

HCR

2

23-LS0157\Q
Utermohle
3/3/03

**SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 2(CRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - FIRST SESSION**

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES LYNN, Chenault, Coghil, Foster, Gatto, Harris, Hawker, Kohring, Kott, Morgan, Rokeberg, Seaton, Stoltze, Whitaker, Wolf, Dahlstrom, Guttentberg, Fate, Gruenberg, Holm, Masek, Anderson, Meyer, Wilson

A RESOLUTION

1 **Relating to the extension of the Alaska Railroad to Delta Junction and Fort Greely to**
2 **support expanding resource development, agricultural, and military activities.**

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

4 **WHEREAS** the United States Department of Defense has begun to construct an anti-
5 ballistic missile testing and launch facility at Fort Greely, Alaska; and

6 **WHEREAS** United States Army Alaska is developing new range areas at Fort Greely
7 to support the training of the new Stryker Brigade; and

8 **WHEREAS** the world-class mining operation at Pogo located near Delta Junction is
9 projected to commence construction in the fall of 2003 and operate for at least 11 years, and a
10 more cost-efficient transportation system would assist such a mining venture; and

11 **WHEREAS** the agricultural industry in the Delta Junction area would become more
12 cost efficient, competitive, and able to expand if access to markets were less expensive; and

13 **WHEREAS** a railroad is well suited to provide the transportation support required to
14 sustain military operations as well as provide a cost-efficient method of transporting goods
15 and services for both mining and agricultural activities in the region; and

16 **WHEREAS** the Alaska Railroad already has rail lines extending to Eielson Air Force

1 Base, which is within 70 miles of Delta Junction and Fort Greely; and

2 **WHEREAS** the Alaska Railroad can efficiently provide transportation services for
3 heavy cargo and large quantities of supplies to the region from the ports of Seward, Whittier,
4 and Anchorage while economically delivering the region's mining and agricultural products to
5 market; and

6 **WHEREAS** the extension of the Alaska Railroad to Delta Junction and Fort Greely is
7 consistent with the long-term goals of the Alaska Railroad Corporation and the State of
8 Alaska to extend rail service through Canada to the lower 48 states;

9 **BE IT RESOLVED** that the Alaska State Legislature respectfully requests Governor
10 Frank Murkowski to encourage the Alaska Railroad Corporation to undertake the extension of
11 the Alaska Railroad to Delta Junction and Fort Greely in order to support the region's
12 expanding resource development, agricultural, and military activities.

13 **COPIES** of this resolution shall be sent to the Honorable George W. Bush, President
14 of the United States; the Honorable Donald Rumsfeld, United States Secretary of Defense;
15 Patrick Gamble, President and Chief Executive Officer, Alaska Railroad Corporation; and to
16 the Honorable Ted Stevens and the Honorable Lisa Murkowski, U.S. Senators, and the
17 Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

Consistent with these actions is our policy for making selections to the Board of Fisheries.

The Board of Fisheries began its meeting earlier this week in Sitka, so I expedited the selection of new members. This allowed them to take their seats at the meeting.

I requested each board member, as a consideration of appointment, adhere to representing the best interests of all Alaska fisheries and affected communities. I want not only a balanced but also an objective Board of Fisheries. This means:

- That they not side with one gear group, or one fishing group.
- That they not commit to vote for the interests of, solely commercial... versus subsistence... versus sport fish interests,
- But that they act in the interest of what is best for all Alaskans.
- And in the best interest of the renewability of our vast fisheries resources.

I intend to apply these same criteria of objectivity and fairness to all board appointees so they do what's best for Alaska and the resource as their priority.

Mining Industry.

Now to Alaska's mining industry:

Mining holds the potential to provide thousands of high-paying jobs to Alaskans – but that potential is not being realized.

- Permitting problems, lack of infrastructure, and environmental litigation delay development and increase costs.
- Other parts of the world do a better job of attracting investment because their costs are lower.

We have begun to turn this around by:

- eliminating redundant permitting requirements;
- coordinating permits through the large project team concept;
- and developing infrastructure in our important mining regions.

One example of the latter is the potential for infrastructure support for the Donlin Creek project in Western Alaska.

We are seeking the support of the Bush administration for rail extension to Fort Greely to access the new missile defense system.

The rail extension would not only benefit the military, but the mining and agricultural sectors, as well.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

JAN 22 2003

ALASKA RAILROAD CORPORATION



Corporate Address: P.O. Box 107500, Anchorage, Alaska 99510
327 West Ship Creek Avenue, Anchorage, Alaska 99501
www.alaskarailroad.com

January 23, 2003

The Honorable Bob Lynn
State House
Alaska State Capitol, Room 415
Juneau, Alaska 99801

Original in the Mail
Post-It® Fax Note 7671

Post-It® Fax Note 7671		Date	# of pages
To	Tom Maffitt		
From	Wanda Lindberg		
Co./Dept			
Co.			
Phone #		Phone # 265-2498	
Fax # 465-4316		Fax #	

Dear Representative Lynn:

Thank you for offering the Alaska Railroad the opportunity to comment on House Concurrent Resolution No. 2 relating to the extension of the Alaska Railroad to Fort Greely. The Alaska Railroad shares a long history with the United States military and we believe it is appropriate to extend the railroad to Fort Greely to support national defense objectives.

The Alaska Railroad takes its lead from state and federal policy makers regarding rail extension initiatives. We support extending or building new railroad lines and believe this falls under our mission to foster state and community economic development. We stand ready to provide technical, engineering and operating expertise to help with planning.

While we support expanding Alaska's rail infrastructure, the additional maintenance and operations expense is an issue, since this would represent a 15 percent growth of the main line. We would depend on added revenue to pay those bills.

Again, we appreciate the opportunity to express our support and look forward to participating in the upcoming Military and Veteran's Affairs committee hearing.

Regards,

Patrick K. Gamble
President & CEO

FRANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF MILITARY & VETERANS AFFAIRS
OFFICE OF THE COMMISSIONER

P.O. BOX 5300

FT. RICHARDSON, AK 99505-5800

PH: (907) 428-6003

January 28, 2003

The Honorable Bob Lynn
State House
Alaska State Capital, Room 415
Juneau, Alaska 99801-1182

Dear Representative Lynn:

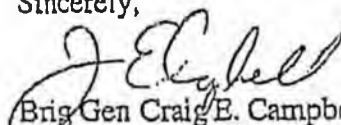
The Department of Military and Veterans Affairs (DMVA) supports House Concurrent Resolution No. 2 pertaining to the extension of the Alaska Railroad from Fairbanks to Fort Greely.

Fort Greely is currently being converted into the primary anti-ballistic missile launch facility as part of our nations decision to employ a national missile defense system. Missile defense of the United States is a national priority. The DMVA has been assigned the responsibility to provide both operational and security personnel for the facility.

This Administration is interested in expanding the Alaska's transportation infrastructure to provide greater access and cost effective alternatives to areas of the state with limited access. The extended operation of Fort Greely will require substantial quantities of supplies and materials. To meet this projected demand, we support the extension of rail service from Fairbanks to Fort Greely. This would provide a significant ability to support the long-term operations at Fort Greely.

We appreciate the opportunity to submit our position on this important transportation issue and would be available to participate in a committee meeting, if so requested.

Sincerely,


Brig Gen Craig E. Campbell
Commissioner

Distributed by Rep. Lynn

907-465-4316

February 6, 2002

To: Representative Bob Lynn

From: Jeannette James

Re: HCR2

Thank you for sponsoring HCR2, supporting the railroad extension from Eielson Air Force Base to Fort Greeley. I understand this resolution will be on the House Floor tomorrow. I appreciate the opportunity to make a few positive comments.

Certainly, the plans for Fort Greeley and the Missile Defense Program could be much improved if this rail connection were already built. It will take time. However, the anticipated ongoing activities indicate a growing need for a better transportation connection. Large amounts of construction materials and heavy equipment will be transported into the Delta Junction area. The agricultural community in Delta Junction could enjoy a benefit as well particularly for fertilizer and equipment.

It is wise to put the support for this project on the Legislative record, in the event funding becomes available through the Department of Defense or Homeland Security. This could take us seventy miles closer to the goal of connecting Alaska's railroad with that of British Columbia and the rest of the North American rail system.

Thanks again for your efforts.

Phone 907-488-9339

Fax 907-488-9669



Sen. John J. Cowdery, Chair

Senate Transportation Committee

Call: 465-4921 Fax: 465-2069

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- F Letter of support: Alaska Railroad Pres. & CEO Pat Gamble**
- G Letter of support: former Rep. Jeannette James**
- H Segment from Alaska Railroad annual report.**

Sen. Pres. THEPRIAULT
Sen. LINCOLN
Sen. WAGONER
Sen. OLSON

Alaska State Legislature



Chair
Military and Veterans Affairs Committee

Vice-Chair
Labor and Commerce Committee

Member
Resources Committee
State Affairs Committee
Joint Armed Services Committee

Finance Subcommittees
House Environmental Conservation
House Military & Veterans' Affairs
House Court System

A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

Session:
Alaska State Capitol
Juneau, AK 99801-1182

Phone: (907) 465-4931
Fax: (907) 465-4316
Toll Free: (800)-870-4391

Interim:
716 W. 4th Ave., #330
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207
Representative_Bob_Lynn@legis.state.ak.us

SPONSOR STATEMENT

HCR 2

HCR 2 supports extension of the Alaska Railroad from the vicinity of Eielson AFB near North Pole. This is approximately 70 miles to the Fort Greely anti-ballistic missile launch facility near Delta Junction.

This extension supports: a) expansion of Alaska's transportation corridors; b) the critical national defense mission of the missile launch facility; c) improved homeland security and d) being consistent with the long-term goal of linking the Alaska Railroad with the Canadian rail system and the "Lower 48" states.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HCR2
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Alaska Railroad Corp.
Title Extend the Railroad to Fort Greely BRU _____
Component _____
Sponsor Representative Lynn
Requester House Military & Veterans' Affairs Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2003) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Alaska Railroad Corporation (ARRC) is a public corporation supported by revenues generated through freight, passenger and real estate services. ARRC does not receive state subsidies for operations or capital improvements but does receive federal grants used for capital projects. At this point, ARRC matches all federal grant appropriations with its internal funds. Should this be the case regarding federal funding appropriated for construction of a rail extension to Fort Greely, there will not be a fiscal impact to the State's general fund. There would be a fiscal impact if the State helps ARRC match federal dollars. ARRC estimates that new rail construction could cost between \$3 and \$8 million per mile, depending upon terrain, environment, and social impact, etc.

Prepared by: Wendy Lindscoog, Director of External Affairs Phone 907-265-2498
Division Alaska Railroad Corporation Date/Time 1/28/03 8:02 AM
Approved by: Edgar Blatford, Commissioner Date 1/28/2003
Agency Department of Community & Economic Development

FRANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF MILITARY & VETERANS AFFAIRS
OFFICE OF THE COMMISSIONER

P.O. BOX 5800

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PH: (907) 428-6003

January 28, 2003

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State House
Alaska State Capital, Room 415
Juneau, Alaska 99801-1182

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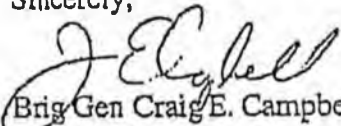
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We appreciate the opportunity to submit our position on this important transportation issue and would be available to participate in a committee meeting, if so requested.

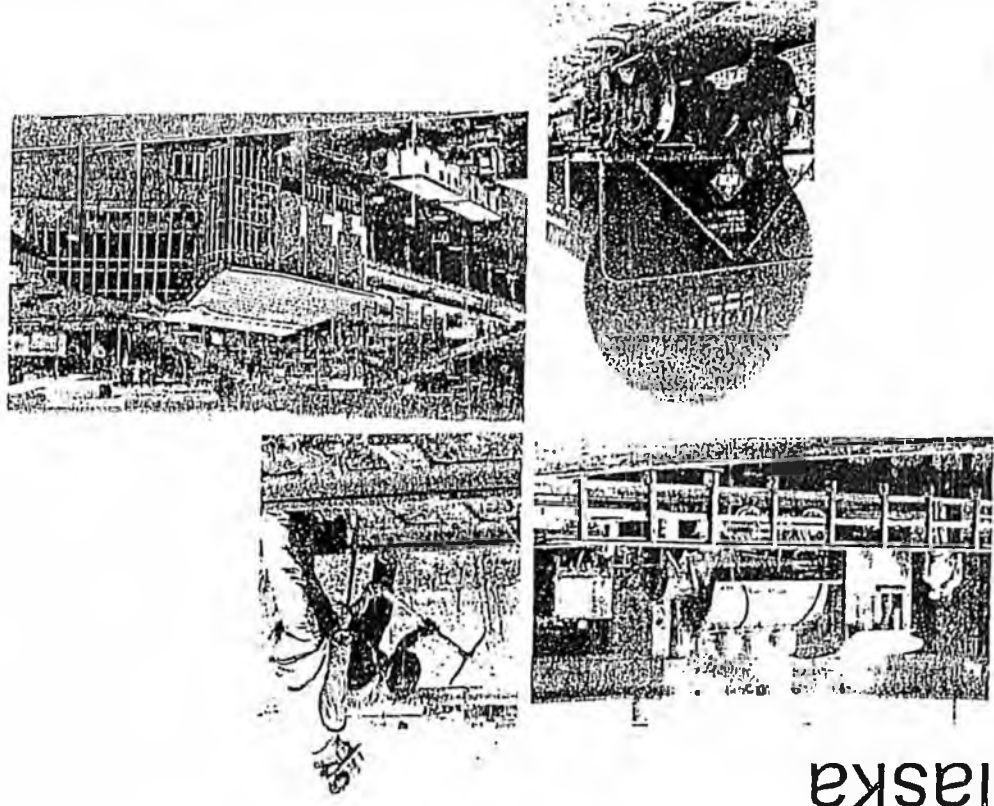
Sincerely,


Brig Gen Craig E. Campbell
Commissioner

Alaska Railroad Corporation



Special Report to the Legislature and Administration State of Alaska



January 2003

JAN 29 2003

Regional Transportation Planning

- **Position:** ARRC fully supports local regional transportation planning and serves on a number of planning groups including AMATS, FMATS, the Regional Transportation Planning Organization (Mat-Su and MOA), and the Fairbanks-North Star Borough Rail Task Force. The Railroad believes that local officials need to have a broader perspective on state transportation – one that extends beyond just their local region. ARRC believes projects sell better when they are discussed in the context of a regional plan. Accordingly, we advocate transportation analysis focused on transportation node linkages, and the intermodal transition points between them. ARRC methodology promotes more rigorous examination of the effect and unintended consequences of state transportation projects.

Rail Extensions

- **Position:** ARRC will take its lead from state and federal policy makers regarding rail extension initiatives. ARRC supports extending or building new railroad lines and believes this falls under its mission to foster state and community economic development. ARRC does not generate the capital funding necessary to proceed with some of the proposed rail extension projects (\$3-\$8 million/mile), but stands ready to provide technical, engineering and operational expertise should funding be identified. Once constructed, the ARRC must generate sufficient revenues to pay the operating expenses.
 - Canadian Rail Extension: To reach the Alaska/Canadian border, approximately 270 miles of track would need to be constructed. ARRC has been supportive of recent legislative and congressional efforts to study such an initiative and will continue to lend its planning expertise to the process.
 - Rail Extension to Fort Greely: We believe it is appropriate to extend the railroad to Fort Greely to support national defense objectives. This extension conveniently aligns with proposed legislation to extend the rail to Canada.
 - Northwest Arctic Rail: Hugely expensive, this initiative nonetheless opens up previously inaccessible resources to developers. Should such an initiative take root, ARRC would be pleased to be a member of the planning group.

Rail Realignments

- **Position:** ARRC supports realigning its main track around Alaska communities that have developed closely along the rail line. The issue is one of enhancing both safety and efficiency. Fairbanks and Wasilla realignments would each eliminate numerous dangerous at-grade crossings and reduce the running time of our trains. Both realignments are significant undertakings, and the Railroad does not yet have internal or federal funding to proceed with these projects on its own. We will continue working to integrate with community planning efforts, the Alaska Department of Transportation and Public Facilities (ADOT/PF) and be ready with plans when federal funding becomes available.
 - Fairbanks Realignment: Eliminates 48 crossings
 - Wasilla Realignment: Eliminates 11 crossings
 - Nenana Realignment: Reduces potential for crossing accidents at six grade crossings when the main line becomes a spur.