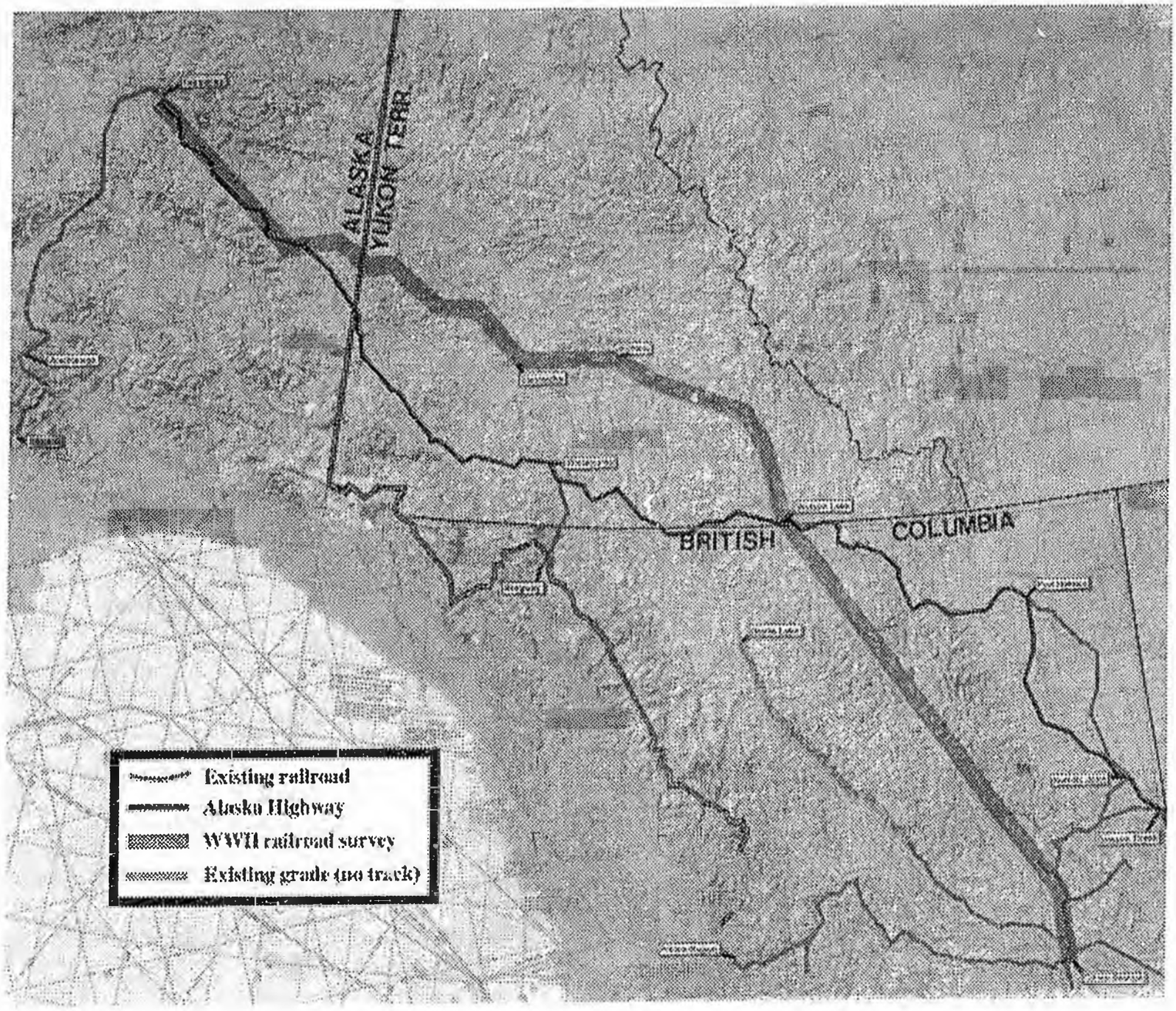

STATE OF ALASKA
MAP E
WWII Railroad Survey
Proposed extension to
Northwest Alaska


ALASKA
YUKON TERR
BRITISH
COLUMBIA
Existing railroad
Alaska Highway
WWII railroad survey
Existing grade (no track)

Prepared by the office of United States Senator Frank H. Murkowski. For further information, contact Chuck Kleeschulte, Press Secretary, at (202) 224-6665. Although every attempt has been made to assure the accuracy of the information in this packet, changing resource data prevents guaranteeing the authenticity of all the information.

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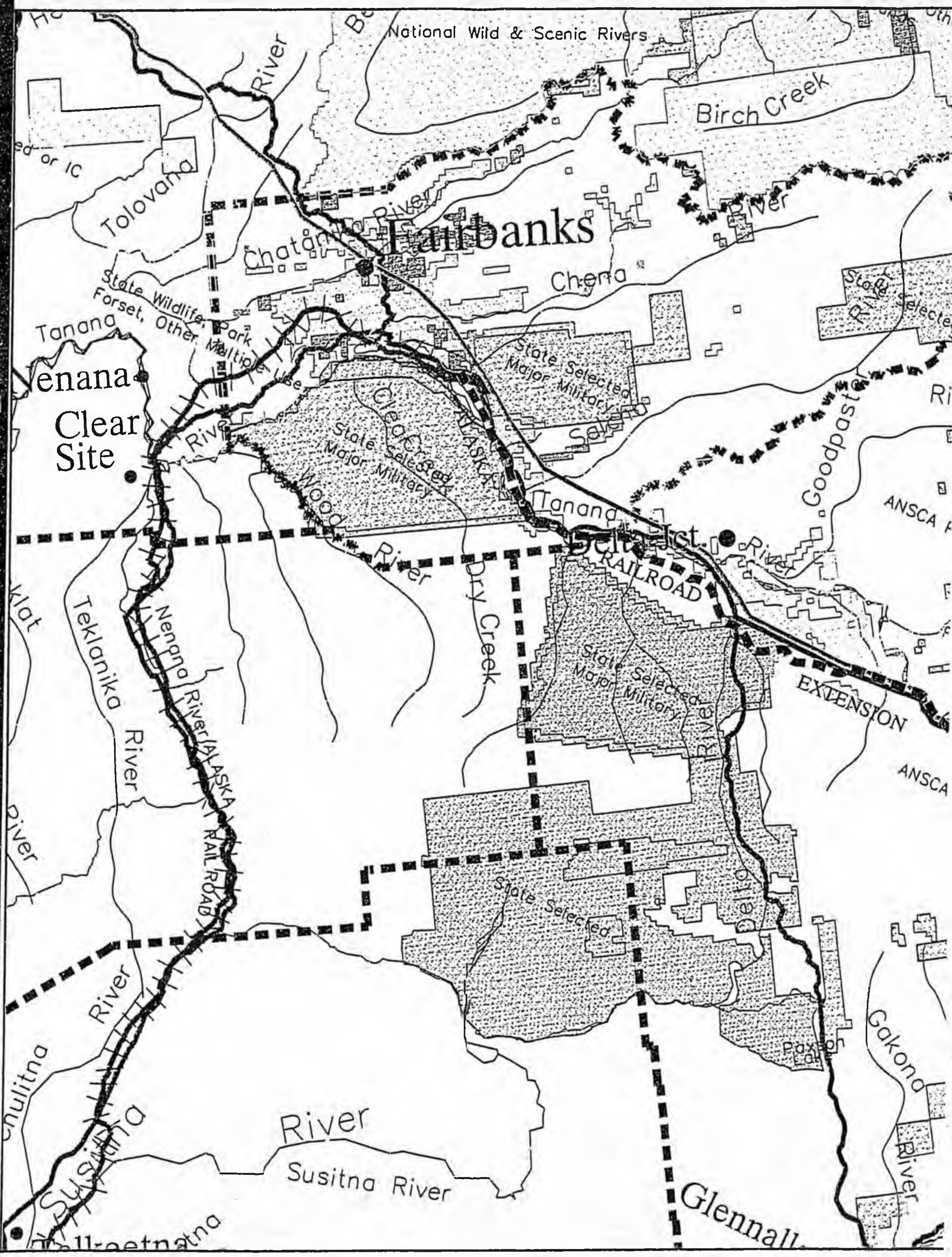
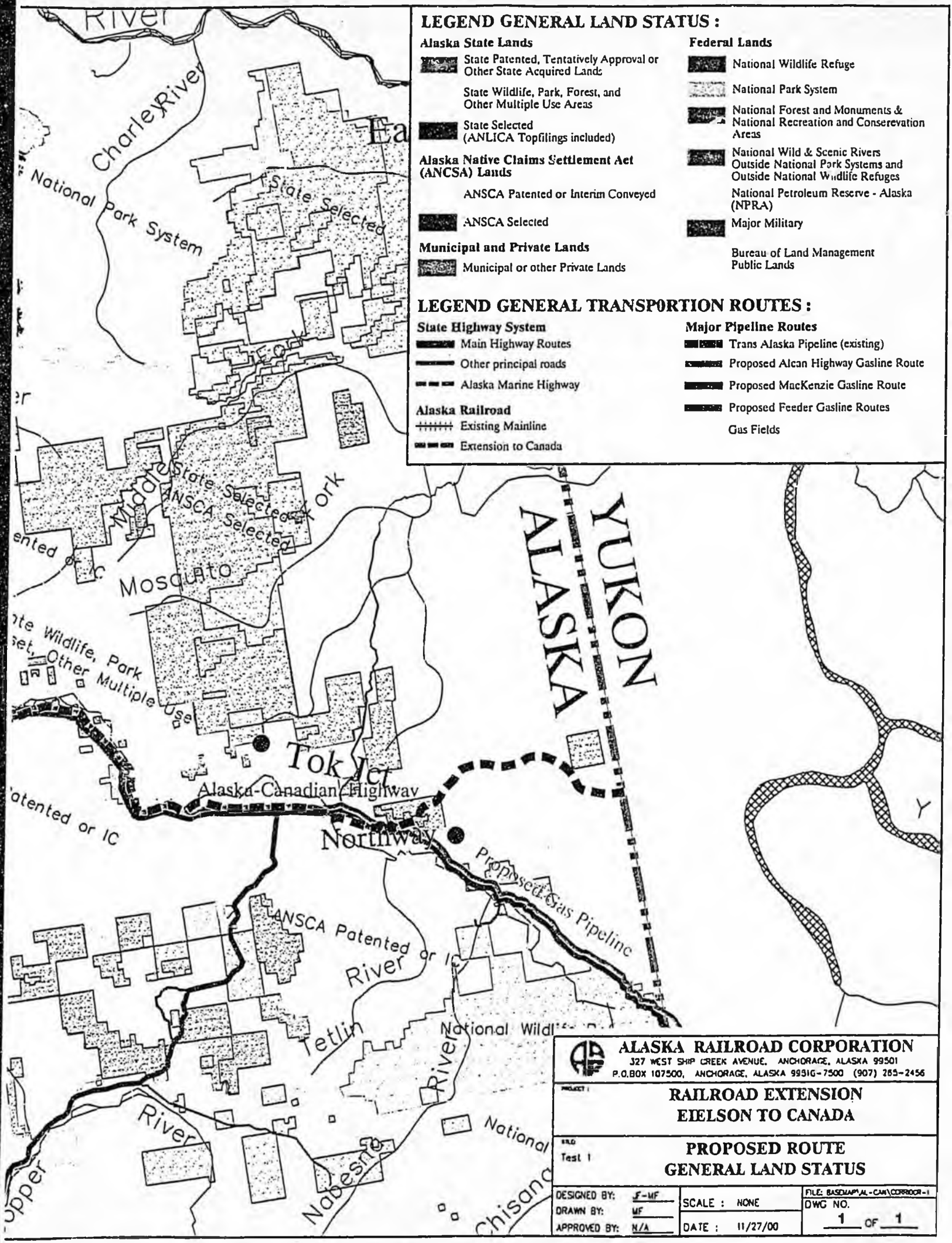

National Wild & Scenic Rivers
Birch Creek
Tolovana
Fairbanks
Chatanika River
Chena
River
State Wildlife, Park
Forset, Other Multiple Use
Tanana
Nenana
Clear
Site
State Selected
Major Military
Clear Creek
ALASKA
Wood River
Tanana
Delta Jct.
River
RAILROAD
Goodpaster River
ANSCA
Dry Creek
Teklanika River
Nenana River/ALASKA RAILROAD
EXTENSION
State Selected
Delta River
Paxson Lake
Gakona River
Susitna River
River
Chulitna
Susitna
Talkeetna
Glennall



LEGEND GENERAL LAND STATUS :

Alaska State Lands

- State Patented, Tentatively Approval or Other State Acquired Lands
- State Wildlife, Park, Forest, and Other Multiple Use Areas
- State Selected (ANLICA Topfilings included)

Alaska Native Claims Settlement Act (ANCSA) Lands

- ANSCA Patented or Interim Conveyed
- ANSCA Selected

Municipal and Private Lands

- Municipal or other Private Lands

Federal Lands

- National Wildlife Refuge
- National Park System
- National Forest and Monuments & National Recreation and Conserevation Areas
- National Wild & Scenic Rivers Outside National Park Systems and Outside National Wildlife Refuges
- National Petroleum Reserve - Alaska (NPRA)
- Major Military
- Bureau of Land Management Public Lands

LEGEND GENERAL TRANSPORTION ROUTES :

State Highway System

- Main Highway Routes
- Other principal roads
- Alaska Marine Highway

Alaska Railroad

- Existing Mainline
- Extension to Canada

Major Pipeline Routes

- Trans Alaska Pipeline (existing)
- Proposed Alcan Highway Gasline Route
- Proposed MacKenzie Gasline Route
- Proposed Feeder Gasline Routes
- Gas Fields

ALASKA RAILROAD CORPORATION
327 WEST SHIP CREEK AVENUE, ANCHORAGE, ALASKA 99501
P.O.BOX 107500, ANCHORAGE, ALASKA 99510-7500 (907) 265-2456

PROJECT :

RAILROAD EXTENSION
EIELSON TO CANADA

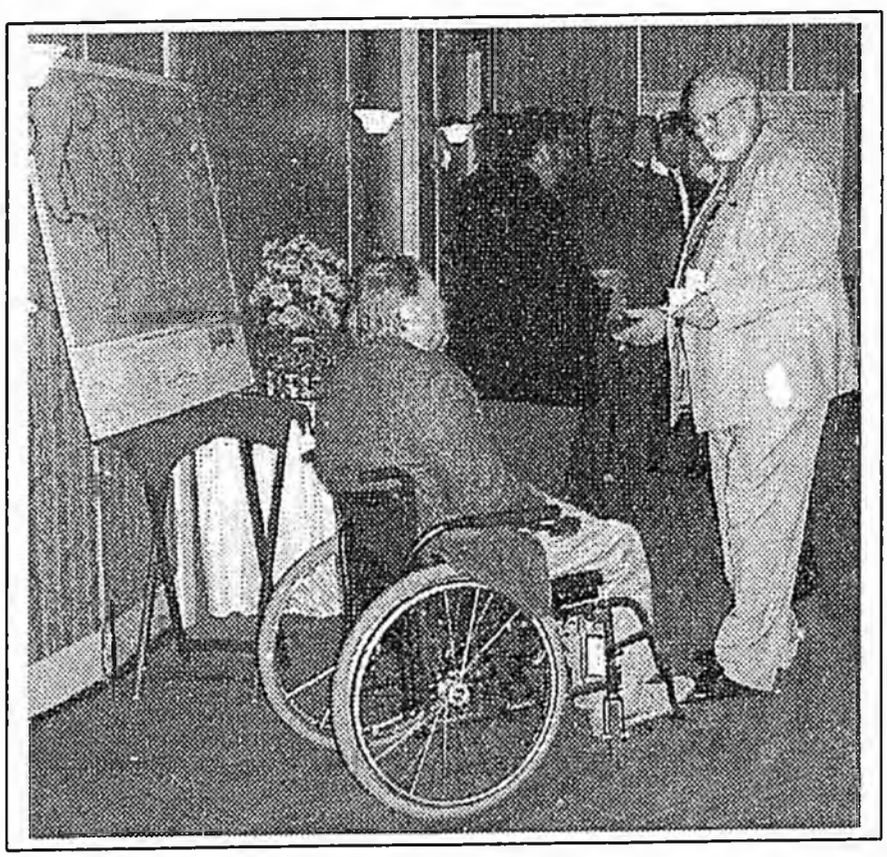
SHEET
Test 1

PROPOSED ROUTE
GENERAL LAND STATUS

DESIGNED BY:	F-MF	SCALE : NONE	FILE: BASEMAP\AL-CAN\CORRIDOR-1
DRAWN BY:	MF		DWG NO.
APPROVED BY:	N/A	DATE : 11/27/00	1 OF 1

SECTION 3:

2ND RAIL CONFERENCE, FAIRBANKS, OCT. 2001



URL: www.repjames.org

Conference Sponsors:

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- Association of Engineering Geologists, UA-Fairbanks
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- BP / Amoco
- Fairbanks Convention and Visitors Bureau
- Fairbanks Industrial Development Corp.
- Greater Fairbanks Chamber of Commerce
- Hickel Investments
- Holland America
- Jolly Acres Motel
- Northwest Cruise Ship Association
- Phillips Petroleum
- Princess Tours
- Riverboat Discovery
- Usibelli Coal Mine
- Wilken, Inc.
- Williams Alaska Petroleum

AGENDA

ALASKA RAIL CONNECTION CONFERENCE

Fairbanks, Alaska
October 10-11, 2001

October 10

11:00 a.m.	Registration begins	
12:00 noon	Lunch	**Welcoming Remarks:** Fairbanks North Star Borough Mayor Rhonda Boyles North Pole Mayor Jeff Jacobson Sen. Gary Wilken, Interior Delegation Fairbanks Mayor Steve Thompson
1:00 p.m.	**Session 1** Topic: Status of Bilateral Commission, other legislation	**Rep. Don Young** (brief remarks via. videotape) **Hon. Larry Bagnell** Member of Parliament, Yukon **Bill Woolf** Aide to Senator Frank Murkowski **Mr. James McLachlan** Member of Legislative Assembly, Yukon (Faro)
2:45 p.m.	Short Break	
3:00 p.m.	**Session 2**	**Don Lowell** Alaska Transportation Consultants **Jim Clements** Whistle Poke Railroad, British Columbia **Walter Young** Executive Vice President, Canadian Arctic Railroad **Jack Coghill** Former Alaska Lieutenant Governor
4:30 p.m.	Break	
6:30 p.m.	**Reception**	Fairbanks Westmark (Gold Room)

AGENDA

ALASKA RAIL CONNECTION CONFERENCE

Fairbanks, Alaska
October 10-11, 2001

October 11

7:30 a.m.	Breakfast	**Mr. Gil Carmichael** Board Chair, MotivePower Industries Member, Amtrak Board CEO, Intermodal Transportation Institute, University of Denver **(by videotape, and by live teleconference from Meridian, Miss.)**
8:30 a.m.	**Session 3**	**Rep. Jeannette James** Majority Leader, Alaska House of Representatives **Mr. Charles Jurasz** Faro Sustainable Development, Faro, Yukon **Mr. Hal Cooper** Cooper Consulting, Kirkland, Wash. **Dr. Paul Metz** University of Alaska Fairbanks
10:00 a.m.	Short Break	
10:15 a.m.	**Session 4**	**Mr. Jim Kubitz** Alaska Railroad **Mr. Kells Boland** PROLOG Canada, Calgary, Alberta **Mr. Jack Eidson** Lockheed Martin Corp. Dallas, Texas
12:00 noon	Lunch	Keynote address: **Mark Hamilton** President, University of Alaska
1:30 p.m.		**Tour** Alaska Railroad Facilities

PRO
LOG
Qualifications of . . .

KELLS S. BOLAND

Kells Boland is a Principal of PROLOG Canada Inc., a Western Canadian management and economics consulting firm based in Calgary, Alberta. He has over 20 years experience completing northern transportation strategy, infrastructure development and policy planning assignments with PROLOG. Recent PROLOG projects which he directed include Transport Canada's *Northern Territories Transportation Systems Study* and the *Manitoba-Nunavut Transportation Assessment.*

Mr. Boland's northern experience includes logistics planning for Alyeska, Canadian Arctic Gas, Northwest Alaskan and Foothills Pipe Lines. His railway experience includes employment as an in-house Executive Department consultant with the former Southern Pacific Transportation Company. His military experience includes eight years as a naval reserve officer in the Military Sealift Command and active duty assignment as Military Traffic, Aviation Fuels and Stevedoring Officer at Kodiak, Alaska.

Mr. Boland was previously on long term retainer as Director of Legislative Affairs for the Western Office of the Canadian Industrial Transportation League. He has served as a Board Member and Surface Committee Chairman of the Calgary Transportation Authority.

PRO
LOG
Canada

ALASKA CONNECTION(s)

A View From Canada

PRO
LOG
Canada

Railways to Canada's Northern Territories

- Each Canadian Territory has a Railway to it.
- Each of these WAS a Resources Railway.
- Each of these NOW is Something Else.

PRO
LOG
Canada

The Point is that Things Change AND Accommodating Change Is a Key to Success

- Railways don't just have to haul resources
  - They can haul construction materials for resource projects

PRO
LOG
Canada

- HOWEVER, Railway investment may not be forthcoming for one-shot construction traffic.
- AND, Resource Development Projects may not be able to wait for completion of new railway construction.
- SO, be willing to look beyond a railway to other concepts that can optimize vital *Connections* to Alaska.

PRO
LOG
Canada

Make The Connection Something More:

- Air Connections
  - e.g., Alberta-Alaska direct service
- Marine Connections
  - e.g., Inside Passage to Yukon
- Highway Connections
  - e.g., Juneau Access
- Energy Connections
  - e.g., Alaska Gas Pipeline
- Communication Connections
  - e.g., Fibre Optics

PRO
LOG
Canada

Make It More Than A ROW

- Make the Connection include anything that CONNECTS through Canada to Alaska:

  – In the Sky
  – On the Water
  – On the Ground
  – Under the Ground

PRO
LOG
Canada

Make It Work With A Bi-Lateral Commission that has the political punch to:

- Identify connections that are in the mutual national interest of both countries.
- Expedite construction and operations through multiple regulatory regimes in both countries.
- Provide ongoing trans-border policy planning and coordination for both countries.

PRO
LOG
Canada

Whether the connection is a railway, pipeline or anything else, the regulatory process can jeopardize construction success:

- The Alaska Gas Producers Group has identified a potential 2 year delay if regulatory reviews are not successful

PRO
LOG
Canada

A Bi-Lateral Commission Could be The Key To Regulatory Success.

Career Summary
Jack C. Eidson
Manager, Special Projects, Lockheed Martin Space Operations

Mr. Jack C. Eidson has over 30 years experience in the areas of Business Management Consulting, Program and Project Management, Logistics Management, Business Development, and Information Technology (IT) and Communications Systems Architecture Design.

Currently, Mr. Eidson is Manager of Special Projects for Lockheed Martin Space Operations Company (LMSO) in Houston, Texas. As part of their Consolidated Space Operations Contract with NASA, he has managed the development of a LMSO Team of service providers and carriers to start installing the largest private network in the world. This network will not only consolidate and merge all of NASA's voice, video and data communications world-wide, it will also be marketed to other large government agencies and commercial enterprises, particularly those requiring very large bandwidth at very economical pricing.

M. Eidson was an Independent Management and Outsourcing Consultant for 15 years, provided specialized services to a host of government and commercial customers, with special emphasis on IT and communications, project and program control, logistics, new business start ups and major program startup transition management, business re-engineering, and outsourcing business ventures.

Mr. Eidson was the manager of the IT, communications, software, and computer services for Bechtel on the construction of the Trans Alaska Pipeline System in the early to mid 70s, and later the engineering strategy for the Canadian Arctic Gas Pipeline proposed project (for Williams Brothers and Director of Project Control Services). Mr. Eidson also provided consulting services to two Sea Launch programs for the build out at Prudhoe Bay. Mr. Eidson has also managed or consulted in start up and project control for numerous other It outsourcing, international and national pipeline, petrochemical plant, nuclear power industry, gas liquification plants, municipal projects, and airports projects.

Starting out as an Astro-physics graduate in the mid 60s, Mr. Eidson worked for NASA contractors doing earth-moon trajectory analysis and crew training for the Apollo Program lunar sphere aborts, before migrating into the computer services and software development industries.

Alaska Transportation Consultants

P.O. Box 71114
Fairbanks, Alaska 99707
Ph: (907) 488-2879
Fax: (907) 488-2545

II ALASKA CANADA RAIL CONNECTION CONFERENCE
FAIRBANKS, ALASKA
OCTOBER 10, 2001

I wish to thank Senator Murkowski, Representative James, the Fairbanks Chamber of Commerce, other sponsors and participants for holding this important session in support of connecting Alaska to the Canadian and continental United States railway systems.

Last year at the Vancouver, BC conference, I presented State studies supporting Senator Murkowski's goal of funding a U.S.- Canadian railroad feasibility study. For the benefit of this audience, I will briefly cover those studies and recommend action to update the environmental assessment of extending the Alaska Railroad to the Canadian border.

In 1942 the U.S. Army Corps of Engineers surveyed a route for a rail connection between the continental United States and Alaska about the same time that the Alaska Highway was constructed. Project interest in the rail connection faded after the end of World War II, but the route chosen at that time has been reaffirmed many times in subsequent years.

In 1974, the United States Department of Interior, Bureau of Land Management, Alaska State Office, recommended a railroad linkage with Canada in a report "Multimedia Transportation and Utility Corridor Systems in Alaska".

In 1976, a State sponsored conference was held to consider the connection of Alaska and Canada by an all-rail land route leading to the mid-western and eastern manufacturing centers. The conference concluded that Alaska was far behind the Yukon Territory and Northern Canada in their research on the potential for a rail route, and the concept of a rail connection between Alaska and Canada looked promising and should be pursued. Thereafter, the Alaska Legislature appropriated funding for four rail transportation studies as follows:

In 1977 the Alaska Department of Commerce and Economic Development produced a preliminary study of a transcontinental rail connection to the contiguous United States and concluded a comprehensive cost-benefit analysis of this transcontinental rail connection should be funded, conducted on a priority basis and conducted jointly with the Canadian government.

In 1980 the Alaska Legislative Affairs Agency directed a feasibility study of a proposed extension of the Alaska Railroad from Eielson Air Force Base to the Canadian border. The study recommended officials from Canada and the U.S. form a committee to review data with a view of common thrust for the construction of a rail extension linking the

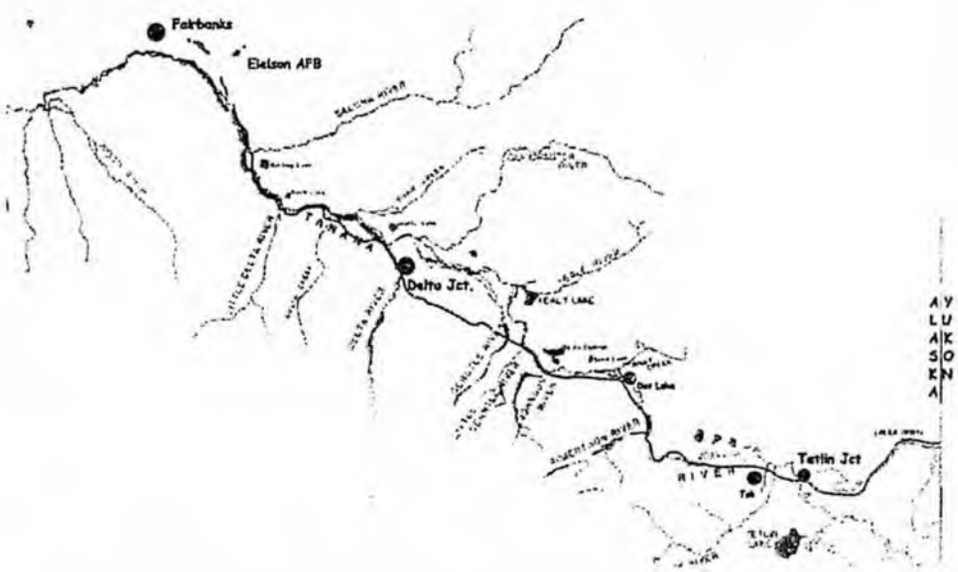
ports of Seward, Whittier, Skagway and Prince Rupert to a common rail system thus enhancing the natural resource development of all areas.

In 1979, the Alaska Legislature directed the Alaska Department of Transportation and Public Facilities to delineate a proposed railroad corridor and railroad right of way from Eielson Air Force Base, 30 miles southeast of Fairbanks, 271 miles to the Canadian border. That report, "Alaska Railroad Extension, Route Selection", was updated in1982.

PROPOSAL TO UPDATE THE ENVIRONMENTAL ASSESSMENT
EXTENDING THE ALASKA RAILROAD FROM FAIRBANKS, ALASKA TO THE CANADIAN BORDER

Background

In 1983 the State of Alaska completed an environmental assessment of a railroad corridor between Eielson Air Force Base, near Fairbanks, and the Yukon border. Constrained by geometric standards and geological features, the route identified left the existing track near Eielson, crossed the Tanana River to its south bank near Harding Lake and proceeded to where it crossed the Delta River at Delta Junction. Following the Tanana River valley, the route departed the drainage near Tetlin Junction and crossed over into the Ladue River valley where it proceeded to the Alaska/Yukon Border.



This study specifically did not address the economic feasibility of extending the railroad system to the border but instead, concentrated on the identification of a practical route that was environmentally acceptable. Some of the many topics studied included agriculture, wildlife, water quality, wetlands, archaeological resources, land use, 4(f) properties, construction costs and maintenance considerations.

Since 1983, the U.S. Dept. of the Interior, as trustee for the Alaska Native Corporation land selections, has identified and transferred ownership of many lands along the route. In addition environmental concerns focused on sensitive species or environments that could impact the routing or eventual construction of a railroad need to be reassessed and the route needs to be reviewed and modified to comply with updated railroad geometric standards and rolling stock considerations.

Proposal

Alaska Transportation Consultants, a non-profit corporation dedicated to expanding Alaska's transportation systems, proposes this conference support, by a resolution, updating the environmental assessment because it is essential to those determining the feasibility of connecting Alaska's railroad to the Canadian system. The updated study would address all of the geometric, geological and environmental aspects presented in the original report and would include current estimates for construction along the proposed route.

The final reassessment will be coordinated with State and Federal agencies and private concerns as required and will be submitted for endorsement to the State Administration. The estimated cost to complete this comprehensive update is $200,000. A resolution by this body requesting funding to update the environmental assessment of the rail extension would be most timely.

In closing it's important to note the Department of Defense has initiated early work toward a Ballistic Missile Defense System at Fort Greely, some 82 miles south of Eielson Air Force Base and on the proposed railroad corridor to the Canadian border. Should the federal government decide to extend the rail to Fort Greely at a cost estimated at $125 million, our action to complete early studies would be vital to that rail extension.

Don Lowell

Rails to Resources:

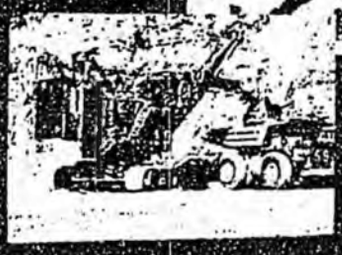
Yukon Mining Opportunities

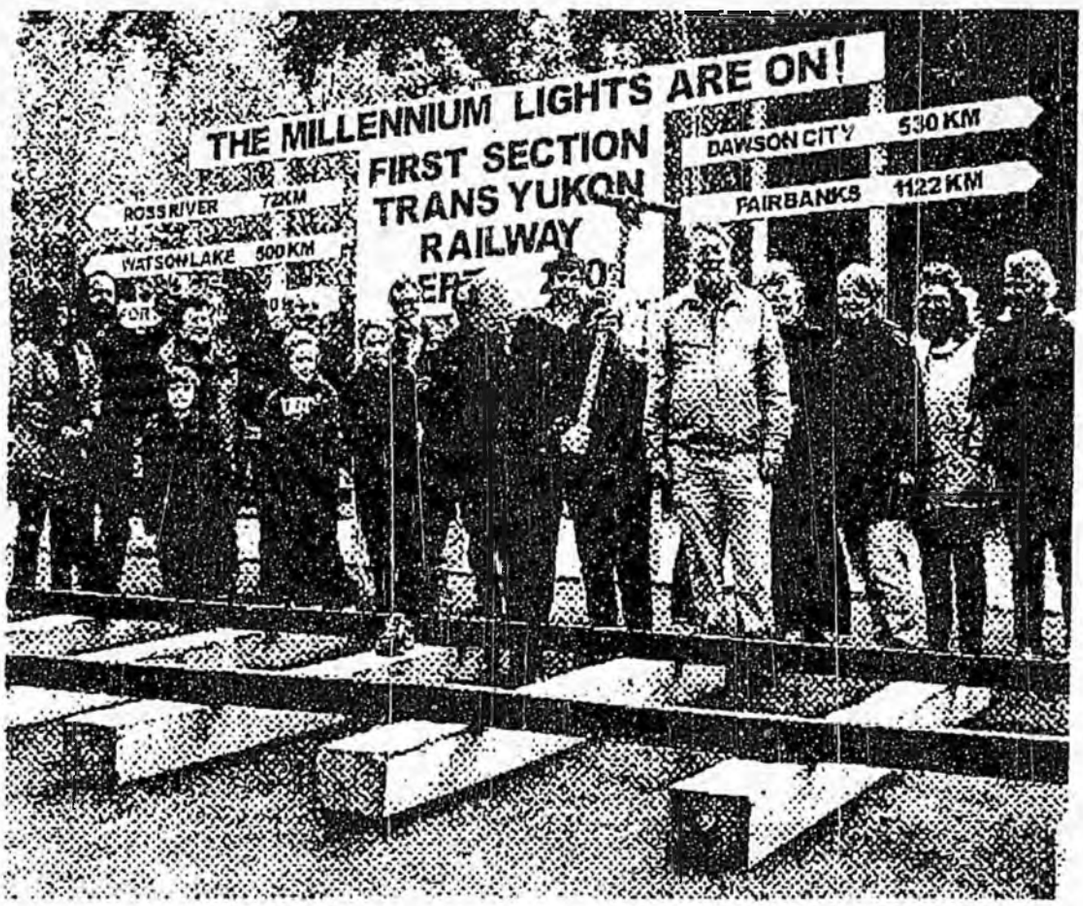
Second Alaska Canada Rail Connection Conference

Fairbanks, Alaska

Presented by James McLachlan MLA Faro

ared by Jesse L. D



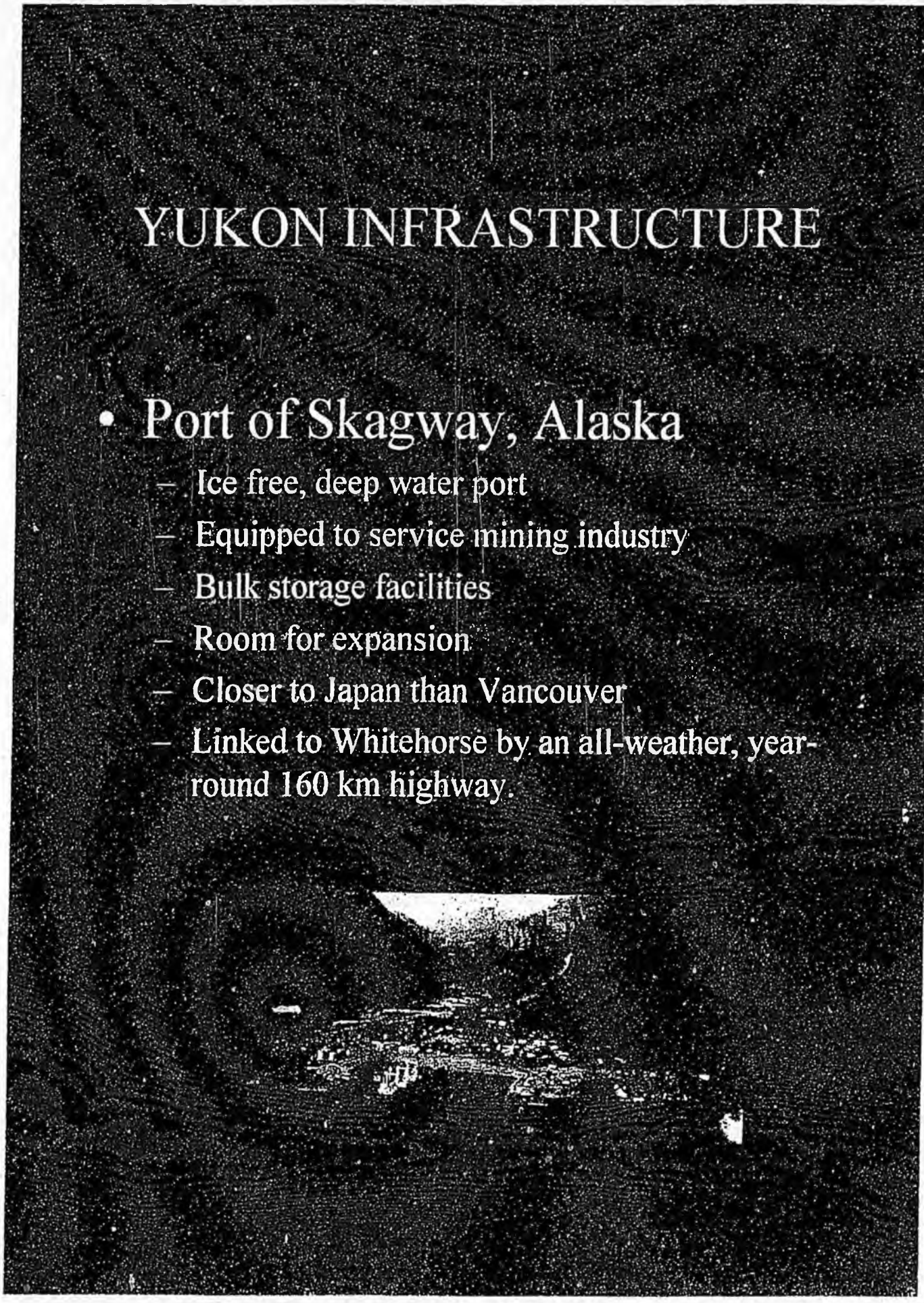


NEWS photo by Michael Hale

POUNDING A DREAM... Faro MLA Jim McLachlan drives the ceremonial first spike on Friday for a trans-Yukon railway the town is promoting.

YUKON INFRASTRUCTURE

- Port of Skagway, Alaska
  - Ice free, deep water port
  - Equipped to service mining industry
  - Bulk storage facilities
  - Room for expansion
  - Closer to Japan than Vancouver
  - Linked to Whitehorse by an all-weather, year-round 160 km highway.



- Many common features with Alaska
- Shares Outstanding mineral endowment
- Both understand importance of resource sectors
- Both face transportation costs/challenges

YUKON INFRASTRUCTURE

- Capital City - Whitehorse
  - – Administrative & business center
  - – Population 23,000
  - – Trained Workforce
    - *Yukon offers a trained, professional workforce including geological, geophysical and environmental consultants, assay labs, and drilling, heavy equipment and transportation suppliers used to rough and rugged conditions*

YUKON INFRASTRUCTURE

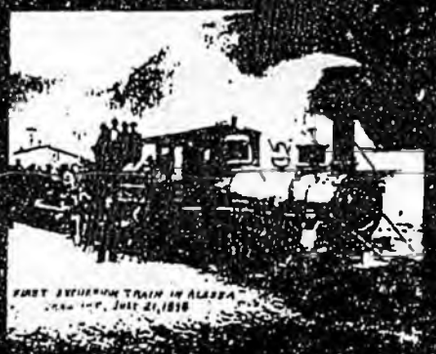
- Highway system
  - 4,696 kilometres of maintained roads
  - Generous weight limits
- Power supply
  - Growing opportunities for locally produced natural gas.
  - Widespread potential for hydroelectric development
- Rail Line to port of Skagway

The results are:

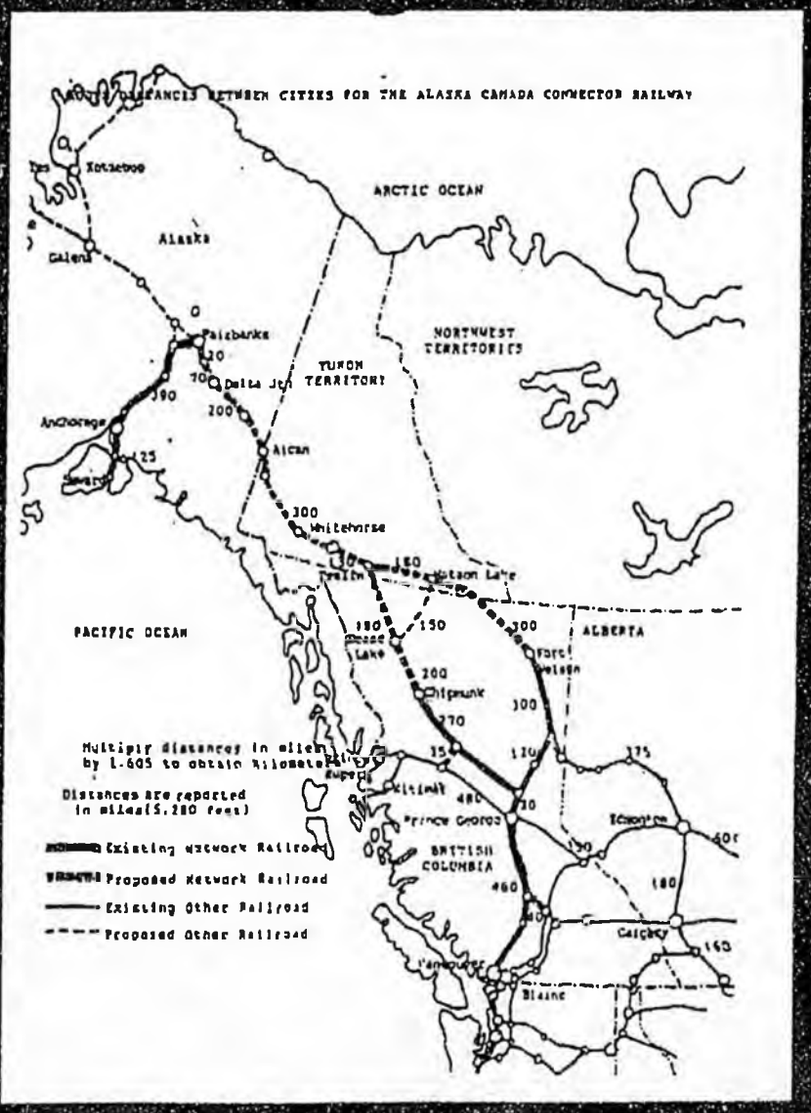
TOTAL TRANSPORTATION COSTS U.S. Dollars per WMT tonne, 1991	
Sa Dena Hes, Yukon	$73.98
Faro, Yukon	$61.30
Pergibar, Peru	$58.00
Rea de Los Angeles, Mexico	$55.00
Winston Lake	$55.46
Green's Creek, Alaska	$49.00
Mt. Isa, Australia	$40.00
Red Dog, Alaska	$37.80
Westmin, B.C.	$33.60
Broken Hill, Australia	$30.00
Boliden, Sweden	$26.40
Polaris, NWT	$24.00
Tara, Ireland	$21.80
Nanisivik, NWT	$19.65
Brunswick, N.B.	$18.08
Reocin, Spain	$18.08
Selbaie, Quebec	$17.00
Sullivan, B.C.	$10.20
Flin Flon, Manitoba	$ 6.00
Kidd Creek, Ontario	$ 3.40

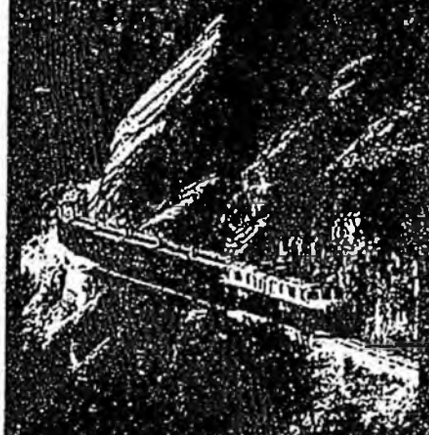
Source: Independent [illegible] represents 40% [illegible] world [illegible]

Planning for northern Railroad



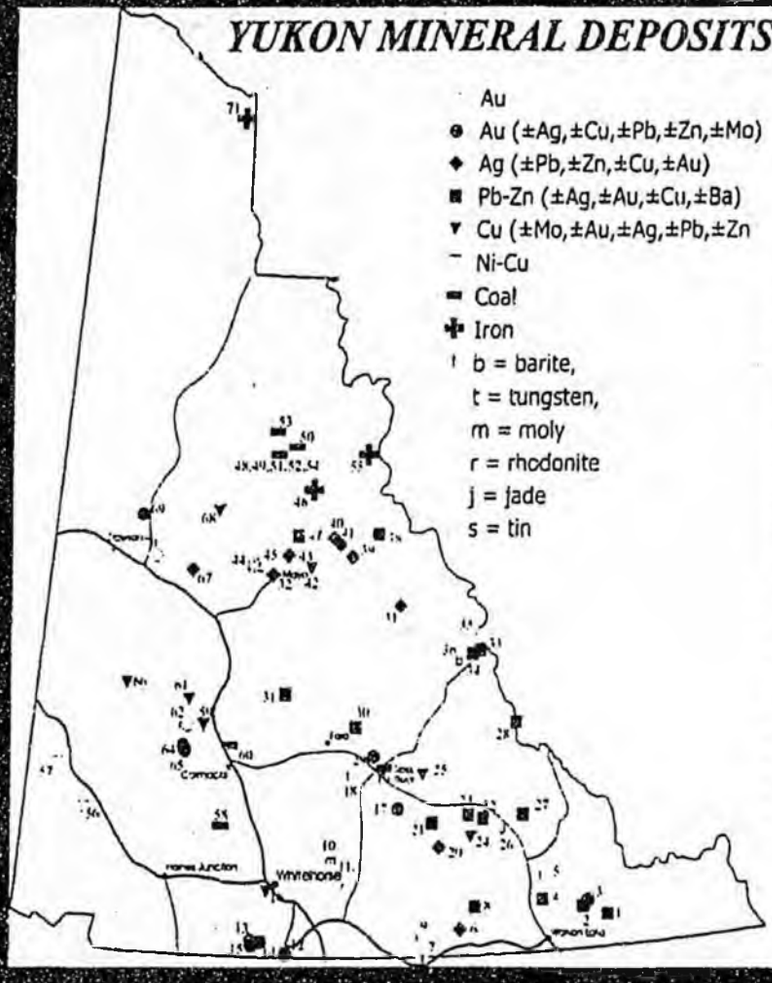
- Joint US-Canada Commission to study Feasibility
- 1800 km extension through Yukon estimated cost $1.5 to 2.3 billion



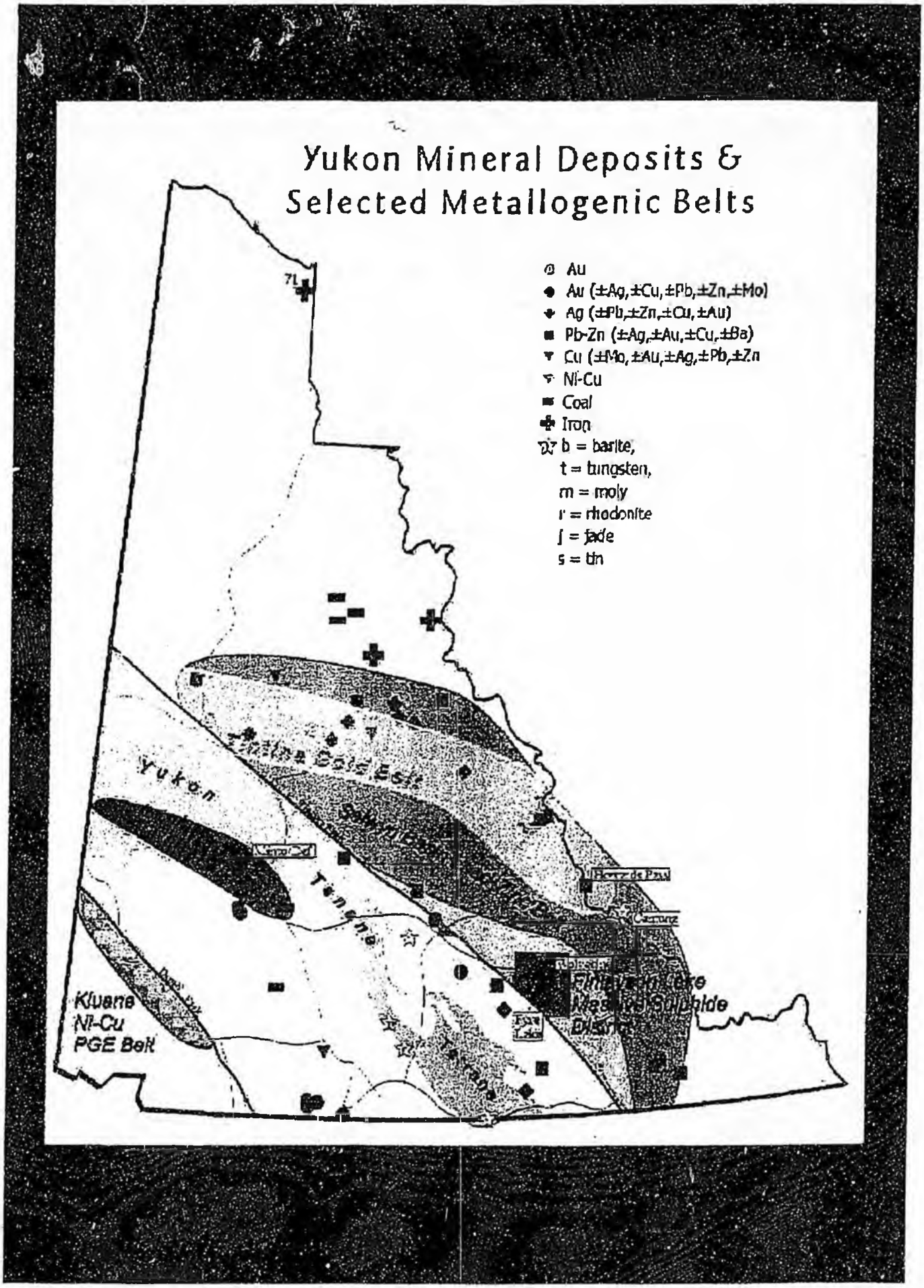


Planning for northern Railroad : where you you want it to go?

YUKON MINERAL DEPOSITS



1. Mel
2. McMillan
3. Hyland Gold
4. Sa Dena Hes
5. Bailey
6. Hart
7. Logtung
8. Logan
9. JC
10. Red Mountain
11. Marlin
12. Venus
13. Skukum
14. Goddell
15. Mt.Reid (Skukum Creek)
16. Whitehorse Copper
17. Ketza
18. Risby
19. Whiskey Lake
20. Tintina (Eagle)
21. Wolf
22. Wolverine Lake
23. Kudz Ze Kayah
24. Fyre
25. Ice
26. King Arctic
27. Matt Berry
28. Howards Pass
29. Grew Creek
30. Faro, Grum, Vangorda, Grizzly (DY), Swim
31. Clear Lake
32. United Keno Hill
33. Tom
34. Jason
35. Macmag
36. Sunnovar (Tea)
37. Plata Inca
38. Goz
39. Craig
40. Vera
41. Val
42. Marg
43. Clark
44. Dublin Gulch
45. Garnet (Ray Gulch)
46. Pagisteel
47. Blende
48. Marathon (Airstrip)
49. Pole (Wernecke)
50. Garlic Ring
51. Illtyd (Bonnet Plume Coal)
52. Pan Ocean (West Illtyd)
53. Deslaurier
54. Spaceship
55. Crest
56. Wellgreen
57. Canalask
58. Division
59. Williams Creek
60. Minto Def
61. Tantalus
62. Lafonna
63. Brown-McDade
64. Mount Nansen (Webber, Huestis, Flex)
65. Antoniuk
66. Casino
67. Zeta
68. Hart River
69. Mum
70. Brewery Creek
71. Boundary


Yukon Mineral Deposits &
Selected Metallogenic Belts
Au
Au (±Ag,±Cu,±Pb,±Zn,±Mo)
Ag (±Pb,±Zn,±Cu,±Au)
Pb-Zn (±Ag,±Au,±Cu,±Ba)
Cu (±Mo,±Au,±Ag,±Pb,±Zn
Ni-Cu
Coal
Iron
b = barite,
t = tungsten,
m = moly
r = rhodonite
j = jade
s = tin
Yukon
Tenane
Kluane
Ni-Cu
PGE Belt

Mega-deposits: total estimated concentrates:

- Average for 17 deposits: 15 million tonnes
- Total contained metal: $46 billion

Commodity Valuation - Deposits located within 200km of Proposed Railway along Tintina Trench Route

Deposits with concentrates calculated based upon assumptions

Calculated for deposits with >$300,000,000 gross in-situ metal value only (except Ice)

Note: deposits of coal, iron and barite were not evaluated

Deposit	Commodity	Gross in-situ metal value	Definition	Concentrate Total Tonnage		
				Average*	Low*	
Blende	Zn, Pb, Ag	$ 5,475,958,832	drill indicated geological reserve	1,575,837	1,073,070	
Cash	Cu, Mo, Au, Ag, Pb, Zn, Sn	$ 3,636,828,925	probable reserve	210,528	152,086	
Clear Lake	Zn, Pb, Ag	$ 1,710,981,422	estimated reserve	1,228,892	798,018	
Craig	Ag, Zn, Pb	$ 616,242,429	drill indicated reserve	300,990	202,032	
Faro, Grum	Zn, Pb, Ag, Au	$ 8,272,194,611	drill indicated and inferred reserve	3,496,063	2,347,048	
Ice	Cu, Au, Ag, Co	$ 96,155,069	drill indicated reserves	223,231	160,999	
Jason	Pb, Zn, Ag, Ba	$ 6,148,614,350	drill indicated reserves	2,650,035	1,815,496	
Logan	Zn, Ag	$ 2,025,965,449	mineable reserve	1,187,807	741,901	
Logtung	W, Mo	$ 2,850,032,324	mineable reserve	320,600	320,600	
Marg	Cu, Zn, Pb, Ag, Au	$ 3,526,474,858	reserve	883,077	606,804	
Mam	Au, Ag, Cu, W	$ 854,545,530	drill indicated reserve	10,915	7,869	
McMillan	Zn, Pb, Ag	$ 791,292,025	reserve	253,984	172,441	
Red Mountain	Mo	$ 1,655,012,214	reserve	306,889	236,069	
Tom	Pb, Zn, Ag, Ba	$ 3,652,068,101	mineable reserve	1,774,999	1,203,493	
United Keno Hill	Au, Ag, Pb, Zn	$ 2,383,747,600	mineable reserve	81,811	58,563	
Vera	Ag, Pb, Zn	$ 1,151,544,157	indicated and inferred reserves	38,300	28,502	
Wolf	Zn, Pb, Cu, Ag, Au	$ 1,748,242,300	geological resource	482,798	316,459	
	Total value in ground	$ 46,593,899,996		15,006,836	10,239,450	Total tonnes

Assumptions were based on data from 11 producing Canadian mines:

4 Cu-Pb-Zn-Ag 2 Pb-Zn-Ag W values taken from data on Mactung/Cantung

4 Cu-Zn-Ag 1 Cu-Mo

Average* Assumptions: (based on average % data from above mines)

Copper concentrate:	26%	Cu recovery	88%
Pb concentrate:	64%	Pb recovery	78%
Zn concentrate:	55%	Zn recovery	85%
Mo concentrate:	53%	Mo recovery	52%
W concentrate:	50%	W recovery	50%

Low* Assumptions: (recovery based on lowest value of data from above mines, concentrate based on average)

Copper concentrate:	26%	Cu recovery	82%
Pb concentrate:	64%	Pb recovery	58%
Zn concentrate:	55%	Zn recovery	54%
Mo concentrate:	53%	Mo recovery	40%
W concentrate:	50%	W recovery	50%

YUKON MINERAL DEPOSITS

- 500,000 tonnes per year over 30 years from mega-deposits containing $46 billion in metals

+ $5 billion from 16 smaller base metal deposits
+ services to precious metal deposits
+ future coal and iron ore production
+ forestry, tourism, community supplies, etc.
= reasonable conservative estimate for long-term

Conclusions

- Yukon resources can contribute significant traffic for a railroad in the long term.
- A Commission should carefully examine the resource potential of both Yukon and Alaska. We might all be quite surprised at our wealth.
- The Work of the Commission can provide a solid foundation for future decisions on a railroad.

Yukon
Economic Development

Alaska State Legislature

In District 34:

P.O. Box 56622
North Pole, Alaska 99705
Phone (907) 488-1546
Fax (907) 488-4271

In Juneau:

State Capitol Building
Juneau, Alaska 99801
Phone (907) 465-3743
Fax (907) 465-2381

House Of Representatives

Majority Leader
Representative Jeannette James

December 3, 2001

SUBJECT: Recommendations of the Alaska-Canada Rail Connection Conference, October 10-11, Fairbanks, Alaska.

The following recommendations were adopted unanimously:

1. This Conference urges that the United States / Canada Bilateral Commission, authorized by Senator Frank Murkowski's 'Rails to Resources' legislation, be fully implemented as soon as possible.
2. This Conference supports Rep. Jeannette James' HB 241 to authorize extension of a railroad and utility corridor from Eielson AFB in Alaska to Whitehorse, Yukon, Canada.
3. This conference requests clarification from Senator Ted Stevens as to efforts to extend the Alaska Railroad to Fort Greely.

AFFIRMED:

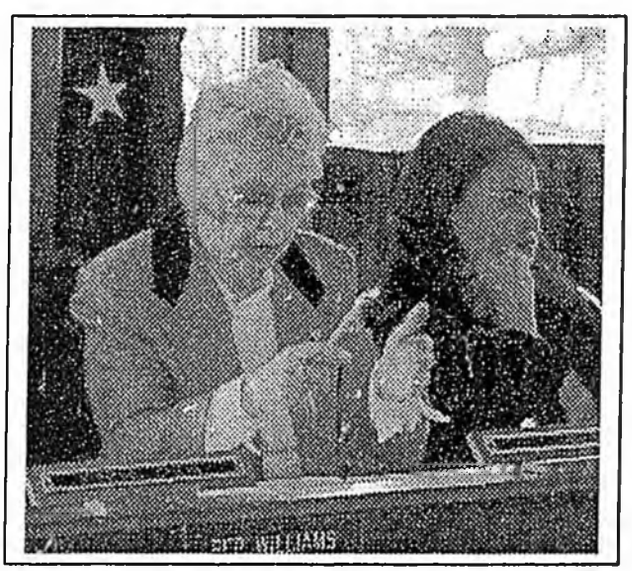
Hon. Larry Bagnell, Ottawa, BC
Rep. Jeannette James, North Pole, Alaska
Rep. John Coghill, Fairbanks, Alaska
Rep. Bud Fate, Fairbanks, Alaska
Hon. James McLachlan, Faro, Yukon
Jim Caswell, Anchorage, Alaska
Linda Wallace, Fort Nelson, BC
Michael Hurley, Anchorage, Alaska
Laurel Barger-Sheen, Delta Junction, Alaska
Norm Phillips, Fairbanks, Alaska
Jim Trull, Blaine, Washington
Tom Bundtzen, Fairbanks, Alaska
Barry Donnellan, Fairbanks, Alaska
Greg Wolf, Anchorage, Alaska
Dr. Paul Metz, Fairbanks, Alaska
Jerry Rafson, Fairbanks, Alaska
Irene Anderson, Nome, Alaska
Charles Jurasz, Faro, Yukon
Ian Rokeby, Burnaby, BC
Joseph Henri, Anchorage, Alaska
Kells Boland, Calgary, Alberta
Jack Eidson, Houston, Texas
Edgar Blatchford, Seward, Alaska
Mara Bacsujlaky, Fairbanks, Alaska
Michael Smith, Houston, Texas
Jerry Ofukany, Kamloops, BC
Merle Railton, Maple Ridge, BC
Gloria Goodwin, Fort St. James, BC
William Sharrow, Anchorage, Alaska
Royce Chapman, Fairbanks, Alaska
Dr. Milton Wiltse, Fairebanks, Alaska
Pete Hallgren, Delta Junction, Alaska
Caroline Higgins, Anchorage, Alaska
Joe Fields, Fairbanks, Alaska
Dean Owen, Fairbanks, Alaska
Barbara Cotting, Fairbanks, Alaska
Richard Schmitz, Juneau, Alaska
Brian Burton, Seattle, Wash.
Scott Swingle, Fairbanks, Alaska
Graham Kedgley, Vancouver, BC
David Broadbent, Port Coquitlam, BC
John Blair, Vancouver, BC
Capt. Orlando Dona, Jr., Eielson AFB, Alaska
Clark Milne, Fairbanks, Alaska
Hal B Cooper, PhD, Kirkland, Washington
Ted Trueblood, Delta, BC

CC:

President George W. Bush
Hon. Norman Mineta
Senator Frank Murkowski
Senator Ted Stevens
Rep. Don Young
Rt. Hon. Jean Chretien
Hon David Collenette
Gov. Tony Knowles
Members, Alaska Legislature
Members, Yukon Legislative Assembly
Conference attendees

SECTION 4:

REPORT OF ALASKA HOUSE SPECIAL COMMITTEE: PARTICIPANT PROFILES, AGENDA, MINUTES, ETC.



URL: www.repjames.org

Alaska State Legislature

Rep. Lesil McGuire, Chair
Rep. Joe Green, Vice-Chair
Rep. Fred Dyson
Rep. Jeanette James
Rep. Beverly Masek
Rep. Carl Morgan
Rep. Norman Rokeberg
Rep. Harry Crawford
Rep. Gretchen Guess

State Capitol
Juneau, AK 99801-1182
(907) 465-4955

House Special Committee on Economic Development, Trade and Tourism

March 28, 2001

Dear Reader,

This is a collection of the material presented at the joint committee of Transportation, Oil & Gas and Economic Development, Trade & Tourism on February 20, 2001. It includes all of the testimony from the experts and various members of corporations that want to build a transportation and utility corridor. This information should be helpful to all those interested in the development of this project.

The proposed corridor would benefit several industries and be a significant tool for enhancing economic development. Not only was this joint meeting a productive step toward furthering economic relations between Alaska and Canada, but it likely encouraged the future discussion of related issues between our two bordering countries.

I sincerely hope that you find this information useful as well as informative. If you have any comments or questions regarding the materials contained in this packet or any of the issues we discussed at the joint meeting, please don't hesitate to contact me.

Sincerely,

Representative Lesil McGuire

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 456-1546
FAX (907) 488-4271

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

Majority Leader
House of Representatives
House District 34

JOINT HOUSE COMMITTEE on CONSTRUCTION OF A TRANSPORTATION/UTILIY CORRIDOR TO CONNECT ALASKA WITH THE REST OF NORTH AMERICA

February 20, 2001
10:30 a.m.-12:30 p.m.
House Finance Committee Room

AGENDA

10:30 a.m.	Call to order; introduction of participants, other legislators present. 10:30 a.m. (Gavel in Joint House Committee, including Yukon legislators: MLAs Mike McLarnon, Scott Kent and Cynthia Tucker.)
10:30 a.m.	Bill Woolf, speaking for Senator Frank Murkowski from Washington , D.C.
10:45 a.m.	Larry Bagnell, Yukon MP, from Ottawa, Ont.
11:00 a.m.	Scott Kent, Yukon MLA, speaking for Premier Pat Duncan from Whitehorse, YT.
11:15 a.m.	Dr. Milt Wiltse, Power Point presentation: East Central Alaska Geologic Resources and Access Corridors
11:30 a.m.	Dr. Paul Metz, University of Alaska Fairbanks
11:45 a.m.	Jim Kubitz, Alaska Railroad
12 noon	Tom Brigham, speaking for (Alaska Department of Transportation and Public Facilities) Commissioner Joe Perkins
12:15 p.m.	Colin Chapman, for Congressman Don Young, from Washington, DC.
12:30 p.m.	Gavel out.

Mike McLarnon

Deputy Speaker
Chair of the Committee of the Whole House

MLA - Whitehorse Centre
Yukon Liberal Party

Mike McLarnon was elected as the MLA for Whitehorse Centre in the general election on April 17, 2000.

Mr. McLarnon is a life-long Yukon resident, born and raised in downtown Whitehorse. He is a former board member of the Yukon Sourdough Rendezvous Society, the Tourism Industry Association and Heritage North.

He is a winner of the Conference Board of Canada "Award of Excellence for Youth Employment" and was a host for the Yukon Pavilion at Expo '86.

He was most recently the owner and operator of the Whitehorse Airport Gift Shop and all visitor services at Parks Canada's S.S. Klondike.

He is married to Jeannette McLarnon.

E-mail: mike.mclarnon@gov.yk.ca

Scott Kent

Deputy Caucus Chair
Deputy House Leader
Deputy Chair of the Committee of the Whole House

MLA - Riverside
Yukon Liberal Party

Scott Kent was elected as the MLA for Riverside in the general election on April 17, 2000.

Mr. Kent has been a Whitehorse resident since 1973. He attended Selkirk Elementary School and F.H. Collins Secondary School as well as the University of Calgary.

He has been the president of the Yukon Broomball Association since 1997 and is the president of the Whitehorse Flag Football League. He is part owner of a local business and a holding company.

He was most recently the sales and purchasing manager for Whitehorse Distributors, where he worked for the past 10 years.

E-mail: scott.kent@gov.yk.ca

Cynthia Tucker

Government House Leader
Caucus Chair

MLA - Mount Lorne
Yukon Liberal Party

Cynthia Tucker was elected as the MLA for Mount Lorne in the general election on April 17, 2000.

Ms Tucker has been a property manager for commercial, residential and special-use facilities and a small business owner.

She has experience in mediation and negotiation, conflict resolution training, land use planning and zoning and urban land economics. She was a member of the Yukon Horseman's Association and the Yukon Agricultural Association, a Canadian Ranger and a founding member of the Carcross Ranger Patrol.

She was most recently the manager of the Whitehorse Housing Authority and the Chair of the Hamlet of Mount Lorne Council. She was a board member of the Association of Yukon Communities and the Community Training Trust Fund.

Ms Tucker, who is married to Harry Kern, lives in the Robinson subdivision outside of Whitehorse.

E-mail: cynthia.tucker@gov.yk.ca

37th Parliament

Members of the House of Commons

Photo

Name: Mr. Larry Bagnell
Political Party: Liberal Caucus
Constituency: Yukon
Province: Yukon
Telephone: (613) 995-9368
Fax: (613) 995-0945
Email: Bagnell.L@parl.gc.ca

ALASKA STATE LEGISLATURE
JOINT MEETING
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE AND TOURISM
HOUSE SPECIAL COMMITTEE ON OIL AND GAS
HOUSE TRANSPORTATION STANDING COMMITTEE
February 20, 2001
10:30 a.m.

COMMITTEE CALENDAR

OVERVIEW: UTILITY CORRIDOR & RAILROAD RIGHT-OF-WAY TO CANADA

TAPES

01-8, SIDES A & B

(PLEASE ADD ANY OTHER TAPES)
(Please note these are House Special Committee on Economic Development, Trade and Tourism tapes)

CALL TO ORDER

REPRESENTATIVE McGUIRE, Chair, called the joint meeting of the House Special Committee on Economic Development, Trade and Tourism; the House Special Committee on Oil and Gas; and the House Transportation Standing Committee meeting to order at 10:42 a.m.

PRESENT

Committee members present were Representatives Chenault, Crawford, Dyson, Fate, Green, Guess, James, Kapsner, Kohring, Kookesh, Masek, McGuire, Morgan, Ogan, Rokeberg, Scalzi, and Wilson.

SUMMARY OF INFORMATION

FRED DYSON: Complimented past presentations

JOE GREEN: Asked questions regarding the certainty of deposits discussed by Dr. Mi't Wlitse. Also inquired about the safety issues of having a railroad and pipeline so close to a highway.

DREW SCALZI: Asked if there would be an increase in activity that would result in more funding for surveys

BILL WOOLF: Referred to Senator Murkowski's vision for better communication and transportation of resources and encouragement of a transportation corridor.

DR. PAUL METZ: Described possible routes for mining projects, a brief history of recent exploration of minerals.

JIM KUBITZ: Introduction of certain maps that outline possible routes for the utilities corridor.

COLIN CHAPMAN: Told the joint committee that Don Young was fully supportive of the plan to look into these issues for Alaska's future.

TOM BRINGHAM: Spoke about the Northwest corridor plan. Drew attention to looking at community and resident needs in terms of this issue.

ANNOUNCEMENTS

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

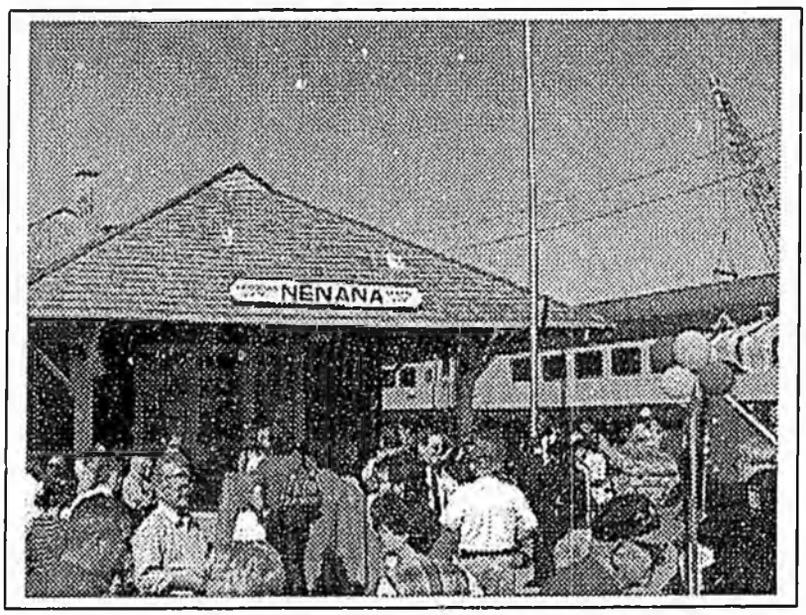
CHAIR McGUIRE adjourned the joint meeting of the House Special Committee on Economic Development, Trade and Tourism; the House Special Committee on Oil and Gas; and the House Transportation Standing Committee meeting to order at 12:30 P.M.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Second Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.

SECTION 5:

PROFESSIONAL REPORTS:

Dr. Paul Metz, Gil Carmichael,
Dr. Milt Wiltse, Steve Hites



URL: www.repjames.org

Testimony of Paul Metz, Ph.D., DIC, P.G.
Before the Joint House Committee Hearing on the Status of the Alaska-Canada Rail Link
February 20, 2001

Introduction and Statement of Qualifications

I would like to thank Representative Jeannette James for the opportunity to testify before this joint committee hearing on the US-Canada Rail Link. I am testifying as an individual and my credentials are given in the attached Curriculum Vita. I have undergraduate and graduate degrees in engineering, economic and mining geology, and business administration with an emphasis on engineering economics and finance. I teach courses in geological engineering, mineral exploration, mineral valuation, and mineral economics at the University of Alaska Fairbanks. I have conducted research on the mineral deposits and mining geology of Alaska and on the evaluation of mineral resources in the state and elsewhere. I have worked as a consultant to the mineral industry and have testified as an expert witness in litigation related to the mineral industry including eminent domain proceedings in state and federal court.

Engineering Geology of the Transportation Corridor from Fairbanks to the Canadian Border

In 1996, a proposal was submitted to the Alaska Railroad and later the Alaska Department of Transportation & Public Facilities for the production of engineering geologic maps and derivative geologic hazards maps for the transportation corridor from Seward to Fairbanks. In the summer of 2000 the project was revised to place an emphasis on the transportation corridor from Fairbanks to the Canadian Border as Phase I of the proposal and the corridor from Seward to Fairbanks as Phases II & III. As proposed this was a joint project between the Geological Engineering Program at the University of Alaska and the Alaska Division of Geological and Geophysical Surveys. A precedent for such cooperation was set by a bedrock geologic mapping program initiated in 1981 for the mineral districts in interior Alaska and referred to as the "Interior Mining Project" A summary of the results of that program is attached.

The objectives of the Transportation Corridor Project and the use of multipurpose engineering geological maps are summarized in the follow two attachments. The utilization of the multipurpose engineering geological by design engineers in the public and private sector will result in minimizing the risk and cost of geologic hazards to engineering works constructed in the corridor. These costs include both the capital costs of construction as well as annual maintenance and repair costs associated with the entire spectrum of geologic processes that can degrade engineering works. And most importantly the utilization of such maps minimized the risk of loss of life associated with catastrophic structural or earth failures due to a major hazardous geologic event.

A summary of the project, project history, the project status as of December 2000, and a discussion of the significance of this project was outline in my letter to Dr. Wiltse dated December 4, 2000 and attached herein. The changing economics of an Alaska Natural Gas Pipeline to the contiguous states has resulted in a major change in the economic parameters of the construction of the Extension of the Alaska Railroad to the Canadian Border and the connection to the Canadian Railroad System.

Changes in Mineral Resource Economics within the Transportation Corridor as a Function of the Availability of Natural Gas

Major mineral deposit types found in Alaska within fifty miles of the proposed extension of the Alaska Railroad to the Canadian Border include but are not limited to:

1. Bulk mineable low grade intrusive hosted gold (Fort Knox Type Deposits)
2. High-grade gold quartz veins (Pogo Type Deposits)
3. Bulk mineable moderate grade gold occurrences (Donlin Creek Type Deposits)
4. Porphyry Copper Occurrences
5. Porphyry Copper-Molybdenum Occurrences

6. Coal Deposits (Jarvis Creek Coal Field)
7. High purity limestone deposits for lime and portland cement production
8. Platinum Group Elements and podiform chromite in Alpine Ultramafics (Clinton Creek Type)
9. Platinum Group Elements in Layer Gabbroic Complexes (Paxson Mt.)
10. Precious metal enriched volcanogenic massive sulfide occurrences (Wolverine Complex Type)
11. Antimony-gold vein occurrences (Scrafford Type)
12. Tungsten skarn occurrences (Can-Tung Type)
13. Placer gold and platinum occurrences (Goodnews Bay Type)

The future availability of natural gas as a source of energy could greatly decrease the cut-off grade and thus positively impact the feasibility of developing bulk mineable mineral deposits in the corridor. The economic feasibility of bulk mineable mineral deposits is extremely sensitive to tonnage and grade and energy costs since energy is the single largest operating cost for such deposits. The combination of lower cost energy for what are now stranded mineral resources and the availability of a bulk transportation system would greatly enhance mineral exploration and development in the corridor in East-Central Alaska (see attached maps).

Other Sources of Tonnage for the Alaska Railroad and the Impact of the Economic Feasibility of the Transportation System

The uncertainty of future mineral discoveries should be carefully considered in the economic analysis of the Extension of the Railroad into Canada. Few railroads constructed in the 19th Century had defined markets prior to construction. The Alaska Railroad was constructed in the 20th Century under the same constraint. The only significant certain mineral deposits along the route of the Alaska Railroad prior to construction were the coal deposits in the Matanuska and Nenana Coal Fields and the placer gold deposits in Fairbanks. The deep and low-grade placer deposits in Fairbanks required dredges for their economic feasibility and the railroad was needed to get that equipment into the region. The placer deposits only contained 8 million ounces of gold. Today as a result of numerous gold discoveries since the completion of the "Interior Mining Project" there are over 40 million ounces of proven and drill indicated reserves in interior Alaska. This is 10 million more than the historic gold production of the entire state. Similarly the reserves of both the Greens Creek Mine and the Red Dog Mine have more than tripled since the initial feasibility studies for these projects. The availability of energy and transportation will result in increased mineral reserves at known mineral deposits and new mineral discoveries that cannot even be projected at this time.

Other sources of freight such as value added products from a petrochemical plant in Fairbanks and processed forest products as well as probable passenger revenues must be added to the expected cash flows from the mineral industry. The economic feasibility of the railroad extension should not be limited to the tonnage requirements of the mineral industry.

Effect of Lower Risk of Geologic Hazards with the Extension of the Railroad to Canada versus the Route from Seward to Fairbanks

The transportation corridor from Seward to Fairbanks transects some of the most hazardous geologic terrains in the world. This is a function of the plate tectonic boundary between the Pacific Plate and the accreted terrains along the margin of the North American Plate. By contrast the extension of the railroad into the Yukon Territory and either northern British Columbia or Alberta will transect on older and more stable interior plateau. Thus the rail extension will provide a relatively low risk transportation system for interior and even south central Alaska during future major earthquakes comparable to the March 1964 event. This factor must be included in the final economic analysis of the feasibility of the Extension of the Alaska Railroad. The same must be considered in the analysis of the Alaska Natural Gas Pipeline system.

Subject: Joint DNR-UAF Proposal Area
Date: Thu, 11 Jan 2001 15:28:07 -0900
From: Michele_Gorham <Michele_Gorham@dnr.state.ak.us>
To: Milton A Wiltse <milt_wiltse@dnr.state.ak.us>

Milt:

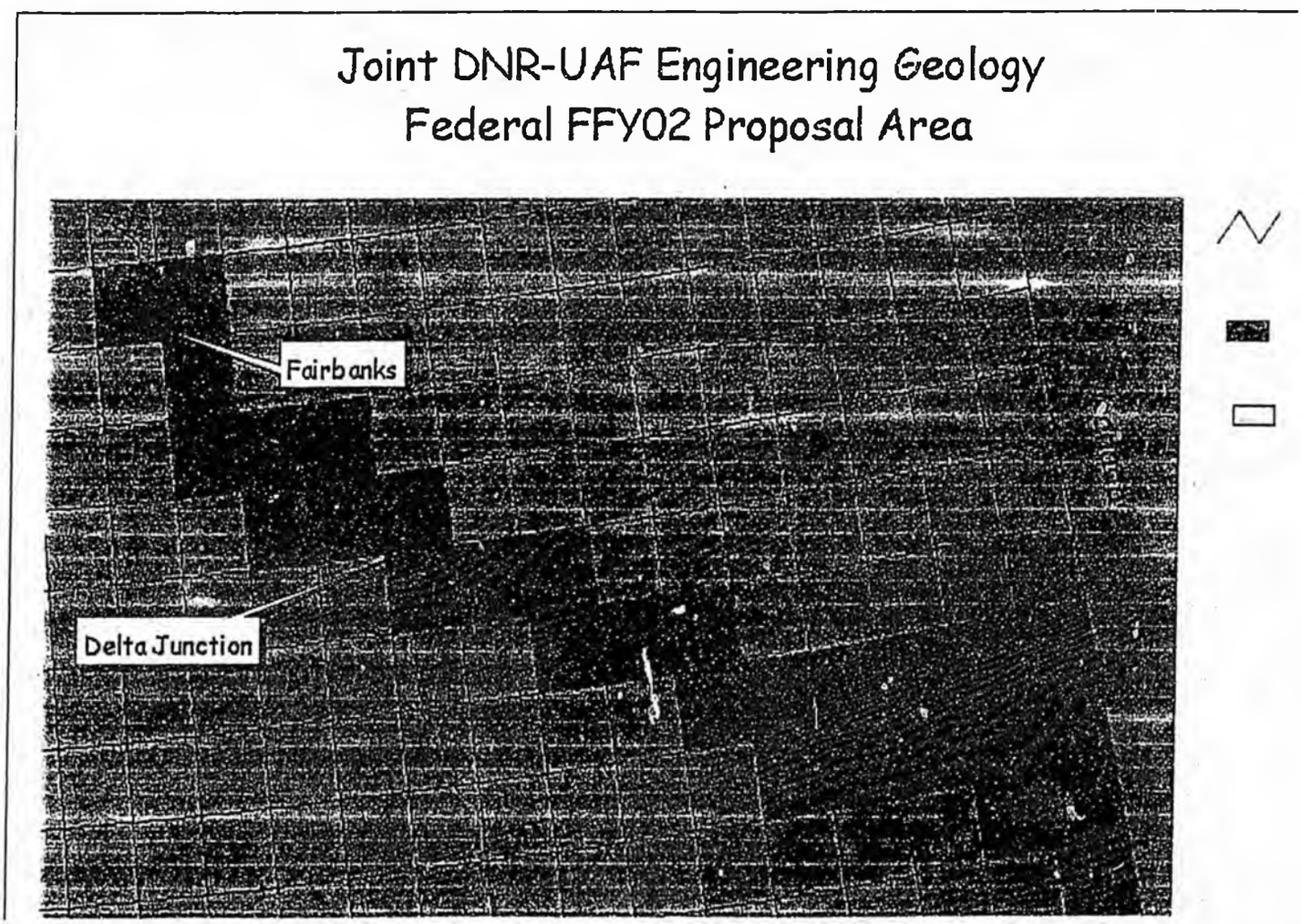
I have attached a jpg file depicting the outline of the Joint DNR-UAF Engineering Geology Federal FFY02 Proposal Area that I generated using the information I received yesterday.

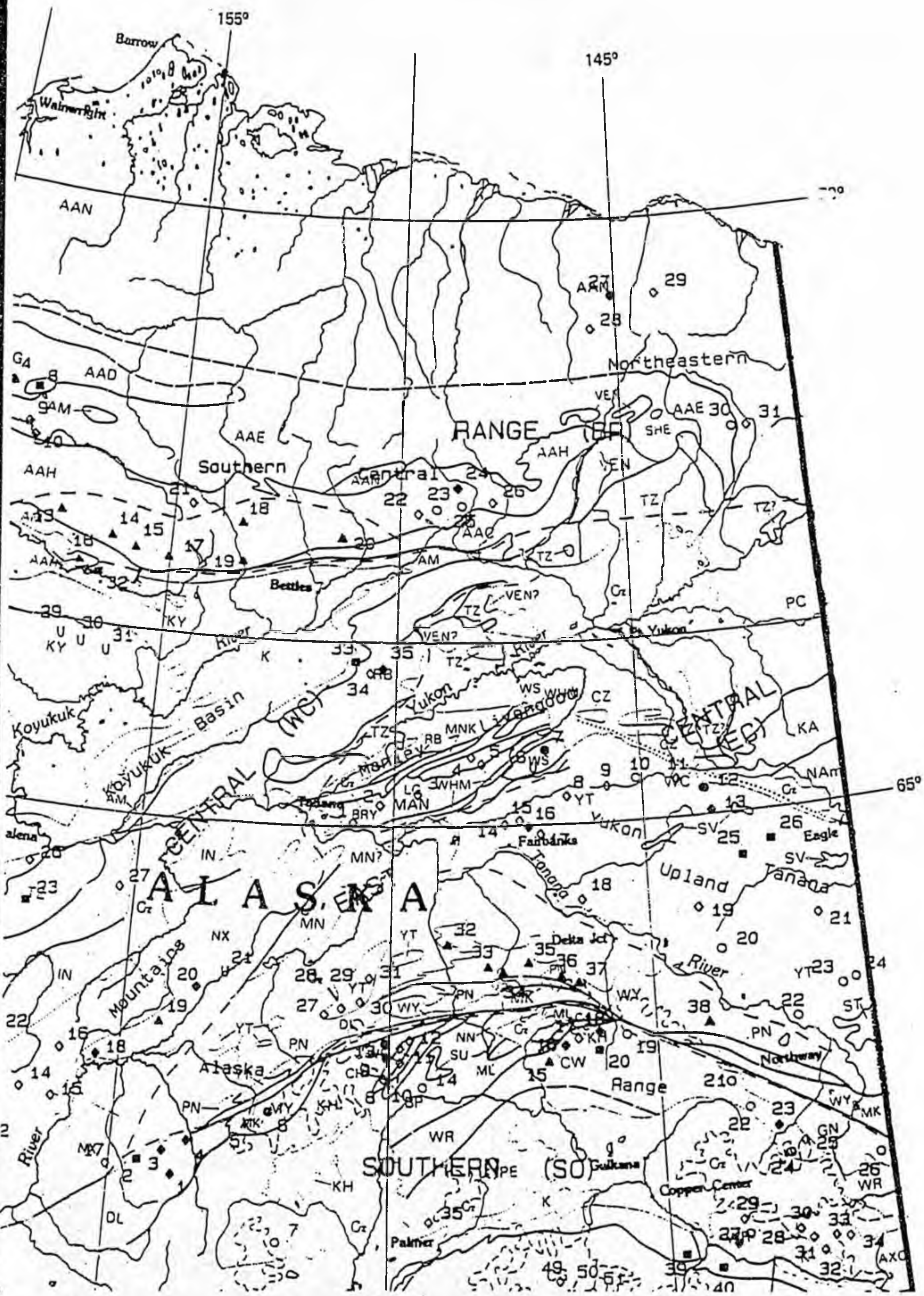
Please let me know if this is the correct area or if I need to make corrections.

Thanks!

Michele

--
Michele Gorham, GIS Analyst/Programmer
Alaska DNR, 550 W. 7th, #706, Anchorage, AK 99501
(907) 269-8855 (ph) // (907) 269-8920 (fax)
email: michele_gorham@dnr.state.ak.us




155°
145°
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Barrow
Wainwright
Northeastern
RANGE (BR)
Southern
Central
Bettles
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Koyukuk Basin
CENTRAL (WC)
CENTRAL (EC)
Livengood
Manley
Tanana
Fairbanks
Eagle
Yukon
Upland
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River
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Northway
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Gulkana
Copper Center
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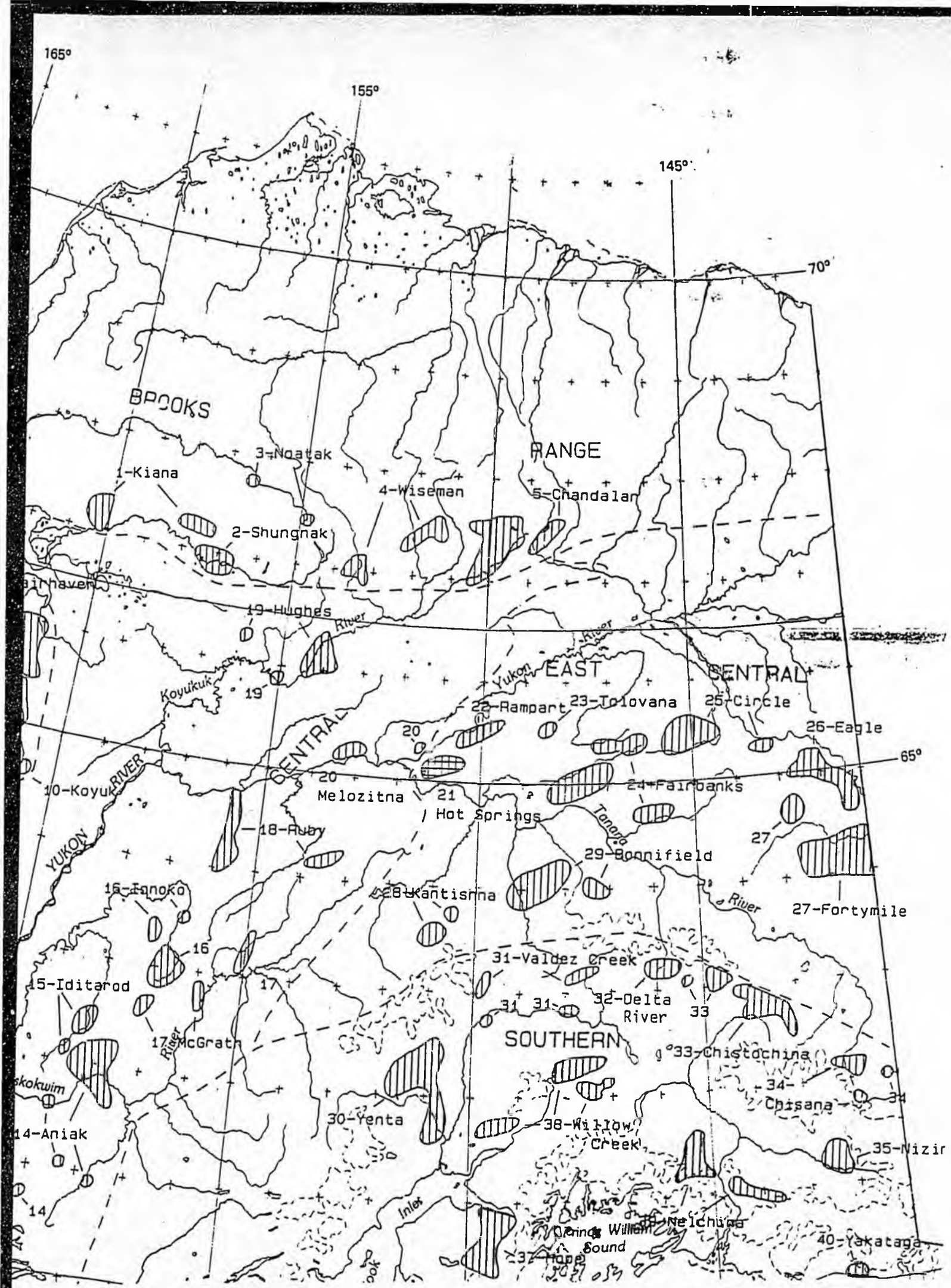
River


165°
155°
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70°
65°
BROOKS
RANGE
1-Kiana
2-Shungnak
3-Noatak
4-Wiseman
5-Chandalar
19-Hughes
Koyukuk
River
Yukon
River
EAST
CENTRAL
22-Rampart
23-Tolovana
25-Circle
26-Eagle
CENTRAL
10-Koyuk
RIVER
YUKON
18-Ruby
Melozitna
Hot Springs
24-Fairbanks
Tanana
River
29-Bonnifield
27-Fortymile
River
16-Innoko
28-Kantishna
15-Iditarod
31-Valdez Creek
32-Delta River
SOUTHERN
17-McGrath
River
33-Chistochina
34-Chisana
30-Yenta
38-Willow Creek
35-Nizir
14-Aniak
Inlet
Prince William Sound
37-Hope
39-Nelchina
40-Yakataga

Engineering Geological Mapping
Of the Alaska Transportation Corridors

Phase I

Fairbanks to the Canadian Border

Cooperative Investigation by

The Geological Engineering Program
School of Mineral Engineering
University of Alaska Fairbanks

And

The Alaska Division of Geological and Geophysical Surveys

Objectives:

1. Completion of airborne geophysical and engineering geological maps for the 20 quadrangles (15 minute) transected by the Alaska highway and the proposed route of the Alaska Natural Gas Pipeline and the extension of the Alaska Railroad from Fairbanks to the Canadian Border.

2. Assessment of the soil and rock mechanics of the geological materials in these quadrangles.

3. Completion of geo'ogic hazards maps as derivatives of the engineering geological maps and geophysical maps.

4. Development of a Geographic Information System for all the geotechnical data

5. Provide the regional geological database for the location, permitting, design, and construction, and maintenance of ALL engineering works in the transportation corridor.

Multipurpose Engineering Geological Maps

1. Location and engineering classification of bedrock units
2. Location and engineering classification of soil units
3. Location and orientation of geologic structures
4. Hydrogeological conditions
5. Geomorphological conditions
6. Geodynamic phenomena
    a. Erosion and deposition on floodplains
    b. Aeolian processes
    c. Slope processes
    d. Permafrost and related cryogenic processes
    e. Karstification
    f. Suffusion
    g. Soil liquefaction
    h. Expansive soils
    i. Seismicity and active fault zones
    j. Volcanism

Summary of the Interior Mining Project

By
Paul A. Metz, Ph.D., P.G.

On February 29, 1980 a joint proposal entitled "Mineral Resource Appraisal of the Interior Alaska Mining Districts was completed by Paul Metz (Mineral Industry Research Laboratory, School of Mineral Engineering, University of Alaska Fairbanks) and Wyatt Gilbert (Alaska Division of Geological and Geophysical Surveys) and was submitted to the Fairbanks North Star Borough as a Capital Improvements Project for fiscal year 19[illegible]' (Proposal No. MIRL 80-24 total budget $948,000). The stated objective of the proposed project was "to conduct a mineral appraisal of the interior Alaska mining districts adjacent to or included in the Fairbanks North Star Borough, thus stimulating the establishment and the growth of the mineral industry in the region". The procedure for the appraisal included geological mapping of each district at a scale of 1 inch equals 1 mile, detailed mineral prospect mapping, geochemical sampling of outcrops, stream sediments and heavy mineral concentrates from stream gravel and mineral deposit modeling using trace element, stable isotope, fluid inclusion, and radiogenic isotopic geochemistry. All published geological, geochemical, and geophysical data for the four interior mining districts (Fairbanks, Livengood, Circle, and Richardson) was compiled prior to the field mapping and geochemical sampling.

Fieldwork began in the Fairbanks district in 1981 and the field maps, field notes, and geochemical data were released as public data files as field geologists and laboratory staff produced them. The geologic mapping defined favorable rock units for future mineral discoveries while the geochemical sampling defined specific areas of high potential for future mineral deposit discoveries. The data immediately stimulated individual prospectors, exploration geologists and exploration and mining firms to re-examine the Fairbanks mining district. Prospectors and explorationists began to relocate old placer mining claims and stake new lode mining claims at an unprecedented rate. The fieldwork and laboratory investigations in the Fairbanks District resulted in the definition of 14 new anomalous areas of potential gold mineralization. Joe Taylor and George Johnson, local prospectors, used this data to locate 34 lode claims adjacent to their 19 Fort Knox placer claims near Gilmore Dome. Today those claims have evolved into one of the largest gold mines in North America which employs 250 highly skilled workers, contains an estimated 7.5 million troy ounces of measured and inferred reserves, and produces 1000 troy ounces of gold per day for 365 days per year.

By 1984 the geologic mapping and geochemical sampling of the four districts was completed. Dozens of geologic maps, thousands of geochemical analyses and hundreds of pages of technical reports were published and/or presented at exploration and mining conferences (see Metz and Halls, 1981; Metz and Hawkins, 1981; Metz, 1982, Metz, 1983; Metz, 1984d). In addition to the Fort Knox geochemical anomaly, 62 other geochemically anomalous areas were discovered during the interior mining project investigation. These anomalous areas have been the subject of thousands of new mining claims being staked in the four mining districts.

The Fort Knox Gold Mine is a major producer of new wealth for the Fairbanks Community but more importantly it has demonstrated the economic feasibility of bulk mineable gold production in interior Alaska. This fact has resulted in the expenditure of tens of millions of dollars per year for mineral exploration and development not only in the Fairbanks mining district but in the entire area of interior Alaska from the North Flank of the Alaska Range to the South Flank of the Brooks Range. As a result of the Fort Knox Mine development, another 33 million troy ounces of gold have been discovered in interior Alaska (at $300 per troy ounce the gross value of these discoveries is approximately $ 12 billion). This has resulted in the interior mining districts developing into the single most important region of new gold discoveries in North America since 1980.

Since 1984 over a dozen Master of Science theses and one Doctor of Philosophy dissertation have been completed on the geology and mineral deposits of interior Alaska. Presentations of these works as well the results of exploration and development programs by mining companies at international mining conferences has continued to stimulate and guide private sector investment in mineral exploration in interior Alaska (see Metz and Hamil, 1986; Metz, 1987; Robinson, Smith and Metz, 1990; Metz, 1991). In the interior mining project proposal, the discovery of at least one world class mine was predicted. The Fort Knox Mine fulfilled that prediction however expectations have been greatly exceeded. The gold discoveries at the True North Project, the Golden Summit Project, and at the Pogo Project will result in at least three more major gold mines in interior Alaska in the near future.

References Cited

Metz, P.A., and Halls, C., 1981, Ore petrology of the Au-Ag-Sb-W-Hg mineralization of the Fairbanks mining district, Alaska: Abstr. In Proc. of Mineralization of Precious Metals, Uranium and Rare Earths, University College Cardiff, Wales, Dec. 15-18, 1981.

Metz, P.A., and Hawkins, 1981, A summary of gold fineness values from Alaska placer deposits: University of Alaska Fairbanks, Mineral Industry Research Laboratory, MIRL Report No, 45, 63 p.

Metz, P.A., 1982, Bedrock geology of the Fairbanks mining district, northeast sector: Alaska Division of Geological and Geophysical Surveys Open-File Report 154, map, 1 sheet, scale 1:24,000.

Metz, P.A., 1983, Bedrock stratigraphic, structural, and surficial depositional controls of the gold placer deposits of the Fairbanks mining district, Alaska: Abstr. 34th Alaska Science Conference, Whitehorse, Yukon Territory, Sept. 28 – Oct 1, 1983.

Metz, P.A., 1984d, Statistical analysis of the stream sediment, pan concentrate, and rock geochemical data from the Fairbanks mining district, Alaska: University of Alaska Fairbanks, Mineral Industry Research Laboratory, MIRL Open-File Report No. 84-1, 40 p., maps, 9 sheets, scale 1:63,360.

Metz, P.A., and Hamil, B.M., 1986, Origin and extent of the Au-Ag-Sb-W-Hg mineralization of the Fairbanks mining district, Alaska: in Hagni, R.D., ed., Process Mineralogy VI, The Metallurgical Society, Warrendale Penn., p. 215-238.

Metz, P.A., 1987, Ore mineralogy and gold grain size distribution in the gold-silver-arsenic-antimony-tungsten mineralization of the Fairbanks mining district, Alaska: in Carson, D, ed., Process Mineralogy VII, The Metallurgical Society, Warrendale, Penn., p. 247-264.

Robinson, M.S., Smith, T.E., and Metz, P.A., 1990, Bedrock geology of the Fairbanks mining district, Alaska: Alaska Division of Geological and Geophysical Surveys Professional Report 106, map, 2 sheets, scale 1:63,360.

Metz, P.A., 1991, Metallogeny of the Fairbanks mining district, Alaska and adjacent areas: University of Alaska Fairbanks, Mineral Industry Research Laboratory Report No. 90, 370 p.

UNIVERSITY OF ALASKA FAIRBANKS

Department of Mining and Geological Engineering

School of Mineral Engineering

P.O. Box 755800

Fairbanks, Alaska 99775-5800 • Phone (907) 474-7388 • FAX (907) 474-6635

December 4, 2000

Milton Wiltse, State Geologist and
Director Alaska Division of Geological
& Geophysical Surveys
794 University Avenue, Suite 200
Fairbanks, Alaska 99707-3645

Subject: Engineering geology and geologic hazards assessment of the transportation corridors in Alaska – UA state and federal initiatives

Dear Dr. Wiltse

Attached is a copy of a University of Alaska Initiative submitted to the State Administration entitled, "Engineering Geology and Geologic Hazards Assessment of the Transportation Corridors in Alaska". A companion federal initiative was submitted to the Congressional Delegation through the Offices of the Provost and the Chancellor, University of Alaska Fairbanks and the University of Alaska Statewide Administration. The scope of work is similar to the scope of work that we jointly presented to President Hamilton during the Spring Semester of 1999. The recent initiatives include a third phase of work that encompasses the transportation corridor from Fairbanks to the Canadian Border as a first priority. The corridor investigations from Seward to Anchorage and from Anchorage to Fairbanks are assigned to Phases II and III respectively. In addition, airborne geophysical surveys have been added to the project thus significantly adding to the geological engineering database and the project cost.

These recent initiatives reflect the increased need for a comprehensive examination of the engineering geology along the proposed route of the extension of the Alaska Railroad through Canada and the construction of the Alaska Natural Gas Pipeline along the Alaska Highway route. These are major engineering projects essential to the long-term sustained growth of the Alaska economy. These engineering projects require regional geological engineering data collection, reduction, and analysis. This engineering data must include engineering geological maps that depict the mechanical and physical properties of the soils, rocks, ground water as well as the structural and dynamic process that affect the strength of these foundation and construction materials. This data is essential to the constructors of the Alaska Natural Gas Pipeline, the Alaska Railroad, and

the Alaska Communication industry that will in all likelihood install a fiber optic cable along these transportation systems.

As you may recall, I submitted the original proposal to the Alaska Railroad in May 1996 for the now Phase I & II work. Over the past four years endorsements for the original project have been forth coming from the Alaska Railroad, the Alaska State Emergency Response Commission, the Technical Advisory Commission of the Municipality of Anchorage, the Fairbanks North Star Borough, and the Alaska Department of Transportation & Public Facilities. The interior delegation also indicated support for this project, particularly at such time that it was in the Governor's Budget.

Initially funding for the Phase I & II of the project was sought from federal highway appropriations that would require a 10% (ten percent) match by the State of Alaska. Prior to completing the documentation for a publicly initiated highway project for Phases I & II, there was a strong indication that federal and state support for an extension of the Alaska Railroad through Canada was becoming a reality. This support was in part a function of the proposal for a National Missile Defense System to be located in the Big Delta area. Construction of the National Missile Defense System would be facilitated by the existence of a rail-link from Fairbanks to Big Delta. As you recall at the Alaska-Canada Rail Link Symposium in Vancouver last January, we were informed that federal highway funds could be utilized for the construction of the Alaska Railroad extension to Canada. Furthermore the collection, reduction, and analysis of the geotechnical data for site selection, permitting, and foundation design can be accomplished with federal highway funds.

Since our invited presentations at the Alaska-Canada Rail Link Symposium, I have been in contact with the co-sponsors of the meeting, Senator Mukowski and State Representative Jeannette James. They were kind enough to make presentations to our engineering students on November 6, 2000 on the synergies of the construction of both the Alaska Natural Gas Pipeline and the extension of the Alaska Railroad. They emphasized the need for engineering solutions to the complex geotechnical and environmental problems associated with both of these projects. At the Resource Development Council for Alaska, Inc. Annual Meeting on November 16-17, 2000, both the Senator Murkowski and State Representative James reiterated the problem solving nature of the geotechnical data collection, analysis, and reduction process and the timely permitting and design of both of these projects. After the RDC annual meeting, I meet with the local representatives from BP and Phillips Petroleum. Attached is a one-page summary of the project that was presented to these firms. They likewise emphasized the need for sound engineering data for the permitting as well as the design phase of the Alaska Natural Gas Pipeline. It was their consensus that there was not enough time to secure federal highway funds and a state match of those funds to allow collection of the required geological engineering data within their preferred time frame for the permitting and design of the Alaska Natural Gas Pipeline. In order to fast tract our project we will

need the timely assistance of the Congressional Delegation, the Office of the Governor, and the Alaska State Legislature.

I cannot stress enough the critical engineering nature of this project. All those involved must bring to the table a strong understanding of the difference between geological engineering data collection and simply the collection of bedrock lithologic and surficial geologic data. Engineering geological mapping and data collection emphasizes the mechanical and physical properties of the earth materials as they relate to specific engineering projects or general evaluation of a terrain for identification of geologic hazards that may adversely impact engineering works. Bedrock geologic maps and surficial geologic maps are not engineering geological maps although they may contain data that is an important component of the engineering geological map. I have attached a copy of a short treatise by Dearman (1976) on engineering geologic mapping. Each field person involved in this project must be familiar with the topics included in this paper. A more in-depth discussion of the subject along with the engineering geological mapping methods utilized by the British Geological Survey is included in Dearman (1991).

Airborne and ground based geophysical methods provide measurements of the physical and mechanical properties of soils and rocks as they exist in the field. The various geophysical techniques thus provide essential engineering data over larger vertical and lateral dimensions than are available to direct observation in the field or available to surface and subsurface sampling techniques. The project proposal has provisions for airborne magnetics, electromagnetics, and radiometric methods. The efficacy of these methods in engineering geological mapping has been discussed by Dearman (1976, 1991), Pitkin (1968) and Ward (1981) and the general use of these methods have been reviewed by Fitterman (1987), and Hanna (1987).

Scott and others (1990) give a very comprehensive review of the utilization of geophysics in the study of permafrost. Permafrost is the most challenging geologic hazard that will be encountered by both the Alaska Natural Gas Pipeline and the Alaska Railroad. Geophysics will be an essential tool in the identification and mitigation of this hazard. Ground based geophysical methods available in the Engineering Geophysics Laboratory in the Geological Engineering Program at UAF are listed as follows:

Engineering Geophysics Laboratory
Ground Based Geophysical Methods

1. Seismic Refraction Method
2. Gravity
3. Magnetics
4. Resistivity
5. Self Potential
6. Electromagnetics
7. Gamma Ray Spectrometer
8. Ground Penetrating Radar (FY 02 Budget Request)

The Geological Engineering Program at UAF also maintains a Geological Materials Engineering Laboratory with the following materials testing capabilities:

Geological Materials Engineering Laboratory
Soil and Rock Materials Testing

1. Soil moisture content
2. Specific gravity
3. Sieve analysis
4. Hydrometer analysis
5. Liquid limit test
6. Plastic limit test
7. Shrinkage limit test
8. Engineering classification of soils
9. Constant head permeability test
10. Falling head permeability test
11. Standard proctor compaction test
12. Modified proctor compaction test
13. Standard field unit weight test
14. Direct shear test
15. Unconfined compression test
16. Consolidation test
17. Triaxial compression test
18. Miscellaneous field geotechincal instrumentation

Individuals participating in this project must be familiar with the results of such geophysical surveys and testing methods and the depiction of the results on engineering geological maps. These tests may be supplemented by additional testing in-house or acquired though commercial laboratories and the materials testing laboratories of other state agencies.

Our clients, the users of this geological engineering data, are the constructors of the Alaska Natural Gas Pipeline, the Alaska Railroad, the Alaska Department of Transportation & Public Facilities, the geotechnical consulting industry and the Alaska communication industry, as well as the state and federal agencies that are permitting these engineering works. This project must be coordinated with these clients to maximize the benefit of the collected data and minimize the cost of data collection.

The project cost estimate contained in the federal and state initiatives includes the cost of acquisition and analysis of the specified geological engineering data. Additional data collection, reduction, and analysis by the UAF Geological Engineering Program, by the Alaska Division of Geological and Geophysical Surveys, or by other entities not specified in the initiatives will result in increased costs.

The Alaska Railroad and the Alaska DOT&PF have reviewed our original detailed proposals. The same cannot be said for the owners of the North Slope natural gas. The Alaska Natural Gas Pipeline presents a whole new set of geological engineering challenges not encountered in the Trans-Alaska Oil Pipeline. Due to the temperature of the oil in the ground, the energy necessary to transport the oil and the necessity to keep the paraffin at elevated temperatures to minimized oil viscosity, the oil pipeline is a significant heat source. In permafrost terrain, this heat source had to be decoupled from the ice rich permafrost. The Alaska Natural Gas Pipeline will be a very high-pressure line that will transport the fluid at temperatures below the freezing point of water. This will result in ice development around the pipe in areas where groundwater is available. Unabated, this will result in frost heave and longitudinal stresses on the pipe. Thus the presence of permafrost and groundwater are critical geological engineering parameters that must be delineated on engineering geological maps.

The Geological Engineering Program at UAF is currently conducting a large scale test of a cold buried gas pipeline in discontinuous permafrost. This is the largest scale test of its kind and is funded by the Japanese Government and a consortium of Japanese companies. It is expected that data from this test facility will provide critical information on the stresses in a buried cold natural gas pipeline in soil and groundwater conditions similar to the permafrost rich silts in the Fairbanks area.

The detail of the geological engineering data that can be provided by this investigation is limited to the scale of the mapping and the project budget. The geotechnical consulting industry will be the source of more detailed and site specific data collection, reduction, and analysis. However it is critical that the constructors of the Alaska Natural Gas Pipeline establish the detail of the geological engineering parameters that they would like to be provided with by the public sector. The same is true of the regulatory agencies. With this input there may be need for additional participants and an increased level of public funding.

Since the geological engineering work in the transportation corridor was first proposed to the Alaska Railroad in 1996 there have been at least a dozen derailments some of which were directly related to soil mechanics and groundwater flow in discontinuous permafrost. The derailment near Talkeetna in 1999 will cost the Alaska Railroad an estimated $9,000,000 (nine million dollars). The recent landslide along the Parks Highway near Ester will cost the State of Alaska an estimated $10,000,000 (ten million dollars). During the same time period avalanches were responsible for 14 fatalities in the transportation corridor between Seward and Anchorage. In addition the Alaska Railroad and DOT&PF have spend large sums of money mitigating other geologic hazards in the corridor such as soil creep, debris flows, and permafrost. The mitigation of a single geologic hazard along the route of the Alaska Natural Gas Pipeline and railroad extension will more than offset the cost of the proposed geological engineering investigation.

The "Engineering geology and geological hazards assessment of the Transportation Corridors in Alaska, Phase I – Fairbanks to the Canadian Border" is an integral part of these construction of the Alaska Natural Gas Pipeline, the Extension of the Alaska Railroad, and parallel fiber optic cable systems. The Geological Engineering Program and the Alaska Division of Geological and Geophysical Surveys have taken a lead role in predicting the need for funding for such geological engineering investigations. These entities must take a lead role in implementation of these engineering investigations. As noted above, the timely completion of this geological engineering project is predicated on the good graces of the Congressional Delegation, the Office of the Governor, the Alaska Sate Legislature, the University of Alaska and the users of the engineering data.

Sincerely

Paul A. Metz, Professor of Geological Engineering
And Licensed Professional Engineering Geologist

Cc: Robert Carlson, Interim Dean
School of Mineral Engineering

Martha A. Stewart, Director
Federal Relations

Representative Jeannette James

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EAST CENTRAL ALASKA GEOLOGIC RESOURCES AND ACCESS CORRIDORS

ALASKA DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS

JUNEAU, ALASKA

FEBRUARY 20, 2001

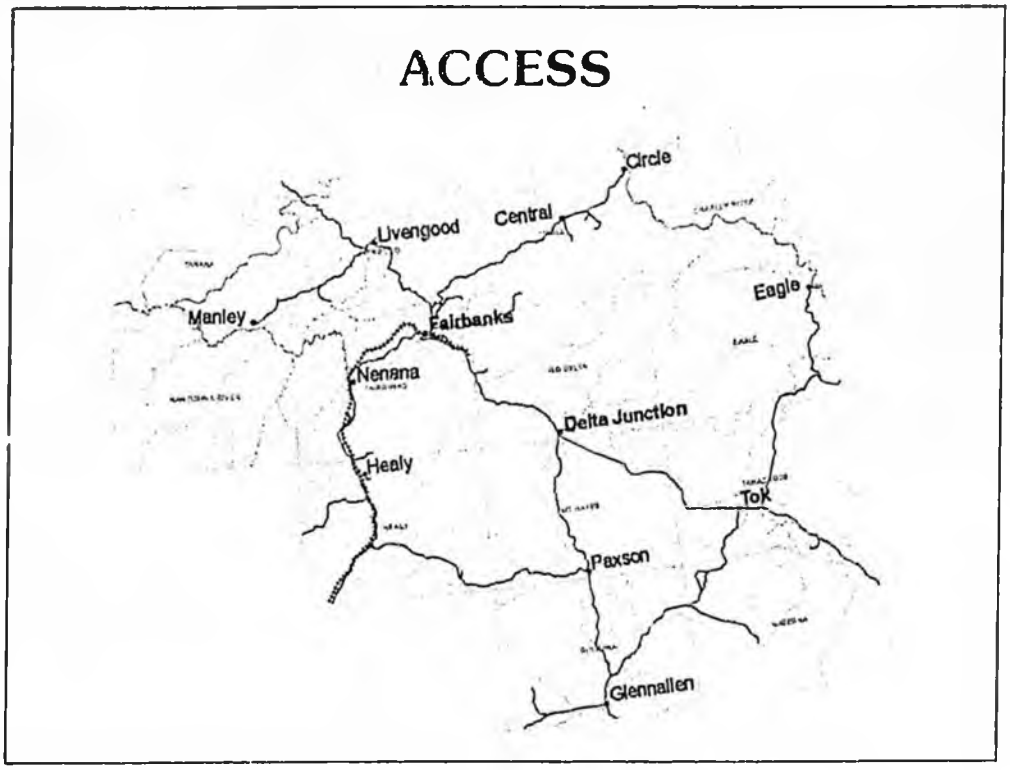
EAST CENTRAL ALASKA GEOLOGIC RESOURCES

East Central Alaska includes the central portion of a regional international United State - Canada mineral trend that informally has acquired the designation of "Tintina Gold Belt"

Gold is not the only mineral commodity within the "Gold Belt." This region also contains significant coal deposits, and copper, lead, zinc, nickel, and platinum group metal prospects.

The proposed extension of the Alaska Railroad is located within a highly mineralized portion of the Tintina Gold Belt.

ACCESS



The area shown in the following graphics represents about 78,000 square miles. As an indication of scale, it is about 100 miles (165 km) between Fairbanks and Delta Junction.

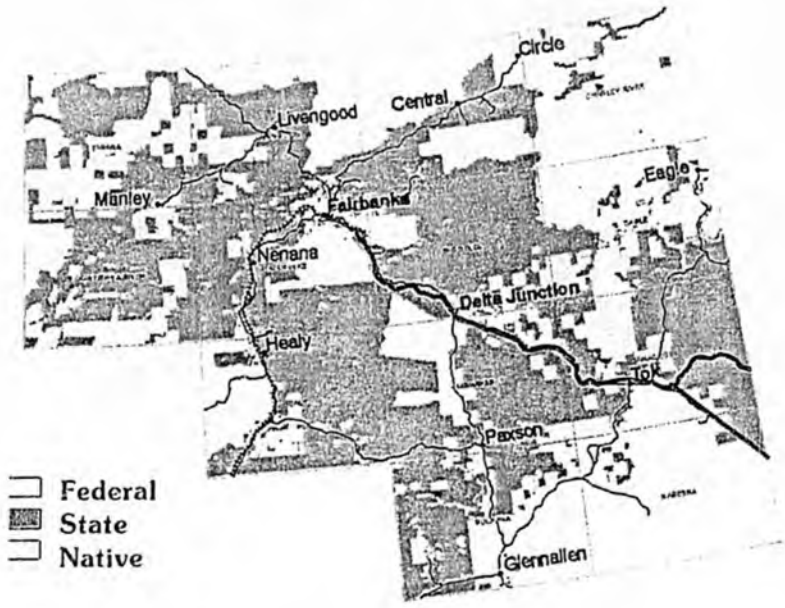
The existence of a road and railroad transportation network has been a significant positive factor in fostering mineral exploration and development in East-Central Alaska.

The Fairbanks commercial center; serviced by the Alaska Railroad, the Parks Highway, and the Alaska Highway; disburses equipment, supplies, and services to regional towns and villages that serve as staging areas for mineral exploration and development ventures.

Fairbanks is a world-scale mining center. Delta Junction is the terminal supply point for developing the recently discovered Pogo gold deposit. Tok serves the Fortymile and Delta mineral districts. The town of Healy supports the states largest active coal mine and is a local supply center for mineral exploration in the Bonnifield and Chulitna district.

A large percentage of East Central Alaska lies within fifty miles of an existing road.

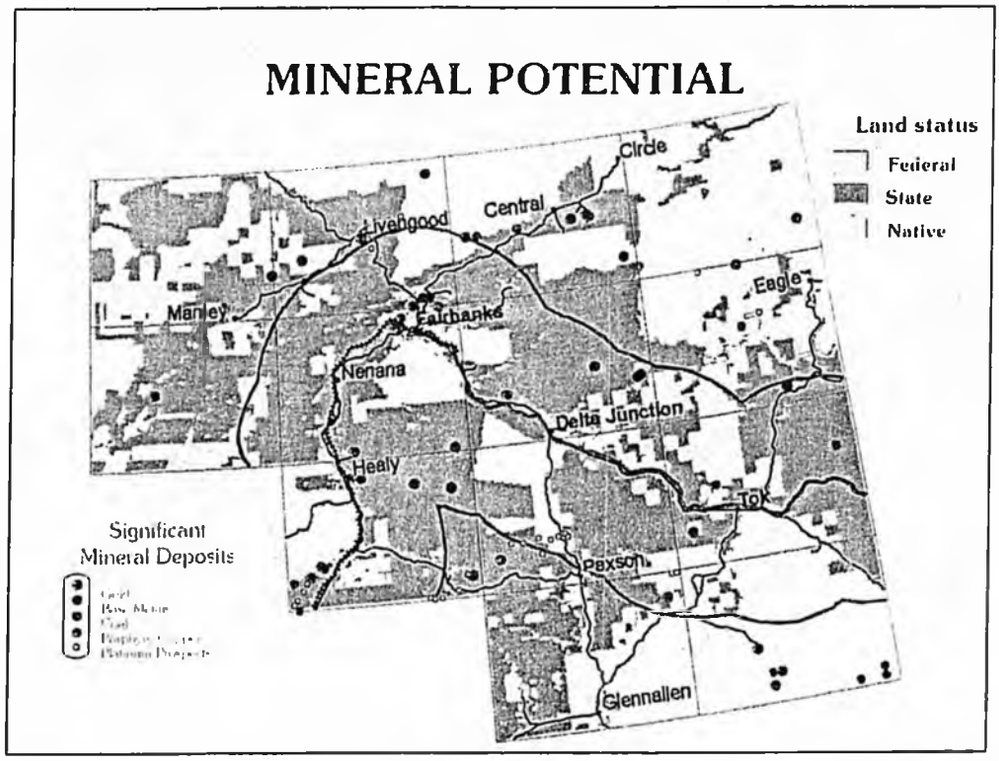
LAND OWNERSHIP



There are three major classes of land owners in Alaska: 1) the federal government; 2) the state of Alaska; and 3) Alaska Native Regional- and Village-Corporations. Other private land owners are a small minority when measured by acres in private fee-simple ownership.

The majority of known significant mineral deposits in East-Central Alaska are located on state or Native controlled land.

Much of the land selected by the state of Alaska and the Native Corporations was purposely chosen because of perceived high mineral potential. In spite of the existence of several known significant mineral deposits, these lands are under-explored. A fact amply demonstrated by the discovery of a gold deposit by sampling the road cuts of the Alaska Highway near Tetlin Junction last summer



A majority of the most valuable known mineral deposits of East-Central Alaska are located within fifty miles of the proposed or existing Alaska Railroad, e.g., Usibelli Coal Mine (1.4 billion tons), Fort Knox Gold Mine (6 million ounces), Pogo Prospect (5.2 million + ounces), True North Prospect (1.3 million ounces), Ryan Lode (0.8 million ounces).

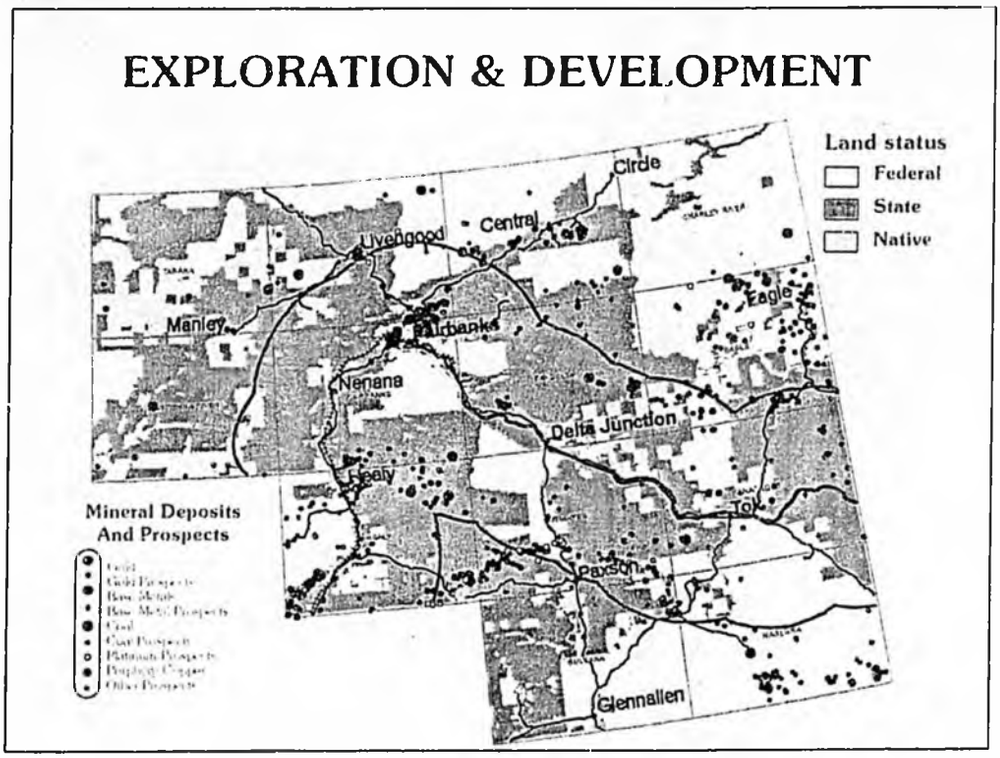
The region hosts several other significant prospects and mineral districts, e.g. the Bonnifield gold and massive sulfide copper-lead-zinc district east of Healy; the copper-lead-zinc Delta District southwest of Tok; the Richardson gold district northwest of Delta Junction.

There is growing interest in a series of nickel-copper-platinum group metal prospects north of Paxson.

There are brief references for some of these deposits in the appendices of the *Alaska Mineral Industry –1999* annual report published by the Alaska Division of Geological and Geophysical Surveys.

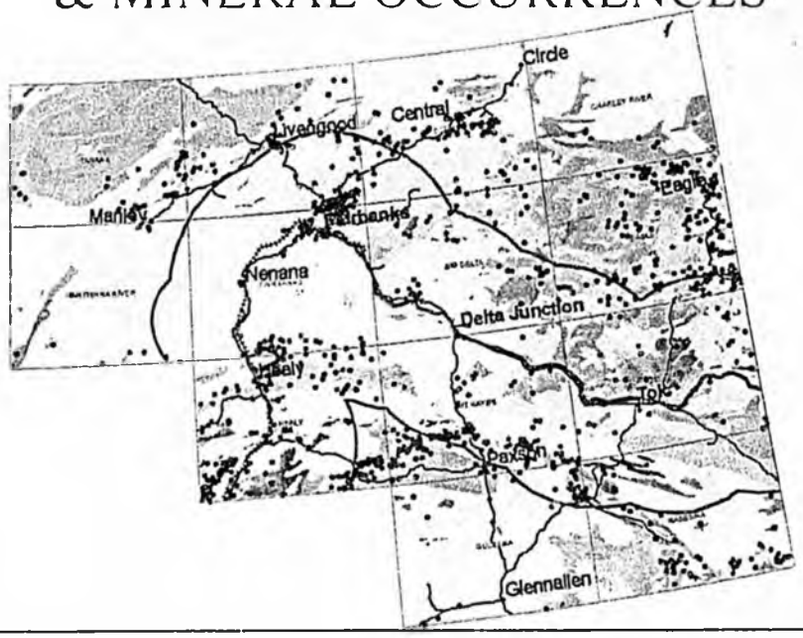
Using a non-quantitative definition of "significant," there are about thirty significant mineral deposits or prospects within the existing and proposed 100-mile wide rail-belt corridor.

EXPLORATION & DEVELOPMENT



In addition to these "significant"deposits, there are scores of lode gold, base metal massive sulfide, copper porphyry, and nickel-copper-PGM, tungsten, and tin prospects within the rail-belt corridor and many others surrounding the corridor.

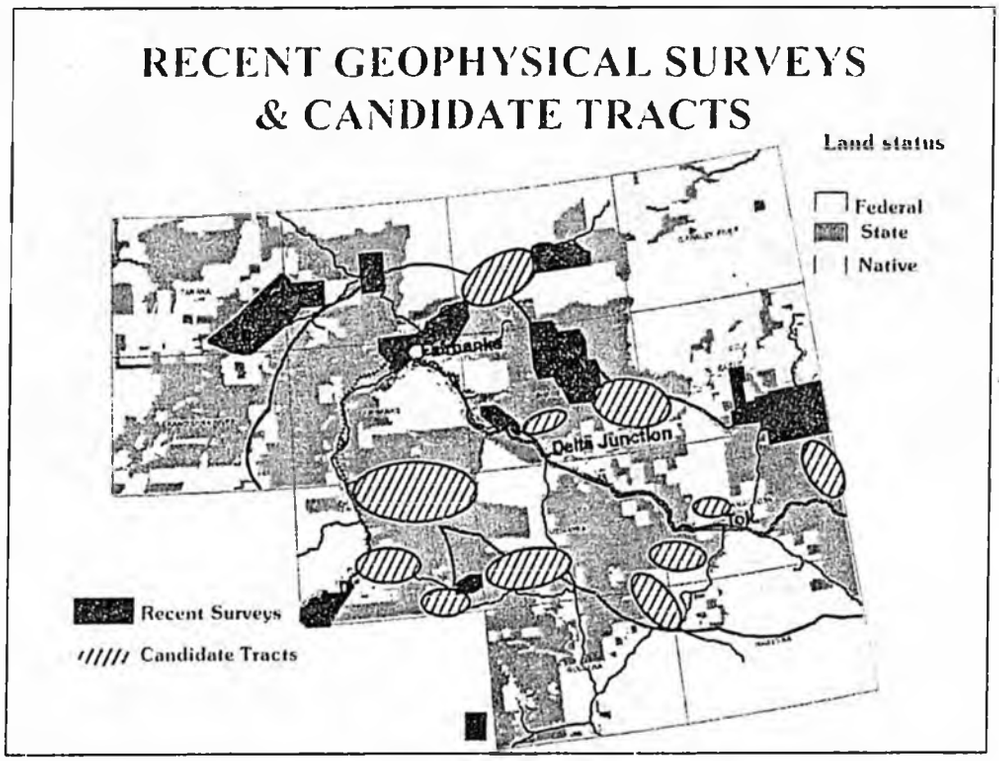
GEOLOGIC FRAMEWORK & MINERAL OCCURRENCES



Placer gold deposits and districts have proved effective in identifying areas hosting significant lode deposits of several mineral commodities. If placer gold occurrences are added to the lode occurrences already shown, one gets a feel for just how widespread indications of mineralization are within East-Central Alaska.

Both lode and placer occurrences exist within a framework of varied and complex geology. By world standards, this geology is very poorly understood. We really have only crude initial hypotheses for most of the East-Central Alaska area. Most of this country has not been geologically mapped at scales useful for detailed mineral exploration.

Much of the geologic mapping that does exist is derived from regional scale (4 mile to the inch) maps that were generated from field data collected between 1950 and 1975.



Beginning in 1993, the state of Alaska has sustained an annual airborne-geophysical/geological ground-truth geologic mapping program in an effort to improve the general knowledge of the geology and mineral resource potential of state lands.

The airborne-geophysical/geological mapping programs are centered on historical mining districts or on lands nominated by various members of the Alaska geological community because of their perceived high mineral potential.

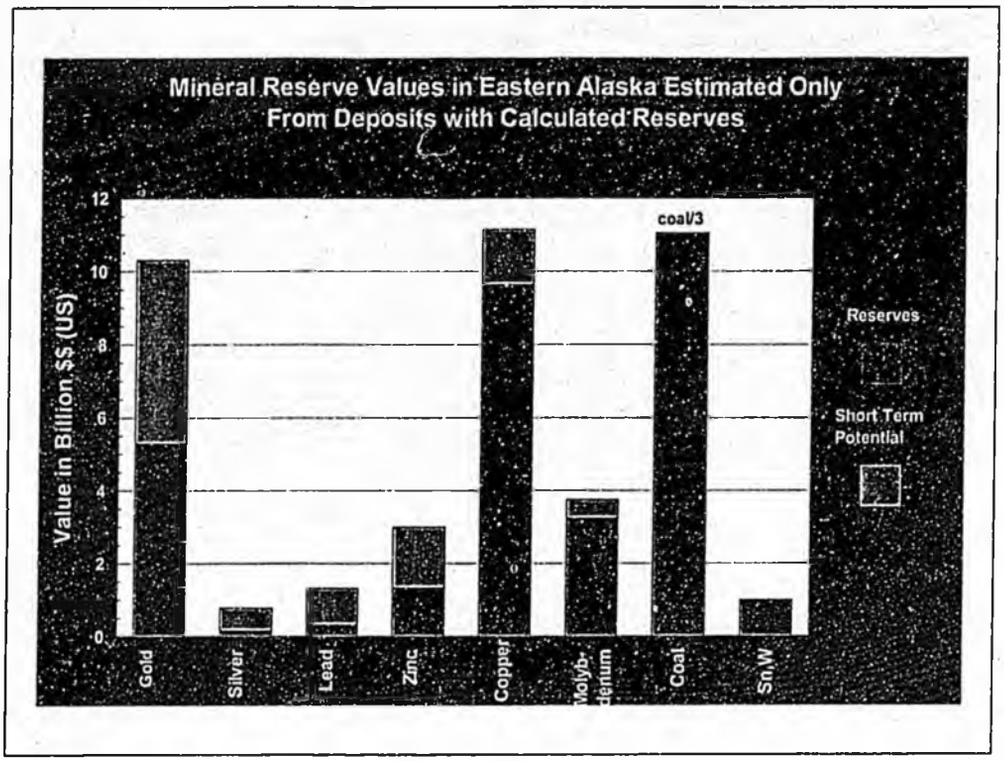
To date, nine tracts have been geophysically surveyed within East-Central Alaska. Modern ground-truth geologic maps at a scale of 1:63,360 (1 inch = 1 mile) are available for six of these tracts. The Fortymile mining district is currently being mapped.

There are 4441 square miles of airborne-geophysical surveys represented by the gray polygons shown in this figure

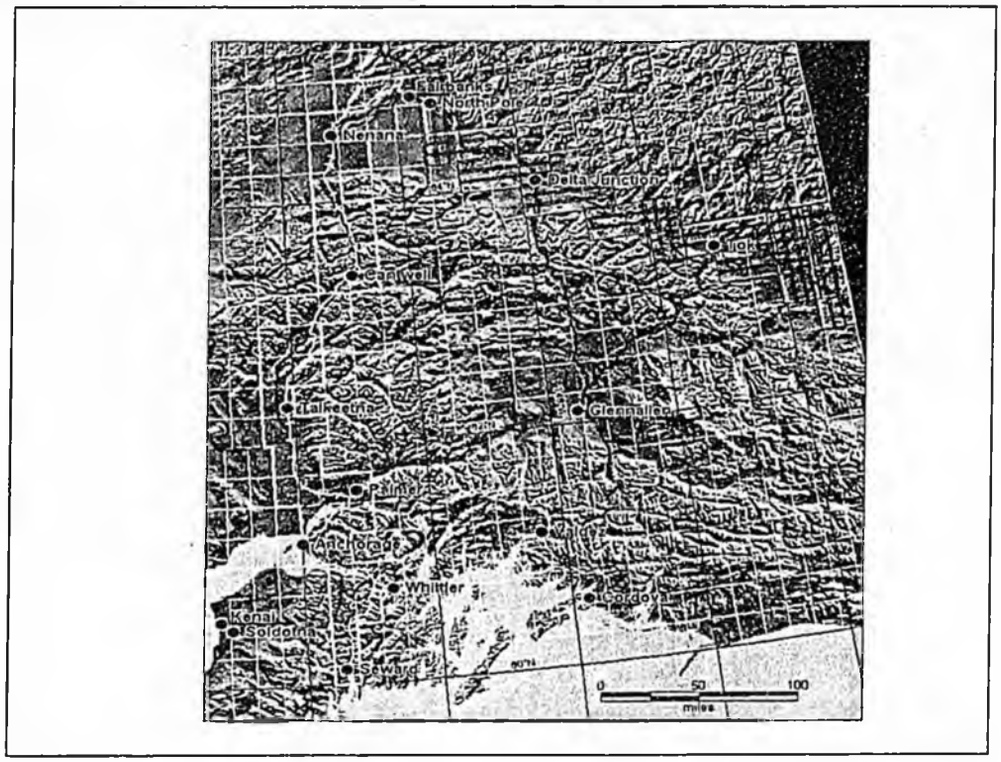
These new geophysical and geological data have catalyzed a tremendous private sector investment in mineral exploration and development within East-Central Alaska.

In addition to the nine tracts already surveyed, the proposed rail-belt corridor includes all or portions of eight additional candidate areas: Steese, Salcha, southeastern-Pogo, Sixty-mile Butte, Ladue River, Delta, Mentasta Pass, Broxson Gulch, and Bonnifield.

Completing the remaining surveys is contingent upon special annual appropriations.



From a global perspective, the Tintina Gold Belt has recently been recognized by the mineral industry as an "emergent district." That is, a region in which additions to reserves are expected to follow regularly with continued exploration. This is a young exploration region with a limited knowledge base. There is still a lot of room for success.



There is no doubt that the general corridor of the proposed extension of the Alaska Railroad passes within less than fifty miles of many significant mineral deposits. A useful and responsible next step in developing the railroad extension would be to conduct a full technical corridor analysis in order to optimize the alignment for the extension. Because the corridor for the railroad approximately coincides with the corridor for the proposed natural gas pipeline from Fairbanks to the Yukon border, one analysis could serve both projects for the Alaska portion of the railroad and pipeline.

DNR has submitted a proposed gas line supplemental project that includes some preliminary aspects of a true corridor analysis. DGGS has also worked with the NASA through the Alaska SAR Facility at the University of Alaska Geophysical Institute to acquire a detailed digital elevation terrain model for this corridor. That terrain model will probably be completed by next October. A true corridor analysis requires many layers of data beginning with corridor-wide engineering geology data at a scale of at least 1 inch=1 mile, definitive land status, geologic hazards assessment, and more information on construction materials and other geologic resources. Corridor analyses are routinely conducted for major construction projects in the Lower-48 to maximize project efficiency and minimize adverse impacts. We could benefit from following this strategy in Alaska.

The existing Alaska Railroad and railroad extension would intersect a road network providing access to about 78,000 square miles of land.

Much of that land is in nominal control of the state of Alaska or Native Corporations.

Much of the land within East-Central Alaska that is state or native corporate land was selected because of its perceived high mineral potential.

The validity of the perception of mineral wealth in East Central Alaska is being demonstrated by new discoveries resulting from an improving geologic database and private sector investment in mineral exploration.

Gold is currently the commodity of greatest interest, but East Central Alaska has potential for copper, lead, zinc, nickel, tungsten, tin, and platinum group elements.

A full technical corridor assessment of the region through which the Alaska Railroad extension would pass is a logical and beneficial next step to guide the development of this international project.

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Gil Carmichael

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People

Meet the Members of the ITI Board of Directors

Gilbert E. Carmichael
Chairman of the ITI Board

Vice Chairman
MotivePower Industries
Meridian, Mississippi

Chairman
Amtrak Reform Council

Gilbert E. (Gil) Carmichael is a leading international authority on railroad and intermodal transportation policy and is committed to a seamless, safe and secure, efficient and economical, freight and passenger transportation system for the 21st century. Carmichael served as the US Department of Transportation Federal Railroad Administrator (FRA) in the administration of President George Bush from 1989 to 1993 and is currently on the Amtrak Reform Council. He is vice chairman of the Board of MotivePower Industries, the leading independent manufacturer of after-market locomotive component parts and the leading independent locomotive remanufacturer in North America.

In addition to managing the nation's rail safety and research programs as FRA Administrator, Carmichael supervised international railway technical assistance programs and sponsored the first World Railways Congress in 1991, which brought together senior government and railway officials from 60 nations. He also helped develop the national transportation policy to permit intermodal transportation initiatives and to formulate new federal policy toward the rail mode and Amtrak, the United States rail passenger system. He chaired the three-year, $29 million, National Maglev Initiative and was one of many contributors to the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), proposing a network of regional high-speed rail passenger corridors, now under development.

A graduate of Texas A&M University and a former Fellow in the Kennedy School of Government at Harvard University, he presents and publishes papers on the transportation industry, promoting the need for a North American and global intermodal freight and passenger system, utilizing the world's rail network. He is a contributing editor to *Progressive Railroading*. On 20 May 1999 Carmichael delivered a speech before the Road Gang, Washington DC's highway transportation fraternity. His address is entitled "The Case for Interstate II."

This paper especially prepared for

ALASKA / CANADA RAIL LINK CONFERENCE

January 20, 2000

Gilbert E. Carmichael
2209 Highway 45 N., Suite F
Meridian, MS 39301
601-483-9712/9711 fax

GIL CARMICHAEL
ADDRESS TO THE ALASKA/CANADA
RAIL LINK CONFERENCE
VANCOUVER, B.C., JANUARY 20, 2000

I welcome this opportunity. On several occasions I have accepted invitations to address audiences in Alaska concerning future options and opportunities as that state considers its 21st Century transportation needs. Strategies and intentions on the part of the people of British Columbia and the Yukon always have been important to any plans that Alaska might undertake, and I am pleased to know that opinion leaders in Canada have begun to consider what steps are appropriate for them.

As an outsider, it is not proper for me to come here and lecture you about what you should do. But I do have experience which I believe is worth sharing.

A North American Rail System Has Evolved

One of the developments that stimulated this meeting is the growing recognition that remarkable changes in recent years have transformed the main-line railroads of North America into a unified operating network. This North American rail system carries profound...and positive implications for the economies, societies, environmental concerns, and mobility needs of the people who live in Canada, Mexico and the United States.

There actually is a lengthy history of cross-border operations involving our railroad companies. For many decades tracks of the Canadian-owned Soo Line ranged throughout the United States midwest to destinations as far away as Cincinnati and Kansas City. The Grand Trunk, a long-time subsidiary of Canadian National, operated to Detroit and Chicago. United States railroads controlled routes in southern Ontario. Burlington Northern has served Vancouver and Winnipeg for many years. Amtrak operates to Montreal, Toronto and Vancouver. In the early decades of the 20th Century United States rail companies controlled affiliates within Mexico, and later Mexico's national railway system held interests in a key route in Texas.

One important legacy of cross-border ownership and operation is a continental rail system with common and standardized track, equipment, and operating practices. Locomotives, freight cars and passenger equipment can operate freely over routes in all three nations.

The basic pattern of a North American rail system has been in place for a century. Unfortunately, it suffered along with the fortunes of the rail industry in the post-World War II era,

when public policy in the United States favored transportation solutions involving highways and commercial aviation, and was content to allow rail transportation to languish. That finally changed in 1980 when Congress adopted the Staggers Act and conferred a greater degree of economic deregulation upon the industry.

The result of Staggers was "staggering." A sick industry was restored to health. During the past 20 years more than 60 billion dollars of private capital investment has flowed to new equipment, better track, and innovative technology. United States railroads are profitable again. Light-density lines have been spun off to hundreds of local and regional carriers who have preserved and improved freight service. Policy in Canada meanwhile allowed the nation's federally-chartered company, Canadian National, to divest itself of uneconomic lines and dramatically improve its balance sheet. Mexico restructured its rail system through a privatization plan that now stands as a world model. Private companies with joint Mexican-US ownership now operate routes throughout that nation and have developed improved high-performance corridors which link the interior of Mexico with freight customers as far away as Montreal and Vancouver.

Today, the North American Rail System serves 90 states and provinces--almost 400 million people--with 240,000 miles of routes. Main-line routes connecting major cities utilize heavy-duty welded rail and are in better operating condition than at any time in the industry's history.

A Global Intermodal Network Is in Place

Meanwhile, another innovation has taken place over the past 20 years, and it has profoundly altered transportation. Intermodal transportation has become the global standard for moving freight---using a system which is sharply focused on speed, safety, reliable scheduling, and economic efficiency. "Intermodal" is to transportation what the "internet" is to communications.

Today, the intermodal network emphasizes moving freight in North America and passengers in Europe and Asia. It is beginning to include passenger service in the United States.

The global high-speed intermodal freight system builds on the strengths of each mode--who have become partners in offering service. Key to its success is the versatility of the cargo container. Cargo ships and airplanes span the oceans. The freight railroad is the high-speed, long-distance, transportation artery for container movement on the land. The truck provides local feeder service at origins and destinations. Cargo airplanes deliver high-value and specialized freight. This

system works--but it urgently needs dramatic improvements to its land component in order to handle growing volumes of containers delivered by ship and airplane.

Modern, strategically located, high-efficiency, high-capacity intermodal terminals are key to the system, providing almost "seamless" interchange of containers. Secondary rail and highway routes support the intermodal system and connect cities, rural regions, and individual freight customers to the main-line corridors.

Today, a doublestack train leaving a coastal port like Vancouver can replace 280 trucks, run at speeds up to 90 miles an hour on the western railroads, and afford as much as nine times the fuel efficiency of an 18-wheel trailer rig on the highway. Overall, the operational and economic efficiency of freight's intermodal network conserves fuel, reduces other environmental impacts, and is significantly safer. It represents the most economically and environmentally "sustainable" approach to transportation services. These are especially critical elements for the pristine nature of Northwest Canada and Alaska.

A Rail Corridor Offers Many Advantages

The time has come, it seems to me, for the people of northwestern Canada and the state of Alaska to consider the benefits of being connected to the huge North American Rail System and the global intermodal network--whose long-distance land component is the railroad. Experience elsewhere demonstrates that efficient transportation service brings down the cost of transporting goods and passengers. The people of Alaska, British Columbia and the Yukon are consumers of goods and are far removed from the sources of manufacture.

Other important trends are in place which suggest to me the advantages of a British Columbia-to-Alaska rail linkage. I recognize that some people would argue that vast sections of this region be preserved in pristine condition. However, construction of the Alaskan Highway more than a half-century ago opened northwest Canada and Alaska to development. In retrospect, we would have been better off if a railroad line had been built instead. But that is a bit of history that we cannot erase.

During the post-World War II era, Alaska's population has grown by roughly 100,000 each decade. That trend is firmly in place. Northern British Columbia and the southern Yukon have been opened to mineral extraction. At the same time the entire area is attracting the interest of tourists. They are coming. They will continue to do so.

I am convinced that a policy of "selective expansion" of transportation connections, based upon the railroad, will be

preferable to annual invasions of sport utility vehicles rambling willy-nilly over environmentally-sensitive land--such as Alaska's Denali National Park.

The Unique Benefits of Railroads

For this part of the North American continent, rail service offers several advantages over highways.

The railroad operates over a narrower right-of-way, and leaves a smaller footprint upon the land. Construction activity is less disruptive of natural surroundings. Research undertaken in Russia suggests that a rail corridor has far less impact in regions of permanent frost because track ballast absorbs much less radiant heat from the sun than a highway surface. Research conducted by Alaska's Department of Transportation found that it actually raised the freeze line.

Railroad design allows heavier weights to be transported with little effect upon the land surface. This takes on special importance in regions of unstable soil conditions, and those climates subject to frequent freezing and thawing. By contrast, even the best-designed interstate highways built over stable terrain are being repaved at nearly twice the rate originally projected, because heavy trucks cause so much damage.

Railroad operations are more environmentally benign as well. Trains are more fuel efficient and emit lower levels of pollution. Pollution levels can be reduced even further through the use of locomotives powered by natural gas--or ultimately by electrification at some point in the future. The "occasional train" is less intrusive than a constant procession of highway vehicles. They also afford all-weather capabilities. I am told that one railroad track has capacity equal to eight lanes of highway.

Rail transportation offers a particular benefit in accommodating tourism business. Train travel by itself can be part of the tourism experience, and moving tourists by train permits controlled access to scenic areas, as the Alaska Railroad has proved for years. When people leave the train, they can move in groups via shuttle buses, which cause fewer problems than a herd of private vehicles operating independently. No matter how carefully we plan roadways to minimize environmental concerns, when people visit your scenic wonders by SUV, they will be inclined to roam wherever their personal fancies impel them.

I already have noted the lower-cost transportation that railroads can provide versus truck or air cargo. But a rail-based tourism system also will allow for the expansion of a jobs-producing tourist economy in an environmentally sustainable way.

It Is Time to be Visionary

I have presented my case for connecting northwest Canada and Alaska to the North American Rail System and the global intermodal transportation network. It is not my intent to recommend a particular route alignment, and I am aware that preliminary studies already have taken place. Obviously, a rail line through northwest Canada logically would connect with the Alaska Railroad. I also believe that consideration should be given to "multi-modal" rail corridors. It is an easy matter to establish a buried fiber optics cable in the process of building a railroad line. This would connect remote regions to the continent's main-line telecommunications system. Portions of the corridor may make sense for energy pipelines as well. Rail corridors can easily move freight, passengers, fuel and information.

The specific route--its components and capabilities--rightfully belongs as a decision to be made by the people of British Columbia, Alaska and the Yukon. Part of the decision process should include the feasibility of private investment to defray a portion of the costs. By working with its congressional delegation and the U.S. Department of Transportation, I believe that Alaska can make a strong case that segments of this rail project to be built in that state should qualify for funding under the recent surface transportation reauthorization law.

I recognize that Alaska, British Columbia and the Yukon represent special places whose priorities sometimes are different from those considered elsewhere. Distance. Remoteness. Climate. Environment. The status of native inhabitants. Natural resources. Scenery. Wilderness.

Growth is taking place, and will continue. Alaska's rate of population increase during the past 50 years is exceeded only by that of Arizona, Florida and Nevada. Tourists arrive in greater numbers each year to Alaska and northwest Canada. In the "lower 48" states, the 20th Century was a period in which we accomplished much in transportation, but the landscape is littered with the debris of our mistakes. We became over-reliant upon the highway and the airport. We allowed our railroads to founder for 80 years until the choices were stark ones--deregulation or nationalization. Many local and intercity rail passenger services were left to die. Our transportation policies led to the withering of small towns and the crowding of new suburbs. We brought smog and highway gridlock to our large cities.

You people have the opportunity to capture the benefits of the 21st Century's transportation system without repeating our mistakes of a century that has just passed into history. You have the freedom to design a system for your use that qualifies as "ethical." Ethics may seem to be a strange word to apply to

something as commonplace as transportation, but it is a concept that I have argued for more than a quarter-century. When I speak of an ethical transportation system, I mean one that is economically-efficient, safe, environmentally-benign, and energy-conserving, but also meets the mobility needs of the people who live here--or come to visit.

We now know that highways and airways cannot solve the transportation problems facing us. They cannot meet the freight and passenger growth that we confront. I encourage you be visionary. If you plan carefully, you can maintain the best possible quality of life for your citizens.

Thank you.

Steve Hites

SKAGWAY STREET CAR COMPANY, INC.

270 SECOND AVENUE, P. O. BOX 400
SKAGWAY, ALASKA 99840
TELEPHONE (907) 983-2908 FACSIMILE (907) 983-3908

Steve Hites has been in the entertainment business in the North since 1972, when he left his home in Colorado and came to Skagway, Alaska, seeking a job with the White Pass & Yukon Route narrow gauge railroad. While working his way through the company as a brakeman, conductor, train dispatcher, and passenger agent, he performed in local theaters and saloons, and wrote dozens of songs about the Klondike Gold Rush and the history of Alaska and the Yukon. These songs formed the basis of his first album, **"Yukon Legacy"**, which was recorded live at the Red Dog Saloon in Juneau, Alaska, and released in 1978. It was the first record album ever produced in Southeast Alaska.

Hites has toured throughout the North over the last 27 years, and in addition to hundreds of stage, television, film, and radio performances, he has released two more albums: **"Inside Passage"** (1992, 1996), and **"Life on the Railroad"** (1993). His original songs have appeared on several albums by other northern artists. He has also produced three professional multi-media programs, a stage play, and written and published a book on the White Pass & Yukon Railroad, "Scenic Railway of the World."

During his railroad career in Alaska, Hites worked as Director of Rail Operations for Tour Alaska, Inc., pioneering the use of privately-owned vista dome passenger cars on the Alaska Railroad. He was Manager of Passenger Operations for the successful reopening of the White Pass & Yukon Route as a summer-only passenger excursion railroad. This line passes through the Klondike Gold Rush National Historical Park as well as the Tongass National Forest, and carried over 285,000 people in 1999. Hites continues to work in a consulting capacity for Tri-White Corporation, the Toronto owner of the White Pass & Yukon.

With the rapid growth of the Alaska cruise industry, Hites and his wife, Gayla, concentrated their efforts on recreating the **Skagway Street Car Company**, a sightseeing operation in Skagway which uses a fleet of eleven antique automobiles

from the 1920's and ' 30's to show visitors around the historic community and all its points of interest. Hites calls the tour "theater without walls", and dresses up in a 1890's- style black three- piece suit with gold watch and derby hat. "We get to tell old Skagway stories on every tour," he says. "It's great fun."

The company also operates a fleet of modern 27-passenger minibuses, providing short sightseeing tours up to the US/Canadian border, and longer day trips into the Yukon Territory. The majority of the company's tours are sold on cruise ships.

In 1996 the company opened a new entertainment complex in Skagway. The three-story building houses the 160-seat **Club House Theater**, the 2,000 square foot **Skagway Mercantile** specialty retail store, and the **Excelsior Cafe & Bakery**, as well as providing the company with offices, storage, and staff apartments. The building was inspired by the 1899 architect's drawings of the original Club House of the Arctic Brotherhood, a Klondike Gold Rush social organization. The new building, which was built in the Skagway Historic District in the Klondike Gold Rush National Historical Park, incorporates all of the period elements of a structure which would have been built in Skagway in 1899. It is Skagway's largest historic-styled building.

Steve Hites's stories, songs, and original music can be heard daily each summer when he performs at the Club House Theater, or at some 300 special concert performances which he contracts to do aboard the cruise ships which call in at Skagway throughout the season.

Hites has a degree in History and Education from Whitworth College. He served on the Skagway City Museum Board for ten years, and was elected to a seat on the Skagway City Council from 1991 through 1994. During his term the Council voted the Guidelines for the Skagway Historic District into law. These guidelines, which are part of the Skagway City Code, are used to direct development in the Skagway Historic District, where architecture and signage must reflect the period of the Alaska - Yukon Gold Rush of 1896 - 1910. Most of this district in downtown Skagway is also part of the Klondike Gold Rush National Historical Park's Skagway Unit.

Steve Hites and his wife Gayla have one grown son, Ryan.

Tourism & Recreational Railroads:
A Northern Glimpse into the 21st Century

The first railroad in the Far North, the White Pass & Yukon Route, was built one hundred years ago with British financing, American engineering, and Canadian contracting. I wrote a song to honor Micheal J. Heney, the energetic young Canadian contractor who helped to build the WP&YR.

"Big Mike Heney"

I was born one cold gray morning on the Overland Express;
the brakeman was the midwife, the conductor was impressed.
They knew I was a railroad man from the chew tucked in my cheek;
I shrieked like a locomotive, had a spike between my teeth.
(He shrieked like a locomotive, had a spike between his teeth.)

Before I was old enough to walk they had me layin' track
crawlin' along, ties under my arm, a rail across my back
I warmed my bottle on the firebox, I helped to shovel coal
While the engineer would take his nap, I made the engine roll
(While the engineer would take his nap, he made the engine roll)

Drillin' tunnels through the Rockies, drinkin' whiskey during the day
I grew up on the CPR, Van Horn a leadin' the way
We laid track so fast we never looked up ' til a fish swam by to say
"you've laid the railroad over a cliff into Vancouver Bay"
(Yes, you've laid the railroad over a cliff into Vancouver Bay)

As I was there treadin' water, another fish passed by to say
"They've found gold up in the Klondike two thousand miles away"
So I hitched a ride on a humpback whale right up to Skagway town
The gold rush needed a railroad, I started breakin' ground

(The gold rush needed a railroad, he started breakin' ground)

With picks and shovels and powder, and a wild-eyed gang of men
we blasted into the mountains and blasted them down again
I used spiderwebs for trestles, fought with grizzly bears as well
"Give me dynamite and snooze, I'll build a railway straight to Hell."
(Give him dynamite and snooze he'll build a railway straight to hell.)

I went on to other exploits, built a railroad to the Pole
a railroad to Hawaii, trains to Singa por and Seoul
but a man like me just can't sit back as I gaze up at the stars
I'll build a railroad up to Jupiter, a shortline on to Mars
("He'll build a railroad up to Jupiter, a shortline on to Mars.")

All that talk about the last century has got me going. Let's build a Time Machine, get in it together, set the old "Way Back Dial" (remember the Way Back Machine from the "Rocky and Bullwinkle Show", with Sherman and Mr. Peabody?), and hang on!

It is the late 1960's. Trains Magazine editor David P. Morgan writes a cover story which asks, "Who Killed the Passenger Train?" Privately operated North American passenger trains are dying off, victims of the interstate, the automobile and the airplane.

Let's go on forward a bit. It is the mid 1970's. The lives of quasi-government corporations Amtrak and Via Rail hang in the balance as government committees drag these skeletal rail services through the hot coals of debate on "public need" vs. "public dollars" spent on passenger trains.

Whoa. That's enough of that. Let's jump forward again.

It is the mid 1980's. Union Stations in major cities are turned into shopping malls, hotels, and restaurants. The last American private passenger train, the Rio Grande Zephyr, is allowed to suspend service. The passenger train has finally reached the end of the line.

Not good scenery here. Seems the farther ahead we go, the worse it gets. But being optimists (and everyone in this room is an optimist, or you wouldn't be here, talking about construction of the last link in the transcontinental railroad), we want to see where all this ends up.

Now, it is the year 2000. It is now thirty-five years after the "official death" in the press of the passenger train. And we look out across a very different landscape.

Rail travel is booming. It is not traditional rail travel by any means. It is a new type of experience: recreational rail travel, leisure rail travel, maybe, even, perhaps, rail cruising. The phenomena is still new enough that workable labels have yet to be attached. But whatever you want to call it, the recent popularity of recreational rail travel begs comparison with the rise in popularity experienced in the cruise industry. And with tourism predicted to become the largest industry in the world during this century, business and industry leaders should look closely at these parallels to better understand present and future opportunities.

Into our Time Machine again! Back again to the ' 60's.

The Jet Age arrives. The remaining transatlantic ocean liners are doomed. Some survive by trying to transform themselves into warm-water party vessels, offering leisurely cruises around the Caribbean. They don't really go much of anywhere, there isn't much to do on board (shuffle board and gambling), and even the entertainment is sophomoric. But it keeps several companies afloat. Entrepreneurs like Miami's Ted Arison charter laid-up ships on the cheap from the likes of Canadian Pacific, fill them with discount cruisers, bring them home happy, and do it again. Wanting to find a name that tells potential customers what he is selling, Arison chooses ""Carnival" for the atmosphere on board, and tags his vessels "The Fun Ships". (Carnival's "Fun Ships" now comprise the largest and most profitable cruise line in the world.) Stan McDonald charters the CPR's "Princess Patricia", and starts Princess Cruises. Chuck West starts Westours, a cruise and land package operator to Alaska. (For a detailed study of this fascinating transition period, read Carnival Cruise Line's President's Bob Dickenson's 1997 book, "Selling the Seas: The Creation of the Modern

Cruise Industry").

Wow! What's happened here? An outdated transportation mode whose fleets are ready for the scrapper is repackaged and becomes a leisure mode. The ship becomes the vacation. The means becomes the end, and the journey becomes the vacation.

Let's pop back to the present, because this is exactly what has happened with the passenger train.

Successful examples of this change are all around us.

Excursion railroads like the White Pass & Yukon Route, and the Durango & Silverton;

"Day trains" like The Rocky Mountaineer, and the Sierra Madre Express in Mexico's Copper Canyon, who overnight their passengers in hotels along the rail route;

"Cruise trains" like the American Orient Express

Private car "trains" like the Princess' Tour's Midnight Sun Express, and Holland America Line Westours' McKinley Explorer;

Dinner trains like the "Spirit of Washington" running in the Seattle metropolitan area, and BC Rails' dinner train to Squammish;

Combinations of the above like the Napa Valley Wine Train;

Excursion trains used as substitutes for automobiles like the Grand Canyon Railway:

Ski trains like the one out of Denver, Colorado to Winter Park on the old D&RGW;

Steam excursion trains operating over regular roads, like BC Rail's popular "Royal Hudson".

There are many others, but these show the diversity of products available to the 21st Century recreational railroad passenger in North America.

These new products all have several things in common:

--They do not primarily serve the public as a means of getting from A to B
(This is even true with the Denver Ski Train. The customer is buying the skiing experience packaged with the train, not the transportation service.)

--They provide what the customer wants (as to a variety of services)

--They do it at a price which is acceptable to the market

--They make money, or they aren't around anymore. Not one of these operations is subsidized by a government. My personal rule of thumb: railroad operations should pay their own way.

Recreational rail travel needs to be looked at as a for-profit enterprise. For most common carriers, passenger revenues have never been more than incremental, an "add on" to freight revenues. And, in the Far North, with it's light population density, local passengers have never been a major part of a railroad's revenue. So, these revenues need to be generated from elsewhere.

The first revenue train operated by the first railroad in Alaska was a July 21st, 1898 passenger excursion train from Skagway to the end-of-track on the White Pass and Yukon Route. Four flat cars were jammed with local politicians, businessmen, writers from Seattle, and from the towns three newspapers. Shortly after the road's completion in 1900, the White Pass rolled out it's timeless slogan, "Scenic Railway of the World," which it carries to this day.

WP&YR maintained a Passenger Office in Chicago, Illinois. White Pass salesmen like Herman Weig carried their bulky "magic lantern" show out on the road. The marvelous hand-tinted photo transparencies held audiences in awe, and Weig lectured throughout the country to church groups and service clubs on the glories of leisure travel in the mysterious Land of the Midnight Sun.

Canadian Pacific put together complete vacation packages to Alaska and the Yukon early on, using their fleet of coastwise steamships. Northern Pacific followed, partnering with the Alaska Steamship Company. With the opening of the Copper River & Northwestern, circle tours could be booked all the way through to Fairbanks, with rail from Cordova to Chitna, thence overland to the Chena River, and connecting

with river steamers back up the Yukon itself and back out at Skagway. The completion of the U.S. Government Railroad in 1923 created yet another circle tour loop, from Seward to Anchorage, and on to Fairbanks, now entirely by train.

Seventy- six years after U.S. President Warren G. Harding drove the ceremonial last spike at Nenana, two railroads in the Far North survive. Passenger revenues are essential to both, but they are generated by tourism to Alaska. Neither survives on ticket sales generated along the route of its line.

The Alaska Railroad is a full service common carrier running over the same route opened by President Harding. It operates year-round passenger service on its own trains. During the busy summer tourist season, the ARR express trains between Anchorage and Fairbanks offer private car haulage rates to Princess Tours and Holland America Line Westours, whose private fleets now total over two dozen full-dome railcars. These luxurious vista domes are carried on the tail end of the trains behind the regular Alaska Railroad coaches. In addition, the ARR has recently purchased a new full-domed trainset which can be used for service on the popular scenic run from Anchorage to Seward, Alaska.

The White Pass & Yukon Route, which suspended operations for five and a half years between 1982 and 1988 due to the closure of its principle shipper, the Cyprus Anvil lead-zinc mine, reopened in May 1988 as a passenger-only summer excursion railroad. Cashing in on the rapid growth of the cruise market, the WP&YR carried 36,000 riders its first season back in business, hit 100,000 by the fourth season, and carried an astounding 278,000 revenue passengers in 1999. With its 40-mile round-trip ride sold as a Shore Excursion on every cruise ship calling on Skagway, operating up to nine trains per day, many to sold-out crowds, it is one of the most profitable of all excursion railroads, commanding one of the highest rates per passenger mile operated anywhere in the world. Its Toronto owner, Tri-White Corporation, plans to grow an even larger leisure services company from within the WP&YR. They have no plans to change the profitable 100 year old narrow gauge railroad, but President Fred McCorriston has repeatedly said that White Pass will look at any reasonable business proposal that can make money for his company.

So much for the present. What will the future of rail cruising look like? How will it look in the Far North? We do have several clues.

One of the least heralded and most dramatic changes which has come about has been the complete redesign and re-engineering of the passenger car.

Tom Rader, founder of Colorado Railcar Manufacturing in Ft. Lupton, Colorado, began the re-invention of the vista dome in 1988 with the introduction of the "Ultradome" on the Midnight Sun Express between Anchorage and Fairbanks. Rader continued engineering the concept with the "Ultradome II" series, and now builds completely new "from the ground up" full-dome railcars, in both a double-decked (bi- level) and single level version (new sills, new trucks, brand new everything). Customers for the Rader domes include Princess Tours, Peter Armstrong's Rocky Mountain Rail Tours, and the British Columbia Railway. The Alaska Railroad purchased a full trainset of Rader-built equipment from First American Railways defunct "Florida Fun Train". (For answers as to why that failed, see me after the conference: we'll have a drink and talk about where not to locate one's terminals, and how you really need to have a solid market your product before you start running it.)

Rader threw the old Pullman Standard-type construction concepts out the window, and literally built a new window. Using modern materials and techniques, he created the largest viewing areas ever built into rail equipment. With their rooftops made entirely out of specially strengthened, tinted, bowed glass, these versatile and lightweight cars offer passengers unprecedented scenic viewing opportunities.

Many railroads run through spectacular scenery, but without a platform from which to view that scenery, the ability to experience that beauty is diminished, or even lost. If what the railroad has to sell is its scenery, it must find the best way to serve that product up for the viewing customer. The new dome design has provided one way.

And they are just a box, waiting to be made into something.

Just like aboard the cruise ships, the interior spaces of the new rail cars are being re-shaped by the customer as well. To rise like a Phoenix from the ashes, the concept of the ocean liner had to re-invent itself. On Royal Caribbean International's new Voyager of the Seas, old-time shuffleboard has been replaced by ice skating rinks, golf courses, in-line skating arenas, rock climbing walls, and multiple themed restaurants. Similarly, the tired railroad day coach has become the interactive video arcade car, a bi-level atriumed dance lounge, a two- tiered themed dining room, or a solarium car with retractable roof fully equipped with weight room, saunas, and multiple hot tubs.

Sleeping accommodations no longer need to be crammed into dark narrow spaces with the bathroom down the hall, or perhaps under the seat of your tiny roomette. Guests on the cruise train of the 21st Century will lie down in comfortable double beds under their section of the full dome, reaching from one side of the car to the other, falling asleep under a canopy of stars, and in the morning awake - not to an Amtrak Deluxe Bedroom commode/shower all-in-one combination plastic molds- but to their own full-sized washroom with separate in-room shower bath. When not enjoying the on-train activities (lectures in the library, a piano concert or dance band in the Showroom), they can watch television or videos in their suite, or let the countryside roll by outside while they listen to the music of their choice on their state-of-the-art in-room stereo sound system.

To be fair, some of this is already being done on the beautifully refurbished 1950's era equipment of the American Orient Express. But no matter how you clean it up, the platform being used by the AOE still dates from the 1950's: tiny rooms, bathrooms down the hall or retrofitted, and a high price tag for the pleasure (between $500 and $1,000 per person per day).

With no real competition in the luxury end of the market, the AOE has done well. But any train which utilizes the new car technology will provide more of the creature comforts the customer wants, and will capture the market in short order.

The cruise trains of the 21st Century will be what the market demands. Any railroad wanting passenger revenues will need to use the most modern platforms available to get a piece of that market. They will present new and different itineraries to lure more people to try the cruise train product: ski cruises, Civil War theme cruises, The American Southwest cruises, "the best Capital cities of America" cruises, and "National Parks of the West". The possibilities are endless. And the proposed transcontinental link between Canada and Alaska, with its scenery and sweep, is a natural for the new trains.

Cruise lines, tour companies, and travel wholesalers could offer packages with a cruise ship one way, and a rail return on the "cruise train" back again in the opposite direction. Stopping along the way for historical, cultural, or natural points of interest, the cruise train itinerary, like that of a cruise ship, would allow passengers the opportunity to get out and experience the areas along the route first hand. Off-train excursions into the countryside, like Shore Excursions on ships, would allow for more in depth exploration.

Pretty cool stuff. But as we enter this new era, for businesses that really want to be a part of it and participate, the sky literally has to be the limit. The market demographics tell us that the leisure traveler of 2000 is younger, more educated, more sophisticated, more well-traveled, more active, and more financially secure than ever before. They are far more demanding, but they will pay the fare for a perceived value. They like nice things.

I recall the middle-aged Texan who was riding with his family and a small group of escorted tour passengers on the original Midnight Sun Express back in 1984. He was wearing a leisure suit with an open-necked shirt, and several gold chains hung around his neck. As we glided into the Nenana River Canyon southbound, we decided to treat the small group to something special, and served brunch up topside in the dome. Sipping his fresh Bloody Mary, savoring the perfect unbroken hollandaise sauce on his Eggs Benedict, listening to the tastefully muted classical music floating over the sound system, he leaned back. looked at me and said, "Ya' know, son, I like nice things. This is a nice thing."

The passenger trains which will be placed into service on the proposed last great transcontinental link between Canada and Alaska will have to be cut of that kind of cloth.

The cruise trains of the next century must be "nice things". If they are, long distance rail travel will most certainly "make its own way", finding a comfortable niche in the leisure market of the future.

One last element to consider. Beyond the statistics and market information, beyond the geography and the engineering, there is the adventure of what is being proposed here today. The doing of something never before done, of participating in something important, something great. No one put that feeling into words in a better way than Gordon Lightfoot did in 1967 with his wonderful song about the very first Canadian Transcontinental railroad, the "Canadian Railroad Trilogy".

(CANADIAN RR TRILOGY).

Note: The above paper was presented by Steve Hites at the Alaska Canada Rail Link Conference, January 20, 2000, Vancouver, B.C.

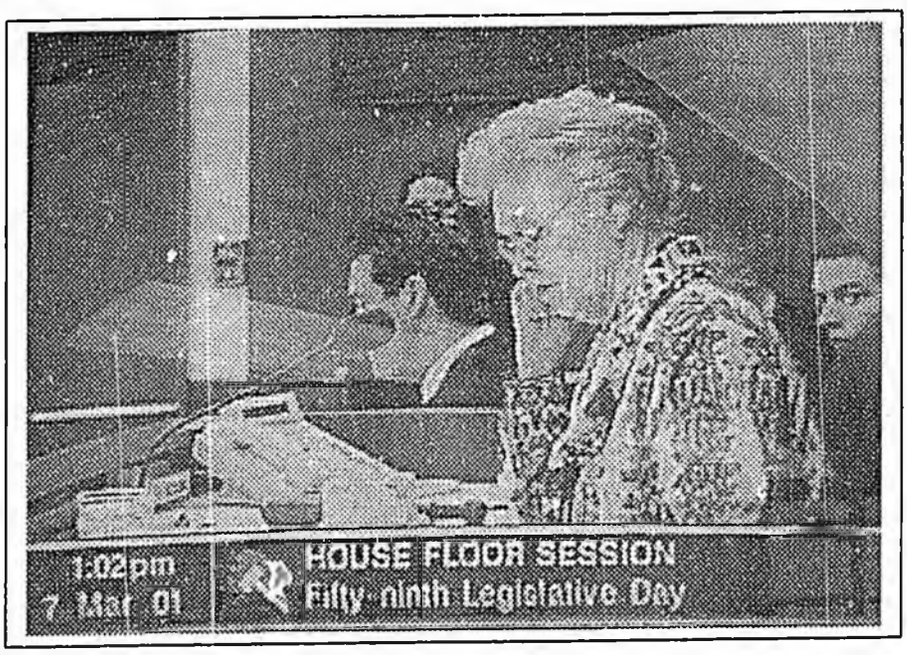
For further information contact:

Steven G. Hites, President
The Skagway Street Car Company, Inc.
Skagway Mercantile Building
270 Second Avenue, Box 400
Skagway, Alaska USA 99840

Phone: 907 - 983 - 2908 Fax: 907 - 983 - 3908 e-mail: skgstcar@ptialaska.net

SECTION 6:

SIGNIFICANT LEGISLATION



URL: www.repjames.org

ALASKA STATE LEGISLATURE

Introduced: 3/25/65
Referred: Resources

BY SENATORS KILCHER, BLODGETT, FOSTER AND WALSH

IN THE SENATE

SENATE JOINT RESOLUTION NO. 66

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTH LEGISLATURE - FIRST SESSION

Relating to a highway connection between North America and Asia at Bering Straits.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS long-range international agreements and cooperation tend to tie nations together; and

WHEREAS joint projects and common interests of nations are a deterrent to destructive wars; and

WHEREAS an international highway from the southern tip of South America to the Bering Sea will soon be a reality; and

WHEREAS Asia and Europe are already linked together with a complex highway system; and

WHEREAS the narrow Bering Straits are the only obstacle to prevent the tying together of the American and Eurasian continents by road;

BE IT RESOLVED that the United States government contact the government of the U.S.S.R. to explore their interest in constructing such a tunnel; and be it

FURTHER RESOLVED that the U. S. Department of Commerce be requested to cause a feasibility study to be made concerning the construction of an intercontinental highway to the Bering Sea and a tunnel under the Bering Straits; and be it

FURTHER RESOLVED that this resolution be sent to the Honorable Lyndon B. Johnson, President of the United States; the Honorable Dean Rusk, Secretary of State; the Honorable John T.

Connor, Secretary of Commerce; the Honorable Warren G. Magnuson, Chairman, Senate Commerce Committee; the Honorable Oren Harris, Chairman, House Interstate and Foreign Commerce Committee and the Honorable E. L. Bartlett and the Honorable Ernest Gruening, U. S. Senators, and the Honorable Ralph J. Rivers, U. S. Representative, members of the Alaska delegation in Congress.

LAWS OF ALASKA

1977

Source: HB 47

Chapter No. 145

AN ACT

Relating to creation of a utility corridor for extension of the Alaska Railroad; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 19.05 is amended by adding a new section to read:

Sec. 19.05.122. UTILITY CORRIDOR FOR EXTENSION OF THE ALASKA RAILROAD. (a) The interior division of the department shall delineate a proposed utility corridor for the extension of the Alaska Railroad to the Canadian border. The proposed utility corridor shall include a delineation of a proposed railroad right-of-way.

(b) The commissioner shall, in conformity with the Administrative Procedure Act (AS 44.62), adopt a regulation approving, modifying, or rejecting the proposed utility corridor and railroad right-of-way.

(c) If the commissioner approves or modifies the proposed utility corridor and railroad right-of-way,

(1) the Department of Natural Resources shall classify, or reclassify, and reserve any state land within the utility corridor for use as a utility corridor and railroad right-of-way; and

(2) the department shall exercise its authority under sec. 40 of this chapter to acquire rights-of-way across land within the utility corridor which is subject to the state's power of condemnation.

(d) The requirements of the Alaska Land Act (AS 38.05) relating to classification and reclassification of land are inapplicable to actions taken under this section.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).

Approved by the Governor: June 18, 1977
Actual Effective Date: June 19, 1977

Bill History/Action Display

H

BILL: HB 182 SHORT TITLE: APPROP: FAIRBANKS-NOME TRANS. CORRIDOR
BILL VERSION:
SPONSOR(S): REPRESENTATIVES(S) JAMES, Mulder

CURRENT STATUS: (H) FIN STATUS DATE: 4/19/93

TITLE: "An Act making a special appropriation to the Department of Transportation and Public Facilities, northern region, for identification and delineation of a transportation and utility corridor between Fairbanks and the Seward Peninsula; and providing for an effective date."

Full Text | Appropriation Info

Committee Action With Bill History

Jrn-Date	Jrn-Page		Action
2/25/93	456	(H)	READ THE FIRST TIME - REFERRAL(S)
2/25/93	456	(H)	TRANSPORTATION, RESOURCES, FINANCE
3/31/93	893	(H)	TRA RPT 4DP 2NR
3/31/93	893	(H)	DP: MULDER, FOSTER, G.DAVIS, VEZEY
3/31/93	893	(H)	NR: MACKIE, MENARD
4/01/93	920	(H)	COSPONSOR(S): MULDER
4/19/93	1321	(H)	RES RPT 4DP 2DNP 2NR
4/19/93	1321	(H)	DP: CARNEY, GREEN, JAMES, MULDER
4/19/93	1321	(H)	DNP: FINKELSTEIN, DAVIES
4/19/93	1321	(H)	NR: BUNDE, WILLIAMS
4/19/93	1321	(H)	REFERRED TO FINANCE

Similar Subject Match or Exact Subject Match
APPROPRIATIONS
HIGHWAYS
RAILROAD
SPECIAL APPROPRIATIONS
TRANSPORTATION
UTILITIES

Bill Root: | Display History/Action | Clear Bill Root

Return to BASIS Main Menu(18th Legislature)
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BASIS Last Updated 12/31/94

Bill Text

H

BILL ID: HB 182

00 HOUSE BILL NO. 182
01 "An Act making a special appropriation to the Department of Transportation and
02 Public Facilities, northern region, for identification and delineation of a
03 transportation and utility corridor between Fairbanks and the Seward Peninsula;
04 and providing for an effective date."
05 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
06 * Section 1. The sum of $7,300,000 is appropriated from the general fund to the
07 Department of Transportation and Public Facilities, northern region, for reconnaissance
08 photography and study and for right-of-way mapping in conjunction with identifying and
09 delineating a transportation and utility corridor between Fairbanks and the Seward Peninsula.
10 * Sec. 2. The unexpended and unobligated portion of this appropriation lapses into the
11 general fund June 30, 1995.
12 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Bill Root: [ ] Display History/Action Clear Bill Root

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BASIS Last Updated 12/31/94

Bill History/Action Display

BILL: HB 183 SHORT TITLE: TRANSPORTATION CORRIDOR: FAIRBANKS-NOME
BILL VERSION: SCS CSHB 183(TRA)(EFD FLD S)
SPONSOR(S): REPRESENTATIVES(S) JAMES, Mulder

CURRENT STATUS: CHAPTER 83 SLA 94 STATUS DATE: 6/06/94
EFFECTIVE DATE OF LAW 9/4/94

TITLE: "An Act directing the identification and delineation of a transportation and utility corridor between Fairbanks and the Seward Peninsula."

Full Text | Fiscal Note Info

Committee Action With Bill History

Jrn-Date	Jrn-Page		Action
2/25/93	456	(H)	READ THE FIRST TIME - REFERRAL(S)
2/25/93	456	(H)	TRANSPORTATION, RESOURCES, FINANCE
3/31/93	893	(H)	TRA RPT CS(TRA) 5DP 1NR
3/31/93	894	(H)	DP: FOSTER, VEZEY, MULDER,G.DAVIS,MENARD
3/31/93	894	(H)	NR: MACKIE
3/31/93	894	(H)	-FISCAL NOTE (DOT) 3/31/93
4/01/93	920	(H)	COSPONSOR(S): MULDER
4/24/93	1489	(H)	RES RPT CS(RES) 4LP 3DNP 1NR
4/24/93	1490	(H)	DP: CARNEY, GREEN, JAMES, MULDER
4/24/93	1490	(H)	DNP: FINKELSTIN, DAVIES, BUNDE
4/24/93	1490	(H)	NR: WILLIAMS
4/24/93	1490	(H)	-FISCAL NOTE (DOT) 4/24/93
4/24/93	1490	(H)	MEMO REGARDING DRAFTING ERROR IN BILL
3/16/94	2826	(H)	FIN RPT CS(FIN) NEW TITLE 1DP 5NR
3/16/94	2826	(H)	DP: MACLEAN
3/16/94	2826	(H)	NR: LARSON,HANLEY,MARTIN,PARNELL,BROWN
3/16/94	2826	(H)	-ZERO FISCAL NOTE (H.FIN/DOT) 3/16/94
3/21/94	2905	(H)	RULES TO CALENDAR 3/21/94
3/21/94	2905	(H)	READ THE SECOND TIME
3/21/94	2905	(H)	FIN CS ADOPTED UNAN CONSENT
3/21/94	2906	(H)	AMENDMENT NO 1 BY BROWN AND JAMES
3/21/94	2906	(H)	AMENDMENT NO 1 ADOPTED Y28 N10 E2
3/21/94	2906	(H)	AMENDMENT NO 2 BY NICHOLIA
3/21/94	2907	(H)	AMENDMENT NO 2 ADOPTED Y21 N17 E2
3/21/94	2907	(H)	ADVANCE TO 3RD RDG FAILED Y24 N13 E2 A1
3/21/94	2908	(H)	ADVANCED TO THIRD READING 3/23 CALENDAR
3/23/94	2945	(H)	READ THE THIRD TIME CSHB 183(FIN) AM
3/23/94	2945	(H)	PASSED Y33 N6 A1
3/23/94	2945	(H)	EFFECTIVE DATE SAME AS PASSAGE
3/23/94	2945	(H)	NICHOLIA NOTICE OF RECONSIDERATION
3/25/94	2981	(H)	RECON TAKEN UP - IN THIRD READING
3/25/94	2981	(H)	RETURN TO SECOND FOR AM 3 UNAN CONSENT
3/25/94	2981	(H)	AMENDMENT NO 3 BY ULMER
3/25/94	2982	(H)	AMENDMENT NO 3 FAILED Y17 N22 E1
3/25/94	2982	(H)	AUTOMATICALLY IN THIRD READING
3/25/94	2983	(H)	RETURN TO 2ND FOR AM 4 FLD Y17 N21 E2
3/25/94	2984	(H)	HOLD ON RECON TO 3/28 PSD Y26 N12 E2
3/28/94	3023	(H)	RECON TAKEN UP - IN THIRD READING
3/28/94	3024	(H)	PASSED ON RECONSIDERATION Y28 N12
3/28/94	3024	(H)	EFFECTIVE DATE SAME AS PASSAGE

3/28/94	3029	(H)	TRANSMITTED TO (S)
3/29/94	3388	(S)	READ THE FIRST TIME - REFERRAL(S)
3/29/94	3388	(S)	TRA, FIN
4/13/94	3626	(S)	TRA RPT SCS 2DP 1NR 1DNP SAME TITLE
4/13/94	3627	(S)	PREVIOUS H ZERO FN APPLIES (DOT)
4/19/94	3781	(S)	FIN RPT 4DP 2NR (TRA)SCS
4/19/94	3781	(S)	PREVIOUS H ZERO FN (DOT)
5/05/94	4357	(S)	RULES RPT 2CAL 1NR 1DNP 5/5/94
5/05/94	4376	(S)	READ THE SECOND TIME
5/05/94	4376	(S)	TRA SCS ADOPTED UNAN CONSENT
5/05/94	4376	(S)	THIRD READING 5/6 CALENDAR
5/06/94	4431	(S)	READ THE THIRD TIME SCS CSHB 183(TRA)
5/06/94	4431	(S)	PASSED Y11 N9
5/06/94	4431	(S)	EFFECTIVE DATE FAILED Y11 N9
5/06/94	4431	(S)	ADAMS NOTICE OF RECONSIDERATION
5/07/94	4499	(S)	RECON TAKEN UP - IN THIRD READING
5/07/94	4499	(S)	HELD ON RECONSIDERATION TO 5/8 CALENDAR
5/08/94	4530	(S)	RECON TAKEN UP - IN THIRD READING
5/08/94	4531	(S)	PASSED ON RECONSIDERATION Y11 N9
5/08/94	4531	(S)	EFFECTIVE DATE FAILED Y11 N9
5/08/94	4540	(S)	TRANSMITTED TO (H) AS AMENDED
5/09/94	4216	(H)	HELD UNDER UNFINISHED BUSINESS
5/09/94	4276	(H)	CONCUR AM OF (S) Y28 N12
7/15/94	4462	(H)	11:45 AM 5/18/94 TRANSMITTED TO GOVERNOR
7/15/94	4488	(H)	SIGNED INTO LAW 6/6 CHAPTER 83 SLA 94
7/15/94	4488	(H)	EFFECTIVE DATE OF LAW 9/4/94

Similar Subject Match or Exact Subject Match
HIGHWAYS
RAILROAD
TRANSPORTATION
UTILITIES

Bill Root: [ ] [Display History/Action] [Clear Bill Root]

Return to BASIS Main Menu(18th Legislature)
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BASIS Last Updated 12/31/94

Bill Text

H

BILL ID: SCS CSHB 183(TRA)(EFD FLD S)

SENATE CS FOR CS FOR HOUSE BILL NO. 183(TRA)(efd fld S)
"An Act directing the identification and delineation of a transportation and utility corridor between Fairbanks and the Seward Peninsula."
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
* Section 1. AS 19.25 is amended by adding a new section to read:
Sec. 19.25.123. FAIRBANKS - SEWARD PENINSULA TRANSPORTATION AND UTILITY CORRIDOR. (a) Subject to legislative appropriation, the department shall identify and delineate a proposed transportation and utility corridor between Fairbanks and the western end of the Seward Peninsula.
(b) In performing the work required by (a) of this section,
(1) the railroad alignment and identification of a railroad right-of-way of not less than 500 feet, together with adjacent sites that can be developed for necessary construction materials, shall guide the identification and delineation of the corridor; and
(2) the department shall consider the following factors:
(A) grade and alignment standards that are commensurate with rail and road construction standards;
(B) availability of construction materials;
(C) safety;
(D) impacts on and service to adjacent communities;
(E) environmental concerns;
(F) use of public land to the maximum degree possible;
(G) minimization of probable construction costs;
(H) the location of, and the opportunity to obtain access to, identified natural resources that could contribute significantly to the state's economic development; and
(I) prior and established traditional uses.
(c) Within 90 days after receiving a report transmitting the work of the department under (a) of this section, the commissioner shall, in conformity with AS 44.62 (Administrative Procedure Act), if necessary, adopt a regulation approving, modifying, or rejecting the proposed corridor.
(d) If the commissioner approves or modifies the proposed corridor when presented under (c) of this section,
(1) the Department of Natural Resources shall promptly classify, or reclassify, and reserve any state land within the corridor and at adjacent sites that can be developed for necessary construction materials for use as a corridor; and
(2) the department shall
(A) subject to legislative appropriation, exercise its authority under AS 19.05.040 to acquire rights-of-way across land within the corridor that is subject to the state's power of condemnation; and
(B) work with federal officials to secure reclassification and withdrawal of federal land in the corridor for reservations and rights-of-way across the federal land for use as a corridor.
(e) The requirements of AS 38.05 (Alaska Land Act) relating to classification and reclassification of land are inapplicable to actions taken under this section.
(f) To complete the work required by this section, the commissioner may accept any legal gifts and grants and may enter into contracts or other transactions or agreements relating to it with the federal government, an agency or instrumentality of the state, a municipality, or a private organization.
(g) In this section, "corridor" means the transportation and utility corridor required to be identified and delineated by (a) of this section.
* Sec. 2. AS 19.25.123, added by sec. 1 of this Act, is repealed July 1, 2055.

Bill Root: [ ] Display History/Action | Clear Bill Root

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Bill History/Action Display

H

BILL: HB 184 SHORT TITLE: APPRO: AK RAILROAD EXTENSION STUDY
BILL VERSION: CSSSHB 184(FIN)
SPONSOR(S): REPRESENTATIVES(S) JAMES, Therriault, Olberg

CURRENT STATUS: RETURN TO (H) RLS STATUS DATE: 2/24/94

TITLE: "An Act making a special appropriation to the Department of Transportation and Public Facilities to determine the cost of acquiring real property within the right-of-way of the proposed extension of the Alaska Railroad from Eielson Air Force Base to the Alaska-Canada border; and providing for an effective date."

Full Text | Appropriation Info

Committee Action With Bill History

Jrn-Date	Jrn-Page		Action
2/25/93	456	(H)	READ THE FIRST TIME - REFERRAL(S)
2/25/93	456	(H)	TRANSPORTATION, FINANCE
1/18/94	2097	(H)	SPONSOR SUBSTITUTE INTRODUCED-REFERRALS
1/18/94	2097	(H)	TRANSPORTATION, FINANCE
1/21/94	2121	(H)	TRA RPT 5DP
1/21/94	2121	(H)	DP: VEZEY, MULDER, HUDSON, G. DAVIS,
1/21/94	2121	(H)	DP: FOSTER
1/21/94	2121	(H)	-FISCAL NOTE (DOT) 1/21/94
2/16/94	2412	(H)	FIN RPT CS(FIN) 5DP 4NR
2/16/94	2413	(H)	DP: LARSON, MARTIN, PARNELL, THERRIAULT
2/16/94	2413	(H)	DP: FOSTER
2/16/94	2413	(H)	NR: BROWN, HANLEY, GRUSSENDORF, NAVARRE
2/23/94	2497	(H)	RULES TO CALENDAR 2/23/94
2/23/94	2497	(H)	READ THE SECOND TIME
2/23/94	2498	(H)	FIN CS ADOPTED UNAN CONSENT
2/23/94	2498	(H)	ADVANCED TO THIRD READING UNAN CONSENT
2/23/94	2498	(H)	READ THE THIRD TIME CSSSHB 184(FIN)
2/23/94	2498	(H)	PASSED Y30 N7 E3
2/23/94	2499	(H)	EFFECTIVE DATE SAME AS PASSAGE
2/23/94	2499	(H)	ULMER NOTICE OF RECONSIDERATION
2/24/94	2522	(H)	RECON TAKEN UP - IN THIRD READING
2/24/94	2523	(H)	RETURNED TO RULES COMMITTEE

Similar Subject Match or Exact Subject Match
APPROPRIATIONS
RAILROAD
RESOURCES
SPECIAL APPROPRIATIONS
TRANSPORTATION
UTILITIES

Bill Root: | Display History/Action | Clear Bill Root

Bill Text

H

BILL ID: CSSSHB 184(FIN)

00 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 184(FIN)
01 "An Act making a special appropriation to the Department of Transportation and
02 Public Facilities to determine the cost of acquiring real property within the right-of-way of the
03 proposed extension of the Alaska Railroad from Eielson Air Force
04 Base to the Alaska-Canada border; and providing for an effective date."
05 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
06 * Section 1. The sum of $10,000 is appropriated from the general fund to the Department
07 of Transportation and Public Facilities for the fiscal year ending June 30, 1995, to determine
08 the cost of acquiring private land, and private interests in land, sufficient to accommodate
09 construction of an extension of the Alaska Railroad or construction of a transportation,
10 communication, or transmission facility within the right-of-way described in the April 1982
11 updated report of the Department of Transportation and Public Facilities on Route Selection
12 for the Alaska Railroad Extension from Eielson to Canadian Border.
13 * Sec. 2. This Act takes effect July 1, 1994.

Bill Root: Display History/Action Clear Bill Root

Return to BASIS Main Menu(18th Legislature)
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BASIS Last Updated 12/31/94

Bill History/Action Display

H

BILL: SB 135 SHORT TITLE: APPRO: AK RAILROAD EXTENSION STUDY
BILL VERSION: CSSB 135(FIN)
SPONSOR(S): SENATOR(S) MILLER, Sharp, Frank, Phillips;
REPRESENTATIVE(S) James

CURRENT STATUS: CHAPTER 74 SLA 94 STATUS DATE: 6/06/94
EFFECTIVE DATE OF LAW 7/1/94

TITLE: "An Act making a special appropriation to the Department of Transportation and Public Facilities to determine the cost of acquiring real property within the right -of-way of the proposed extension of the Alaska Railroad from Eielson Air Force Base to the Alaska-Canada border; and providing for an effective date."

Full Text | Appropriation Info

Committee Action With Bill History

Jrn-Date	Jrn-Page		Action
2/26/93	504	(S)	READ THE FIRST TIME - REFERRAL(S)
2/26/93	504	(S)	TRANSPORTATION, FINANCE
3/18/93	846	(S)	TRA RPT 4DP 1NR
3/18/93	846	(S)	FISCAL NOTE (DOT)
1/24/94	2580	(S)	FIN RPT CS 4DP 1NR SAME TITLE
1/28/94	2615	(S)	RULES RPT 1 CAL 2 CAL/NR
1/28/94	2623	(S)	READ THE SECOND TIME
1/28/94	2623	(S)	FIN CS ADOPTED UNAN CONSENT
1/28/94	2623	(S)	ADVANCED TO THIRD READING UNAN CONSENT
1/28/94	2623	(S)	READ THE THIRD TIME CSSB 135(FIN)
1/28/94	2623	(S)	PASSED Y13 N3 E4
1/28/94	2624	(S)	EFFECTIVE DATE PASSED Y16 N- E4
1/28/94	2624	(S)	ADAMS NOTICE OF RECONSIDERATION
2/01/94	2643	(S)	RECONSIDERATION NOT TAKEN UP
2/01/94	2643	(S)	TRANSMITTED TO (H)
2/02/94	2213	(H)	READ THE FIRST TIME - REFERRAL(S)
2/02/94	2213	(H)	TRANSPORTATION, STATE AFFAIRS, FINANCE
2/28/94	2557	(H)	TRA REFERRAL WAIVED
2/28/94	2558	(H)	CROSS SPONSOR(S): JAMES
3/21/94	2903	(H)	STA RPT 2DP 3NR
3/21/94	2903	(H)	DP: VEZEY, G.DAVIS
3/21/94	2903	(H)	NR: SANDERS, OLBERG, ULMER
5/05/94	4022	(H)	FIN RPT 3DP 1DNP 6NR
5/05/94	4022	(H)	DP: LARSON, MARTIN, FOSTER
5/05/94	4022	(H)	DNP: NAVARRE
5/05/94	4022	(H)	NR: HANLEY, PARNELL, GRUSSENDORF
5/05/94	4022	(H)	NR: HOFFMAN, BROWN, MACLEAN
5/08/94	4201	(H)	RULES TO CALENDAR 5/8/94
5/08/94	4201	(H)	READ THE SECOND TIME
5/08/94	4202	(H)	OBJECTION TO ADVANCEMENT MOTION
5/08/94	4202	(H)	ADVANCED TO THIRD READING ON NEXT
5/08/94	4202	(H)	...LEGISLATIVE DAY'S CALENDAR
5/09/94	4242	(H)	READ THE THIRD TIME CSSB 135(FIN)
5/09/94	4242	(H)	PASSED Y25 N14 A1
5/09/94	4243	(H)	EFFECTIVE DATE PASSED Y30 N8 A2
5/09/94	4243	(H)	PHILLIPS NOTICE OF RECONSIDERATION
5/10/94	4384	(H)	RECONSIDERATION NOT TAKEN UP

5/10/94	4384	(H)	RETURN TO (S), TRANSMIT TO GOVERNOR NEXT
5/16/94	4769	(S)	10:40 AM 5/16/94 TRANSMITTED TO GOVERNOR
7/15/94	4801	(S)	SIGNED INTO LAW 6/6 CHAPTER 74 SLA 94
7/15/94	4801	(S)	EFFECTIVE DATE OF LAW 7/1/94

Similar Subject Match or Exact Subject Match
APPROPRIATIONS
RAILROAD
SPECIAL APPROPRIATIONS
TRANSPORTATION

Bill Root: [ ] [Display History/Action] [Clear Bill Root]

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Bill Text

H

BILL ID: CSSB 135(FIN)

CS FOR SENATE BILL NO. 135(FIN)
"An Act making a special appropriation to the Department of Transportation and Public Facilities to determine the cost of acquiring real property within the right-of-way of the proposed extension of the Alaska Railroad from Eielson Air Force Base to the Alaska-Canada border; and providing for an effective date."
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
* Section 1. The sum of $10,000 is appropriated from the general fund to the Department of Transportation and Public Facilities for the fiscal year ending June 30, 1995, to determine the cost of acquiring private land and private interests in land within the right-of-way described in the April 1982 updated report of the Department of Transportation and Public Facilities on Route Selection for the Alaska Railroad Extension from Eielson to Canadian Border.
* Sec. 2. This Act takes effect July 1, 1994.

Bill Root: [ ] Display History/Action | Clear Bill Root

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BASIS Last Updated 12/31/94

Bill History/Action Display

H

BILL: HJR 51

SHORT TITLE: ALASKA-CANADA RAIL FEASIBILITY STUDY

BILL VERSION:
SPONSOR(S): REPRESENTATIVE(S)JAMES, Dyson, Harris, Whitaker, Foster, Masek, Kott, Coghill, Davies, Croft, Murkowski, Hudson, Therriault, Ogan, Austerman, Kemplen, Cowdery
CURRENT STATUS: (H) TRA

STATUS DATE: 03/01/00

TITLE: Expressing support for a cooperative United States-Canada feasibility study on extending the North American rail system through British Columbia and the Yukon Territory to Alaska.

Full Text | Fiscal Notes

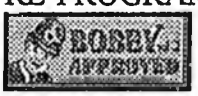
Committee Action with Bill History

Jrn-Date	Jrn-Page		Action
01/31/00	2045	(H)	READ THE FIRST TIME - REFERRALS
01/31/00	2045	(H)	WTR, TRA
02/02/00	2075	(H)	COSPONSOR(S): WHITAKER, FOSTER, MASEK
02/04/00	2103	(H)	COSPONSOR(S): KOTT, COGHILL, DAVIES
02/09/00	2155	(H)	COSPONSOR(S): CROFT, MURKOWSKI, HUDSON,
02/09/00	2155	(H)	THERRIAULT
02/18/00	2238	(H)	COSPONSOR(S): OGAN
02/23/00	2288	(H)	COSPONSOR(S): AUSTERMAN
02/28/00	2344	(H)	COSPONSOR(S): KEMPLEN
03/01/00	2358	(H)	WTR RPT 4DP 1NR
03/01/00	2358	(H)	DP: MASEK, GREEN, BARNES, COWDERY;
03/01/00	2358	(H)	NR: BERKOWITZ
03/01/00	2358	(H)	ZERO FISCAL NOTE (H.WTR)
03/01/00	2358	(H)	REFERRED TO TRANSPORTATION
03/01/00	2375	(H)	COSPONSOR(S): COWDERY

Similar Subject Match or Exact Subject Match
INTERNATIONAL RELATIONS
RAILROAD
TRANSPORTATION

Bill Root: Display Bill Root

BASIS HAS BEEN RE-PROGRAMMED THIS YEAR



TO REPORT PROBLEMS WITH BASIS INQUIRY

HOUSE JOINT RESOLUTION NO. 51

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES JAMES, Dyson, Harris, Whitaker, Foster, Masek, Kott, Coghill, Davies, Croft, Murkowski, Hudson, Therriault, Ogan, Austerman, Kemplen, Cowdery

Introduced: 1/31/00
Referred: House Special Committee on World Trade and State/Federal Relations, Transportation

A RESOLUTION

Expressing support for a cooperative United States-Canada feasibility study on extending the North American rail system through British Columbia and the Yukon Territory to Alaska.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS rail transportation is the most cost-effective long distance method of overland transportation; and

WHEREAS rail transportation is an essential component of the North American inter-modal transportation system; and

WHEREAS rail transportation is energy efficient, capable of moving goods three to nine times farther per unit of fuel than highway transportation; and

WHEREAS rail transportation emits lower levels of carbon monoxide, carbon dioxide, nitrogen oxides, and volatile organic compounds per ton of freight moved than other modes of freight transportation; and

WHEREAS rail transportation systems allow controlled access to and reduced overall effects on environmentally sensitive regions; and

WHEREAS rail transportation remains an important component of national and

continental defense planning; and

WHEREAS the North American rail transportation system will not be complete until it extends to all states, provinces, and territories on the continent; and

WHEREAS the State of Alaska recently enacted legislation to reauthorize the delineation and acquisition of a rail transportation corridor from the present terminus of the Alaska Railroad to the border between Alaska and the Yukon Territory; and

WHEREAS Alaska, the Yukon Territory, and British Columbia contain extensive oil and gas, mineral, and timber resource reserves that currently are inaccessible, and bilateral cooperation in the development of a freight transportation infrastructure would facilitate the utilization of these resources for the benefit of the United States and Canada; and

WHEREAS a northern rail system may significantly benefit the visitor industry by facilitating the comfortable movement of passengers over long distances while minimizing the effect of such movement on the surrounding environment; and

WHEREAS ongoing research and advancements in rail technology continue to increase the efficiency of rail transportation and ensure rail safety and decrease the effect of rail transportation on the environment;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the government of the United States and the government of Canada to engage in a cooperative feasibility study to examine the costs and benefits of constructing a rail connection to link Alaska and the Yukon Territory by way of northern British Columbia with the existing North American rail transportation system; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests the government of the United States and the government of Canada to establish a bilateral commission representing local governments, business interests, and aboriginal stakeholders to define the goals and objectives for the cooperative feasibility study and to report the results of the study to the appropriate governmental entities of the United States and Canada; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests that funding for operation of the bilateral commission and for the conduct of the cooperative feasibility study be considered a priority for the governments of the United States, Canada, British Columbia, the Yukon Territory, and the State of Alaska.

COPIES of this resolution shall be sent to the Honorable Jean Chretien, Prime Minister of Canada; the Honorable David Collenette, Minister of Transport, Transport Canada; the Honorable Dan Miller, Premier of the Province of British Columbia; the Honorable Piers McDonald, Government Leader, Yukon Territory; the Honorable Bill Clinton, President of the United States; the Honorable Madeleine K. Albright, United States Secretary of State; the Honorable Rodney E. Slater, United States Secretary of Transportation; the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; the Honorable Jesse Helms, Chair of the Committee on Foreign Relations of the U.S. Senate; the Honorable John McCain, Chair of the Committee on Commerce, Science, and Transportation of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Benjamin A. Gilman, Chair of the Committee on International Relations of the U.S. House of Representatives; the Honorable Bud Shuster, Chair of the Committee on Transportation and Infrastructure of the U.S. House of Representatives; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Bill History/Action Display

H

BILL: SJR 38

SHORT TITLE: ALASKA CANADA RAIL FEASIBILITY STUDY

BILL VERSION: SJR 38 AM H
SPONSOR(S): SENATOR(S) WILKEN, Donley, Taylor, Mackie, Phillips, Kelly Pete
REPRESENTATIVE(S)James, Davies, Murkowski
CURRENT STATUS: LEGIS RESOLVE 41

STATUS DATE: 04/27/00

TITLE: Expressing support for a cooperative United States-Canada feasibility study on extending the North American rail system through British Columbia and the Yukon Territory to Alaska.

Full Text | Fiscal Notes

Committee Action with Bill History

Jrn-Date	Jrn-Page		Action
02/15/00	2303	(S)	READ THE FIRST TIME - REFERRALS
02/15/00	2303	(S)	TRA
03/03/00	2509	(S)	TRA RPT 3DP 1NR
03/03/00	2509	(S)	DP: WARD, PEARCE, MILLER; NR: LINCOLN
03/03/00	2509	(S)	ZERO FISCAL NOTE (S.TRA)
03/22/00	2692	(S)	RULES TO CALENDAR AND 1 OR 3/22/00
03/22/00	2694	(S)	READ THE SECOND TIME
03/22/00	2694	(S)	ADVANCED TO THIRD READING UNAN CONSENT
03/22/00	2694	(S)	READ THE THIRD TIME SJR 38
03/22/00	2694	(S)	COSPONSOR(S): DONLEY, TAYLOR, MACKIE,
03/22/00	2694	(S)	PHILLIPS, PETE KELLY
03/22/00	2695	(S)	PASSED Y19 N- A1
03/22/00	2697	(S)	TRANSMITTED TO (H)
03/23/00	2661	(H)	READ THE FIRST TIME - REFERRALS
03/23/00	2661	(H)	TRA
03/31/00	2820	(H)	CROSS SPONSOR(S): JAMES
04/14/00	3132	(H)	TRA RPT 6DP 1NR
04/14/00	3132	(H)	DP: COWDERY, KEMPLEN, KOOKESH, KOHRING,
04/14/00	3132	(H)	HUDSON, HALCRO; NR: MASEK
04/14/00	3132	(H)	SENATE ZERO FISCAL NOTE (S.TRA) 3/3/00
04/15/00	3203	(H)	RULES TO CALENDAR 4/15/00
04/15/00	3203	(H)	READ THE SECOND TIME
04/15/00	3204	(H)	AM NO 1 ADOPTED UNAN CONSENT
04/15/00	3204	(H)	ADVANCED TO THIRD READING UNAN CONSENT
04/15/00	3204	(H)	READ THE THIRD TIME SJR 38 AM H
04/15/00	3204	(H)	PASSED Y37 E3

04/15/00	3209	(H)	CROSS SPONSOR(S): DAVIES, MURKOWSKI
04/15/00	3211	(H)	TRANSMITTED TO (S) AS AMENDED
04/16/00	3155	(S)	CONCUR AM OF (H) Y19 N- A1
04/25/00	3505	(S)	2:15 PM 4/25/00 TRANSMITTED TO GOVERNOR
04/28/00	3566	(S)	PERMANENTLY FILED 4/27 LEGIS RESOLVE 41

Similar Subject Match or Exact Subject Match
INTERNATIONAL RELATIONS
RAILROAD
TRANSPORTATION

Bill Root: [ ] Display Bill Root

BASIS HAS BEEN RE-PROGRAMMED THIS YEAR

TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS 

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SENATE JOINT RESOLUTION NO. 38 am H

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY SENATORS WILKEN, Donley, Taylor, Mackie, Phillips, Pete Kelly

REPRESENTATIVES James, Davies, Murkowski

Amended: 4/15/00
Introduced: 2/15/00

A RESOLUTION

Expressing support for a cooperative United States-Canada feasibility study on extending the North American rail system through British Columbia and the Yukon Territory to Alaska.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS rail transportation is the most cost-effective long distance method of overland transportation; and

WHEREAS rail transportation is an essential component of the North American inter-modal transportation system; and

WHEREAS rail transportation is energy efficient, capable of moving goods three to nine times farther per unit of fuel than highway transportation; and

WHEREAS rail transportation emits lower levels of carbon monoxide, carbon dioxide, nitrogen oxides, and volatile organic compounds per ton of freight moved than other modes of freight transportation; and

WHEREAS rail transportation systems allow controlled access to and reduced overall effects on environmentally sensitive regions; and

WHEREAS rail transportation remains an important component of national and

continental defense planning; and

WHEREAS the North American rail transportation system will not be complete until it extends to all states, provinces, and territories on the continent; and

WHEREAS the State of Alaska recently enacted legislation to reauthorize the delineation and acquisition of a rail transportation corridor from the present terminus of the Alaska Railroad to the border between Alaska and the Yukon Territory; and

WHEREAS Senator Frank Murkowski, United States Senator for Alaska, has introduced S. 2253, Rails to Resources Act of 2000, to establish a joint United States-Canada commission to study the feasibility of connecting the rail system in Alaska to the continental rail system of North America; and

WHEREAS Alaska, the Yukon Territory, and British Columbia contain extensive oil and gas, mineral, and timber resource reserves that currently are inaccessible, and bilateral cooperation in the development of a freight transportation infrastructure would facilitate the utilization of these resources for the benefit of the United States and Canada; and

WHEREAS a northern rail system may significantly benefit the visitor industry by facilitating the comfortable movement of passengers over long distances while minimizing the effect of such movement on the surrounding environment; and

WHEREAS ongoing research and advancements in rail technology continue to increase the efficiency of rail transportation and ensure rail safety and decrease the effect of rail transportation on the environment;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the government of the United States and the government of Canada to engage in a cooperative feasibility study to examine the costs and benefits of constructing a rail connection to link Alaska and the Yukon Territory by way of northern British Columbia with the existing North American rail transportation system; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests the government of the United States and the government of Canada to establish a bilateral commission representing local governments, business interests, and aboriginal stakeholders to define the goals and objectives for the cooperative feasibility study and to report the results of the study to the appropriate governmental entities of the United States and Canada; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests that funding for operation of the bilateral commission and for the conduct of the cooperative feasibility study be considered a priority for the governments of the United States, Canada, British Columbia, the Yukon Territory, and the State of Alaska.

COPIES of this resolution shall be sent to the Honorable Jean Chretien, Prime Minister of Canada; the Honorable David Collenette, Minister of Transport, Transport Canada; the Honorable Dan Miller, Premier of the Province of British Columbia; the Honorable Piers McDonald, Government Leader, Yukon Territory; the Honorable Bill Clinton, President of the United States; the Honorable Madeleine K. Albright, United States Secretary of State; the Honorable Rodney E. Slater, United States Secretary of Transportation; the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; the Honorable Jesse Helms, Chair of the Committee on Foreign Relations of the U.S. Senate; the Honorable John McCain, Chair of the Committee on Commerce, Science, and Transportation of the U.S. Senate; the Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable Benjamin A. Gilman, Chair of the Committee on International Relations of the U.S. House of Representatives; the Honorable Bud Shuster, Chair of the Committee on Transportation and Infrastructure of the U.S. House of Representatives; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Bill History/Action Display

H

BILL: HB 12

SHORT TITLE: RAIL/UTILITY EASEMENT TO AK-CANADA BORDER

BILL VERSION: CSSSHB 12(FIN) AM
SPONSOR(S): REPRESENTATIVE(S)JAMES, Therriault, Dyson, Harris, Kemplen
SENATOR(S) Wilken, Kelly Pete
CURRENT STATUS: CHAPTER 12 SLA 99

STATUS DATE: 05/06/99

TITLE: "An Act relating to a utility corridor and railroad right-of-way between the Alaska Railroad and the Alaska-Canada border."

Full Text | Fiscal Notes | Amendments

Committee Action with Bill History

Jrn-Date	Jrn-Page		Action
01/19/99	0020	(H)	PREFILE RELEASED 1/8/99
01/19/99	0020	(H)	READ THE FIRST TIME - REFERRAL(S)
01/19/99	0021	(H)	TRA, RES
01/29/99	0102	(H)	SPONSOR SUBSTITUTE INTRODUCED
01/29/99	0102	(H)	READ THE FIRST TIME - REFERRAL(S)
01/29/99	0102	(H)	TRA, RES, FIN
02/03/99	0129	(H)	TRA RPT 5DP 2NR
02/03/99	0129	(H)	DP: KEMPLEN, SANDERS, COWDERY, HALCRO,
02/03/99	0129	(H)	MASEK; NR: HUDSON, KOOKESH
02/03/99	0129	(H)	2 ZERO FISCAL NOTES (DOT, DNR)
02/05/99	0147	(H)	COSPONSOR(S): HARRIS
02/10/99	0180	(H)	RES RPT 7DP 2NR
02/10/99	0181	(H)	DP: MASEK, BARNES, MORGAN, HARRIS,
02/10/99	0181	(H)	WHITAKER, SANDERS, OGAN; NR: KAPSNER,
02/10/99	0181	(H)	JOULE
02/10/99	0181	(H)	2 ZERO FISCAL NOTES (DOT, DNR) 2/3/99
02/19/99	0250	(H)	FIN RPT CS(FIN) 8DP 2NR
02/19/99	0251	(H)	DP: THERRIAULT, MULDER, KOHRING,
02/19/99	0251	(H)	AUSTERMAN, DAVIES, GRUSSENDORF, DAVIS,
02/19/99	0251	(H)	FOSTER; NR: BUNDE, WILLIAMS
02/19/99	0251	(H)	2 ZERO FISCAL NOTES (DOT, DNR) 2/3/99
03/03/99	0342	(H)	RULES TO CALENDAR 3/3/99
03/03/99	0342	(H)	READ THE SECOND TIME
03/03/99	0343	(H)	FIN CS ADOPTED UNAN CONSENT
03/03/99	0343	(H)	ADVANCED TO THIRD READING UNAN CONSENT
03/03/99	0343	(H)	HELD IN THIRD READING TO 3/5/99

03/03/99	0350	(H)	COSPONSOR(S): KEMPLEN
03/05/99	0370	(H)	READ THE THIRD TIME CSSSHB 12(FIN)
03/05/99	0370	(H)	RETURN TO SECOND FOR AM 1 UNAN CONSENT
03/05/99	0371	(H)	AM NO 1 ADOPTED UNAN CONSENT
03/05/99	0371	(H)	AUTOMATICALLY IN THIRD READING
03/05/99	0371	(H)	PASSED Y34 E4 A2
03/05/99	0378	(H)	TRANSMITTED TO (S)
03/08/99	0440	(S)	READ THE FIRST TIME - REFERRAL(S)
03/08/99	0441	(S)	TRA, FIN
03/08/99	0441	(S)	CROSS SPONSOR(S): WILKEN, PETE KELLY
03/31/99	0749	(S)	TRA RPT 3DP 1NR
03/30/99	0749	(S)	DP: WARD, HALFORD, PEARCE; NR: LINCOLN
03/30/99	0749	(S)	HOUSE ZERO FISCAL NOTES (DNR, DOT)
04/12/99	0876	(S)	FIN RPT 7DP 1NR
04/12/99	0876	(S)	DP: TORGERSON, PARNELL, PHILLIPS, GREEN,
04/12/99	0876	(S)	LEMAN, WILKEN, DONLEY; NR: ADAMS
04/12/99	0876	(S)	HOUSE ZERO FISCAL NOTES (DOT, DNR)
04/15/99	0930	(S)	RULES TO CALENDAR AND 1 OR 4/15/99
04/15/99	0934	(S)	READ THE SECOND TIME
04/15/99	0934	(S)	ADVANCED TO THIRD READING UNAN CONSENT
04/15/99	0934	(S)	READ THE THIRD TIME CSSSHB 12(FIN) AM
04/15/99	0934	(S)	PASSED Y17 N2 E1
04/15/99	0934	(S)	RETURN TO (H), TRANSMIT TO GOVERNOR NEXT
04/20/99	0889	(H)	9:15 AM 4/20/99 TRANSMITTED TO GOVERNOR
05/07/99	1219	(H)	SIGNED INTO LAW 5/6 CHAPTER 12 SLA 99
05/07/99	1219	(H)	EFFECTIVE DATE OF LAW 8/4/99

Similar Subject Match or Exact Subject Match
EASEMENTS
PUBLIC LAND
RAILROAD
RESOURCES
TRANSPORTATION
UTILITIES

Bill Root: [ ] Display Bill Root

BASIS HAS BEEN RE-PROGRAMMED THIS YEAR

TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS 

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CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 12(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 3/5/99
Offered: 2/19/99

Sponsor(s): REPRESENTATIVES JAMES, Therriault, Dyson, Harris, Kemplen

SENATORS Wilken, Pete Kelly

A BILL

FOR AN ACT ENTITLED

"An Act relating to a utility corridor and railroad right-of-way between the Alaska Railroad and the Alaska-Canada border."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 19.05.122(a) is amended to read:

(a) <u>Subject to legislative appropriation,</u> [NOT LATER THAN APRIL 1, 1982, THE INTERIOR DIVISION OF] the department shall delineate a proposed utility corridor<u>, including a railroad right-of-way, between the right-of-way</u> [FOR THE EXTENSION] of the Alaska Railroad <u>and</u> [TO] the Canadian border. The proposed utility corridor shall include a complete legal description of the proposed railroad right-of-way.

*** Sec. 2.** AS 19.05.122(b) is amended to read:

(b) Within 90 days after receiving a report transmitting the work [OF THE INTERIOR DIVISION] of the department under (a) of this section, the commissioner shall, in conformity with AS 44.62 (Administrative Procedure Act), if necessary, adopt

a regulation approving, modifying, or rejecting the proposed utility corridor and railroad right-of-way.

* **Sec. 3.** AS 19.05.122(c) is amended to read:

(c) If the commissioner approves or modifies the proposed utility corridor and railroad right-of-way,

(1) the Department of Natural Resources shall promptly

(A) classify, or reclassify, and reserve any state land within the utility corridor for use as a utility corridor and railroad right-of-way; and

(B) delineate the route of the utility corridor and railroad right-of-way in any system of land records maintained by the Department of Natural Resources under AS 38.05.035; and

(2) the department shall

(A) exercise its authority under AS 19.05.040 to acquire rights-of-way across land within the utility corridor which is subject to the state's power of condemnation;

(B) work with federal officials to secure reclassification and withdrawal of federal land in the utility corridor for reservations and rights-of-way across the federal land for use as a utility corridor and railroad right-of-way; and

(C) prepare a report evaluating the impact of construction of an extension of the Alaska Railroad across federal land within the railroad right-of-way; the statement shall satisfy the requirements for an "environmental impact statement" under 42 U.S.C. 4332.

* **Sec. 4.** AS 19.05.122 is amended by adding new subsections to read:

(e) In performing the work required by (a) of this section, the railroad alignment and identification of a railroad right-of-way of not less than 500 feet, together with adjacent sites that can be developed for necessary construction materials, shall guide the identification and delineation of the corridor.

(f) To complete the work required by this section, the commissioner may accept and, subject to legislative appropriation, expend any legal gifts and grants relating to the work and may enter into agreements relating to the work with the

federal government, an agency or instrumentality of the state, a municipality, or a private organization.

Bill History/Action Display

H

BILL: HB 241

SHORT TITLE: RAIL AND UTILITY CORRIDOR TO CANADA

BILL VERSION: CSHB 241(RES)
SPONSOR(S): REPRESENTATIVE(S)JAMES, Dyson, McGuire, Kohring, Scalzi, Wilson, Foster, Whitaker, Fate, Morgan, Davies, Hayes, Harris, Green
CURRENT STATUS: (S) TRA
THEN RES

STATUS DATE: 05/05/01

TITLE: "An Act relating to a railroad utility corridor for extension of the Alaska Railroad to Canada and to extension of the Alaska Railroad to Whitehorse, Yukon, Canada."

Full Text | Fiscal Notes | Amendments

Committee Action with Bill History

Jrn-Date	Jrn-Page		Action
04/10/01	0929	(H)	READ THE FIRST TIME - REFERRALS
04/10/01	0929	(H)	TRA, RES
04/24/01	1181	(H)	COSPONSOR(S): MCGUIRE, KOHRING, SCALZI,
04/24/01	1181	(H)	WILSON
04/25/01	1197	(H)	TRA RPT 3DP 1NR
04/25/01	1198	(H)	DP: WILSON, SCALZI, KOHRING; NR: MASEK
04/25/01	1198	(H)	FN1: ZERO(CED)
04/26/01	1257	(H)	COSPONSOR(S): FOSTER, WHITAKER
04/28/01	1306	(H)	RES RPT CS(RES) NT 4DP 1AM
04/28/01	1307	(H)	DP: CHENAULT, MCGUIRE, FATE, SCALZI;
04/28/01	1307	(H)	AM: GREEN
04/28/01	1307	(H)	FN1: ZERO(CED)
04/28/01	1345	(H)	COSPONSOR(S): FATE
05/03/01	1507	(H)	RULES TO CALENDAR 5/3/01
05/03/01	1507	(H)	READ THE SECOND TIME
05/03/01	1508	(H)	RES CS ADOPTED UNAN CONSENT
05/03/01	1508	(H)	AM NO 1 FAILED Y13 N24 A3
05/03/01	1509	(H)	ADVANCED TO THIRD READING 5/4 CALENDAR
05/03/01	1520	(H)	COSPONSOR(S): MORGAN, DAVIES
05/04/01	1537	(H)	READ THE THIRD TIME CSHB 241(RES)
05/04/01	1537	(H)	PASSED Y35 N2 E1 A2
05/04/01	1546	(H)	COSPONSOR(S): HAYES, HARRIS, GREEN
05/04/01	1547	(H)	TRANSMITTED TO (S)
05/03/01	1547	(H)	VERSION: CSHB 241(RES)
05/05/01	1524	(S)	READ THE FIRST TIME - REFERRALS
05/05/01	1524	(S)	TRA, RES

CS FOR HOUSE BILL NO. 241(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 4/28/01
Referred: Rules

Sponsor(s): REPRESENTATIVES JAMES, Dyson, McGuire, Kohring, Scalzi, Wilson, Foster, Whitaker, Fate, Morgan, Davies, Hayes, Harris

A BILL

FOR AN ACT ENTITLED

"An Act relating to a railroad utility corridor for extension of the Alaska Railroad to Canada and to extension of the Alaska Railroad to Whitehorse, Yukon, Canada."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 42.40 is amended by adding new sections to article 5 to read:

Sec. 42.40.460. Extension of the Alaska Railroad. (a) The corporation may delineate a proposed railroad utility corridor between the existing railroad utility corridor of the Alaska Railroad and the border of Alaska and Canada. The railroad utility corridor shall be at least 500 feet wide. The railroad utility corridor may be designated for a use identified under AS 42.40.350(b). The corporation may also identify land for use as rail land that can be developed for terminal, station, and maintenance facilities, switching yards, and material sites associated with the railroad utility corridor. The corporation shall prepare a complete legal description of the proposed railroad utility corridor and the rail land identified under this subsection.

(b) In performing the work authorized by (a) of this section, the corporation

shall consider the following factors:

(1) grade and alignment standards that are commensurate with rail and utility construction standards and that minimize the prospect of at-grade railroad and highway crossings;

(2) availability of construction materials;

(3) safety;

(4) effects on and service to adjacent communities and potential intermodal transportation connections;

(5) environmental concerns;

(6) use of public land to the maximum degree possible;

(7) minimization of probable construction costs;

(8) the location of and the opportunity to obtain access to identified natural resources that could contribute significantly to the state's economic development; and

(9) prior and established traditional uses.

(c) If the corporation delineates all or a portion of the proposed railroad utility corridor or the associated rail land,

(1) the Department of Natural Resources shall, in accordance with AS 42.40.360(b) and 42.40.370, convey state land within the railroad utility corridor and associated rail land to the corporation without cost to the corporation and delineate the route of the railroad utility corridor and the location of the associated rail land in any system of land records maintained by the Department of Natural Resources under AS 38.05.035; and

(2) the corporation shall

(A) as the corporation considers appropriate, exercise its authority under this chapter to acquire rights-of-way across land within the railroad utility corridor that is subject to the corporation's power of eminent domain;

(B) upon delineation of the railroad utility corridor and identification of associated rail land, expeditiously work with federal officials to secure reclassification and withdrawal of federal land for reservations and

rights-of-way across the federal land for use as railroad utility corridor and rail land; and

(C) prepare a report evaluating the effects of construction of an extension of the Alaska Railroad across federal land; the statement must satisfy the requirements for an environmental impact statement under 42 U.S.C. 4332.

(d) The requirements of AS 38.05 (Alaska Land Act) relating to classification and reclassification of land are inapplicable to actions taken by the Department of Natural Resources under this section.

(e) The Department of Natural Resources shall retain the classifications and reservations of land identified for use as a proposed utility corridor and railroad right-of-way under former AS 19.05.122 until the corporation informs the department in writing that the land is not needed by the corporation for a utility corridor. If the corporation informs the department in writing that the land is necessary for use as a utility corridor, the department shall convey the land to the corporation under (c) of this section.

(f) To complete the work authorized by this section, the corporation may enter into agreements relating to the work with the federal government, an agency or instrumentality of the state, a municipality, or a private organization.

Sec. 42.40.465. Extension of the Alaska Railroad to Whitehorse, Yukon, Canada. The corporation may investigate extension of the Alaska Railroad from the border of Alaska and Canada to Whitehorse, Yukon. The corporation may acquire land or interests in land in Canada as the corporation considers appropriate for the development, construction, and operation of an extension of the Alaska Railroad to Whitehorse, Yukon.

* **Sec. 2.** AS 19.05.122 is repealed.

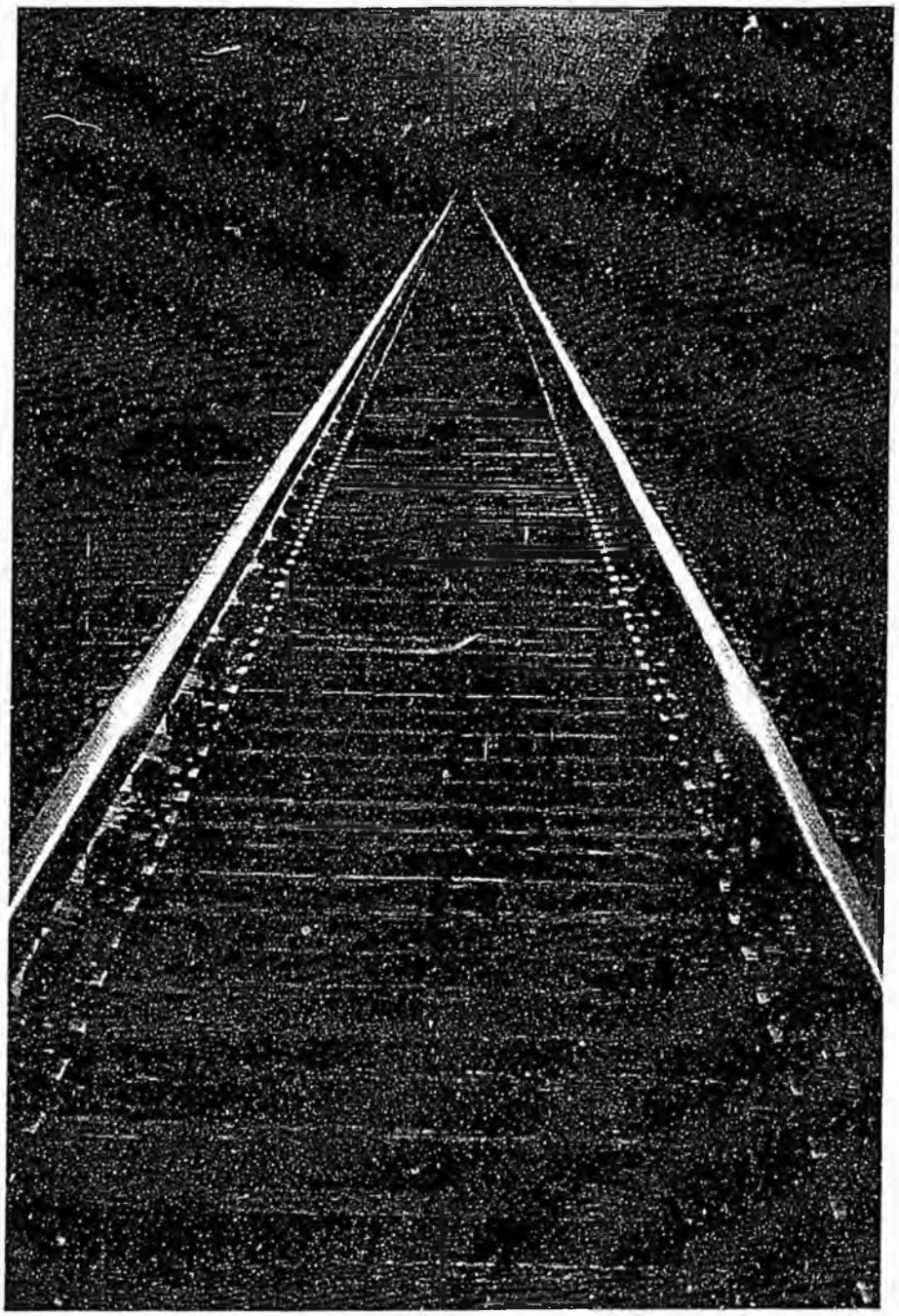
SECTION 7:

MEDIA REPORTING

More Than a Pipe Dream

Provisions are in place to construct a railroad to the Lower 48 by connecting existing Alaska infrastructure with that in Canada.

BY RICHARD F. SCHMITZ



Three years ago, when Rep. Jeannette James, R-North Pole, spoke of her vision of a railroad to connect Alaska with the Lower 48 states, the response she got was often a polite smile or, just as often, rolled eyes and a polite smile.

That has changed.

James

"The same folks who rolled their eyes are now asking what they can do to get on board. There's a lot of excitement about this project," said James, majority leader of the Alaska House, and author of HB 241, which, if passed, will authorize the Alaska Railroad to seek a right-of-way for a rail and utility corridor to Whitehorse, Yukon.

The sudden enthusiasm for the project–which has been explored in one form or another for almost a century–is largely the result of funding for a study commission secured by Sen. Frank Murkowski.

A Unified Front

Murkowski

In May, the Alaska senator met with Canadian legislators at the 42nd annual Canadian Interparliamentary Conference, held in British Columbia. "I was heartened once again by the enthusiasm of Canadian members of parliament on the railroad proposal," Murkowski said. "There always has been unanimous support from the conference for studying this transportation project, but the interest this year was tremendous. I'm convinced we can move forward and have this commission under way yet this year."

Legislation passed by Murkowski in 2000 approved a 24-member bilateral commission to study economic, environmental and engineering matters involved in the extension of the Alaska Railroad from Eielson Air Force Base to the northern limit of the British Columbia Railroad, closing an approximately 1,200-mile gap. The cost of constructing the rail connection has been estimated at between $1 million and $3 million per mile, putting the total cost at upwards of $1.2 billion.

For the commission to be seated, however, Canadian approval is needed. Informal talks have been held, but the first formal action from Ottawa was taken in May with the hiring of a consultant to review Canadian concerns for the commission to address. The commission was informally presented to the Canadian government on May 8 in a low-level exchange at the State Department-Foreign Ministry level, and will be followed by a more formal diplomatic note, Murkowski's office reported.

The commission will be comprised of 12 Americans and 12 Canadians, and will have a paid staff. Funding will come from both sides of the border; however close to $2 million to fund the commission was approved when Murkowski's bill was signed into law.

Packaging With Gasline

Both Murkowski and James are stressing the logic of building a gas pipeline and railroad at the same time. "There are tremendous economies of scale," said James. "For starters, you'd need one environmental impact statement instead of two."

"The economies of scale of the two projects proceeding together are very exciting," Murkowski said, noting a gasline will have major benefits to America's economy given all the steel that a 3,600-mile, 48-inch pipeline will require. "It is vital for the state to press for railroad and pipeline planning to proceed together because of the cost benefits for both projects," Murkowski added. The railroad, if completed in time, could be used to bring construction supplies to the site of gasline construction.

Murkowski also cited Delta Junction as a possible site for a missile defense facility. "That may help with financing of at least 80 miles of the railroad," he said, referring to a separate proposal to extend the Alaska Railroad 80 miles south.

One of the questions any bilateral commission will address is: Can Alaska provide enough business to make a railroad worthwhile? James says she is certain the answer to that question will be yes.

"Relative to other forms of transportation, a railroad is inexpensive, durable and easy to build," James said. "It's true that trains are 19th century technology–but they're cutting-edge at the

same time. There are locomotives today that use natural gas for fuel, and others that use gravity to generate power."

A Builder of Economy

A main beneficiary of a rail connection will be the mining industries of Alaska and the Yukon. "Alaska has tremendous mineral resources, but they're stranded in the ground because it's not economical to move ore to processing facilities," said James.

Alaska itself is proof that a railroad can build an economy. "Why do they call it 'the Railbelt?'" James asked, referring to the railroad route that spans from Seward to Fairbanks. "It's no coincidence that Anchorage–and not Valdez–is the state's largest city. When visionaries decided to build the Alaska Railroad, Valdez was Alaska's main port while Anchorage was no more than a construction camp."

Aside from military and gasline construction uses, Alaska's economy will receive a long-term, stable boost from a rail connection. James points to tourism as one market, opening up stranded resources as another, agriculture and value-added processing or manufacturing as a third and fourth.

"Alaska has tremendous mineral resources, but they're stranded in the ground because it's not economical to move ore to processing facilities."

Rep. Jeannette James
R-North Pole

A particularly rich section of the so-called Tintina Gold Belt, which already includes the Fort Knox mine near Fairbanks and the soon-to-be-developed Pogo Project near Delta, includes "significant coal deposits, and copper, lead, zinc, nickel and platinum group metal prospects," said Dr. Milt Wiltse of the state division of Geological and Geophysical Surveys.

"A majority of the most valuable known mineral deposits of East-Central Alaska are located within 50 miles of the proposed or existing Alaska Railroad," Wiltse told a special committee of the Legislature in February. Wiltse included the True North project, Ryan Lode, the Delta District (copper-lead-zinc) near Tok, and the Richardson Gold District near Delta Junction.

"There is no doubt the general corridor of the proposed extension of the Alaska Railroad passes within 50 miles of many significant mineral deposits," Wiltse told the committee. "A useful and responsible next step in developing the railroad extension would be to conduct a full technical corridor analysis. Because the corridor for the railroad closely coincides with the corridor of the proposed natural gas pipeline, one analysis could serve both projects."

Environmentally Friendly

Another edge for rail is its relative low impact on the environment. Trains move heavy, bulk goods far more efficiently than trucks, while a railbed leaves a much smaller footprint on the land, while allowing for controlled and limited access.

"Construction activity is less disruptive of natural surroundings," said Gil Carmichael, federal railroad administrator under the first President Bush. "Railroad design allows heavier weights to be transported with little effect upon the land surface. Trains are more fuel-efficient and emit lower levels of pollution. I am told one track of railroad has equal capacity to eight lanes of highway."

Dr. Paul Metz, a mining engineer with the University of Alaska Fairbanks, is a strong proponent of combining the gas pipeline and rail projects, and has discussed this issue with representatives of BP and Phillips Petroleum Co. Metz reported the major concern of these companies is the possible delay caused by securing federal funds (for rail construction) and a state match.

Bill Pushes Right-of-Way

James introduced HB 241 to help with this process. "Without appropriating funds, this bill authorizes the Alaska Railroad to delineate a transportation and utility corridor from Eielson to the Canadian border. Once this is achieved, state land would be transferred to the railroad fee-simple title," James explained. The bill also authorizes the Alaska Railroad to obtain ownership of a right-of-way through other lands–private, or federal, for example.

"This bill doesn't require the Alaska Railroad to do anything. The goal of this legislation is to allow the railroad to use federal funds, for example, if such an appropriation comes in from Washington D.C.," James added. A separate section of the bill authorizes the railroad to investigate extending the railroad as far as Whitehorse, Yukon.

Language in the legislation mandates a 500-foot-wide corridor–wide enough to include other uses such as a gas pipeline or fiber optic cable. A transportation and utility corridor could even include electric transmission lines or, sometime in the future, a water pipeline for agricultural purposes.

Calming Opponents' Fears

The proposed rail connection has its detractors. One is the marine transport sector. Leonard Shapiro, vice president

of shipping for Seattle-based Totem Ocean Trailer Express, told writer Charlie Ess in the February 2001 edition of the *Marine Digest* "The effect, obviously, would not be good for us. It would generate a new competitor, and the probability is that the new competitor would be heavily subsidized."

James said she's confident the trucking, marine freight and cruise ship industries will soon come aboard in support of a rail connection. "I've said this for a long time–a rising tide floats all boats higher. A railroad will rescue Alaska's economy from its present boom-and-bust cycle, and a sustainable and stable economy will provide more business to all sectors," James said. "An example: a railroad may mean less business for long-distance trucking–but it will mean more business for short-distance runs. There will be more jobs for truck drivers–truck drivers who can be at home at night with their families."

James said there would continue to be a healthy demand for water-borne freight shipments. "Shipping to and from the West Coast would likely continue by water because a rail connection would be more toward the Midwest. Again, an improved economy would very likely increase the volume of shipping for barge carriers."

Tourism will be another major user of a rail connection, James said. "The great thing about train travel is that, like a cruise ship, the trip itself becomes part of the destination. Cruise ships will take visitors in one direction; a train can take them the other."

"Moving tourists by train permits controlled access to scenic areas, as the Alaska Railroad has proven for years," Carmichael said. "When people on tour leave a train they move in groups, which cause fewer problems than a herd of private vehicles operating independently in a sensitive area. Rail-based tourism will allow for the expansion of a jobs-producing tourist economy in an environmentally sustainable way."

In May, HB 241 passed the Alaska House 35-2. It will be taken up by the Senate in January 2002. "I was very pleased with the support this bill has received," James said. "It's just a first step–but when it comes to any vision for the future, you have to start somewhere." ❑

B5, B12 The Vancouver Sun Saturday July 7, 2001

Parallel Alaska-B.C. railway, gas line backed

Railway executive says the proposal has support from Alaska Senator Frank Murkowski

By ALAN DANIELS

Backers of a railway linking Alaska with British Columbia say the possibility of twinning it with a natural-gas pipeline has given new momentum to the multibillion-dollar project.

Dave Broadbent, president and CEO of Vancouver-based Canadian Arctic Railway, said Friday the twinning proposal now has the backing of Alaska Senator Frank Murkowski, a powerful proponent of both a pipeline and a railway linking Alaska to the lower 48 states.

Canadian Arctic Railway was incorporated federally three years ago to promote the rail link, with the intention of becoming a railway operating company.

"Senator Murkowski definitely wants the railway and he knows the pipeline project is coming," Broadbent said.

"He's grabbed the twinning proposal, which we first suggested to the pipeline companies, and has run with it. This has added a lot of momentum to the project."

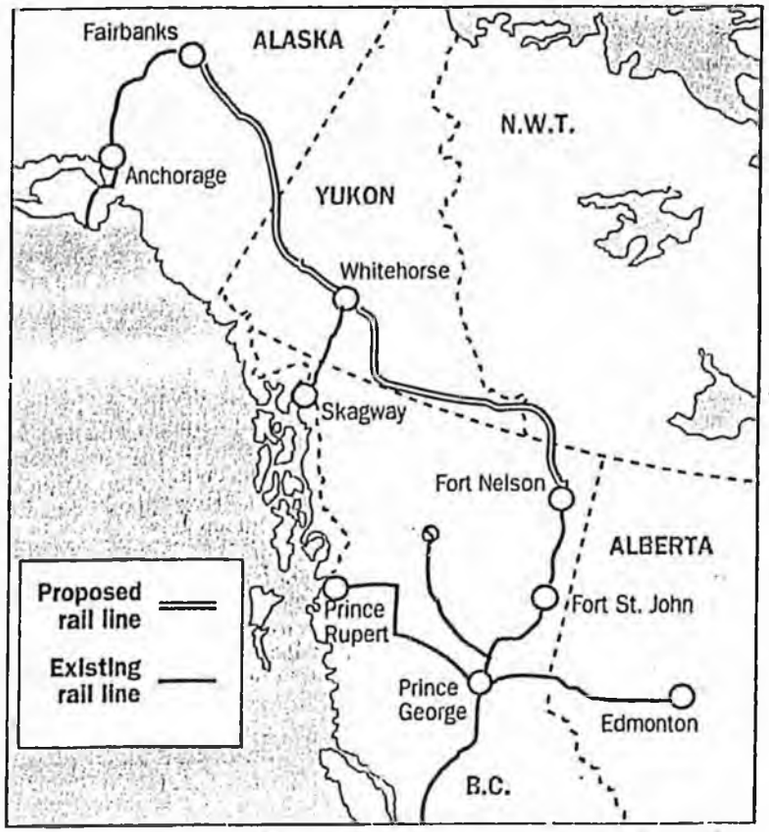
Broadbent said there would be considerable cost-savings in a joint construction project that could also include a fibre-optic cable.

"We feel that the pipeline and the railway could be built at the same cost that the pipeline could be built if it were built in isolation," he added.

Murkowski's office in Fairbank. was closed Friday as part of the July 4 U.S. holiday and he was not available for comment, but an article in the Anchorage *Daily News* on March 13 quoted a representative as saying that shipping Alaska gas through Canada could make a rail line more economically viable and mutually attractive to U.S. and Canadian interests.

A rail connection from Fair-

See GOVERNMENT B12



Government involvement anticipated

From B5

banks to Fort Nelson would require 1,150 miles of new track. Alaska Railroad representatives have estimated the cost at $1 million to $2 million US per mile, which would put the price tag at between $1.15 billion and $2.3 billion US.

Broadbent said it would be financed by the private sector "with some government backstopping." He said the private sector is interested "as long as there is the political will."

He said the change of government in B.C. will also spur the project. "There's a relative amount of excitement in B.C. right now and that's what we need for the private sector.

"The last government said it weren't interested [in the railway] but wouldn't stand in our way. That wasn't enough for private investors."

Yukon MP Larry Bagnall said Friday from Whitehorse that he is in favour of both the pipeline and the railway, but has mixed feelings about twinning the two projects. He said right-of-way and environmental permits are in place for a pipeline along the Alaska Highway route under a Canada-U.S. agreement signed 20 years ago, but it that doesn't include a railway.

"If you make this one massive project, including a fibre-optics cable, you are changing the specifications of the project," he said. "The pipeline companies fear this would put it back to square one."

Tie railway to pipeline, senator urges

by Jason Small

A **Whitehorse Star** Archive story originally published June 8, 2001

The Alaskan senator will be pushing gas companies to tie an Arctic railway in with an Alaska Highway natural gas pipeline.

U.S. Senator Frank Murkowski (Republican–Alaska) informed state legislators this week in a letter that he intends to ask the natural gas producers to look at tying in the construction of a railway to the proposed pipeline which would travel through the Yukon along the Alaska Highway.

Currently, the producers who own the natural gas in Alaska's North Slope are conducting studies into how to transport that commodity to buyers in the Lower 48 states.

A pipeline along the Alaska Highway from the state's northern shore to the Yukon and through to connecting lines in Alberta before heading into the U.S. is one route that is being considered.

Murkowski hopes these producers would consider joining it with a railway through Alaska and the Yukon which could link the isolated state with the continental states.

"I will be asking the producers to expand the scope of their study to consider the conjunctive building of a rail corridor to be part of the proposed pipeline route," Murkowski's letter reads.

"In my view, such a corridor could offer an ideal route for complementary rail and telecommunications services."

The senator states that he will urge the producers to make use of the analysts they are currently using to study the pipeline to look at all possible projects.

"As the consortium (of gas producers) continues its analysis, we urge them to consider a cost/benefit assessment that is truly comprehensive and encompasses all potential uses of the projected pipeline corridor."

The letter notes that the corridor that would be created to build the pipeline could be used in a few different ways.

"Such a corridor could, if carefully chosen, offer an ideal route for complementary services such as rail and communications, in addition to serving Fairbanks, the Pogo mine (in Alaska) and other markets in Alaska-Yukon Territory," it states.

"Further, the right-of-way could support fibre optic for both pipeline monitoring as well as commercial use of the advanced land line technology.

"In my view, there are enormous potential long-term economic benefits to the state of multiple utilization of the corridor route containing pipelines, railroad and fibre optic communications."

Murkowski notes that it could take a long time to evaluate a possible railway, so he's asking the producers to just look at the idea of multiple uses for the corridor along the highway. He states there could be ways to use the railway in building a pipeline.

"As an example, it may be possible to use materials excavated for a pipeline to form part of the roadbed for a rail line, building both simultaneously. Conversely, if a rail platform were built with the pipeline, it might be significantly less costly to transport pipe, excavate materials and lay pipe."

The senator urged his state counterparts to do what they can to support his suggestion to the producers.

"Perhaps a resolution encouraging the producers to evaluate the multiple use concept of a pipeline, rail and telecommunications corridor would be appropriate," the letter reads.

One of the most vocal proponents of a pipeline, Alaskan state representative Jeannette James (Republican), was buoyed by Murkowski's letter.

"It's something I've been talking about for quite a while with the oil industry," James said this morning from her legislative office in Juneau.

James, who is the representative for the community of North Pole, a suburb of Fairbanks, believes bringing the two projects together could cut the costs of building the pipeline.

Just before speaking with the Star this morning, James was talking to a representative of Phillips, one of the major gas producers. She said he wasn't making any commitment but was intrigued.

"He is not making any commitment but he was certainly interested in some of the projections," she said.

According to James, trucks can carry to two to three lengths of pipe per load while a train could carry much more if the railway was being built just slightly ahead of the pipeline.

James doesn't think tying the railway into the pipeline would slow the natural gas project down because she feels it won't be built quickly.

"I don't think it's going to get built fast," she said. "It's no slam-dunk."

From working on the railway, James has come to feel it may be built faster.

While she has been talking about joining the two projects together for a while, she hopes Murkowski's statement will make it more credible and have those who have dismissed her idea as a pipe dream, look at it more seriously.

"I think it'll change their attitude."

But the governor's office does not seem interested in sharing in James' dream.

Bob King, press secretary for Alaskan Gov. Tony Knowles, said the railway and pipeline projects have been running

separately to this point and he thinks that's the way it should remain.

"I don't think it's in either project's best interest to have them linked," King said this morning from the governor's office in Juneau.

"I don't think the fate of the gas line project should hinge on that of the railway extension."

Knowles has made it clear that he supports the idea of a pipeline going through Alaska along the highway.

A northern railway was looked at by the territorial government in the late 1970s — the same time that the possibility of a pipeline through the Yukon was being discussed in earnest.

Now that interest in a railway has returned, Murkowski introduced a bill last year which was signed into law in December by then-president Bill Clinton, to put $6 million over three years into a study with Canada on whether the railway idea is feasible.

The Canadian government has yet to decide whether it will participate in the study.

With this week's change in government in British Columbia, James said she wants to meet with new Liberal Premier Gordon Campbell on the railway idea.

She hopes to do this at a joint meeting of the Council of State Governments — West and the Pacific North West Economic Region in Whistler, B.C. next month.

James has already spoken with Yukon Premier Pat Duncan on a number of occasions.

The Alaskan politician still hopes to meet with the Yukon's first nations on the railway and specifically, Council of Yukon First Nations' Grand Chief Ed Schultz.

"I've never had a personal meeting with them and I hope to do that as soon as possible," she said.

The producers are expected to announce which route they want to build for transporting the natural gas at the end of this year.

Representative Jeannette James

Working to establish an Alaska-Canada rail link

By Vanessa Orr

Photo by Vanessa Orr

As a child growing up in Oregon, North Pole Representative Jeannette James was fascinated by the railroad. When the trains went by her home, she used to run outside to count the traveling cars and listen to the water running through the steam engine. Her lifelong love of the industry has since become the basis for one of her dreams as an Alaskan representative; the establishment of an Alaska-Canada rail link that would provide economic benefits to both the U.S. and Canada. "I've been working on this project for eight years, and while a lot of people have been interested, sometimes it takes a long time to get things going," said James. "Now that we're getting the word out, people are starting to realize that the project is viable."

CCW: How did you become involved in the Alaska Canada rail connection issue?

Jeannette James: It's been one of my dreams since I was elected in 1992. I've always been a big supporter of the railroad, and when I came down here in 1993, the issue of continuing the railroad through Canada to Russia as an international railroad system was raised. I became a supporter, but of course, it was such a huge project at that time that when you told people about it, they would just roll their eyes. It was a real dream.

CCW: What's happened to make it more of a reality since then?

JJ: We've begun to focus on a smaller part of it; the Alaska-Canada connection. It's more doable, more understandable and has stand alone benefits. And if the railroad does go on to Russia someday, it can't do it without this connection.

CCW: You've been working with Senator Murkowski on this?

JJ: Last year, Senator Murkowski became interested in the issue of railroad access because of its ability to help us access more resources in our state. During the 1999 session I talked to him, and things have really rushed on since then. He is drafting legislation in Washington, D.C. to authorize a bilateral commission of U.S. and Canadian citizens to do a study on the feasibility of the Alaska-Canada connection.

CCW: It seems to be attracting a number of supporters.

JJ: In January of this year, I put together a meeting of business and industry leaders, chambers of commerce and government organizations from British Columbia to the Yukon to talk about the railroad issue. We met in Vancouver, BC, and it was a very successful meeting; over 120 people passed a resolution to support Senator Murkowski's efforts.

CCW: What are the advantages of having an Alaska-Canada connection?

JJ: First, look at the number of resources that would be made available that we can't utilize now because of a lack of access. It will effect the economy, especially imports and exports; think about the effect it could have on the Lower 48 and the whole of Canada when we open up a trade route with a lower cost of transportation. You also need to look at the tourist industry; the cruise industry is already very interested in building dome cars that could run on this route. It would open up winter tourism opportunities that we can't use now because it's too dangerous to use the roads, and it would open up other areas of the country that aren't currently open.

CCW: Where will the railroad run?

JJ: Phase One would connect the Alaska Railroad, which currently ends at Eielson Air Force Base outside of Fairbanks, to the Canadian rail system at either Fort Nelson or Fort St. James. The Alaska Railroad currently ends about 270 miles from the Canadian border; the Canadian system ends at about 900 miles from the Alaskan border.

CCW: What's the estimated cost on a project this size?

JJ: It's estimated that it will cost $2 million to $3 million per mile. Phase One will be about 1,200 miles long.

CCW: Who will pay for it?

JJ: Well, we expect to use U.S. and Canadian federal money for the survey, but the construction of the line itself might be done by private folks; possibly a consortium of different railroad companies. We've had interest from as far away as Australia and the U.K.; the money folks from a lot of different communities are interested in the real opportunity to increase economic activity in this region.

"Think about the effect it could have on the Lower 48 and the whole of Canada when we open up a trade route with a lower cost of transportation."
—Representative Jeannette James

CCW: Will Alaska and Canada split the cost as well as the benefits?

JJ: We'll have to work together on the project; 270 miles go through Alaska, and 900 go through Canada. But though the lion's share of the project goes through Canada, the lion's share of the benefits will actually be to Alaskans, since the population served in B.C. and the Yukon is a small percent of the total population that would be served in Alaska. I expect that the U.S. government would be a bigger money supporter than the Canadians.

CCW: But you don't think the final project will be government owned?

JJ: No, different train companies run on different ownership of rails, and I could see a consortium like Canadian National, who just merged with Burlington Northern, to possibly take charge of this rail. Alaska and Canada would keep their right-of-ways, but I don't see them keeping up the actual rail itself.

CCW: Where does the project stand now?

JJ: Well, we've got to get the approval to do the study, but most of that information is already available, so it should be able to move quickly. Canada's already documented the resources that would be made available, as has Alaska; the information's there, but it just has to be gathered and put together in some form. We need to be able to show the potential amount of money over time that would be gained to show why we should pay for the project.

CCW: Does an Alaskan-Canadian rail compete with other transportation projects, for example, the road out of Juneau?

JJ: No; it doesn't compete with Juneau access; and like the saying goes, 'a rising tide lifts all boats.' I think building the Alaska-Canada connection will help all other industries; it will take some of the detrimental traffic off of other roads, it'll increase safety and reduce costs. Just think, the White Pass Railroad would be connected to the Lower 48, and it's likely that it wouldn't just be a passenger train but could take out and bring in freight as well.

CCW: What's the next step?

JJ: I'm going next week to the Yukon Territory; I'll be having several meetings with economic development specialists, mineral specialists and narrow gauge railway specialists. It's very important to build awareness of this project, and to get people asking questions. We need people to be aware of what this project can do, and what opportunities it can provide.

CCW: Why is that so important?

JJ: We need to build excitement because when Senator Murkowski tries to get his bill passed through the Legislature, he needs our support. I want communities and businesses to put together resolutions in support of his efforts; if you know anyone in another state, have them write to their congressman or senator as well and ask about the railroad line.

CCW: Have you been getting this kind of support already?

JJ: Yes, the Miner's Association has already done a resolution and so has the state Chamber of Commerce. I haven't asked the City and Borough for one yet.

CCW: What about the environmentalists?

JJ: Most of the conversations I've had with environmentalists show that they realize that there's going to be more access, and that the most environmentally sound way to do it is by rail. It's controlled; there are no cars getting into certain areas, no road crews; no people leaving trash behind.

CCW: This seems to have taken on a life of its own.

JJ: Before getting Senator Murkowski's ear, there were a lot of us interested in the idea, but without federal money, we couldn't do a thing. The Canadians liked the idea, but again, it has to be done by the federal governments of both nations.

CCW: Do you think this will happen in your lifetime?

JJ: Yes, I do. I don't believe the connection to the Bering Straits or to Russia will happen in my lifetime, but I do believe that in six to ten years, the Alaska-Canada rail will be completed.

CCW: Do you plan to be on that first train trip?

JJ: I'd sure love to be.

Ed. Note: For more information about the Alaska-Canada rail project, contact Richard Schmitz at 465-3743 or see Rep. James' webpage at www.repjames.org.

Fairbanks Daily News-Miner

Alameda Times-Star
The Argus
The Daily Review
The Eureka Times-Standard

New railroads key to development

March 20, 2000

By SEN. FRANK MURKOWSKI

Back in April 1915, President Woodrow Wilson decided that construction of a railroad to Alaska's Interior was the single greatest step he could take to unlock the then-territory's great promise and to get the region's economy on track.

Some 85 years later times have not changed.

Alaska and the neighboring Yukon Territory in Canada are still North America's last untapped storehouse of mineral and natural resource wealth. We now know where much of that treasure lies--economic transportation to get the materials to market remains the chief impediment to its development.

Over the years one thing has changed: We now know how to develop our mineral, energy and timber resources in an environmentally sensitive manner, so we can protect the beauty and the wildlife of the North, while producing jobs to sustain the region's human inhabitants.

We know there is a mineral zone that extends throughout the Yukon-Tanana uplands near Faro, Yukon Territory, north to Fairbanks. The zone, home already to the Fort Knox gold mine and the future home of mines working the huge Pogo gold deposit, contains large amounts of silver, tungsten, copper, lead, zinc, and other ores. On the Alaska side of the border there are already more than 14 major hard rock deposits identified, while in the Yukon there are more than 10 major mineral deposits known. Thi. does not include the Alaska coal deposits a line could move to Lower 48 or East Asian markets.

The same zone is also filled with timber. Within just 15 miles of a likely 1,200-mile railroad corridor through Canada into Alaska, there are 1.4 billion board feet of hardwood pole timber and almost 1.7 billion board feet of mixed pole timber.

Further to the North lies a second developmental target that another railroad could help get on track. That is the huge low-pollution, high-quality coal deposits at Point Lay and also the vast minerals of the Amber mining district farther to the southeast.

It would take just a 90-mile line to carry the coal from Point Lay to the Red Dog mine where a 60-mile line along the existing mine haul road would carry it to tidewater. Such a railroad could bring energy, in the form of coal, to the mine where it could be used to power a new electro-refining technology that would add tremendous value to the zinc-lead ore being shipped from Alaska, and most importantly provide additional jobs to the region. It also would finally allow some of the North Slope's 6 trillion tons of coal to be exported.

It would take just a 150-mile line to access the vast hard-rock resources of the Ambler Mining District and bring them to the coast, or about a 350-mile line to tie into the Alaska Railroad heading south.

Some would say talk of railroad extension is nothing more than "pie-in-the-sky" rhetoric. But railroads offer a host of benefits. They are the most energy efficient form of transportation. More importantly, they are one of the most environmentally sensitive forms of transportation. Railroads offer controlled access that removes the environmental threat of uncontrolled development. They emit the lowest levels of air pollution and usually cause the least disruption to the land.

And a rail corridor would encourage the co-location of all pipelines and power transmission lines--a process that makes especially good environmental sense.

Last year, after talks with Canadian Parliamentarians during the Canada-U.S. Interparliamentary Conference, I held discussions with Canadian Ambassador Raymond Chretien and Canadian Minister of Transport David Collinette, and later with the Canadian-American Border Trade Alliance. In January I was further encouraged by estimates that there might be 120 million tons of freight a year from new mines and timber development along the Alaska-Canada rail corridor that would utilize such a new railroad link.

Thus I am introducing legislation in Congress to advance consideration of that railroad project. My bill will create an impartial bilateral commission to study the economic, environmental, and engineering feasibility of completing the transcontinental railroad linking Canada with Alaska.

A joint commission should have the funding--I'm proposing $6 million--and the authority to oversee a comprehensive feasibility study of a line from where the Canadian rail system ends at either Fort Nelson or near Fort St. James, about 900 miles from the Alaska border, northward to link up with the Alaska Railroad, 270 miles from the border near Fairbanks.

My bill would create an 18-member commission, half being appointed by each country. The commission would be fully representative of the

residents of the area and also include scientific expertise to make sure that the difficult issues surrounding a railroad will be thoughtfully considered.

Quick action to set up the commission is particularly timely since a decision is likely within the next year on whether the United States should proceed with construction of an anti-missile defense system. And perhaps the best site for an initial 100-missile interceptor base is at Delta Junction. That decision must justify extending the railroad to Fort Greely, 80 miles closer to the border than Eielson Air Force Base--reducing the amount of additional track needed in Alaska to about 190 miles.

We should not be afraid to think seriously about big projects. Just because they're daunting, doesn't make them impossible. In this day and age of great concern for the environment: if one assumes--as I do--that the resources of the Yukon and Alaska inevitably will be developed, then rail looks like a very healthy way to make that possible.

All the commission will do is bring about debate. It will consider and explore new ideas. If a railroad connection is economically, environmentally and socially sound, then we should move ahead with it. If it is not, then it should be dropped. But at the very least, let's give the idea an honest hearing, now before any more decades pass.

From AEDC and the Editors of
Expansion Management Magazine

American Economic Development Council

A Penton Publication

Inside E.D.

Volume 6 • Number 8 • June 2000

Riding the Rails 'Back to the Future'

Looking for an engine to drive your local economic development efforts? Another partner for your economic development team? You may not need to look any further than the nearest rail line.

Few industry developments have been more synonymous with the territorial and economic development of our country in the latter 19th and early 20th centuries, than the U.S. railroad.

From the completion of the 13-mile Baltimore & Ohio in 1830, the nation's first railroad, to the megasystems created by mergers of major lines in the last 20 years, the U.S. freight railroad industry has undergone significant changes over its 170-year history. And there may be no better time than now to assess the role of the railroad in your development program.

"Think about marketing this rail network as one of the attributes you've got in your state or in your city the same way you market the fact that you've got low energy rates, that you've got a trained work force and you've got a community college system to update the skills of the [work force]," advises Randy Evans, vice president for real estate and industrial development, CSX Transportation Inc., Jacksonville, Fla.

"[To] everything else that's on your list, you need to add this rail network as something that can help the industries lower their costs, and lowering the costs of doing business is always a significant part of the economic development business."

So why is the railroad important now? Where has it been? What does it hold for the future?

While many of the more than 146,000 route-miles of track owned and maintained by U.S. railroads in 1998 have been around for some time, they have not always had the economic impact felt during the near-by half-century "Golden Age of Railroading" beginning in the late 1860s.

But the deterioration of the railroads while under federal control during World War I, followed by growing competition from other transportation modes supported by government subsidies, as well as stringent federal regulation, almost caused the collapse of the industry.

> *"[To] everything else that's on your list, you need to add this rail network as something that can help the industries lower their costs..."*
>
> – Randy Evans, vice president for real estate and industrial development, CSX Transportation

Not until the Staggers Rail Act of 1980 essentially deregulated the industry did the railroad return from the brink.

"Yes, there was a low point, and we are definitely on a resurgence, an upswing of rail development and rail usage by companies," said Michele "Mike" Keller, CED, regional manager of industrial development for Burlington Northern Santa Fe Railway Co., Minneapolis, Minn.

"State departments of economic development ... over the years [have] become much more open to rail, because they're actually getting more requests for rail-served properties."

Charlie Penner, director of industrial development for the Union Pacific Railroad Co., Omaha, Neb., agrees.

"There's a definite trend for need for more rail-served sites. I think a lot of people recognize that the economics of rail can be a big advantage to them, and some of the communities and some of the economic development groups, in an effort to reduce truck traffic, also, in some degree, try to push rail business."

Since it bottomed out in 1978, the freight railroad

(See "Riding the Rails" on page 2)

At a glance

EXPANSION MANAGEMENT

A Penton Publication
Inside E.D.
From AEDC and the Editors of Expansion Management Magazine

Riding the Rails

(continued from page 1)

industry has begun to re-establish its importance as an efficient, environmentally friendly, cost-effective transportation mode.

As a result of an expanding economy and a rejuvenated business climate among the nation's railroads, industry productivity is up and rail freight rates are down.

And the upward trends aren't solely affecting the big railroads.

"The other relationship you see that has changed a lot in the last couple years is the rise of short lines because another thing that's happened with the big guys ... is that some of their less profitable lines have been abandoned but some of them they've sold, so that's created a whole different situation as well," remarked Tracy Allen, key projects manager for the Ohio Department of Development.

As a result of an expanding economy and a rejuvenated business climate among the nation's railroads, industry productivity is up and rail freight rates are down.

"We'll use short lines to expand our market reach," said Kay Bryant, director of U.S. business development for the Canadian National-Illinois Central Railway Co., Chicago, Ill. "If we don't have the site that we think best meets the customer's needs we don't hesitate to market a short line's properties for them."

What does this all mean to your development program? Partners and allies. Service. Incentives. Opportunities.

"We've got industrial development representatives in each of the states that really are part of the economic development team for each of the states in their effort to attract industry and to help existing industry expand," said Evans, whose comments are echoed by rail industrial developers up and down the lines.

" We're by no means the leader in the states or the counties but we clearly can be an important part of the team. And the reason we can be ... is that one of the things we bring to them is this rail network that we own and operate ..."

Railroads, like their partners in state, regional, local, utility and real estate economic development organizations, bring a range of services to the table, including site selection and engineering design.

And while companies would expect economic incentives from those other partners, what the railroads might offer may come as more of a surprise.

"... In some of the cases, we'll also be part of the incentive package in the way that we either price the traffic or some of our willingness to provide rebates for capital investment that the company may make, and that may be part of the inducement," said Evans.

"One of our publicly funded programs is the Rail Industrial Access Program where we actually spend state dollars to contribute to offset the cost of a rail facility going into an industrial site," noted Kevin Page, senior rail transportation engineer for the Virginia Department of Rail and Public Transportation.

Whatever the industry expanding or relocating, rail may offer new development opportunities.

"Many of the state and local developers do aggressively market rail because that tends to be the bigger clients that need rail service and so it may mean more jobs or more investment, so they're very aware of it ...," said Richard Parker, vice president of real estate, Norfolk Southern Corp., Norfolk, Va.

And the future? It may be found in the lessons of the past, riding the rails of the 21st century iron horses.

— Les Gramkow is the research editor of *Expansion Management Magazine*. You can contact him at lgramkow@newhope.com.

Fairbanks Daily News-Miner

Alameda Times-Star
The Argus
The Daily Review
The Eureka Times-Standard

Money for rail extension study not finalized

June 21, 2000

By SAM BISHOP
News-Miner Washington Bureau

WASHINGTON--The long-discussed proposal to connect Alaska's railroad system to Canada and the Lower 48 could soon get more scrutiny than ever.

The Senate version of the annual federal transportation bill provides $2 million to study the railroad connection. The money was added through a floor amendment by Sen. Frank Murkowski, R-Alaska.

The Senate passed the bill a week ago. The House passed its version, without the railroad study money, on May 19. A conference committee will decide later this summer whether the money stays in the budget.

The money would pay for a joint U.S.-Canada study of the 1,150-mile rail connection's feasibility. Promoters hope a railroad would spur mining and other resource development.

Murkowski already has filed a separate bill asking the administration to form a commission with Canada to conduct the study.

"While we still have a long way to go, the feasibility study is moving forward and has enough steam to command attention by those who hold the government's purse strings," Murkowski said in a statement released after the Senate approved the money.

The Alaska Railroad's most easterly track ends at Eielson Air Force Base. Canada's system comes closest in two equally distant points--Fort Nelson and Fort St. James, both in British Columbia.

In Alaska, the railroad extension has been promoted in recent years by state Rep. Jeannette James, R-North Pole.

The state identified a railroad route from Eielson to the border in the late 1970s and early 1980s, James said. In the mid-1990s she had the state estimate the expense of buying private land on that route. The purchases could cost a few million dollars, she said.

But the route is not set in stone yet. The bu of the study needs to be done on Canada's side, James said. She said Murkowski hopes Canada will pay some of the study's cost since about 900 miles of the corridor crosses that country.

"There will be three considerations," James said of the route selection process. "One is the geology. Second of course is the environmental and people impact. And the third one is where are the resources we're going to access, because there are just lots of them."

Scott Banks, Alaska Railroad spokesman in Anchorage, said the state-owned company appreciates the interest. "If someone doesn't look out far ahead it'll never get done," he said.

Building rail in Alaska costs between $1 million and $2 million a mile, Banks said, which would put the total project cost at between $1.15 billion and $2.3 billion.

"It sounds like a lot of money, but you've got to think about the efficiencies you get with rail," Banks said. The rail not only could carry raw resources such as gravel, coal and petroleum but also could compete with ships and trucks, he said.

James doesn't worry about the expense of building the railroad itself. Over the course of 50 to 100 years, the development unleashed by the rail will justify the expense, she said. The general route passes by deposits of coal, iron ore, gold, zinc and lead, she said.

Murkowski also said this is a good time to review a railroad extension because, if built, it would pass through Delta Junction, where the U.S. government may build an interceptor base as part of a national missile defense system.

In January James organized, at Murkowski's request, a meeting of about 120 government officials, private industry representatives and environmental groups in Vancouver, British Columbia, to discuss the railroad idea. And this next week a Murkowski aide will speak to a Pacific Northwest business group about it.

"What we're trying to do is create a buzz," James said.

The Moscow Times.com Business / Transport

Friday, Jan. 12, 2001, Page 1

Building Bridges to Billion-Dollar Dreams

By Natasha Shunetskaya
Staff Writer

Viktor Razbegin has a $50 billion building project that makes the Chunnel between England and France look like a high school science project.

He wants to build a tunnel under the Bering Strait, connecting Chukotka to Alaska, and says it is not only technically possible, but promises to be economically rewarding.

"Russia is a bridge between Asia and America," says Razbegin, director of the government Center for Regional Transport Projects, as he leans back in a stylish leather armchair in his Moscow office.

"But, frankly, we have not been doing a good job," he adds. "We need to use this chance to unite civilization."

A loud train toot interrupts his thought. He turns to a toy train on his desk and picks up its upper half — the train turns into a phone. As he calmly talks into the hybrid handset, an enormous map of Russia's railway system stares at him from the wall.

Photo by Igor Tabakov / MT
Razbegin would like to build a tunnel to connect the Far East with Alaska. He also wants to bridge Sakhalin to Japan.

Trains and maps have been the main ingredients of Razbegin's life for the past 25 years. As a permafrost specialist, he studied the tundra and headed various transportation projects in the far northern regions during the Soviet era.

He also is behind a $20 billion scheme to build a 40-kilometer bridge between Japan and the Russian mainland via Sakhalin Island. The Railways Ministry appears to back the project.

The ministry is less committal on the tunnel to Alaska, if only because the U.S. and Russian governments have not shaken hands on the project. But ministry spokeswoman Yelena Kulakova says it would be "very profitable for the Russian railway industry because it would allow us to compete with a sea-based transportation system."

Razbegin got involved with reviving the idea of building a link to Alaska in 1992 as a spirit of entrepreneurship was sweeping the country. The idea was originally contrived by Russian merchants at the end of the 19th century, shortly after Russia sold the territory to the United States. The venture in its modern form includes building a 6,000-kilometer railway system to connect the Russian and U.S. rail systems.

The project's critics argue that even if this utopian idea were to be executed, the tunnel would link two of the world's most remote, desolate and economically undeveloped areas, where the most common modes of transportation are snowmobiles and dogsleds.

A spokesman for Alaska Governor Tony Knowles said the main problem with digging the tunnel is that "there is nothing on either end," The Wall Street Journal reported.

Razbegin's bearded face melts in a smile as he hears the argument — it is the one he has to rebut most often:

"The crucial thing everyone misses is that this venture is not about a tunnel. It is about developing adjacent territories and creating new jobs," he says. "It can be done through building infrastructure to connect Asia with North America via Russia."

That infrastructure would include a railroad, a joint electricity system and a set of telecommunication lines, including fiber-optic cables.

The first step would be to lay 3,200 kilometers of railroad to connect Chukotka with BAM, the Baikal-Amur Railroad. More than 2,000 kilometers of track would also have to be laid on the North American side to line the tunnel to the main U.S. railway system.

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The tunnel itself would run much longer than the 37-kilometer Bering Strait. Razbegin's research team proposes a tunnel as long as 103 kilometers to bypass the rough terrain along the coasts.

According to Razbegin, the project has received the go-ahead from the Economic Development and Trade and Railways ministries and the Academy of Science. His interdepartmental center is affiliated with all three.

Opponents of the Chukotka-Alaska link argue it would be a financial fiasco.

"I cannot imagine, given the extreme expenses, even with China and the rest of Asia connected, that a railroad linking Siberia and North America could be economically viable for a long time to come," says Ilya Vinkovetsky, who is doing doctoral research at the University of California on Russian migration and the history of Alaska and Chukotka.

He says the history of failed expectations for the Trans-Siberian Railroad and BAM suggest that skepticism is justified. "It is difficult to imagine a proposed railway across the Bering Strait being competitive with shipping across the Pacific," Vinkovetsky says in an e-mail interview.

Razbegin objects, insisting the project has numerous potential revenue streams and a high likelihood of profitability.

For instance, he says, the railroad would shorten the shipping route across the Pacific by 10 to 14 days and could quickly become the preferred way of shipping goods between Asia and North America.

Photo by Igor Tabakov / MT

Razbegin showing the path across the Bering Strait

Razbegin estimates the Chukotka-Alaska railroad could carry 30 billion to 40 billion tons of cargo annually.

In addition, he says, building a joint Asia-Russia-North America electricity line could ring in savings of about $15 billion a year. The United States imports electricity from Russia.

Once the U.S.-Russia railroad was complete, export transit would bring Russia about $20 billion annually, Deputy Railways Minister Sergei -Grishin said in September at the Baikal Economic Forum held in Irkutsk, according to the web site of a transportation sector newspaper called Gudok.

But even if Razbegin succeeds in shattering his skeptics' fears about the economic unfeasibility of the project, he still has to find $50 billion to $60 billion in financing.

"This is not a lot of money," he says. "For example, it would be possible in a framework of a joint government project between Russia, the United States, Canada, and possibly Japan and China."

According to Razbegin, many potential investors have already expressed an interest in the project, which he boasts will turn a profit for first-tier investors within the first five to seven years of operation.

He admits this is not the easiest undertaking. Ten-month-long winters feature temperatures below minus 50 degrees Celsius, while short summers bestow overflowing rivers and unrelenting insects. Yet Razbegin is confident the project is technically viable.

"First of all, [thousands of years ago] Alaska and Chukotka were connected, so there are actually some technical advantages," he says, "Secondly, mankind by now has a lot of experience in building large, complex projects."

Razbegin himself is experienced in such projects, or at least in launching them. His second much-criticized brainchild is the scheme to build a 40-kilometer bridge between the Japanese island of Hokkaido and the Russian mainland via Sakhalin.

Both projects, he says, are part of the same goal — creating an enormous intercontinental railway system.

Despite the criticism, Razbegin and his team were able to secure the government's permission to start work on the Sakhalin bridge, which he says will cost roughly $20 billion and take about 15 years to complete.

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The Railways Ministry spokeswoman confirmed that the project is going ahead.
Railways Minister Nikolai Aksyoneko was quoted by Interfax this week as saying that by the end of next year, his ministry "really will start construction of the tunnel under the Tatarsky Strait, which will connect the mainland with Sakhalin."
Razbegin is sure the same fait awaits the Bering Strait scheme. Now that he has sent the results of a "successful" feasibility study to the U.S. and Russian governments and developed a draft of investor proposal, all Razbegin says he needs is "a decision on the highest level."
In 1995, the two governments almost signed an agreement that would give the green light to the undertaking, but the Russian government officials in charge were changed so frequently that the Americans backed down.
"I know this project will be realized," Razbegin says. "If tomorrow the two presidents signed the deal, you could start buying tickets for the train that will be ready to depart in 20 years."

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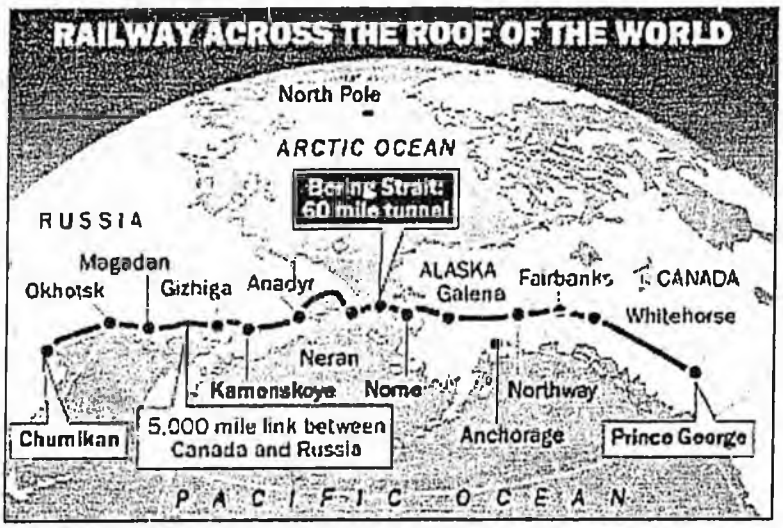

TUESDAY JANUARY 02 2001

Russia ready to build £40bn tunnel link to America

FROM GILES WHITTELL IN MOSCOW

IT would cost £40 billion, take 20 years to complete and even then would link only two of the world's most remote places. Yet a tunnel between Russia and America under the Bering Strait can and will be built, according to a senior Moscow official.

Emboldened by the new millennium, the man in charge of modernising Russia's vast but creaking infrastructure has said that the construction of a 60-mile tunnel under the international dateline from eastern Chukotka to western Alaska is only a matter of time. The money, he insists, is available.

The tunnel would be the biggest project of its kind. At the windswept point where they appear on most maps to kiss, the Russian and American mainlands are separated by only 23 miles of water and their furthest outposts, the Diomede Islands, by three. An international feasibility study concluded, however, that to be safe a tunnel joining them would have to be more than twice as long.

The study is ready to go before the World Bank and the US and Russian Governments with a draft agreement on how to take the project forward, Viktor Razbegin, director of Moscow's Centre for Regional Transport Projects, said.

Mr Razbegin has been Russia's chief promoter of a Bering tunnel for the past six years, during which the economic crisis has ruled out the super-projects for which the Soviet Union was famous. There was also a little local difficulty: the nearest road to the Russian side of the Strait is 1,000 miles away at Magadan, a former transit point for prisoners en route to Stalin's harshest labour camps.

On the American side a road would have to be built from Fairbanks in the face of objections from environmentalists. For a rail tunnel, the nearest North American mainline station is at Prince George, British Columbia, 1,200 miles away. After a year of healthy oil and gas exports, however, Russia has record hard currency reserves and is keen to open up its frontiers for more mineral extraction.

Similar factors have attracted initial funding, much of it from Japan, for a shorter but still ambitious tunnel linking Hokkaido and the Russian mainland via Sakhalin. Construction of the Sakhalin tunnel is due to begin this year.

Russians have been obsessed with finding their own land routes to the New World, however long and arduous, ever since Peter the Great sent Captain Vitus Bering of the Imperial Russian Navy to discover what lay at the easternmost reaches of his continent in 1725.

From 1917 to 1991 the Diomede Islands were home only to birds of passage and nervous frontier troops. Since then Alaskan businessmen have tried to establish links with destitute Chukotka, but have largely failed. Maybe all they need is a tunnel.

Railway issue not raised yet

A **Whitehorse Star** Archive story originally published February 2, 2001

The federal government has not been contacted by the U.S. about building a railway through the Yukon to link northern B.C. with Alaska, says Premier Pat Duncan.

The premier said Tuesday the issue of a northern railway was among the many she discussed during last week's trip to Ottawa to meet with Prime Minister Jean Chretien and several federal cabinet ministers, including Transport Minister David Collenette.

"The federal government in the United States has not said anything to Canada," Duncan said during a press conference to discuss her trip.

Former U.S. president Bill Clinton signed a bill Dec. 27, on the eve of his departure, that formerly calls for the creation of a joint Canada-U.S. commission to study the railway proposal over three years. Included in the bill is $6 million US to finance the initiative.

The bill proposes to create a 24-member commission, with 12 members from each country who are to be chosen based on technical experience and past involvement with the railway industry.

Shortly after the bill was signed, it was suggested by an aide to Alaskan Senator Frank Murkowski that international discussions surrounding the joint commission wouldn't get under way until after President George Bush had settled into office. Murkowski proposed the bill.

"They have not said anything yet," the premier said.

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REPORT FROM ALASKA

Charlie Ess

Shipping to Alaska: Will it be rail versus water?

No sooner had Alaska Railbelt Marine left Seattle with a bargeload of steel pipe bound for Whittier, when President Clinton passed legislation to study the possibility of building a rail link south from Fairbanks to southern British Columbia.

The bill, sponsored earlier last year by U.S. Sen. Frank Murkowski (R-Alaska), was signed into law in December and will set up a bilateral commission of 24 members with equal representation by the United States and Canada.

With a total U.S. budget of $6 million – $2 million of which has been appropriated this year – the commission, during the next three years, will determine if adding a 1,200-mile railroad link between Fairbanks, Alaska and British Columbia pencils out in terms of dollars and cents. A large part of the study includes: proposing a route, environmental assessments and permitting.

"There's some hope that the study might be done sooner than that," said Chuck Kleeschulte, a spokesman for Sen. Frank Murkowski in Washington, D.C.

The push to build a natural gas pipeline from Alaska to the Lower 48 may quicken the pace of the study, especially since one option among routes calls for a pipeline that would connect production facilities on the North Slope to Fairbanks, then south through Canada along the Alaska Highway.

The new railroad would take a similar path from a site near Fairbanks and run approximately 270 miles to the Canadian Border, where it would extend another 900 miles through the Yukon to tie in with spurs at Fort Nelson or Fort St. James, British Columbia.

"The need to move large equipment and material for the pipeline could help to accelerate a rail project," according to statements from Murkowski.

The extent by which a railroad connecting Alaska to the Lower 48 would absorb volumes of pipeline supplies shipped north on waterborne carriers remains to be seen.

"I think there are some fundamental physics that give marine transportation economic advantage over rail transportation to Alaska – fuel efficiency, for one," said Jon Burdick, president of Alaska Railbelt Marine, in Seattle. "Rail also requires high volumes to pay back its huge capital infrastructure. Current railcar volumes certainly do not justify these types of expenditures."

Presently, the Alaska Railroad terminal at Whittier serves as the link with rail marine barges hauling pipe from Seattle (Canadian National's AquaTrain also sails from Prince Rupert; Foss Maritime does the towing.)

In December, Alaska Railbelt Marine, in a special contract with the Alaska Railroad, made the first of three trips north to deliver 110 cars loaded with steel pipe. The pipe was bound for a North Slope oil-drilling project.

The reality of a rail link, should it come to fruition, could be years off.

In recent years rail-marine arrangements have been the avenue of choice when it comes to shipping pipe to Alaska. While the majority of pipe used in the construction of the 800-mile, $8 billion trans-Alaska Pipeline came from Japan and was landed at Valdez and Seward aboard break bulk carriers, an anti-trust suit in the early 90s found that pipe sourced from Japan had been priced unfairly because of government subsidies. As an outcome of the investigation, the United States raised tariffs on Japanese pipe supplies by 44 percent. Since then, pipe shipments procured from Houston, Texas and other sources in the contiguous United States have been coming north via rail-marine barges.

Beyond construction of a new pipeline, proposed uses for the new railroad include supplying a missile defense site near Delta Junction, about 80 miles southeast of Fairbanks, and providing new transportation avenues to timber and precious metals in the Yukon and the northern interior of Alaska. According to Murkowski's studies, the new link would allow for the access and subsequent development of 10 major mineral deposits in the Yukon.

Some estimates at a Murkowski-sponsored railroad conference held in Vancouver, B.C. last January suggested that annual volumes of the new line could reach 120 million tons. Many of the other applications, however, would require the construction and maintenance of additional spurs.

The cost of the new railroad section, meanwhile, has been estimated loosely at between $1 million and $2 million per mile, which would put the total cost of the project between $1.2 billion and $2.4 billion.

As such, the freight volumes would have to be sufficient to recoup the costs. Prime concerns among waterborne breakbulk and containership companies during the course of the study will be the degree by which government subsidies play a part in determining feasibility, moreover the rates.

The reality of a rail link, should it come to fruition, could be years off, cautions Leonard Shapiro, vice president of pricing with Totem Ocean Trailer Express in Seattle. Though some have hypothesized that the magnitude of the project would be enough to scare away interest from the private sector, others have theorized that a conglomeration of Alaska's Native corporations may buy both the Alaska Railroad and CN. In either case, the creation of another carrier is never a good sign.

"The effect, obviously, would not be good for us," he said. "It would generate a new competitor, and the probability is that the new competitor would be heavily subsidized."

Kleeschulte, on the other hand, says the construction of a connecting railroad would be predicated on the amount of additional freight that would need to be hauled north.

"It would certainly not be economically feasible," Kleeschulte said, "unless there is more freight to Alaska than what is moving by the existing freight and barge lines."

Indeed, waterborne transport may emerge the winner when it comes to moving containerized freight from Seattle to Anchorage, given that the proposed railroad route would likely stretch close to 2,400 miles in comparison to the seagoing distance of 1,400 miles.

The argument favors the rail link, however, when it comes to moving equipment from the U.S. Midwest, according to Laurie Gray, a sales agent with

Canadian National in Anchorage.

"Pipe and machinery would be better shipped by rail," said Gray. "You can get goods from Chicago to Anchorage in seven days," she said.

In the next several months, the newly-forming panel will begin dialogue with Canadian officials. On the American side, the commission will consist of community members, a governor-appointed representative for the State of Alaska; a representative for Alaska Natives; scholars with Alaska education institutes; an engineer with sub-Arctic expertise; representatives from environmental groups, and four representatives of commercial activities which will include the Alaska Railroad. ⚓

This article appeared in **MARINE DIGEST / FEBRUARY 2001,** pages 21.

VIEW FROM THE LIGHTHOUSE

Come and join us!

Peter Hurme

Getting into the game of international trade can be a tricky proposition. Aside from working out your details with overseas sources, there are the logistical challenges of getting goods where they need to go, including (especially in developing markets) *how* they're going to go.

Provided you've managed to stay in the game, whether you're a shipper or an attached entity in the cargo movement chain, the immense efforts of logistical flow rarely diminish. The more you're involved, the more you see the roadblocks - the economic choke points preceding (and even after) delivery.

With this in mind, *Marine Digest* has assembled a group of panelists (*see conference information on pages 8-9*) who will educate and interact in two separate one-day conferences in West Coast cities – May 11, Seattle-Tacoma and June 11 in Los Angeles-Long Beach. The venues are both good ones, and we're kicking it all off with style in Seattle with a lunch on the cruiseship *Radiance of the Seas*.

Our aim with *Practical Transportation Perspectives in the 21st Century* is to attract cargo decision-makers from California and the Pacific Northwest.

The issues that will be covered should appeal to cargo shippers from all over the country, and all are encouraged to attend; however, I would suggest making those plans now, as response is picking up steam.

The *Practical Transportation Perspectives* panelists are extremely well-versed in their respective fields, and cover a good cross-section of the transport chain: Shipper, carrier, port, freight intermediary, rail and trucking. The intermodal network is well represented.

It was our intent, in concert with the panelists' desires, that both of these gatherings prove useful, practical and aid in stimulating activity for cargo shippers of all levels of experience. We won't have too many panels, in order to provide more time for Q & A. Ask the carrier, the shipper, the lawyer, the cargo insurer, the economist, the customs broker etc. what you need to know, and share what you think they should know.

I often find myself applying the well-used term "problem-solving" to the business and, at times, headaches of cargo movement.

This term is what *Practical Transportation Perspectives* is all about - 'problem solving' for those who control the movement of cargo in this challenging age of globalization. ⚓

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(206) 709-1840/Fax (206) 324-8939

PUBLISHER
Mike Daigle

NEWMAN-BURROWS

PUBLISHING DIRECTOR/EDITOR
Peter Hurme
phurme@marinedigest.com

ASSOCIATE EDITOR
Tracy Huddleson

PRODUCTION MANAGER
Erin Beaney
production@marinedigest.com

CIRCULATION MANAGER
Paul Hurme
paul@marinedigest.com

SALES & MARKETING
John Nordahl
john@johnnordahl.com
Cell: 206-310-7040

BPA

Los Angeles office
SALES & MARKETING
TARGETED MARKETING
Philippe Critot
pcritot@worldnet.att.net
1507½ N. Hoover St.
Los Angeles, CA 90027
Phone: (323) 660-5459
Fax: (323) 660-6030

CONTRIBUTORS:
Arthur Gottlieb
INTERNATIONAL TRADE
Fred McCague
CANADA/GREAT LAKES
Charlie Ess
ALASKA
Richard Keen
CALIFORNIA/INTERNATIONAL SHIPPING
Merrill Douglas
EAST COAST CORRESPONDENT
Alison Bate
MARINE SAFETY
Joe Hyatt
WEB MARKETING

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LETTERS

RAIL LINK WILL FLOAT MORE BOATS SAYS ALASKA STATE REPRESENTATIVE

I appreciated Charlie Ess's article in February 2001 *Marine Digest* (**Shipping to Alaska: will be it rail vs. water?**) on the proposed rail connection from Alaska to the lower 48; however I'd like to offer a few comments.

The article calls into question the degree of subsidy that construction of a rail line will require, and whether that subsidy will put containership companies at an economic disadvantage.

It is my belief that a railroad connecting Alaska with the rest of the North American rail system will increase business for waterborne shippers. The purpose of the railroad is to open up, for sound development, vast areas of stranded resources in Alaska, Yukon and Northern B.C., as well as to boost tourism.

Railroad construction has been subsidized (in one form or another) since before the Civil War, and typically has had a 50-to 100-year cost recovery time. But railroad construction has never been an investment in itself – rather, it has been an efficient method to open up areas of the country to economic development.

It's a cliché, but I'll repeat it anyway: a rising economic tide floats all boats. I believe a railroad connection between Alaska and the Lower 48 will result in increased revenue for all participants in the Alaska transportation market.

Sincerely,

Representative Jeannette James
Alaska State Legislature
House District 34

Corrections:

In the March 2001 issue, a quote by Paul Dunstan in the article "Man with a 'Robotic' Mission" was incorrectly duplicated and also attributed to Ed DeNike, senior vice president of Stevedoring Services of America. The following quote: *"Robotic plans to minimize negative impacts in union members. I believe, as in the past, that financial considerations will mitigate labor issues of containerization and automation..."* was not made by Mr. DeNike. We regret the error.

In the March 2001 issue, the story *"Shipping industry listens to the air force"* was written by Alison Bate.

U.S. presses ahead with Arctic railway

by Jason Small

A **Whitehorse Star** Archive story originally published January 4, 2001

The Arctic railway is now in Ottawa's court.

The Canadian federal government has been waiting to see what the United States does with a proposed law to start a commission to look at a railway linking Alaska with the continental states – via the Yukon.

But legislation giving rise to the commission passed last week, meaning it is now up to Ottawa.

"It passed, and President Clinton signed it into law on (Dec.) 27th," Bill Woolf, the legislative assistant for Alaskan Senator Frank Murkowski, said this morning from his office in Washington, D.C.

Murkowski proposed the bill, which sets aside $6 million US over three years for a Canada-U.S. commission to study the feasibility of a rail link starting in Alaska, passing through the Yukon and down to the lower 48 states.

Woolf said the next step, once the new presidential administration gets settled, is for the staff of president-elect George W. Bush to start work on negotiations with the Canadian government to join the commission.

"(They'll) be seeking an agreement to establish a bilateral commission," Woolf said.

The new law calls on the president to strike an agreement with Canada on the 24-person commission.

According to the law, the commission is supposed to be split evenly with 12 members from each country.

In past interviews with the Star, Transport Canada has indicated it was following the issue in the U.S. but wouldn't indicate whether the federal government is interested in participating in the commission.

Transport Canada officials did not comment on the issue this morning.

In the past, the territorial government has shown its support of a possible rail link. However, Premier Pat Duncan refused comment this morning, and no other government officials were available either.

Woolf said that while $2 million of the $6 million is already available, that money won't be spent until the commission is struck and begins its work.

If Canada participates, it will be up to Ottawa to decide the make up of its 12 delegates on the commission.

The new law sets out the qualifications of the 12 American representatives to the commission.

Those members include: representatives of local, community and first nation governments in Alaska; one representative of the Alaskan state government; three from Alaskan businesses including, one from the Alaskan railway Corporation; one representing large U.S. rail companies; one on behalf of rail labour unions; and three others with relevant expertise, including an engineer.

Bob King, spokesman for Alaskan Governor Tony Knowles, said the next step for the state is to see what the commission's report says.

"I think we want to see what the outcome of the commission report is," King said this morning from his office in Juneau.

"We'll wait to see what they come up with."

King said the governor isn't planning to lobby the Yukon and Canadian governments to ensure this country joins the commission.

He said it would be premature to suggest lobbying, which he said would be unnecessary unless Canada chooses not to take part.

King thinks the Canadian government will participate in the commission.

Woolf said there is also the possibility of looking at working on the railway and the proposed natural gas pipeline together.

Both the pipeline and the railway could run in the vicinity of the Alaska Highway, according one of several proposals that picture a railway through the North.

"To me, personally, it makes sense to try to combine these projects," Woolf said.

"The construction of a gas line could encourage the construction of the rail line."

Both the Yukon and Alaskan governments are pushing for a natural gas pipeline to be built along the Alaska Highway. Gas companies are interested in somehow connecting Alaska to the Lower 48.

The other proposed route would go under the Beaufort Sea to the Northwest Territories and down through the Mackenzie Valley.

But King said the two projects should be decided on a separate basis.

"I would hate for a gas line project hinged on the economic viability of a railroad project, or vice-versa."

There has also been talk of a rail link between Alaska and Russia via a tunnel beneath the Bering Strait.

King doesn't think that link is in the commission's purview.

He said there are concerns that at least 800 kilometres of track must be laid between Fairbanks and Nome, where the tunnel would probably start.

King added even greater problems would lie on the other side of the Bering Strait in Russia, where there isn't much infrastructure.

Woolf said there may be some consideration about a Bering Strait project, but that is further down the road.

"I can't say there's no consideration but that's a much longer (term project)," he said. "I will say the Russians are moving in that direction."

Woolf said Russia has started to build a railway spur north from near it's Chinese border.

According to Woolf, most of railway from there to the strait is an area that can be easily built on. He indicated the last stretch may not be as easy.

However, Woolf maintains that the Arctic railway would be built first.

"I think a North American plan would probably come first."

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James: Railroad would be link to prosperity

Representative pushing for rail line running through Canada to Lower 48

By BILL McALLISTER
THE JUNEAU EMPIRE

Rep. Jeannette James wants to railroad a long-range fiscal plan.

No, the House majority leader from North Pole doesn't intend to overlook public opinion in figuring out new revenue sources for state government.

But the key to lasting economic prosperity and government stability in Alaska could be a rail connection through Canada to the Lower 48, James told the Alaska and Juneau chambers of commerce Thursday.

"We lack infrastructure, so much of the state's wealth is off the table," she said. "Is it just coincidence that Alaska's economic heartland is called the Railbelt?"

James has spent years touting the rail connection, which would extend 270 miles from the Alaska Railroad terminus at Eielson Air Force Base, near Fairbanks, to the Canadian border, where would it meet an extension of Canadian track up 900 miles from British Columbia.

Although once facing widespread skepticism, the project is getting increased attention.

U.S. Sen. Frank Murkowski of Alaska reminded state lawmakers this week that he has secured $6 million for a U.S.-Canadian commission to study the project's feasibility. Diplomatic formalities in getting the commission's work under way have been delayed due to the transition in the U.S. administration, but members should be appointed soon, an aide said.

And Murkowski also noted that his fellow Alaska Republican, Congressman Don Young, now chairs the House Transportation and Infrastructure Committee, a key spot for rail issues.

A roundtable discussion at the Alaska Capitol on Tuesday concerned prospects for tying in a rail extension with a natural gas pipeline from the North Slope.

Three state House committees, along with Canadian officials and outside experts, talked about the prospect of a 500-foot utility corridor paralleling the Alaska Highway that could accommodate the railroad, the pipeline, energy transmission lines and even fiber optic cable. In addition, such a development could result in extensive mineral development along the route, speakers said.

Under this scenario, the environmental review process for all the projects might be consolidated and there would be an economy of scale, as well, James said.

"We believe the railroad feasibility study will be the first step for a transportation infrastructure that could benefit oil and gas, tourism, forestry and mining," said Scott Kent, an aide to Yukon Premier Pat Duncan.

"Alaska has this continent's richest deposits of coal and copper and other minerals, and getting those to market ... may be among the most significant things these legislatures will ever do," said Alaska Rep. Fred Dyson, an Eagle River Republican.

Once that economic activity is realized, Alaska won't be vulnerable to the boom and bust of oil prices or dependent upon a powerful congressional delegation that won't be in office forever, James said.

"To put it simply, if no wealth is created, there is no way to pay for services. ... You cannot tax your way to prosperity," she said.

But with a stable economy, "a broad-based tax where everybody pays a little" - and use of the Alaska Permanent Fund earnings reserve - would resolve the imbalance between revenue and expenditures in the state general fund, James said.

Bill McAllister can be reached at billm@juneauempire.com.

Fairbanks Daily News-Miner

Alameda Times-Star
The Argus
The Daily Review
The Eureka Times-Standard

James hopeful of rail link

February 21, 2001

By SEAN COCKERHAM
News-Miner Juneau Bureau

JUNEAU--North Pole Rep. Jeannette James has long pushed for a railroad linking Alaska to the Lower 48. Now she needs the Canadian government to join the dream.

James, who serves as House majority leader, helped engineer a legislative hearing Tuesday to discuss the proposed 1,200-mile track extension from Eielson Air Force Base into Canada's railroad system.

The idea received a boost in December when President Clinton signed legislation by U.S. Sen. Frank Murkowski authorizing $6 million over three years for a U.S.-Canada commission to study the idea.

The Canadians, however, have not signed off on the commission or the study. Over three times more track would have to be laid in Canada than Alaska to make the linkage work.

"The government of Canada doesn't have a position on this," said Larry Bagnell, who represents the Yukon Territory in the Canadian parliament. "They are waiting for (an) official approach."

Murkowski representative Bill Woolf told legislators that the senator has sent a letter to Secretary of State Colin Powell and that he hopes to discuss the matter after Powell returns from the Middle East.

Canada would be asked to appoint half of the 24-member railroad commission. Murkowski's legislation does not require the Canadians to match the $6 million U.S. appropriation, Murkowski spokesman Chuck Kleeschulte said, but "we would certainly welcome that."

"There would undoubtedly be discussions about that at the time we start discussions with the Canadians," Kleeschulte said.

Bagnell and a representative of the Yukon premier told the Alaska legislators that they strongly favor the railroad idea.

But Bagnell warned that there are four layers of government in the

Yukon--the First Nations, the municipal governments, the territorial government, and the federal government. Getting everyone on board a project could be a challenge, he said.

James, the North Pole Republican, said after the hearing that she has heard a favorable reaction in Canada to the railroad idea. "I believe they are pretty jazzed about it," she said. "I think that they will (back it), that's my gut feeling."

A railroad linkage would not be cheap. An Alaska Railroad representative testified that a recent study of extending the railroad to Fort Greely--about 80 miles southeast of Eielson--pegged that project at about $250 million, or $3 million per mile.

It could be 10 to 20 years before freight profits could pay for a rail extension toward the Lower 48, said Alaska Railroad lands specialist Jim Kubitz.

But combining the track with a proposed natural gas pipeline and fiber optic corridor could make the project feasible, he said.

Two geologists, one from the University of Alaska Fairbanks and the other from the Department of Natural Resources, testified that the proposed rail would run through an area of high mineral potential.

UAF geologist Paul Metz, who is hoping to secure grant funds for better geologic mapping of the area, said the envisioned combination of rail access and cheap energy from a natural gas pipeline would make the area quite attractive for mineral exploration and development.

James maintains that a railroad would reduce freight costs, improve visitor access, encourage mineral development and reduce vehicle emissions.

"There's almost no state economic activity that wouldn't benefit from a railroad link," she said.

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says it won't take that long. (James) "The feasibility study, I think, can be done pretty quickly because it's a matter of just accumulating all of the material that's already extensively worked on by both Canadians and Alaskans both and also I think from the Lower 48." The Americans are still waiting on Canada to name its representatives to an international panel that's doing the study. James says the discussion at the trade show with the politicians should stir public interest in the project. She says it will proceed on economics but will also be attracted to those who like options in travel.

8. (6:30 a.m.) A proposed rail link through the Yukon is up for discussion today in Alaska. Politicians from the state and the Yukon will be talking about it at a big industrial trade show in Anchorage. (Leonard Linklater) Jeanette James is the state representative for North Pole. She says they're still waiting for the federal government to name Canadian representatives to a feasibility panel studying the rail link. The tracks would go through Yukon and BC connecting Alaska to the North American rail system. James says a panel discussion involving Alaska and Yukon politicians should get lots of media attention. (James) "It's going to really put the issue out there and more and more people are going to hear about it and get excited about and wonder why we aren't over there doing that." James says the rail link is strictly based on economics. She says it will allow Alaska to import more materials for things like the oil and gas industry but James has been selling it as a travel option as well. (James) "Well, in fact as I've been telling folks, you know, that you could get on the train in Fairbanks and go to New York, stopping in Edmonton to spend a few days and see the biggest mall in the world, you know, and the trip would be the destination." James says they've been given three years for the feasibility study but she doubts they'll need that. She says they've already gathered a lot of information and it will just be a matter of putting it together, however, she won't say how long it could be before we see trains going through the territory.

9. In Yukon Quest news, Yukon musher William Kleedehn continues to lead the sled dog race and Carcross musher says he'll continue to push the pace. ...

CHON-FM 7:30 A.M. NEWS TUESDAY, FEBRUARY 13, 2001

1. Daniel Hummel told the court yesterday that the reason he fled from the RCMP when they questioned him about the death of Regina Thyrone was that he didn't want to lose his bottles and was afraid he'd be shot. (Mark Johnston) Yesterday the court continued its detailed look at the flight of Daniel Hummel from police on the 19 of April. At the time there was only a missing person investigation and there was no murder involved. RCMP had learned that Daniel Hummel had been seen with Regina Thyrone and they went to ask him what he knew. When three officers met Hummel he was drinking and during the interview asked to put his bottles back in the house. The officers agreed and Hummel subsequently ran. Eventually Constable Eric Hendricks confronted Hummel in the woods near the go cart track and made the arrest. Hendricks was on the stand yesterday and said Hummel offered no resistence and simply went down on one knee saying, "I give up." Later Hendricks said he asked Hummel if he knew why he was being arrested and Hummel said, "I don't need a lawyer, I just don't want to lose my bottles." He still had two bottles of Private Stock with him and Constable Paul Taulhoffer(?) who seized the bottles also asked Hummel why he ran. This time Hummel answered that he had been told previously by police that if he was ever arrested again he would be shot. The court is expected to be looking at DNA evidence today.

2. We need to come up with 5000 volunteers and 250 French-speaking translators and then the Canada Winter Games came be ours in the year 2007. Tom O'Hara, bid manager for the games, says draft bids have to be turned into him within the next ten days to be translated into French before the April deadline. Whitehorse could be the first community north of 60 to host the Canada Winter

HJR 51 would show State's support to study rail connection

Representative Jeannette James (R-North Pole) has introduced HJR 51, which would give the support of the Alaska Legislature to a feasibility study on connecting Alaska to the rest of North America by railroad.

HJR 51 has been assigned to the World Trade and State/Federal Relations and Transportation Committees.

The wording of HJR 51 closely follows that of a resolution adopted at the Alaska-Canada Rail Link Conference January 20 in Vancouver, British Columbia. The day-long conference was organized by Representative James, at the request of Alaska Senator Frank Murkowski, and drew 118 participants from as far as Michigan and Alberta.

Voting members of the conference unanimously approved a resolution in support of Senator Murkowski's effort to authorize a feasibility study.

"This approval shows there is strong grass roots support for the rail connection feasibility study in British Columbia and Yukon, as well as Alaska," said James.

Bill Woolf, transportation committee staff to Senator Murkowski, and former federal railroad chief Gil Carmichael of Meridian, Mississippi, addressed the conference. Both speakers presented a clear vision of the economic benefits a rail connection would bring to Alaska and its Canadian neighbors as well as to the Lower 48 states.

Conference participants included resource development and transportation industry officials, legislators, government officials, academics, and Chamber of Commerce heads from close to a dozen communities.

Also addressing the conference were geologists from the University of Alaska and State Department of Natural Resources, the Yukon government's mining advisor, and rail development entrepreneurs from British Columbia. The conference also heard from transportation consultant Hal Cooper of Kirkland, Washington -- currently advising the national railroad of China -- and tourism expert Steve Hites of Skagway, long connected with the White Pass and Yukon Route Railroad.

"Senator Murkowski has told me he's committed to passing legislation to establish a bilateral commission to conduct a feasibility study," said Representative James. "This resolution is important because it will put the Alaska Legislature on record as backing this effort."

Geologist Milt Wiltse described extensive mineral-rich regions within 25 miles of a proposed rail corridor southeast from Eielson Air Force Base to the Yukon-Alaska border. In addition to gold, nickel, lead and zinc deposits, there are areas rich in platinum. According to Yukon mining facilitator Jesse Duke, similar geologic formations exist on the Yukon side of the border, along designated transportation corridors.

"At present, lack of a transportation infrastructure prevents these reserves from being developed. It's just not economical to move equipment in and concentrates out by air or road -- which are the only options now," said James. "The advantage of rail is that you can move bulk goods further, cheaper. Railroads are also a more environmentally-friendly transportation. They present a much smaller footprint than roads while allowing for more restricted access to unpopulated areas."

Approximately 1,000 miles separate the northeasternmost extension of the Alaska Railroad at Eielson from the northwesternmost reaches of the British Columbia Railroad at Fort Nelson, on the Alaska Highway, or Chipmunk, which is a little north of Fort St. James.

The conference was told it would take approximately three years to complete environmental studies on any proposed route. Geologist Paul Metz told the conference the route from Eielson to the Canadian Border was well-suited for railroad construction, with few avalanche chutes or unstable land surfaces.

Construction costs would be part of a feasibility study, but rough estimates have placed these costs at between $1 million and $3 million per mile.

"The ultimate goal is to **connect**
North America with Asia and Europe by way of a rail tunnel under the Bering Sea."

ALASKA STATE REP. JEANNETTE JAMES

1/24/00
Traffic World

Today Alaska, Tomorrow the World

BY LINDA REID

Alaskans, Canadians push railroad linking area with south, then Asia-Europe via Bering Strait

The icy wilderness on the Alaska-Yukon border could be called "the forgotten trade route" — not much used since the last Gold Rush and without much traffic except for the occasional sled dog team. But some Alaskans and Canadians want to change that by building an arctic railway linking Alaska and Canada's Yukon Territory with southern markets.

Sound like a pipe dream? So did Alaska's oil pipeline. And the proposed rail link has gained significant support. The state House of Representatives unanimously voted to establish a right of way for the rail route last year.

Proponents of the north-south link met in Vancouver Jan. 20 to drum up support for their plans. The meeting, sponsored by Alaska State Rep. Jeannette James, a Republican from North Pole, U.S. Sen. Frank H. Murkowski, R-Alaska, and the British Columbia Chamber of Commerce, attracted interested groups from both sides of the border. Murkowski is seeking support for a resolution in Congress that would establish a bilateral commission to study the concept.

If the arctic railway were to go ahead, it would link two of North America's northernmost constituencies with rail networks covering the United States and Canada, providing an outlet for northern resources, reducing the costs of goods and products in the north and forming the basis for a burgeoning tourism industry, its proponents claim.

The primary driving force behind the idea is James, who has championed the idea of an Alaska rail link throughout her eight years in the state legislature.

Murkowski, head of the Senate Energy and Resources Committee, also pushed the concept of an arctic railway at the Sept. 14, 1999, meeting of the Canada-U.S. Interparliamentary Group in Quebec City. At that meeting Murkowski said future growth in the Alaska and Yukon must be aided by a major transportation corridor for pipelines, railways and transmission lines. And he recommended that work should begin to find a route for such a corridor.

The proposed railway would cover a distance of approximately 1,200 miles from Eielson Air Force Base in Alaska to the northern community of St. James, British Columbia.

If there is sufficient interest in the idea, Murkowski said a joint commission would be created to study costs, potential routes, engineering and to undertake an environmental impact study.

James has estimated the cost of surveying and building the railway at $3 million a mile and hopes construction can begin within six years.

She bases these hopes on the fact that the U.S. government plans to site an antiballistic missile base near Fairbanks and a rail line would facilitate this effort. Also, she says mining companies in Alaska are backing her plan.

Finally, a route on the Canadian side of the Alaskan border already has been mapped out by Canadian Arctic Railway, a startup British Columbia company owned by David Broadbent, son of the former general manager of the Pacific Great Eastern Railway, which is now crown-owned B.C. Rail.

However, plans for an arctic railway are only part of James' grander scheme. The other part of her plan would see the construction of a Bering Strait Tunnel linking Russia to the United States and Canada.

"The ultimate goal is to connect North America with Asia and Europe by way of a rail tunnel under the Bering Sea," she said in a letter from the state legislature. "There is growing international interest in this project, first suggested in the late 1890s."

And you thought Canadian National's plans for Burlington Northern Santa Fe were ambitious.

— Reid is a freelance writer in Vancouver, British Columbia.

01/19/00 Fairbanks Daily News Miner

Rails from trails—the dream continues

Trans-Alaska route still inspires visionaries

William R. Wood

The recent Alaska Railroad status report before the Fairbanks Chamber of Commerce drew sustained applause. The presentation was timely, informative, concise, and upbeat, a positive contribution to understanding the mission of the railroad, its current usage, its successes and limitations.

Of particular interest was the presentation of planning for the future improvement of equipment, and services, elimination of hazards, and possible extension of the rail line itself.

Planning is under way to reroute the extension from Fairbanks to the North Pole Refinery and Eielson Air Force Base. The intent is to eliminate the hazards of the existing 14 rail crossings in 22 miles or so, probably using overpasses for highway traffic at key points.

A second thrust, it was announced, will be to extend the railroad from Eielson AFB to Fort Greely/Delta Junction should the pending national missile defense site be authorized for that area.

All members of our Alaska congressional delegation have indicated this to be a likely prospect. Word released from Washington this week suggests that the president now considers the national missile defense project to be in the urgent necessity category.

Also mentioned by Johne Binkley, a railroad board member, was the long-held hope to extend the railway to Whitehorse and beyond ultimately to link with the Canadian rail system.

For me this triggered open the gate to a train of memories. I recalled the time in the early '60s when Charles Sargent, dean of engineering at the University of Alaska, showed me a copy of a U.S. Corps of Engineers report on the Defense of Alaska: Trans-Canada and Alaska Western Railroad Survey 1942. Sargent, a professional civil engineer, and Lee Linck, well-known Fairbanks architect, both participated in doing the field work on that report. A copy is on file at the Rasmuson Library complex, according to one of its able and helpful archivists, Gretchen Lake.

When I talked by phone with Dean Sargent, now retired in Coeur d'Alene, Idaho, he told me of working on field studies for four segments of the proposed trans-Canada/trans-Alaska route: (A) Wood River to Delta; (8) Mouth of the White River to Whitehorse; (C) Stikine Pass area, British Columbia; (D) the Seward Peninsula.

The survey covered a proposed rail route from Teller, Alaska, on the Bering Sea coast to Prince George, British Columbia, and a Pacific ocean port, at Prince Rupert.

But the survey was only a part of the big dream of linking continents together by highway and rail as well as by sea and air.

I recalled Gov. Walter Hickel's North Commission (Northern Operation: Rail Transportation and Highway) created to study Alaska's transportation needs in the mid-'60s.

I have a great recollection of coming from Anchorage to Fairbanks by train with the commission at the beginning of the Great Flood of '67. By chance my seat partner was Bill Lear, inventor and builder of the Lear Jet aircraft, main plant at Reno, Nev. Lear was a visionary with a very practical down-to-earth twist. He could dream, dare, and do. He got the good things done. I found him a most stimulating, thought-provoking conversationalist.

Gov. Hickel brought along to show the commission the silver punch bowl commemorating the Harriman Expedition to Alaska, 1899. I was told by the governor the famous memento is now in the state museum at Juneau.

While there is no mention of trans-Alaska in the expedition's report, the originator and host of the expedition, one of the turn-of-the-century world's wealthiest people, owner of some 20,000 miles the U.S. transcontinental rail system, was an early and strong advocate of the big dream of joining continents together by rail to promote development of resources and bringing diverse peoples together in peace.

The concept of a trans-continental USA system joined to a trans-Canada, including the trans-Yukon-Territory and trans-Alaska, segments to join with the trans-Siberian and on to the trans-Eurasian segment, the Orient Express route was the big dream.

Donald MacDonald of Fairbanks, head of the Alaska Road Commission and called by many "the father of the Alaska Highway," was a strong voice in advocacy of the big dream. A splendid account of this is Kay Kennedy's article in Alaska Life, volume I, No. 7, August 1938. So also was the czar of Russia.

But the vision did not begin with Harriman, the czar of Russia, Donald MacDonald, Dean Sargent or Lee Linck. Its origin is credited to William Gilpin, first territorial governor of Colorado. The concept was featured in his book published in 1891, "The Cosmopolitan Railway, Compacting and Fusing Together All The Worlds Continents."

John Gilpin was not only a visionary, but at thinker with an extraordinary range of experience, a strong executive and innovator in handling public affairs. He was insightful, personable, courteous, and effective.

Terrence Cole, head of the UAF History Department and noted author, tells much more of the story of William Gilpin and his dream of an around-the-world rail system in a well illustrated article, "Bridging the Strait," appearing in the Nov. 19, 1989, issue of Heartland, the magazine section of the Fairbanks Daily News-Miner. "The vision William Gilpin and others, that somehow bridging the Bering Strait can be a sign and even a cause of world peace, is still alive today."

And now you have a bit of the rest of the story of a dream that does not die but runs on and on generation after generation. Bringing people and their products together not only by sea and by air but also by land.

The proposed extension of the Alaska Railroad to the east and to the west is a small but real part of a dream that persists.

William R. Wood is a retired president of the University of Alaska now volunteering his time as executive director of Festival Fairbanks. His columns appear every other Wednesday on the Opinion page.

12/99

A Rail Connection Across Canada

Building a railroad that links Alaska to the Lower 48 is a dream that just may become a reality.

BY RICHARD F. SCHMITZ

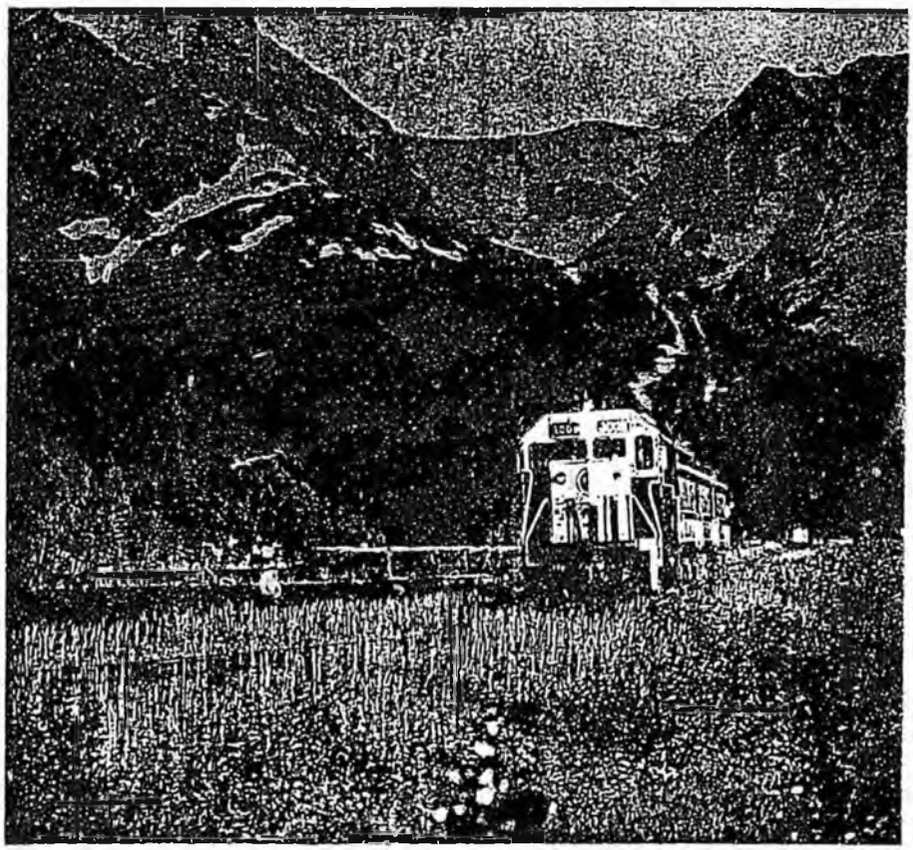
Less than a two day's drive separates the Alaska Railroad, at its easternmost, from the British Columbia railroad, at its northwesternmost, and closing that gap has, in the past year or so, caught the attention of a number of entrepreneurs, legislators and just plain dreamers in Alaska, Yukon and British Columbia.

Foremost among supporters of connecting Alaska with the Lower 48 by rail is North Pole Republican Representative Jeannette James. During the past legislative session James introduced and passed HB 12, which allows for delineation of a rail corridor from existing Alaska Railroad tracks to the Canadian border. Last summer James worked to pass resolutions of support by the state Chamber of Commerce, as well as chambers in Fairbanks, Delta Junction and Dease Lake, B.C.

James has long backed rail development in Alaska, and sees connecting the Alaska Railroad with the rest of the North American rail network as a huge key to insuring a bright–and diverse–future for the state's economy in the new millennium.

"The very first benefit to having surface transportation from the Lower 48 to Alaska will be a reduction in the cost of living. A railroad will allow us to open up resource development that's not possible now because of the high cost of transportation," James said. "A railroad will lead to value-added industries and increased cooperation between Alaska and the northern part of Canada."

HOW?



Clark James Mishler

Another Transportation Option

The Alaska Railroad estimates construction cost for new track in Alaska at $2.5 million to $3 million per mile. With 270 miles separating Eielson Air Force Base from the border, the cost of building that part of the railroad is about $675 million to $810 million. An additional 900 miles of track would be needed to connect existing tracks in Canada to new track in Alaska.

James said tourism, agriculture and mining would get an immediate lift from a rail connection to the Lower 48. Using Delta Junction's agricultural area as an example, James said fertilizer and other supplies could be brought in to farmers while produce could be shipped directly to market–in and out of Alaska.

"I think the critical thing is that a railroad will allow Alaskan growers to supply Alaskan consumers. Alaska's economic future depends on our ability to have value-added industries, such as a freezing plant for produce," James continued. "The financial benefit a state gets from value-added industry is close to five times greater than what it gets from exporting a raw material."

One person who's convinced James is on the right track is U.S. Sen. Frank Murkowski, who's taking an active stand

in support of the issue. "We think it's well worth exploring," said Murkowski aide Bill Woolf.

The first step Murkowski's office is taking is to seat an informal committee, which James will chair, to identify potential users of a railroad to the Lower 48. "A project such as this is of tremendous magnitude. We need to do, what attorneys would call, 'due diligence,'" Woolf said. "We need to look at possible users; we need to look at resources; we need to look at engineering, possible routes and environmental factors."

The goal of this panel, James explained, is to write and pass a resolution and then present it to Murkowski at a meeting with British Columbia and Yukon officials and legislators in late January in Vancouver, B.C. If there is public support for this railroad project, Sen. Murkowski said he will introduce legislation to create a bilateral commission to further study the issue, Woolf said.

Not a New Idea

Opening a rail connection to Alaska has been considered since the first ties of the Alaska Railroad were laid. "Back in the 1970s there was a cursory review," said Alaska Railroad Vice President Jim Blasingame. "It was about a 15- to 20-page report. The province of British Columbia was quite supportive of the idea.

"Rail is still the best way to move bulk matter from point A to point B. It's a basic premise," Blasingame said.

About 270 miles separates the Alaska Railroad at Eielson from the Alaska-Canada border. The British Columbia railroad has a rail bed in place as far north as Dease Lake, less than 100 miles from the southern Yukon community of Watson Lake, although it has been abandoned a little north of Fort Saint James since the 1980s.

Reopening that line is a top priority for Canadian entrepreneur David Broadbent, CEO of the Canadian Arctic Railway. The Canadian Arctic Railway has no locomotives or rolling stock now–but it is betting it will in two or three years, Broadbent said.

"The grade and bridges are there. They're just sitting out there growing weeds," Broadbent said of the 172-mile stretch into Northern B.C. "Our

Sen. Frank Murkowski

If there is public support for this railroad project, Sen. Frank Murkowski said he will introduce legislation to create a bilateral commission to further study the issue.

intention is to open it up and possibly run it as a short line, and then extend it to Whitehorse in six years."

Broadbent gained his railroad experience working 29 years for the British Columbia Railroad. He began as a laborer and worked his way up to engineer of standards and project manager. Later, he founded the North American Rail and Steel Tie Corp., which supplies parts and equipment to railroads, including the Alaska Railroad. Broadbent said he recently sold the company in order to devote his energies full time to the Canadian Arctic Railway.

Broadbent said he has seen a surge of interest in building a railroad to Alaska. "Too many people see railroads as a thing of the past. But that's only true in North America. Elsewhere in the world railroads are expanding. China is committed to building 1,000 kilometers (620 miles) of new track a year.

"When I talk to business people, I get a 'what, are you crazy?' look–at first. But when I explain the good economic sense railroads make, I see a quick change in their attitude," Broadbent continued. "Highways will never open up Northern Canada or Alaska. The Alaska Highway was built 57 years ago, and very little has developed along it since."

Railroads, on the other hand, can attract development. "Traditionally, in the West, railroads would find entrepreneurs and help finance them because that development meant revenue for the railroad as raw materials were brought in and finished products shipped out," Broadbent explained.

Broadbent said two factors must be addressed before any rail connection can be made to Alaska: aboriginal land claims and environmental issues. "Native councils and corporations must be brought in as full partners from the start. I don't mean offering Natives a few jobs–I mean offering them a full and equal partnership," Broadbent said. "As for environmental concerns, railroads have a big advantage over other forms of development because access to sensitive areas can be tightly controlled."

Taking rivers as another example, Broadbent said piers and modular or pre-fab bridge spans can be put in place without ever touching the water flowing below. Railroad construction is relatively low impact, he added. "You could build the railroad to Alaska with 300 to 400 men. You won't need camps every few miles or access roads. That keeps costs down–and it also keeps the environmental impact low."

Expanding Alaska's Reach

Rep. James conceded barge and trucking firms might be less than enthusiastic about bringing a major competitor on board. But James said, "business generates business." Having a rail connection to the rest of North America will be good for all Alaska transportation sectors.

"Goods could come to Alaska by rail and be shipped to Asia from Seward or Anchorage. Having a railroad connection to the Lower 48 will provide an excellent opportunity for Alaska to become a shipping hub to Asian nations. There's tremendous potential there."

James points out that any railroad to the Lower 48 will particularly improve Alaska's connection with Midwest and East Coast states.

"But the overall goal is to develop our own resources. The way I see it, rail is way

ahead of roads or air on this issue. There's less cost; it's more environmentally sound; and rail is just a lot more dependable in bad weather," James said. "Snow, wind, sleet just doesn't affect a train the way it does an airplane or a truck.

"Transportation costs are basically front-loaded," James said. "The more something is handled, the more it costs to ship. That's why, over the long haul, railroad has a big advantage."

"The very first benefit to having surface transportation from the Lower 48 to Alaska will be a reduction in the cost of living. A railroad will allow us to open up resource development that's not possible now because of the high cost of transportation."

Jeannette James
North Pole Republican Representative

James said the Red Dog Mine is a good example of an Alaska enterprise that could benefit from a railroad. At present, ore must be taken from the mine site to the coast where it is put on a lighter and then transferred to a freighter anchored offshore. "Sixty percent of that ore is refined in Alberta. Imagine how much easier–and more cost-effective–it would be to take that ore by rail directly to the refiner."

"If it proves out ... if we someday have that rail connection, Alaska's economy will benefit in a very different way than it did from the pipeline," said Woolf of Murkowski's office. "It will be more than construction. A rail system can go through parts of Alaska where there is no transportation option, and that could give the state a big economic boost. A mine that wasn't feasible will suddenly become feasible."

Rep. James said railroads pay for their own maintenance, while roads and airports are maintained by taxpayers. "With rail, the cost of maintenance is borne by rail users. In comparison, the public pays for maintenance for roads and airports. Rail takes care of its own."

James also points to great potential for growth in tourism that a rail connection will bring. "A railroad will open up Alaska to a whole new group of folks, and it could also greatly increase winter tourism. It certainly will help the tourism industry in Alaska."

The military is yet another sector that could benefit from a rail connection. Of immediate interest is the new missile defense system, which if eventually approved, could be set up at Clear Air Force Station, near Healy, or at Fort Greeley, near Delta Junction. "Certainly if Alaska is chosen (as a missile site), rail transportation is one of the options for moving material. Since such construction would require a great deal of material, obviously a rail component will be looked at," Woolf said.

The last time a new rail line was opened in Alaska was the 1950s when a 180-mile spur was completed from Fairbanks to Eielson. Today that spur carries out products of the North Pole refinery. If Rep. James sees her vision fulfilled, the trains rumbling past her North Pole home will be headed for points much further south than an Air Force base a few miles away. ❑

WEDNESDAY, JUNE 9, 1999

USA

LAYING A SPUR TO THE LOWER 48

Alaska's monster railroad: bane or boon?

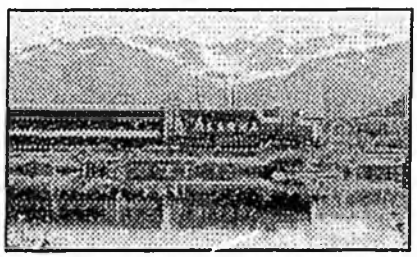
Abraham McLaughlin (mclaughlina@csps.com)
Staff writer of
The Christian Science Monitor

ANCHORAGE

There's a big idea floating around up here in Alaska - and it could forever change the face and feel of America's last great frontier.

It's something people have been dreaming about for decades. Now it's rumbling toward reality.

The plan is to build a railroad from Fairbanks - through 850 miles of icy wilderness - down to the Lower 48.



RAIL RUMBLES: Proposals are afloat for a railroad linking Alaska to the Lower 48. In Fairbanks it could meet up with the Alaska Railroad, helping to transport visitors and commercial goods. But not all Alaskans want people to have easy access to the isolated paradise.
MELANIE STETSON FREEMAN - STAFF/FILE

Today just one highway connects Alaska to its southern siblings, so this $3-billion-or-more project would be a big new avenue for trade and tourism.

But more than just a new set of rails, it symbolizes the think-big, can-do spirit thriving in Alaska today.

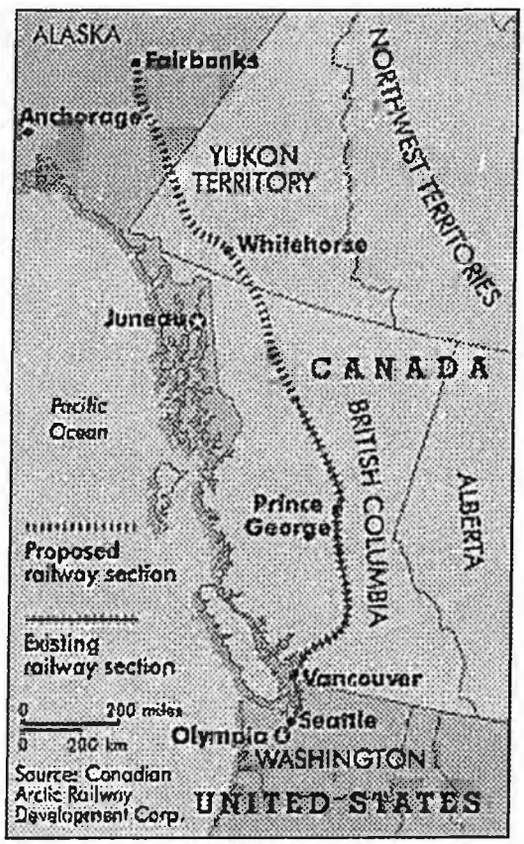
This is the state that built an 800-mile oil pipeline. It's the state that considered building a massive aquaduct to transport water from melting glaciers to thirsty California.

Yet there's another spirit that runs strong here, too. It revels in the state's natural beauty - and isolation. Minnesota may have 10,000 lakes, but Alaska has 3 million. There are more caribou here than people.

Yes, it's environmentalism. But many people came to Alaska to escape congestion. They like being disconnected from the nation - and want to keep it that way.

It's these two attitudes that largely define the state -and that any big project will have to reconcile to become reality.

And the tension between them won't end with the Lower-48 rail link.



DAVE HERRING - STAFF

To connect or not to connect

There's a plan to carve out a 55-mile rail tunnel under the Bering Strait to Russia - at a cost of at least $15 billion. It's still a pipe dream, but with global trade growing, it's gaining momentum. Indeed, the tunnel would link much of the world by rail: Trains could run from New York to Beijing and Moscow and London.

But first things first. Last month, the state House of Representatives gave its unanimous consent to establish a right of way for the rail route down south.

Soon proponents will gather to plot the next steps.

"It's pretty revved up now," says Jeannette James, the state representative who's spearheading the idea. "We in the legislature are moving ahead. And there's lots of private money itching to do something."

She hopes construction will start within six years. Several things make that time frame seem realistic.

First, the US government is moving toward putting an antiballistic missile defense - or "star wars" -base near Fairbanks. A rail link would help in building the facility.

Second, many mining companies back the plan -and would use trains to get their products to market more efficiently.

Third, the Canadian Arctic Railway, a start-up company in British Columbia, has mapped out a route for the Canadian section. President David Broadbent says he already has several New York investors interested in funding the project.

Tourism taking off

Fourth, tourism is growing fast. The number of annual tourist visits to Alaska has doubled to more than 1 million in the past decade.

People come to see melting glaciers or bald eagles, which, in some places up here, seem as common as sparrows.

Take the waterfront town of Valdez, home of one of the nation's busiest oil-loading ports. Like the rest of Alaska, its dependence on oil is fading. Revenues from the port aren't as high as in the past.

But tourism is speeding ahead. Visitors come to fish for halibut and salmon. Or they take sea kayaks out to Prince William Sound, their paddles plying the waters once sullied by the Exxon Valdez's spilled black goo. It's a sign of the times for this town. Oil is still king, but tourism is challenging.

Unlike oil, "tourism is a renewable resource," says Joe Leahy, a kayak guide in Valdez. "The more tourists the better."

Compared with a road ...

Yet supporters of the rail-link plan are mindful of getting skeptics on board. One selling point is that with a railway - as opposed to a road - access is "controlled," meaning not just anyone with a car can jump on.

"The fewer roads we build, the better off we are," says Ms. James. Some environmentalists have given their backing to the plan.

But other Alaskans will be harder to convince. They say more links to the Lower 48 will further compromise Alaska's independence.

"We've already got highways and barges and boats and airplanes" - and too many tourists in their Winnebagos, says Paul Converse, a longtime resident.

There's an old native word, still in use today, that means "newcomer." Cheechakos is what Alaskans call the tourists - when they're being polite.

Yet, this struggle between old and new, between connection and isolation, is an age-old one in this vast, enticing wilderness. And with the idea of a rail link gaining steam, Alaskans have another chance to strike a balance between them.

Senator feels gas line could spark rail extension to Canada

November 07, 2000

By SEAN COCKERHAM
Staff Writer

The construction of a natural gas pipeline could help spur the development of a railroad linking Alaska to Canada and the Lower 48, U.S. Sen. Frank Murkowski said Monday in Fairbanks.

Murkowski, who met with the media and spoke at the University of Alaska Fairbanks Monday evening, also addressed the possible opening of the Arctic National Wildlife Refuge coastal plain to oil drilling.

The senator said that, should the North Slope natural gas deposits be commercialized, petrochemicals for uses such as plastics could be developed from gas liquids in Alaska and shipped out on the railroad. Fairbanks could be the location for such a petrochemical plant, he said.

"That potentially could affect dramatically the tonnage anticipated for a rail connection to the Canadian system," Murkowski said. "It's another consideration as you look at the economics."

The rail connection to Canada would require 1,150 miles of new track, from Eielson Air Force Base to either Fort St. John or Fort Nelson in Canada. Murkowski said a railroad would tap Alaska and Canada mineral and timber resources.

Alaska Railroad representatives have estimated the cost of building the railroad extension at $1 million to $2 million per mile, which could put the price tag of the project at between $1.15 billion and $2.3 billion.

Murkowski is pushing legislation through Congress that would set up a joint U.S.-Canada commission to study the feasibility of the rail line to Canada.

The senator also envisions future rail tracks to Northwest Alaska, which could provide access to the extremely high quality coal of Point Lay on the Bering Sea.

State Rep. Jeannette James, R-North Pole, has been working on a rail connection to Canada for several years. She spoke with Murkowski at UAF Monday in a forum sponsored by the student chapter of the American Society of Civil Engineers and the Associated General Contractors.

"A railroad is environmentally friendly, it leaves a smaller footprint (than a road)," James said. "That is the way, I believe, we should access our resources in Alaska."

Murkowski said at least one gas company is enthusiastic over the shipment of petrochemical products if the North Slope natural gas is commercialized.

The senator added that he believes North Slope natural gas will be brought to market, given high prices and growing demand in the Lower 48.

He noted that nuclear power plants are out of favor and permits have not been forthcoming in recent years for coal-fired plants. "The utility industry has no place to go but natural gas," he said.

He also spoke to the student engineers at UAF about the controversial proposed opening of a portion of ANWR to oil drilling.

That proposal could move a step closer to reality should Republican George W. Bush win the presidential election today. "We don't hear much from the engineers," Murkowski said. "We hear a lot from the environmentalists on what we can and cannot do safely.

Murkowski mentioned the recent letter signed by nearly 250 scientists, including numerous biologists from Fairbanks, urging President Clinton to prohibit development on ANWR's coastal plain.

"You folks are the engineers," Murkowski told those assembled at UAF. "You tell us if it can be done safely."

Murkowski, who said the U.S. imports 58 percent of its oil, argued that other nations are often not as sensitive to minimizing the environmental impacts of energy development.

Feds aren't embracing railway

by JASON SMALL

A **Whitehorse Star** Archive story originally published October 10, 2001

One territorial official says Ottawa is not keen on the idea of an Arctic railway spanning Alaska and the Yukon.

Jesse Duke, the territorial government's mining facilitator, said Tuesday the position of federal officials from Transport Canada on studying a possible railway can be described "as lukewarm to cool."

The U.S. Congress passed a bill last December, which former president Bill Clinton signed into law. It gave the green light to the creation of a Canada-U.S. commission to study the feasibility of a railway link between Alaska and the continental states.

The bill gave the commission $2 million a year for three years to study the proposal. The commission would have 12 American members and 12 appointed from Canada.

However, for it to get started, the Canadian government had to agree to join.

Duke said Ottawa has not yet agreed to join because the U.S. has yet to make a formal proposal. He believes the U.S. is waiting until it knows it will receive a positive answer before asking Ottawa.

"I think the Americans really want this commission, this whole idea, to work," said Duke.

Much of the impetus for researching the railway possibility has come from Alaska. Alaskan Senator Frank Murkowski introduced the bill to the U.S. Senate which created the commission.

As well, Alaskan state Representative Jeannette James, the Republican house majority leader, has been one of the main proponents of the railway in Juneau.

James is hosting a conference on the railway today and Thursday.

The Yukon is being represented by Liberal MLA Jim McLachlan, from Faro, and the territory's lone MP, Liberal Larry Bagnell.

Faro recently drove the first spike on a chunk of railway it hopes will be linked with the larger line.

According to Richard Schmitz, a spokesman for James, McLachlan and Bagnell were to speak at the conference today.

Duke, who has closely followed the topic, was invited to attend the conference but he said it was decided that the Yukon would be represented by politicians.

"The decision was taken that our elected officials would attend," said Duke.

Bernie Adilman, a cabinet spokesman, said Tuesday Duke didn't go because the Department of Economic Development needs him here.

"The department just doesn't feel at this time it can afford to be without Jesse (for three to four days)," said Adilman.

Duke spoke on behalf of the Yukon at a railway conference in January 2000.

The proposed railway could take one of two routes from Fairbanks: it could travel to Dawson City, through Faro and to Watson Lake before heading to existing rail in B.C.; or it could run along the Alaska Highway, then veer down to Dease Lake, B.C. before reaching an existing line.

James has estimated the railway could cost between $2.4 billion and $3.6 billion.

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Mining's decline isn't over

by Chuck Tobin

Expenditures and production by the mining industry in the Yukon are down again, just as they are in Alaska.

Hard rock geologist Mike Burke of the Yukon Geology Program addressed the 29th annual Yukon Geoscience Forum in Whitehorse this morning. He said exploration expenditures for this year will be in the area of $7.2 million, down from $8.8 million last year.

The figures show a steady decline since 1996, when exploration in the Yukon hit a record $54 million, followed by $35 million in 1997 and $15 million in 1998.

The Brewery Creek gold mine was the only producing hard rock mine in 2001. Its operations were suspended after the production of 10,811 ounces in the first six months, Burke told the audience.

The Yukon's placer industry saw another dip in the number of mines to 124. That's down from 140 recorded last year and 171 in 1999, placer geologist William LeBarge said in his address to the forum.

"With the current trend, we are predicting around 69,000 (gold) ounces produced," LeBarge said. "However, even with that, it is likely to be the lowest production since 1979."

LeBarge said this year total value of gold production from placer operations is estimated to reach $22 million, down from $25.3 million last year.

The largest downturn in activity, he said, was seen south of Dawson City in the Indian River drainage system, which accounts for the largest percentage of placer gold mined in the Yukon.

Last year, placer operations in the Indian River area produced 37,704 ounces, or 45.3 per cent of total production, he pointed out, adding production from the same area is expected to drop by a almost a third, or 10,000 ounces.

LeBarge also pointed out, however, that miners in the Klondike River drainage system increased production this year from 13,168 ounces to an estimated 16,394, accounting for 25 per cent of placer gold production in the territory.

There was also increased production in the lower Stewart River and the Kluane area.

Overall, however, LaBerge predicts a 10-per-cent decrease in the amount of placer gold mined this year. Like others attending the conference, he attributes the downturn, at least to some extent, to lower gold prices and the rising price of fuel.

David Szumigala, senior minerals geologist with the State of Alaska, said in an interview before his scheduled address this morning that the state is also seeing another year of reduced

activity and total value of ore produced.
This total value generated by Alaska's mining industry is expected to plunge by about 28 per cent, from $1.28 billion last year, to about $1 billion this year, he explained.
Szumigala said exploration expenditures alone are expected to finish the year at $20 million or so, down from $35 million last year.
Placer miners in the state produced 45,000 ounces of gold last year, he pointed out.
"If we hit 40,000 this year, we will be lucky."
Szumigala said the production by the mining industry is up, but increases in tonnagae have been smothered by the fading metal prices.
Cominco's Red Dog lead-zinc mine, for instance, is up in production by about 25 per cent, though overall production value has fallen.
"All metals are down," he said. "The base metals, zinc, lead, gold, and those are the ones affecting the bottom line."
With a continuing drop in the mining-related expenditures in the Yukon, Burke noted several exploration projects that are showing signs of promise, from a resurgence of activity in the Wheaton River drainage system to rising interest in emeralds east of Faro.
Also of note, Burke said, is the reopening of the Cantung tungsten operation just inside in the Northwest Territories border, though the only service road runs through the Yukon.
Burke said the Yukon government has negotiated a benefits package with the mine, and with service needs flowing through the Yukon, benefits in general will flow to the Yukon economy.
Burke said he learned recently the mine will be going into operation in January.
"It is going really good," he said of the work under way to get the mine back on line.
"They are really happy with the progress. The work on the underground is coming along and the work in the mill is on-schedule, so they are really positive over that."

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NDP suspects railway could avoid capital

by JASON SMALL

A **Whitehorse Star** Archive story originally published October 29, 2001

An opposition member feels the Liberal government is focusing on a railway route that would go through Faro.

But the Economic Development Minister said the New Democrat is ahead of himself, as the government is not worried about a railway route yet.

Gary McRobb, the NDP MLA for Kluane, believes the government is ignoring all but one of the possible routes for a proposed railway that would link Alaska to the continental United States.

McRobb feels the government has not looked at a possible railway route that would see the track enter from the U.S. at Beaver Creek and head through the Yukon along the Alaska Highway, through McRobb's riding of Kluane, past Whitehorse and down to Dease Lake, B.C., before heading to connecting lines.

"It's (an) option the Liberals have completely not said anything about," the Kluane MLA said in a recent interview.

McRobb said his concern is the Liberal government seems to be focusing on a route that could see the railway enter the Yukon north of Beaver Creek and across the Yukon to Carmacks, Faro and Watson Lake before heading into B.C. This route was surveyed during the Second World War as a possible path.

"Look at what the Liberals themselves are doing," he said.

He pointed out that the Liberal MLA for Faro, Jim McLachlan, attended a railway conference in Fairbanks, Alaska, on behalf of the Liberal government. He said there are a number of things the government has done to indicate this is its policy.

"All roads lead to Faro in this one," he said.

Recently, the town of Faro laid down a ceremonial length of track to represent part of the railway.

McRobb thinks the people of Whitehorse should be worried that the government may want to ignore the capital city completely with this route.

"People in Whitehorse are going to be very concerned about this," he said.

The possibility of a railway connecting Alaska with the continental United States via the Yukon is something the U.S. government would like to study.

Almost a year ago, former president Bill Clinton signed a bill into law which set aside $6 million over three years for a joint U.S./Canadian commission to study whether a railway should be built.

However, the commission has not been struck because one condition is that the Canadian government take part and appoint half the members to the group.

Ottawa has still not made a decision on whether it will join the committee because it is waiting for a formal invitation from Washington.

Carl Schwenger, a spokesman for the federal Department of Foreign Affairs and International Trade, said no such offer has been made as of yet.

Jesse Duke, the territorial government's mining facilitator, has said recently that Washington has not formally asked yet because it wants to know it will get a favourable response. Duke said Ottawa's current position on the railway study is "lukewarm to cool."

Economic Development Minister Scott Kent said the territorial government, which favours a railway, just wants to see Ottawa join the commission.

"What the Yukon is focusing on is the feasibility study and the proposed commission," Kent said recently.

"That's what we support right now."
Kent said the government is not thinking about a specific route yet.
"Mr. McRobb seems to be one step ahead of what we're trying for."
As proof of what he alleges, McRobb said that at a meeting of Yukon and Alaska legislators last January, the Republican House Majority leader in the state legislature, Jeannette James, told some of the Yukon representatives, including McRobb and McLachlan, the state supports the idea of an Alaska Highway railway.
"I agreed with her point-blank but the Liberals remained silent on that."
However, James said in a recent interview that McRobb is wrong. She has never supported one specific rail route.
"I have no preference of route," James said. "I have tried to avoid the argument of where the preferred route is."
James said the decision will be made based on what or who has the landscape, money, and the availability of minerals to ship using trains.
"I believe that the geography, topography and the economics will determine where it goes."
She said deciding on the route will include looking at which area has the greatest opportunity for mineral development, by whoever is building the railway.
James said Alaskans will not plan to bring the route in at Dawson City. She said going that route is a long way.
The Alaskan politician said bringing the railway through the Ladue River Valley into the Yukon south of Beaver Creek, then across to Carmacks and Faro, may be easier than going to Haines Junction along the Alaska Highway.
Even if the route does not go through Whitehorse, James said, it would be hard to picture a railway that wouldn't at least connect to the territorial capital.
Earlier this year, some Alaskan politicians, including James, talked about the possibility of the railway going down the highway to be built in conjunction with a natural gas pipeline. But that was mentioned to help the construction of a pipeline.
Ultimately, James doesn't care where the railway is, as long as the $2-billion to $3-billion project is built.
"I'm willing to go anywhere (it's feasible)."

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Frontiersman

Tuesday, October 09, 2001

The weather is Cloudy

Temperature 34° F

Murkowski: Straw polls show support for ANWR, rail extension

MAT-SU -- Alaskans who stopped by the booth of U.S. Sen. Frank Murkowski, R-Alaska, at the Alaska State Fair and other summer fairs indicated support for three measures -- drilling in the Arctic National Wildlife Refuge (ANWR), an Alaska-based missile defense base and a trans-Canada rail extension.

Murkowski, for the sixth consecutive year, conducted straw polls at booths at the Alaska State Fair, the Tanana Valley Fair in Fairbanks and the Southeast Alaska State Fair in Haines. The results indicated Alaskans have developed clear opinions on a variety of issues.

"It is always helpful and deeply appreciated to hear from Alaskans on a number of important policy questions," Murkowski said after reviewing the results. "While the results of straw polls are not scientific, they are certainly useful in gauging the opinions of Alaskans on issues pending before Congress. I really appreciate and thank everyone for taking the time to fill out these polls."

On the issue of oil development in the Arctic coastal plain, 81 percent of respondents at both the Palmer and Fairbanks fairs supported development in ANWR. When asked about their support for missile defense, 76 percent of Anchorage-area residents and 75 percent of Fairbanks residents supported a missile defense base being built at Delta.

Alaskans throughout the state also registered strong support for extending the Alaska Railroad to Canada. Some 89 percent of Fairbanks residents, 82 percent of Anchorage-area residents and 73 percent of Southeast residents at the Haines fair supported the 1,200-mile link.

The project would be designed to open interior Alaska and reduce heavy freight costs in the region.

Alaskans showed support for gas line construction, clearly supporting an all-Alaska pipeline route from the North Slope to Valdez. In Fairbanks, 70 percent favored the Alaska Highway liquefication project while at Palmer, 65 percent supported the highway route.

If such a line is not viable, however, Alaskans clearly prefer a southern land route along the Alaska Highway through Canada, compared to a northern route across the Beaufort Sea and through Canada. Some 91 percent of Fairbanks respondents accepted a southern route -- only 9 percent supported a northern route.

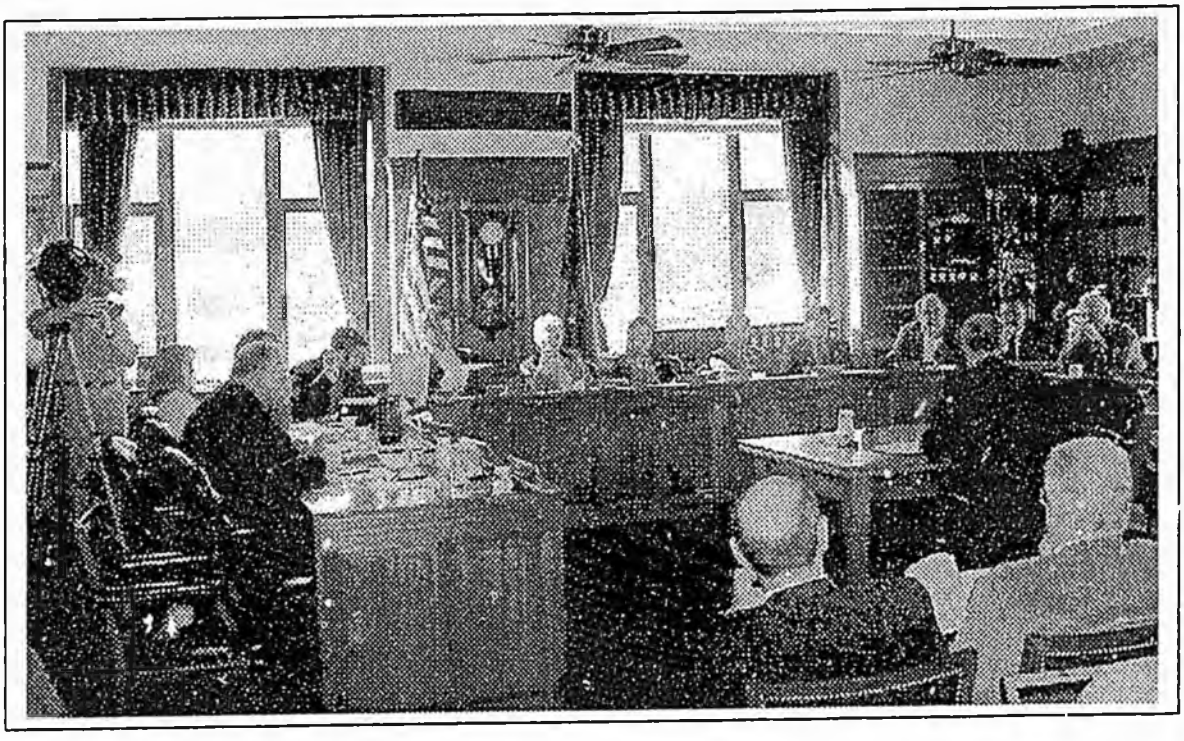
Alaskan respondents to the straw poll in the Anchorage area strongly supported timber harvesting to combat the spruce bark beetle infestations in Anchorage and on the Kenai Peninsula. Nearly 92 percent supported logging that would reduce the threat of wildfires in the region.

Other findings from the Palmer fair poll showed that voters oppose more wilderness being established in the Prince William Sound, by a 65-35 percent margin. They also support charging climbers more to scale Mount McKinley, by a 78-22 percent margin, and support construction of a new "southside" visitor center near Denali Park, by a narrow 58-42 margin.

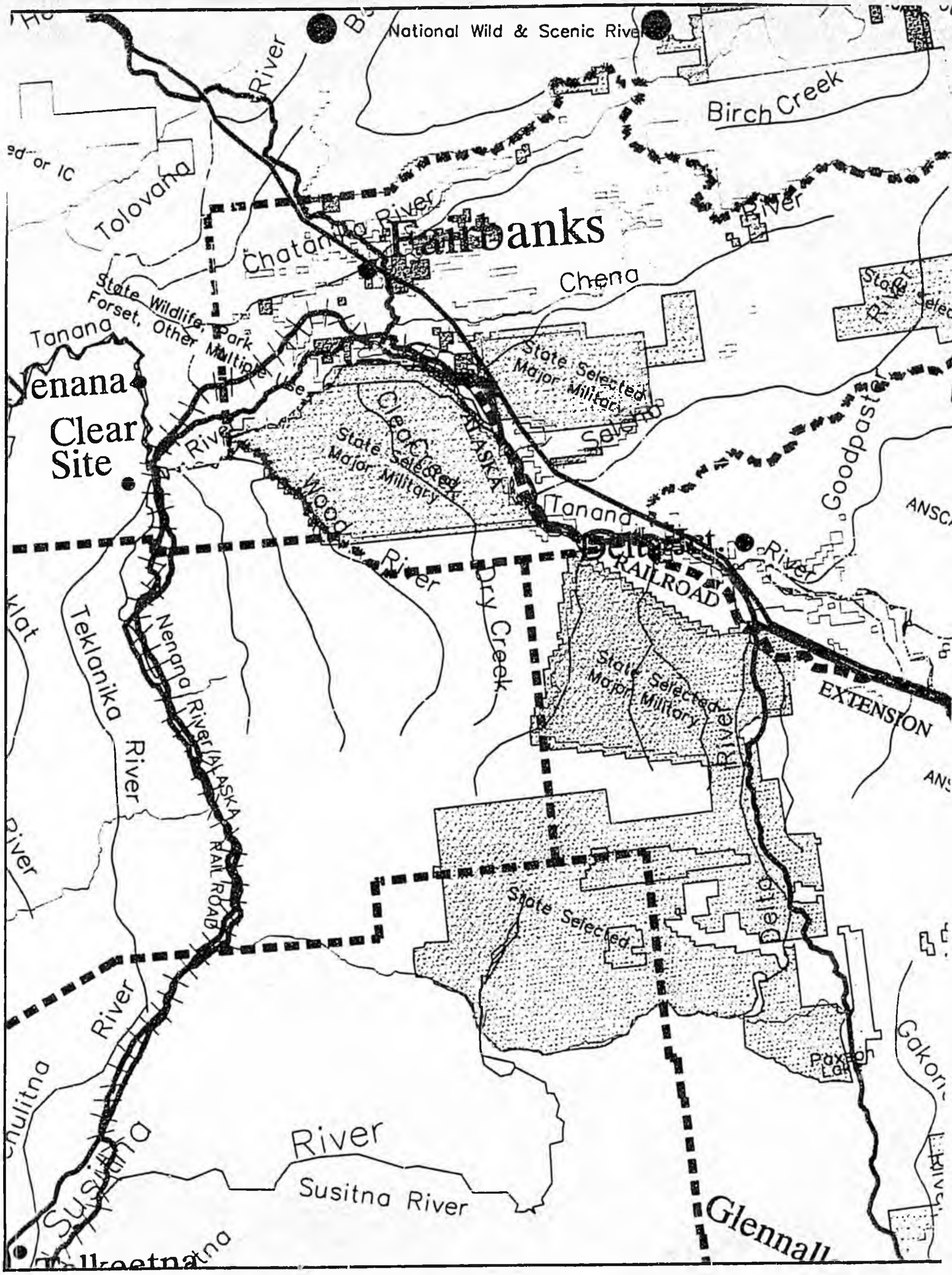
In Haines, Alaskans attending the Southeast Alaska fair expressed their support for restoring subsistence and commercial fishing in Glacier Bay, by a 82-18 percent margin. However, Southeast respondents were much less decided on transportation issues. Some 46 percent supported construction of new mainline ferries, 29 percent supported construction of high-speed ferries, while 25 percent favored more roads being built in the region.

Results from the other questions posed were answered by too few respondents to be automatically reflective of popular sentiment. A total of about 1,000 Alaskans answered the poll questions.

Results were delayed this year since, for the first time, respondents were able to mail back their surveys to Murkowski's offices in addition to submitting ballots at the fairs.



Compiled and edited by RICHARD F. SCHMITZ


National Wild & Scenic River
Birch Creek
River
Tolovana
Chatanika River
Fairbanks
Chena
State Wildlife, Park
Forset, Other Multiple Use
Tanana
Nenana
Clear
Site
State Selected
Major Military
Clear Creek
ALASKA
Wood River
Tanana
RAILROAD
EXTENSION
Goodpaster
River
Dry Creek
Teklanika
River
Nenana River
ALASKA
RAIL ROAD
State Selected
Delta
River
Paxson
Lake
Gakona
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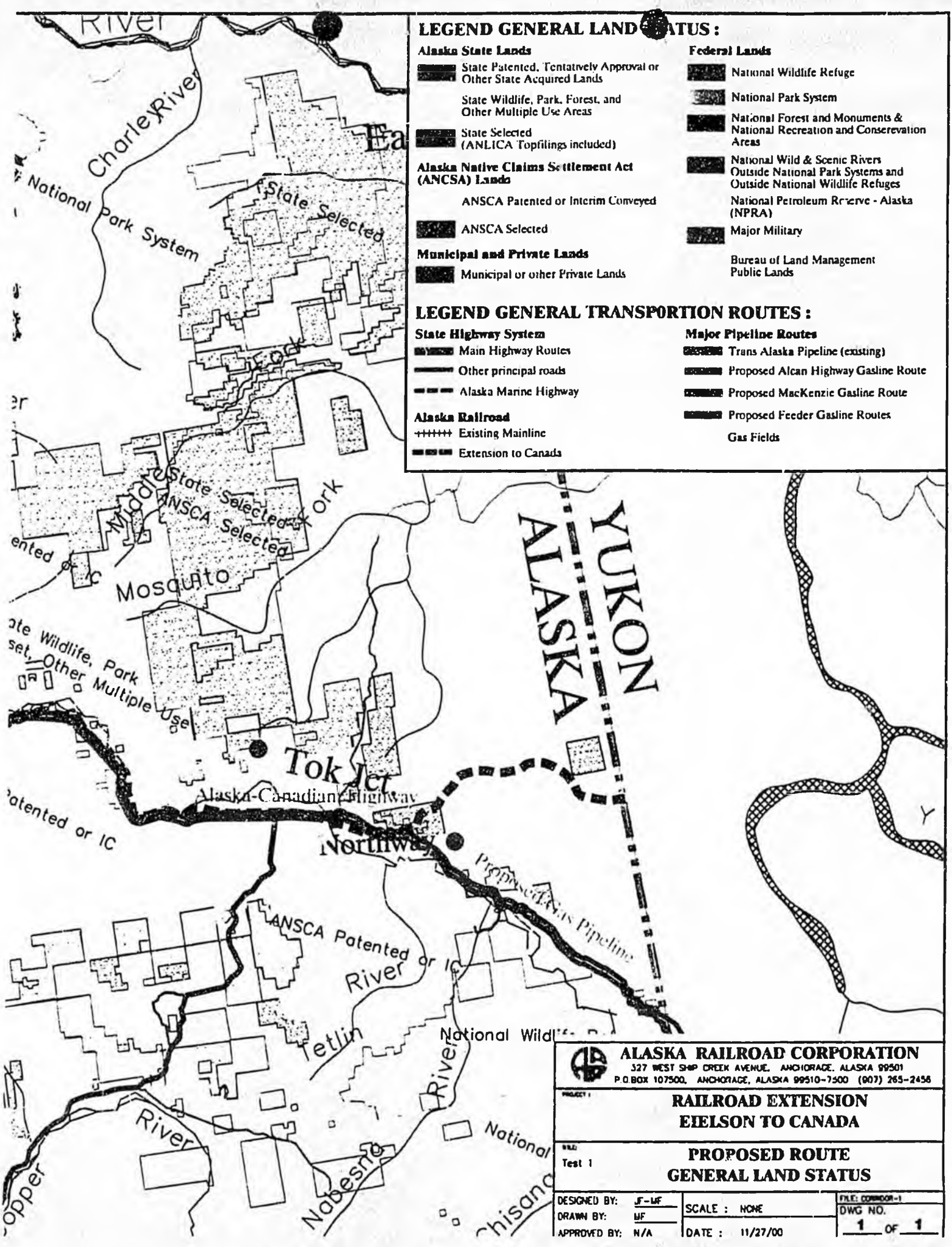

LEGEND GENERAL LAND STATUS :

Alaska State Lands

- State Patented, Tentatively Approval or Other State Acquired Lands
- State Wildlife, Park, Forest, and Other Multiple Use Areas
- State Selected (ANLICA Topfilings included)

Alaska Native Claims Settlement Act (ANCSA) Lands

- ANSCA Patented or Interim Conveyed
- ANSCA Selected

Municipal and Private Lands

- Municipal or other Private Lands

Federal Lands

- National Wildlife Refuge
- National Park System
- National Forest and Monuments & National Recreation and Conserevation Areas
- National Wild & Scenic Rivers Outside National Park Systems and Outside National Wildlife Refuges
- National Petroleum Reserve - Alaska (NPRA)
- Major Military
- Bureau of Land Management Public Lands

LEGEND GENERAL TRANSPORTION ROUTES :

State Highway System

- Main Highway Routes
- Other principal roads
- Alaska Marine Highway

Alaska Railroad

- Existing Mainline
- Extension to Canada

Major Pipeline Routes

- Trans Alaska Pipeline (existing)
- Proposed Alcan Highway Gasline Route
- Proposed MacKenzie Gasline Route
- Proposed Feeder Gasline Routes
- Gas Fields

ALASKA RAILROAD CORPORATION
327 WEST SHIP CREEK AVENUE, ANCHORAGE, ALASKA 99501
P.O.BOX 107500, ANCHORAGE, ALASKA 99510-7500 (907) 265-2456

PROJECT :

RAILROAD EXTENSION
EIELSON TO CANADA

WBS: Test 1

PROPOSED ROUTE
GENERAL LAND STATUS

DESIGNED BY: JF-MF	SCALE : NONE	FILE: CORRIDOR-1	
DRAWN BY: MF		DWG NO.	
APPROVED BY: N/A	DATE : 11/27/00	1 OF 1	

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 241
(H) Publish Date: 4/25/01

Revision Date/Time (Note if correction): 04/25/01 12:40 p.m.
Dept. Affected: DCED- Alaska Railroad Corporation
Title: Extension of the Alaska Railroad to Canada and to Whitehorse, Yukon Territory
BRU:
Component:
Sponsor: Representative James
Requester: House 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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

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

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)*

At this point, the Alaska Railroad Corporation (ARRC) matches all federal grant appropriations with its internal funds. Should this be the case regarding federal funding appropriated for corridor delineation to the Canadian border and Whitehorse, there will be not fiscal impact to the State's general fund. There will be a fiscal impact if the State helps the ARRC match the federal dollars. The ARRC is currently asking Senator Frank Murkowski to look for federal funding options for corridor delineation. It has been estimated it would take approximately $5 million to delineate and survey the corridor from the Alaska Railroad near Fairbanks to the Canadian border. In addition, this bill would allow the ARRC to investigate the extension from the Alaska border to Whitehorse, in the Yukon Territory. At this time, the ARRC has not estimated the cost to determine the Whitehorse route and conduct survey's for this section of corridor. Finally, the bill would allow the ARRC to acquire rights-of-way in the corridor. We assume that State land could be acquired for no cost. Military land could be transferred by our Congressional Delegation. Native lands would require purchase or easements and we do not have estimates for the associated costs.

Prepared by: Wendy Lindskoog, Director External Affairs
Phone (907) 265-2498
Division: Alaska Railroad Corporation
Date/Time: 4/25/01 12:40 p.m.
Approved by: Commissioner Deborah B. Sedwick
Date 4/24/2001
Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

(Rev 2/7/2001 OMB)

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB 241 (RES)
() Publish Date:

Revision Date/Time (Note if correction): 28-Jan-01
Dept. Affected: Natural Resources
Title: Rail/Utility Corridor to Canada
BRU: Minerals, Land & Water Dev
Component: Land Sales & Muni Ent.
Sponsor: Rep. JAMES
Requester: (S) TRA
Component Number: 2456

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	14.6			28.2		
Travel	2.0			3.0		
Contractual	18.0	10.0	900.0	1.0		
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	34.6	10.0	900.0	32.2	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )				(10,000.0)		

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	34.6	10.0	900.0	32.2		
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	34.6	10.0	900.0	32.2	0.0	0.0

Estimate of any current year (FY2002) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

This bill requires DNR to convey an estimated 20,000 acres of state land to the Alaska Railroad for a future railroad corridor to Canada. The corridor would be approximately 268 miles long, 500 feet wide. The legislation does not specify who is responsible for survey of the corridor. DNR's fiscal note includes the estimated survey cost in FY 2005, but recommends the bill be amended to put this responsibility upon the Railroad. The bill also does not allow DNR to protect valid existing rights created on this land (existing leases, contracts, ROW's, TAPS line ROW, etc.), which could lead to litigation either with third parties or the ARR. These litigation costs are not included here but could be avoided by **(Continued)**

Prepared by: Bob Loeffler
Phone 269-8600
Division Mining, Land and Water
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Approved by: Pat Pourchot
Date
Agency Natural Resources