

HB

229

SENATE COMMITTEE REPORT

DATE: 4/27/07

FURTHER:

DATE TURNED
IN TO OFFICE: 5/1/07

Resources Committee considered HOUSE BILL NO. 229 am

HB 229 KENAI GASIFICATION PROJECT; RAILROAD BOND

"An Act authorizing the Alaska Railroad Corporation to participate in a project consisting of the acquisition, construction, improvement, maintenance, equipping, or operation of real and personal property, including facilities and equipment, for the Kenai gasification project and Port MacKenzie rail link, authorizing the corporation to issue bonds to finance all or a portion of the project, and identifying these as bonds for an essential public and governmental purpose; and providing for an effective date."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indef.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indef.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Green	✓			
	Szwed	✓			
	Wielechowski		✓		
	Wagoner	✓			
CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 229
 (H) Publish Date: 4/16/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Kenai Gasification Project; Railroad Bond RDU _____
 Component Alaska Railroad Corporation
 Sponsor Chenault
 Requester House Finance Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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 (FY2007) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation authorizes the Alaska Railroad Corporation (ARRC) to issue up to \$2,600,000,000 in tax-exempt bonds to finance a portion of the Agrium Kenai Gasification Project which includes facilities and equipment for the transportation of Alaska coal; and facilities and equipment for coal gasification and electrical power generation adjacent to the Agrium fertilizer plant located in Kenai.

Lower-cost debt for the Project will enhance the Project's economics, increasing its feasibility. Payment of debt service allocable to facilities and equipment that would not be owned by ARRC would be provided through a long term contract or other agreement between ARRC and the Project's owner or operator.

Prepared by: Wendy Lindskoog, Assistant Vice President, Corporate Affairs Phone 907.265.2498
 Division Alaska Railroad Corporation Date/Time 3/30/07 6:32 PM
 Approved by: Emil Notti, Commissioner Date 3/30/2007
 Agency Commerce, Community, and Economic Development

FISCAL NOTE #1

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

BILL NO. HB 229

ANALYSIS CONTINUATION

Payment of debt service for rolling stock, locomotives, track, facilities and other infrastructure owned by ARRC would be paid for by ARRC funds. Per AS 42.40.690, in no event will the general credit of the State of Alaska be pledged for the repayment of these bonds.

ARRC is a public corporation supported by revenues generated through its freight, passenger and real estate services. Because ARRC does not receive state funding for operations or capital improvements and is operated as an independent state-owned enterprise, this legislation would not create a fiscal impact for the State.

ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair
Sen. Bert Stedman, Vice Chair
Sen. Lyda Green
Sen. Gary Stevens
Sen. Lesil McCuire
Sen. Bill Wielechowski
Sen. Thomas Wagoner



State Capitol, Room 119
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Senate Resources Committee

Butrovich Room 205

MONDAY, APRIL 30

3:30 p.m. – 5:00 p.m.

REVISED ORDER # 2

AGENDA

HB 229 KENAI GASIFICATION PROJECT;RAILROAD BOND

SJR 6 OPPOSE WILDERNESS DESIGNATION FOR ANWR

HB 152 - ESTABLISH RENEWABLE ENERGY FUND/ACCOUNT

HB 220 PROHIBIT COMPUTER ASSISTED HUNTING

1. GAVEL In & Call to Order: Note time - members present

I CALL THE SENATE RESOURCES COMMITTEE
TO ORDER ON MONDAY, APRIL 30TH. LET
THE RECORD REFLECT THAT IT IS _____ P.M.

PRESENT ARE:

Vice-Chairman Senator Bert Stedman

Senator Gary Stevens

Senator Lyda Green *ABSENT*

Senator Bill Wielechowski

Senator McGuire

Senator Wagoner

& myself, Senator Charlie Huggins

- a. Ask the speakers to place themselves on the record
- b. Go to public testimony if any are signed up
- c. Close public testimony

**2. HB 229 -- KENAI GASIFICATION PROJECT;
RAILROAD BOND**

- Who is going to present
- Lisa Parker - Agrium - in person
- Bill O'Leary Chief financial office AK RR - online
(Online for questions)
- Pat Gambell - CEO - AK RR - online
- Dave Hanson, Mat-Su Borough, Director of Economic
Development (Online for questions)

(NEXT COMMITTEE OF REFERRAL SENATE RULES FOR SENATE
FLOOR SCHEDULING)

**3. SJR 6 -- OPPOSE WILDERNESS DESIGNATION FOR
ANWR**

- Jody ~~or CH~~ to present the resolution ~~CH~~

(NEXT COMMITTEE OF REFERRAL Senate Rules for Senate
Floor Scheduling)

4. HB 152 -- ESTABLISH RENEWABLE ENERGY FUND/ACCOUNT

*AK Energy Authority
AMENDMENTS*

- **Speaker Harris to Present the bill**
- **Charise Millet - present sectional analysis**
- **Kaci Schroder - staff to Rep. Thomas assist Charise**
- support* ▪ **Chris Rose, Exec Dir Renewable Energy AK Project**
- support* ▪ **Sara Fisher Goad, Deputy Director Ak Energy Authority**
- support* ▪ **Peter Crimp Ak Energy Authority**
- **Chris Mello - Ak Energy Authority**

(Next committee SENATE FINANCE)

*EXPECT TO MOVE
Ball OUT*

5. HB 220 -- PROHIBIT COMPUTER-ASSISTED HUNTING

Rep. Buch to present the bill

- **Joe Klutsch, President Ak Professional Hunters Assoc. -online**
- **Rod Arno, Executive Director Alaska Outdoor Council - online**
- **Dick Bishop, Member Ak Outdoor Council - online**
- **Kevin Saxby, Attorney General - Anch LIO**
- **Lt. Burke Waldron - AK Wildlife Troopers -online**
- **Carl Rosier, Member, Ak Outdoor Council - in person**
- **Matt Robus, Director -Divof Wildlife Conservation - online**

(NEXT COMMITTEE OF REFERRAL SENATE
RULES FOR SENATE FLOOR SCHEDULING)

*Possibly hold over pending A.O.C discussion
w/ CH on Tuesday, 5-1-07.*

April 30, 2007

Senate Resources Bill Packet

Enclosures: Fiscal Notes – Inside Front Pocket

1. **HB 229 KENAI GASIFICATION PROJECT: RAILROAD BOND** Sponsor Statement2 pages
2. HB 229 Amended 5 pages
3. HB 2295 pages
4. HB 229 Sectional Summary2 pages
5. Alaska Railroad Corporation Resolution No. 2007-094 pages
6. Fact Sheet on Agrium and ADN editorial4 pages
7. News clippings4 pages

Alaska State Legislature

State Capitol, Room 505
Juneau, AK 99801-1182
Phone: 465-3779
Fax: 465-2833
Toll Free (800) 465-3779
Representative_Mike_Chenault@legis.state.ak.us



145 Main St. Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184


REPRESENTATIVE Mike Chenault

District 34

Memorandum

Date: April 27, 2007

To: Senator Huggins, Chair
Senator Stedman, Vice-Chair
Senate Resources Committee

From: Representative Mike Chenault 

Subject: HB 229 am

Please schedule House Bill 229 am to be heard in the Senate Resources Committee at your earliest convenience. This bill would authorize the Alaska Railroad Corporation to issue up to \$2,900,000,000 in tax-exempt bonds to finance a portion of the Agrium Kenai Gasification Project. The Project would bring coal from Healy to Kenai where low emission coal gasification and electricity generation plants would be built.

Attached you will find:

1. HB 229 am
2. HB 229
3. Sponsor Statement
4. Fiscal Note
5. Sectional Analysis
6. Fact sheets and news articles

If you have any questions regarding this bill, please contact my office at (907) 465-3779.

Alaska State Legislature

State Capitol, Room 505
Juneau, AK 99801-1182
Phone: 465-3779
Fax: 465-2833
Toll Free (800) 469-3779



145 Main Street Loop
Second Floor
Kenai, Alaska 99611
Phone: 907-283-7223
Fax: 907-283-7184

Representative Mike Chenault

Sponsor Statement

HB 229

Title: "An Act authorizing the Alaska Railroad Corporation to participate in a project consisting of the acquisition, construction, improvement, maintenance, equipping, or operation of real and personal property, including facilities and equipment, for the Kenai gasification project, authorizing the corporation to issue bonds to finance all or a portion of the project, and identifying these as bonds for an essential public and governmental purpose; and providing for an effective date."

Agrium U.S. Inc. currently owns and operates an ammonia and urea complex in Kenai, which is in danger of being permanently shut down due to a lack of adequate natural gas feedstock. Such a closing would have a harmful effect on the state through loss of jobs and tax base. The Agrium Kenai Gasification Project (the "Project") addresses this issue by bringing coal from Healy to Kenai where low emission coal gasification and electricity generation plants would be constructed, allowing Agrium to continue to operate its fertilizer plants at optimal capacity.

House Bill 229 will authorize the Alaska Railroad Corporation (ARRC) to issue up to \$2,900,000,000 in tax-exempt bonds to finance a portion of the Project which includes:

- facilities and equipment for the transportation of coal from Healy to Kenai; and
- facilities and equipment for coal gasification and electrical power generation adjacent to the Agrium fertilizer plant located in Kenai.

This bill will also allow ARRC to issue tax-exempt bonds for a rail extension project from the Railroad's main line near Willow to Port MacKenzie. This rail extension would be approximately 40 miles long and may prove to be very beneficial for the Kenai Gasification Project.

ARRC is uniquely suited to participate in the Project by virtue of its ability to issue tax-exempt debt as authorized by the federal Alaska Railroad Transfer Act. A viable Project could mean significant incremental revenues to ARRC through movement of up to an additional 3 million metric tons of coal annually. The Project will also generate competitively priced surplus electricity for the regional power grid, generate excess carbon dioxide that could be used to enhance oil recovery from the wells in Cook Inlet and continue to supply Alaska businesses and organizations with fertilizer.

Lower-cost debt for the Project will enhance the Project's economics, increasing its feasibility. Payment of debt service allocable to facilities and equipment that would not be owned by ARRC would be provided through a long term contract or other agreement between ARRC and the Project's owner or operator. Payment of debt service for rolling stock, locomotives, track, facilities and other infrastructure owned by ARRC would be paid for by ARRC funds.

Per AS 42.40.690, in no event will the general credit of the State of Alaska be pledged for the repayment of these bonds. This legislation provides the Alaska Railroad only a broad and general authorization to issue bonds. The ARRC Board of Directors would be required to approve each bond issuance and the proposals must also pass muster with financial markets.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 16, 2007

SUBJECT: Sectional summary of HB 229 (Work Order No. 25-LS0737\C)

TO: Representative Mike Chenault
Attn: Lanie Snyder

FROM: Brian J. Kane *BJK*
Legislative Counsel

You have requested a sectional summary of HB 229, an Act authorizing the Alaska Railroad Corporation to participate in a project consisting of the acquisition, construction, improvement, maintenance, equipping, or operation of real and personal property, including facilities and equipment, for the Kenai gasification project, and authorizing the corporation to issue bonds to finance all or a portion of the project.

Please note that a sectional summary of a bill is not the authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 of the bill states the legislative findings, intent, and purpose regarding the Kenai gasification project and the need for the Alaska Railroad Corporation's involvement in the project.

Section 2 of the bill amends AS 42.40 by adding a new section regarding the Kenai gasification project. The new section allows the Alaska Railroad Corporation to fully participate in the transportation of coal from Healy to the northern Kenai Peninsula and development of facilities and equipment to Agrium fertilizer plants in the northern Kenai Peninsula. This section allows the corporation to finance the project by issuing bonds.

Section 3 of the bill amends AS 42.40.630 by adding a new subsection stating that before issuing bonds for funding of the project, the corporation will enter into one or more agreements that will provide sufficient consideration to pay the bonds as they become due, create and maintain any necessary reserves for the bond payments, pay all costs needed to issue, service, and additionally secure the bonds.

Section 4 of the bill amends AS 42.40.695 by expanding what the issued bonds can finance in order to conform to the bond requirements regarding the corporation and the Kenai gasification project.

Representative Mike Chenault

April 16, 2007

Page 2

Section 5 of the bill gives the legislative authorization and approval for the bonds to be issued based on the requirements of secs. 3 and 4 of the bill in an amount no greater than \$2,600,000,000, and defines the term "bonds."

Section 6 of the bill states that the Act takes effect immediately under AS 01.10.070(c).

BJK:med

07-245.med

HOUSE BILL NO. 229 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES CHENAULT, Foster

**Amended: 4/23/07
Introduced: 3/29/07**

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing the Alaska Railroad Corporation to participate in a project**
2 **consisting of the acquisition, construction, improvement, maintenance, equipping, or**
3 **operation of real and personal property, including facilities and equipment, for the**
4 **Kenai gasification project and Port MacKenzie rail link, authorizing the corporation to**
5 **issue bonds to finance all or a portion of the project, and identifying these as bonds for**
6 **an essential public and governmental purpose; and providing for an effective date."**

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

8 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
9 to read:

10 **LEGISLATIVE FINDINGS, INTENT, AND STATEMENT OF PURPOSE.** (a) The
11 legislature finds that

12 **(1) Agrium's urea and ammonia plants in the northern Kenai Peninsula are in**
13 **danger of being permanently shut down because of a lack of adequate natural gas feedstock in**

1 the area;

2 (2) closure of the Agrium plants will result in a loss of a significant number of
3 high paying jobs and tax base for the northern Kenai Peninsula as well as tax revenue to the
4 state;

5 (3) Agrium's Kenai gasification project will bring low-sulfur coal from Healy
6 to North Kenai where a low-emission coal gasification plant and electrical generation plant
7 will be built on land adjacent to Agrium's existing urea and ammonia plants;

8 (4) producing gas from coal will provide Agrium with an alternative feedstock
9 to natural gas, which is in short supply in Southcentral Alaska, and will allow Agrium to
10 continue to operate its urea and ammonia plants for the foreseeable future;

11 (5) the Kenai gasification project will also generate competitively priced
12 electricity for the regional power grid and excess carbon dioxide that could be used to
13 enhance oil recovery from the wells in Cook Inlet;

14 (6) the Alaska Railroad Corporation is uniquely suited to serve essential
15 functions of the state by providing, among other things, rail transportation of coal and other
16 freight and by financing all or a portion of the Kenai gasification project;

17 (7) the Kenai gasification project furthers the purposes of both the state and
18 the Alaska Railroad Corporation by creating a new market for the state's coal reserves at
19 Healy, which will be transported by rail and barge to the northern Kenai Peninsula, creating
20 revenue for the Alaska Railroad Corporation and for the state and providing employment
21 opportunities for residents of the state;

22 (8) these results are essential purposes of the state, and the achievement of
23 these purposes is critical to the health and welfare of the state.

24 (b) The purpose of this Act is to clarify the statutory functions and powers of the
25 Alaska Railroad Corporation by expressly including the power to participate in the Kenai
26 gasification project and to finance all or a portion of the project with bonds as described in
27 this Act.

28 (c) It is the intent of the legislature that

29 (1) this Act be construed broadly to permit the Alaska Railroad Corporation
30 the greatest flexibility to accomplish the purposes described in (b) of this section within the
31 limitations set out in this Act; and

1 (2) other provisions of AS 42.40 in existence before the enactment of this Act
 2 be similarly construed to complement the provisions of this Act.

3 * Sec. 2. AS 42.40 is amended by adding a new section to article 7 to read:

4 **Sec. 42.40.570. Kenai gasification project.** The corporation may participate
 5 in a project consisting of the acquisition, construction, improvement, maintenance,
 6 equipping, and operation of real and personal property, including facilities and
 7 equipment for the transportation of coal from Healy to the northern Kenai Peninsula
 8 and facilities and equipment for coal gasification and electrical power generation
 9 adjacent to the Agrium fertilizer plants in the northern Kenai Peninsula. The
 10 corporation may finance all or a portion of the project through the issuance of its
 11 bonds.

12 * Sec. 3. AS 42.40.630 is amended by adding a new subsection to read:

13 (c) Before issuing bonds to provide the financing described in AS 42.40.570
 14 for real or personal property to be owned in whole or in part by an entity other than the
 15 corporation, the corporation shall enter into one or more contracts, leases, or other
 16 forms of agreement that will, in the judgment of the corporation, provide sufficient
 17 consideration to

18 (1) pay the principal of and interest on the bonds as they become due;

19 (2) create and maintain any reserves for the bond payments that the
 20 corporation considers necessary or desirable; and

21 (3) pay all costs necessary to issue, service, or additionally secure the
 22 bonds, including trustee's fees and bond insurance premiums, unless these costs are to
 23 be paid from bond proceeds or by a party other than the corporation.

24 * Sec. 4. AS 42.40.695 is amended to read:

25 **Sec. 42.40.695. Public purpose of bonds.** Bonds of the corporation issued to
 26 finance facilities described in AS 42.40.550 and AS 42.40.560 and bonds of the
 27 corporation issued to finance the acquisition, construction, improvement,
 28 maintenance, equipping, and operation of real and personal property, including
 29 facilities and equipment, described in AS 42.40.570 [AS 42.40.550] are issued by a
 30 public corporation and an instrumentality of the state for an essential public and
 31 governmental purpose.

1 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 **LEGISLATIVE AUTHORIZATION AND APPROVAL.** (a) Subject to the
4 requirements of AS 42.40.630(c), enacted by sec. 3 of this Act, the Alaska Railroad
5 Corporation is authorized to issue bonds under the power granted to it in AS 42.40.250 to
6 participate in and finance all or a portion of the Kenai gasification project, including the
7 acquisition, construction, improvement, maintenance, equipping, and operation of real and
8 personal property, including facilities and equipment for the transportation of coal from Healy
9 to the northern Kenai Peninsula and facilities and equipment for coal gasification and
10 electrical power generation adjacent to the Agrium fertilizer plants in the northern Kenai
11 Peninsula, and associated costs, including, without limitation, reserves for debt service and
12 capitalized interest, if necessary or appropriate, and costs of issuance. The maximum principal
13 amount of bonds that the Alaska Railroad Corporation may issue under this section is
14 \$2,900,000,000. The Alaska Railroad Corporation may issue the bonds in a single issuance or
15 in several issuances, without limitation as to number of issuances or timing, and as the Alaska
16 Railroad Corporation determines best furthers the purpose of financing the Kenai gasification
17 project and related real and personal property, including facilities and equipment described in
18 this section. The Alaska Railroad Corporation shall negotiate with Agrium U.S., Inc., or with
19 one or more other entities as the Alaska Railroad Corporation considers appropriate, and shall
20 enter into agreements with those entities or one or more other entities to provide revenue
21 sufficient to accomplish the purposes described in AS 42.40.630(c), enacted by sec. 3 of this
22 Act. In no event shall the general credit of the state be pledged for the repayment of these
23 bonds.

24 (b) This authorization extends to bonds issued to refund the bonds authorized in this
25 Act. The principal amount of the bonds authorized in this Act may be increased in an issue of
26 refunding bonds in an amount equal to the costs of refunding if the refunding is undertaken to
27 achieve debt service savings.

28 (c) This section constitutes the approval required by AS 42.40.285 for the issuance of
29 the bonds described in this section.

30 (d) In this section, "bonds" means bonds, bond anticipation notes, notes, refunding
31 bonds, or other obligations.

1 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

HOUSE BILL NO. 229

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES CHENAULT, Foster

Introduced: 3/29/07

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Alaska Railroad Corporation to participate in a project
2 consisting of the acquisition, construction, improvement, maintenance, equipping, or
3 operation of real and personal property, including facilities and equipment, for the
4 Kenai gasification project, authorizing the corporation to issue bonds to finance all or a
5 portion of the project, and identifying these as bonds for an essential public and
6 governmental purpose; and providing for an effective date."

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

8 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
9 to read:

10 LEGISLATIVE FINDINGS, INTENT, AND STATEMENT OF PURPOSE. (a) The
11 legislature finds that

12 (1) Agrium's urea and ammonia plants in the northern Kenai Peninsula are in
13 danger of being permanently shut down because of a lack of adequate natural gas feedstock in

1 the area;

2 (2) closure of the Agrium plants will result in a loss of a significant number of
3 high paying jobs and tax base for the northern Kenai Peninsula as well as tax revenue to the
4 state;

5 (3) Agrium's Kenai gasification project will bring low-sulfur coal from Healy
6 to North Kenai where a low-emission coal gasification plant and electrical generation plant
7 will be built on land adjacent to Agrium's existing urea and ammonia plants;

8 (4) producing gas from coal will provide Agrium with an alternative feedstock
9 to natural gas, which is in short supply in Southcentral Alaska, and will allow Agrium to
10 continue to operate its urea and ammonia plants for the foreseeable future;

11 (5) the Kenai gasification project will also generate competitively priced
12 electricity for the regional power grid and excess carbon dioxide that could be used to
13 enhance oil recovery from the wells in Cook Inlet;

14 (6) the Alaska Railroad Corporation is uniquely suited to serve essential
15 functions of the state by providing, among other things, rail transportation of coal and other
16 freight and by financing all or a portion of the Kenai gasification project;

17 (7) the Kenai gasification project furthers the purposes of both the state and
18 the Alaska Railroad Corporation by creating a new market for the state's coal reserves at
19 Healy, which will be transported by rail and barge to the northern Kenai Peninsula, creating
20 revenue for the Alaska Railroad Corporation and for the state and providing employment
21 opportunities for residents of the state;

22 (8) these results are essential purposes of the state, and the achievement of
23 these purposes is critical to the health and welfare of the state.

24 (b) The purpose of this Act is to clarify the statutory functions and powers of the
25 Alaska Railroad Corporation by expressly including the power to participate in the Kenai
26 gasification project and to finance all or a portion of the project with bonds as described in
27 this Act.

28 (c) It is the intent of the legislature that

29 (1) this Act be construed broadly to permit the Alaska Railroad Corporation
30 the greatest flexibility to accomplish the purposes described in (b) of this section within the
31 limitations set out in this Act; and

1 (2) other provisions of AS 42.40 in existence before the enactment of this Act
2 be similarly construed to complement the provisions of this Act.

3 * Sec. 2. AS 42.40 is amended by adding a new section to article 7 to read:

4 **Sec. 42.40.570. Kenai gasification project.** The corporation may participate
5 in a project consisting of the acquisition, construction, improvement, maintenance,
6 equipping, and operation of real and personal property, including facilities and
7 equipment for the transportation of coal from Healy to the northern Kenai Peninsula
8 and facilities and equipment for coal gasification and electrical power generation
9 adjacent to the Agrium fertilizer plants in the northern Kenai Peninsula. The
10 corporation may finance all or a portion of the project through the issuance of its
11 bonds.

12 * Sec. 3. AS 42.40.630 is amended by adding a new subsection to read:

13 (c) Before issuing bonds to provide the financing described in AS 42.40.570
14 for real or personal property to be owned in whole or in part by an entity other than the
15 corporation, the corporation shall enter into one or more contracts, leases, or other
16 forms of agreement that will, in the judgment of the corporation, provide sufficient
17 consideration to

18 (1) pay the principal of and interest on the bonds as they become due;

19 (2) create and maintain any reserves for the bond payments that the
20 corporation considers necessary or desirable; and

21 (3) pay all costs necessary to issue, service, or additionally secure the
22 bonds, including trustee's fees and bond insurance premiums, unless these costs are to
23 be paid from bond proceeds or by a party other than the corporation.

24 * Sec. 4. AS 42.40.695 is amended to read:

25 **Sec. 42.40.695. Public purpose of bonds.** Bonds of the corporation issued to
26 finance facilities described in AS 42.40.550 and AS 42.40.560 and bonds of the
27 corporation issued to finance the acquisition, construction, improvement,
28 maintenance, equipping, and operation of real and personal property, including
29 facilities and equipment, described in AS 42.40.570 [AS 42.40.550] are issued by a
30 public corporation and an instrumentality of the state for an essential public and
31 governmental purpose.

1 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 **LEGISLATIVE AUTHORIZATION AND APPROVAL.** (a) Subject to the
4 requirements of AS 42.40.630(c), enacted by sec. 3 of this Act, the Alaska Railroad
5 Corporation is authorized to issue bonds under the power granted to it in AS 42.40.250 to
6 participate in and finance all or a portion of the Kenai gasification project, including the
7 acquisition, construction, improvement, maintenance, equipping, and operation of real and
8 personal property, including facilities and equipment for the transportation of coal from Healy
9 to the northern Kenai Peninsula and facilities and equipment for coal gasification and
10 electrical power generation adjacent to the Agrium fertilizer plants in the northern Kenai
11 Peninsula, and associated costs, including, without limitation, reserves for debt service and
12 capitalized interest, if necessary or appropriate, and costs of issuance. The maximum principal
13 amount of bonds that the Alaska Railroad Corporation may issue under this section is
14 \$2,600,000,000. The Alaska Railroad Corporation may issue the bonds in a single issuance or
15 in several issuances, without limitation as to number of issuances or timing, and as the Alaska
16 Railroad Corporation determines best furthers the purpose of financing the Kenai gasification
17 project and related real and personal property, including facilities and equipment described in
18 this section. The Alaska Railroad Corporation shall negotiate with Agrium U.S., Inc., or with
19 one or more other entities as the Alaska Railroad Corporation considers appropriate, and shall
20 enter into agreements with those entities or one or more other entities to provide revenue
21 sufficient to accomplish the purposes described in AS 42.40.630(c), enacted by sec. 3 of this
22 Act. In no event shall the general credit of the state be pledged for the repayment of these
23 bonds.

24 (b) This authorization extends to bonds issued to refund the bonds authorized in this
25 Act. The principal amount of the bonds authorized in this Act may be increased in an issue of
26 refunding bonds in an amount equal to the costs of refunding if the refunding is undertaken to
27 achieve debt service savings.

28 (c) This section constitutes the approval required by AS 42.40.285 for the issuance of
29 the bonds described in this section.

30 (d) In this section, "bonds" means bonds, bond anticipation notes, notes, refunding
31 bonds, or other obligations.

1 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

Adopted: March 9, 2007

Resolution No. 2007-09

Relating to an Authorization for the Corporation to Take Necessary and Appropriate Steps to Prepare for the Issuance of Bonds to Finance all or a portion of the Agrium Kenai Gasification Project

WHEREAS, the Alaska Railroad Corporation ("ARRC") is a public corporation and instrumentality of the State of Alaska ("State"), organized and established pursuant to the Alaska Railroad Corporation Act ("Act"), whose mission includes providing transportation for freight and passengers and promoting the development of the State's land and natural resources and the long-term economic growth of the State; and

WHEREAS, Agrium, Inc.'s ("Agrium") urea and ammonia plants in North Kenai are in danger of being permanently shut down due to a lack of adequate natural gas feedstock in the area; and

WHEREAS, closure of the Agrium plants would result in a loss of a significant number of high paying jobs and tax base for the Kenai Peninsula as well as tax revenue to the State of Alaska ("State"); and

WHEREAS, Agrium's Kenai Gasification Project will bring low-sulfur coal from Healy to North Kenai where a low emission coal gasification plant and electricity generation plant will be built on land adjacent to Agrium's existing urea and ammonia plants; and

WHEREAS, producing gas from coal will provide Agrium with an alternative feedstock to natural gas which is in short supply in Southcentral Alaska and will allow Agrium to continue to operate its urea and ammonia plants for the foreseeable future; and

WHEREAS, the Agrium Kenai Gasification Project will also generate competitively priced electricity for the regional power grid and excess carbon dioxide that could be used to enhance oil recovery from the wells in Cook Inlet; and

WHEREAS, ARRC desires to participate in Agrium's Kenai Gasification Project, which consists of the acquisition, construction, improvement, maintenance, equipping, and operation of real and personal property including facilities and equipment for the transportation of coal from Healy to North Kenai and for facilities and equipment for coal gasification and electrical power generation adjacent to the Agrium fertilizer plants in North Kenai, and to finance all or a portion thereof through the issuance of its bonds (the "Project"); and

WHEREAS, the Project furthers the purposes of both the State and ARRC by creating a new market for the State's coal reserves at Healy that will be transported by rail, thus generating new revenue for ARRC and for the State and providing employment opportunities for residents of the State; and

WHEREAS, ARRC desires to issue one or more series of bonds or notes in an aggregate principal amount not to exceed \$2,600,000,000 (collectively, the "Bonds"), in order to finance all of a portion of the Project; and

WHEREAS, ARRC desires to authorize its Chief Executive Officer, Chief Financial Officer, General Counsel, Bond Counsel, Financial Advisors, Architects, Engineers and any other officer or official of the ARRC (collectively, the "Authorized Persons") to take certain preliminary actions with respect to the Project and the issuance of the Bonds; and

WHEREAS, in accordance with Section 42.40.285 of the Act, ARRC desires to request approval and authority from the legislature of the State for ARRC to issue the Bonds and enter into leases or other agreements in connection with the Project; and

WHEREAS, ARRC intends to be reimbursed (i) for expenditures for the Project paid not more than 60 days prior to the date of this Resolution, (ii) for expenditures pertaining to costs of issuance, (iii) for expenditures that do not exceed the lesser of \$100,000 or 5% of the portion of the proceeds of the issue used to finance the Project, or (iv) for expenditures that do not exceed 20% of the portion of the aggregate issue price of the Bonds used to finance the Project which constitute preliminary expenditures within the meaning of Treas. Reg. § 1.150-2(f)(2) of the Internal Revenue Code of 1986, as amended ("Code"); and

WHEREAS, ARRC intends that this Resolution be determined to be, among other things, a declaration of official intent under Treas. Reg. § 1.150-2 promulgated under the Code.

NOW, THEREFORE, the ARRC Board of Directors does resolve as follows:

Section 1. Authorization to Take Actions in Preparation for the Issuance of the Bonds. ARRC hereby authorizes the Authorized Persons to perform such acts on behalf of ARRC as shall be necessary and appropriate to prepare for the issuance of the Bonds in one or more series in a maximum aggregate principal amount not to exceed \$2,600,000,000, including, but not limited to: (a) requesting approval and authority from the legislature of the State for the issuance of the Bonds; (b) obtaining a ruling or rulings from the IRS with respect to the applicability of certain provisions of the Code to ARRC; (c) selecting one or more investment banking firms to serve as underwriter(s) for the Bonds (such selection to be made in accordance with the rules, regulations and procedures of ARRC); (d) obtaining ratings for the Bonds and credit enhancement for the Bonds, if deemed necessary or appropriate; and (e) performing such other tasks and taking such other actions necessary to structure the terms of the Bonds and to prepare documents

relating to the authorization, issuance and sale of the Bonds, including appropriate disclosure documents to be used in connection with the offering of the Bonds.

Section 2. Declaration of Official Intent. ARRC hereby declares its intent:

(a) that the issuance of the Bonds by ARRC be in an amount reasonably expected not to exceed \$2,600,000,000 in aggregate principal amount for the Project; and

(b) that ARRC be reimbursed from the proceeds of the Bonds (i) for expenditures paid for the Project not more than 60 days prior to the date of this Resolution; (ii) for expenditures pertaining to costs of issuance; (iii) for expenditures that do not exceed the lesser of \$100,000 or 5% of the proceeds of the issue; or (iv) for expenditures that do not exceed 20% of the aggregate issue price of the bonds which constitute preliminary expenditures within the meaning of Treas. Reg. § 1.150-2(f)(2); and

(c) that this Resolution be determined to be a declaration of official intent under Treas. Reg. § 1.150-2 promulgated under the Code; and

(d) that the issuance of the Bonds occur not later than 18 months after the latest of (i) the date on which the earliest expenditure subject to Treas. Reg. § 1.150-2 is paid, (ii) the date on which the property is placed in service or abandoned, but in no event more than three years after the earliest expenditure is paid, or (iii) the date otherwise permitted by the Code or Treasury Regulations promulgated thereunder; and

(e) that ARRC is making this Declaration of Official Intent while reserving the right at all times to assert that it is not subject to the provisions of Section 150 of the Code by virtue of Section 1207(a)(6)(A) of the Alaska Railroad Transfer Act and Section 149(c)(2)(C) of the Code.

Section 3. Ratification of Prior Actions. All actions heretofore undertaken by the Authorized Persons in connection with the Project and the Bonds are hereby ratified, confirmed and approved.

Section 4. Preliminary Resolution. This Resolution is the authorization by ARRC to take the necessary and appropriate steps to prepare for the issuance of the Bonds. Final authorization of the issuance and sale of the Bonds shall be by subsequent resolution or resolutions of ARRC.

Section 5. Severability. In the event that any one or more of the provisions contained in this Resolution shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Resolution, and this Resolution shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

Section 6. Repealer. All resolutions or parts thereof to the extent inconsistent herewith are hereby repealed, rescinded, canceled and annulled.

Section 7. Governing Law. The laws of the State shall govern the construction and interpretation of this Resolution.

Section 8. Effective Date. This Resolution shall take effect immediately upon adoption this 9th day of March, 2007.

Agrium

Kenai Nitrogen Operations

July, 2004



Summary of

Alaskan Direct Economic Impacts

"By Alaska economic standards, the Agrium operation is exceptional for its combination of high pay levels, amount and concentration of expenditures in the local area, and the degree of value added manufacturing that occurs in Alaska prior to export. The result is a high multiplier impact."

- McDowell Group, October 2002

A recent study completed by the McDowell Group in April 2004 identified the following direct impacts of Agrium's Kenai Nitrogen Operations:

- ✓ Agrium spent \$101 million in Alaska in 2003
- ✓ \$77 million in purchases of goods and services from 384 Alaskan businesses
- ✓ \$22.0 million in direct payroll; including benefits, expenditures are \$29.5 million
- ✓ \$2.2 million in taxes and lease payments
- ✓ \$195,000 in charitable donations to 43 non-profit organizations and groups

Summary of

Alaskan Indirect Economic Benefits

For every one thousand cubic feet of Cook Inlet natural gas used by Agrium for feedstock and power generation, \$9.35 in total economic output is generated.

- ✓ Agrium employees have 244 school age dependents or about 2.5 percent of the Central Peninsula student enrollment
- ✓ Agrium's total direct, indirect, and induced payroll impacts support 7.0 percent of the total Kenai Peninsula payroll
- ✓ Agrium total direct, indirect, and induced employment accounts for 4.0 percent of the total employment on the Kenai Peninsula

Did You Know?

- ✓ Agrium is the Kenai Peninsula's fourth largest private employer with an average employment of 230 people
- ✓ Agrium accounts for an additional 420 jobs in Alaska and the Kenai Peninsula Borough
- ✓ Agrium direct expenditures on the Kenai amounted to \$85 million in 2003 on goods and services provided by 320 Kenai Peninsula companies
- ✓ Agrium donations to local school and youth activities accounted for 54% of the company's charitable donations
- ✓ Agrium's Kenai Nitrogen Operations is the second largest nitrogen production complex in the U.S.A.
- ✓ Agrium's Kenai Nitrogen Operations accounts for about 6 percent of North America's nitrogen production
- ✓ In 2003, Agrium's Kenai Nitrogen Operations exported 1.2 million tons of ammonia and urea valued at \$200 million
- ✓ Agrium's Kenai Nitrogen Operations is one of Alaska's few value added industries



Agrium's Kenai Gasification Project

Agrium



Agrium is pursuing an environmentally friendly technology that could add decades to the life of its Kenai Nitrogen Operations, support hundreds of well-paying jobs, preserve a major tax base and provide a new source of competitively priced power.

The Kenai Gasification Project would develop a world-class, low-emission coal gasification facility that would provide Alaska's largest value-added business the feedstock required to operate over the long-term. The Kenai fertilizer plant suspended manufacturing during the 2006-2007 winter season due to a shortage of natural gas and has operated below capacity in recent years as it sought new gas supply contracts in an increasingly tight market complicated by escalating prices.

How it works



First discovered in 1792, gas made from coal provided most of the fuel gas used in U.S. homes and businesses until the 1940s when natural gas became increasingly available. Modern gasification technology efficiently turns coal into a combustible gas that can be cleaned of virtually all pollutant-forming impurities.



Gasification is essentially the controlled, but incomplete combustion of carbon. It can be applied to many feedstocks including coal, biomass and heavy oil. The Kenai Gasification Project is examining the utilization of coal to provide the required feedstock.

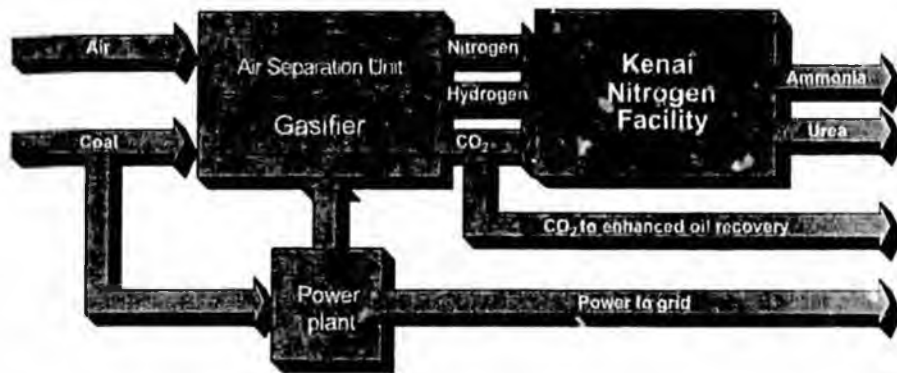
In the process, coal is fed into a gasifier unit where it is partly oxidized using pure oxygen to form a mixture of carbon monoxide and hydrogen, commonly called syngas because it can be synthesized into many forms.



Most of the syngas would be further refined into pure hydrogen using the same carbon monoxide shift reaction Agrium uses in the production of ammonia from natural gas. Water is used to convert the carbon monoxide into carbon dioxide while producing even more hydrogen. The hydrogen is used to make ammonia and the carbon dioxide is reacted with ammonia to make urea.

The project would require a new coal-fired power plant that could also supply surplus power to the Railbelt power grid. Homer Electric Association is the project partner taking the lead on power and supply issues.

The Components



All components of this project utilize existing, proven technology in a unique configuration to produce multiple benefits to Alaska and the Kenai Peninsula.

Coal – With a need of approximately three million metric tons of coal each year, the project is evaluating coal supplies along with transportation options.

Air Separation Unit – This unit processes air directly from the atmosphere to generate oxygen for the gasifier and the nitrogen used in the fertilizer process.

Gasifier – Coal is dried, pulverized and reacted with pure oxygen to form syngas. The gas is reacted with water to shift the carbon monoxide into carbon dioxide (CO₂) and hydrogen. The CO₂ is removed, along with sulfur and other impurities, and the pure hydrogen is shipped to the fertilizer plant.

Power Plant – Consists of coal-fired generation with state of the art emissions control technology. The power will supply steam and electricity to the other project components and additional electricity for sale into the grid.

Fertilizer Plant – At capacity, the facility can produce more than 1.5 million metric tons of anhydrous ammonia and urea each year. Changing the feedstock will require relatively minor modifications.

The Next Step

Agrium began investigating coal gasification during the winter of 2004 and is currently undertaking its Phase two analysis, which includes a detailed feasibility review and project permitting. If the decision is made to go forward, the facility could be operational by 2011.



Benefits for Alaska

- Provide an estimated 1,000 construction jobs, 900 direct and indirect permanent jobs.
- Utilize an economical and abundant feedstock that will provide an industrial anchor for the state's huge, but mostly undeveloped, coal reserves.
- Keep the second-largest nitrogen plant in the U.S. operating for decades.
- Diversify aging power generation and help eliminate the current reliance on Cook Inlet natural gas.
- Increase the Kenai Peninsula's tax base.
- Provide a surplus of CO₂ that could be injected into the aging Cook Inlet oil fields to produce an estimated 300 million barrels of additional crude production.

Agrium



HEA Homer Electric Association, Inc.
A Tachstone Energy Corporation



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OUR VIEW

Coal could replace gas

Agrium looks at coal gasification to supply Kenai fertilizer plant

The Kenai plant has been turning natural gas into urea for fertilizer for almost 40 years, but its future may well depend on the economics of turning coal into gas into urea.

It's called the Kenai Blue Sky Project, and Agrium U.S. Inc. and its partners are spending several million dollars to see if it will work. If it does, it could mean a much brighter future for the Kenai plant, for its workers and community, and, as a bonus, a new supply of electricity for Southcentral Alaska.

As the ready supply of Cook Inlet natural gas has dwindled, and as new gas fields carry a much higher price tag, the Agrium plant has had to curtail ammonia and urea production in recent years. No gas to feed the plant, no product coming out. The plant suspended operations this winter and is expected to restart about March 1, but even then it will run at much less than full capacity for lack of sufficient gas. Agrium's contracts with gas suppliers expire Oct. 31, 2007, putting next year's operations — and a lot of jobs — in jeopardy.

Rather than wait for an uncertain North Slope gas line and possible spur line into Southcentral, and rather than staking its future on new Cook Inlet gas discoveries at affordable prices, Agrium is studying the option of buying coal

from the Usibelli mine at Healy, 200 miles north of Anchorage. One plan is to move the coal by train to Anchorage, then barge it to Kenai, though other train and barge routes are possible.



In addition, the coal-fired plant would supply electricity to the Southcentral power grid.

Turning the coal into gas is the fun part.

Coal and pure oxygen would go into the heated gasifier unit and, in a simplified explanation, out would come the nitrogen, hydrogen and carbon dioxide gases needed to produce urea and ammonia. The car-

bon dioxide would be a welcome byproduct in Cook Inlet, where it can be reinjected into underground reservoirs to push out more oil. It's called "enhanced oil recovery" and it's a great way to pump more oil while keeping carbon dioxide out of the atmosphere.

In addition to producing gas feedstock for the fertilizer plant and providing for enhanced oil recovery, the coal-fired power plant at Kenai Blue Sky would have a lot of surplus electricity it could feed into the Southcentral power grid.

Agrium is evaluating proposals from different coal gasification equipment makers and anticipates selecting a company in January to handle environmental permitting for the project, which will be formidable.

Meanwhile, it is working with Usibelli to determine whether there are adequate coal reserves to supply Blue Sky for several decades. If it goes ahead, Blue Sky would consume up to 3 million metric tons of coal a year, almost twice what Usibelli mines for its existing customers.

Although Agrium had considered using coal from the Beluga field across Cook Inlet from its plant, the company decided it made more sense to buy coal from an existing mine rather than to try opening a new pit.

Agrium and its partners have put a lot of thought — and money — into Blue Sky. The Phase 1 feasibility study, at \$3 million, was all company money. Phase 2, preliminary engineering and permitting, is estimated at \$22 million, with \$2 million from the federally funded Denali Commission, \$5 million from the state, and the balance of \$15 million from Agrium and other partners.

The current schedule calls for Agrium's board to make a decision in the summer of 2008 on Phase 3, detailed engineering and design, estimated at \$100 million. Phase 4, construction, would run from spring 2009 to the end of 2011, at a cost of \$2 billion.

Blue Sky is a costly undertaking but, thankfully, Agrium is taking the chance.

BOTTOM LINE: A hopeful name for a needed project.

adn.com

Anchorage Daily News

**Railroad bonds could bail out Agrium in Kenai****GAS: Healy coal hauled through Anchorage would energize fertilizer plant.**By TOM KIZZIA
Anchorage Daily News*(Published: April 13, 2007)*

The Legislature is weighing whether to aid the troubled Agrium fertilizer factory in Nikiski by authorizing the Alaska Railroad to sell \$2.6 billion in tax-free bonds for construction of a new coal gasification plant.

The railroad wants to get involved so it can haul coal from Healy through the port of Anchorage to Nikiski, where it would be turned into gas for making fertilizer. Agrium has had to shut down its Nikiski plant periodically because of a shortage of inexpensive natural gas from Cook Inlet. The fertilizer company has threatened to close permanently unless the situation changes.

A two-year study of coal gasification is under way. Initial findings have been favorable, Agrium officials said, but no final decision has been reached on whether to go ahead.

The new financing plan, which could speed the project along, was unveiled Thursday at a hearing before the House Finance Committee. Only Agrium -- not the state or the state-owned railroad -- would be at risk if the project flops and the bonds can't be paid, advocates said.

The unusual use of tax-free bonds by the railroad requires legislative approval.

In presenting the plan, the railroad said it wants to route the coal trains through Anchorage rather than build a new spur line from Willow to Port MacKenzie, as had sometimes been discussed in the past. The Anchorage port would require new loading facilities, but officials said building a new Mat-Su rail line adds too many uncertainties to the plan.

Several Anchorage Democrats raised environmental questions about the project. They asked about coal dust at the Anchorage port. And they feared that replacing gas with coal in Nikiski would sharply increase carbon dioxide emissions into the atmosphere, contributing further to global warming.

Agrium spokeswoman Lisa Parker told the committee the company plans to build covered loading facilities at the Anchorage port. The company also hopes to inject excess carbon dioxide into existing Cook Inlet oil wells, a proven method of enhancing oil recovery. But Parker said the company could not offer written guarantees on those environmental concerns this early in the planning process.

Finance Committee Co-Chairman Kevin Meyer, R-Anchorage, said the bonding measure deals only with financing and was not the place for adding regulatory requirements.

The bond-authorization bill, HB 229, was introduced by the committee's other co-chairman, Rep. Mike Chenault, R-Nikiski. It was held over by the committee for a further hearing today.

The entire plan rests on the Alaska Railroad exercising a unique, and legally untested, power to issue tax-free bonds. Alaska Railroad president Pat Gamble said the authority, granted by Congress in the act transferring the railroad to the state, has never been used. The IRS has yet to render an opinion.

"We look at this opportunity with Agrium as a first time to really put this to work for the state," Gamble told the House committee.

Normally, tax-free bonds are issued by governments to build public facilities.

Rep. Mike Hawker, R-Anchorage, asked what benefits the state would be getting in return for what he termed "a \$2 billion subsidy to shareholders of a private enterprise?"

The main subsidy, however, would be coming from the federal treasury, which would not receive taxes on income from investors who purchase the bonds. Those investors count on getting paid back by Agrium's future revenues.

Officials said the benefits to Alaska would include jobs and local tax revenues in the Kenai area, increased coal traffic for the railroad, and an undisclosed fee that Agrium would pay the railroad for use of its bonding authority.

The railroad would use \$600 million of the money raised for new facilities, including new cars and locomotives. The rest would be used by Agrium for the coal gasification plant, which would also generate electricity for Agrium and other Kenai Peninsula users.

Parker said Agrium plans to join with other partners if the decision is made to build the coal gasification plant. The Alberta-based company has dubbed the project Operation Blue Sky. Officials say the new plant could be in operation in five to six years.

Agrium had as many as 300 high-paying jobs at its peak of production in his home district, Chenault said. The company has half as many employees today. After shutting down through the winter months, when demand for gas was high around Cook Inlet, the plant resumed partial operations this week, Chenault said.

Rep. Bill Stoltze, R-Chugiak, seemed crestfallen to hear that the railroad had eliminated consideration of a new spur line to Port MacKenzie, where the Mat-Su Borough is trying to build up a shipping center. He touted the Knik Arm port as "a truly vacant industrial area" and referred to the Anchorage port as "gentrified" and subject to planning and zoning concerns.

"That's an uncertainty I wouldn't want to embrace," Stoltze said.

Anchorage Democrats Harry Crawford and Les Gara pressed the railroad and Agrium on coal dust suppression and carbon dioxide emissions.

"I want to be assured (the project) comes out at the other end like it was described at the beginning," Crawford said.

Reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 907-235-4244.

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Anchorage Daily News

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Projects would add high value to coal

TIM BRADNER
ECONOMY

(Published: April 15, 2007)

Alaskans are so focused on a possible \$30 billion-plus natural gas pipeline that two other projects of significance are largely off the radar screen. They are hugely important to Southcentral Alaska, however. Even more than the gas pipeline, I believe.

Both involve making value-added products from coal, a resource in plentiful supply in Alaska. The technologies being used have been long established, although they are expensive. The developers hope recent improvements will make them commercially economic in Alaska.

One proposal is by Agrium Corp. to do coal gasification at its Nikiski fertilizer plant. This would allow the plant to switch from natural gas to coal as a chemical feedstock, and thus ensure the future of the plant and the jobs it provides. Agrium now is in an advanced engineering stage with its plan and hopes to make a decision on whether to proceed with construction next year.

Agrium would use coal from the Usibelli coal mine at Healy.

The other proposal, still in an initial study stage, is for a large coal-to-liquids plant on the west side of Cook Inlet near the undeveloped Beluga coal fields, using coal from those fields.

There is not a coal mine at Beluga yet, although one is planned that would export coal. The coal-to-liquids plant, if it is built, would be a local customer for the mine, making an ultra-clean diesel, naphtha and other products from coal.

Both projects would require billions of dollars of capital investment, and would create thousands of jobs. They would have major, long-lasting effects in strengthening and diversifying the Southcentral economy.

A gasifier proposed at Agrium would convert coal into gas. This gas will contain the same chemicals, in different forms, as does natural gas now used by the plant. The company would use this as a substitute for natural gas in making urea fertilizer and ammonia. A 200 megawatt coal power plant also would be built to provide electricity to the plant, with about 75 megawatts of surplus power that could be sold to other electricity users.

Switching to coal as a feedstock has benefits. It would release gas Agrium now uses to make it available to others, such as local utilities to heat the homes and businesses of their customers.

Coal is in plentiful supply, and its price could be more stable than that of natural gas, which will be in short supply. This would allow the fertilizer plant to resume year-around operations and possibly expand. It is now operating seasonally because no gas is available during winter peak demand.

The switch to coal is necessary because if the plant continues to depend on gas its closure is likely. Agrium's plan is about preserving an existing value-added industry.

The coal-to-liquids project would be a new industry with the potential to create additional business in further processing and manufacturing of products.

This project is being evaluated by Alaska Natural Resources-to-Liquids, an Alaska firm, and the Chinese Petroleum Co. of Taiwan. Other companies are looking at becoming involved in the project. Alaska Industrial Development and Export Authority, the state development agency, is helping fund an assessment of coal resources and preliminary environmental work.

The partners have not sought publicity because they do not want to encourage public expectations until it is known if the project is profitable enough. They are not seeking government grants, either.

As with Agrium, the coal-to-liquids process starts with gasification to convert coal to gas. Instead of making fertilizer, however, this plant would make a synthetic crude oil that can be refined into clean diesel or other products, even a clean jet fuel, as the market demands. Most of the plant's products would be shipped to the Lower 48 where there is strong demand for these fuels because they're less polluting.

Coal-to-liquids plants have operated for decades in South Africa, and several new projects, using improved technology, are in the engineering phase or construction in China. The United States has a lot of coal, like China, and the federal government is now encouraging development of coal-to-liquids with tax credits.

Several coal-producing states and their governors, Montana being one example, are now working aggressively to attract one of these projects. An Alaska plant at Beluga, however, has an edge over a plant in Montana or another inland location because the site is at tidewater, an advantage in bringing in huge process modules during construction and in shipping products once the plant is going.

There is one more significant implication of these projects. In the long run the plants will encourage an extension of the Alaska Railroad to the new bulk commodities port at Port MacKenzie, across Knik Arm from Anchorage, and eventually, possibly, to the Beluga area. The railroad would bring coal from large coalfields in Interior Alaska to the plants and would also provide efficient transportation for development of other minerals in the Interior.

Agrium now plans to ship its coal from the Usibelli mine through the Port of Anchorage. Shipping the coal through Point MacKenzie will make more sense in the long run. Shipping coal to both projects will help make the rail extension feasible.

Tim Bradner writes for an Alaska economic reporting service. He also consults for private clients and writes for business publications. His opinion column appears every fourth Sunday.

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Maximizing Statewide Benefits from Resource Development

Senate Resources Committee

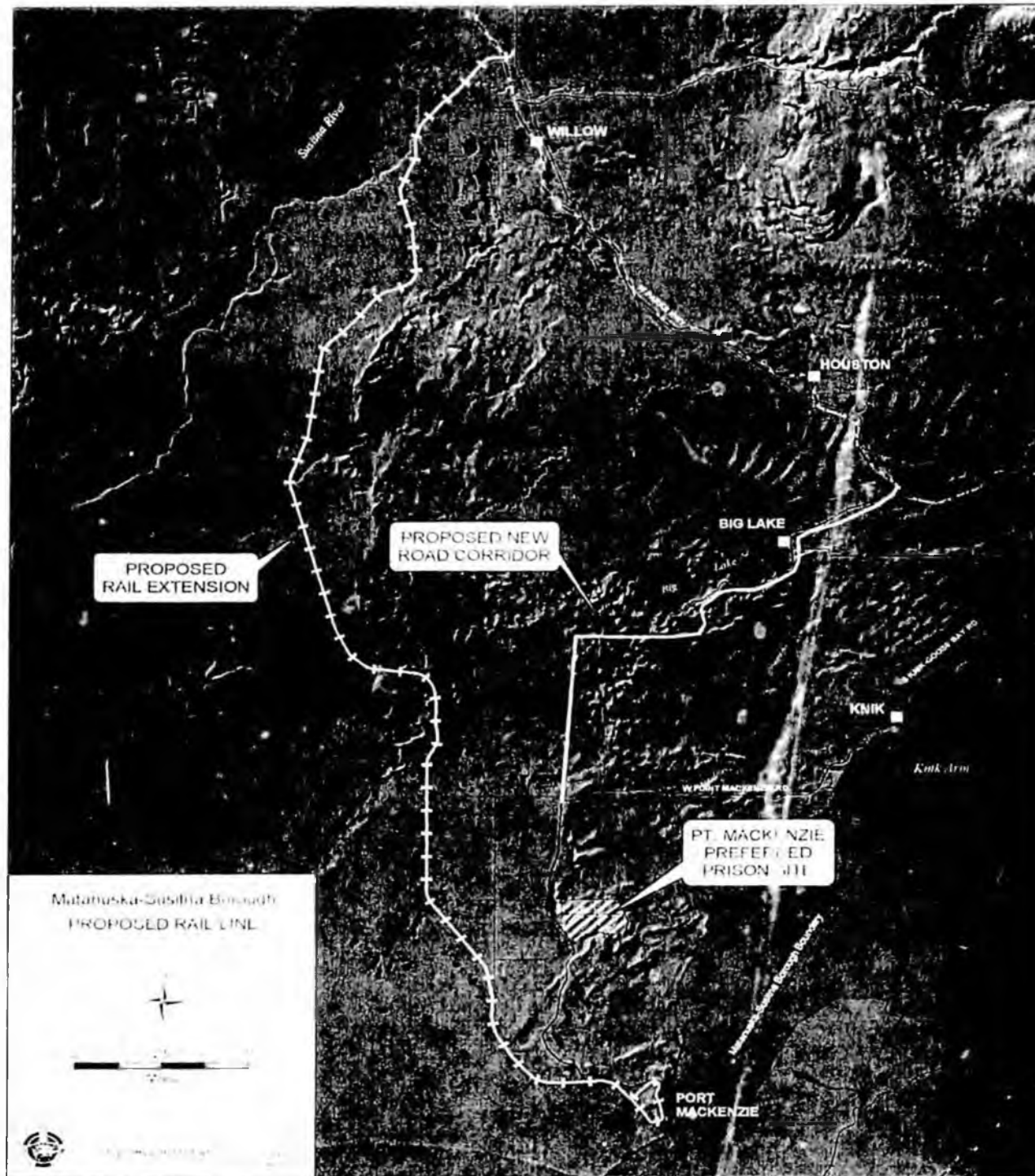
April 16, 2007





Port MacKenzie Rail Line

A Project of
Statewide
Significance
and
Benefit





Statewide Benefits

- ✓ Supports Kenai Gasification Project
- ✓ New Interior Resource Development Opportunities*
 - ✓ *Benefits are \$61M to \$737M per year for 100+ years*
 - ✓ Limestone
 - ✓ Portland Cement manufacture (US net importer of cement)
 - ✓ Lime/coal pellets for Rural Alaska fuel source (lower costs/less pollution)
 - ✓ Strategic Minerals (nickel, molybdenum)
 - ✓ Improved global price competitiveness of Alaska coal
- ✓ Alternate rail link to Interior (natural disaster/terrorism)
- ✓ Decreased rail congestion (Willow to Anchorage)

*Dr. Paul Metz, University of Alaska Fairbanks



Statewide Benefits

- ✓ Increased royalty, rent, & corporate income tax payments to State of Alaska
- ✓ Lowers cost of building AGIA
 - ✓ Port MacKenzie has lowest cost (\$612 per-joint vs. \$675 at Anchorage)
- ✓ Rail Extension Construction
 - ✓ Generates over \$350M total economic output*
 - ✓ Generates over 3,000 jobs
- ✓ Rail Extension w/Kenai Gasification
 - ✓ Generates \$56M total economic output* (construction)
 - ✓ Generates over 500 construction jobs
 - ✓ Generates \$48M total economic output* (operations)
 - ✓ Generates over 300 jobs (operations)

*Includes direct, induced, and indirect



Port MacKenzie Rail Freight Savings Relative to Anchorage Port Facilities

Net present value of Port MacKenzie freight savings relative to Anchorage port facilities for natural resources developed within a 120-mile wide corridor from the port site to Eielson AFB calculated at 4.5% for n=30 years.

Port	Anchorage	
Distance Differential	26.4 miles	
Freight Savings @ \$0.06 per ton mile	\$1.58	
Annual Freight (millions tons)	Annual Savings (\$M)	Net Present Value (\$M) n=30 years @ 4.5% P/A=16.289
Metal Minerals Cu, Pb, Au, etc. (2)	3.16	51
Industrial Minerals (3.5)	5.53	90
Coal (Export) (1)	1.58	26
Coal (Agrium) (3.3)	5.21	85
Totals n=30		252



Port MacKenzie Certainties

- ✓ Only port that *maximizes* Statewide Benefits and Opportunities
 - ✓ Potential economic benefits of \$61M to \$773M per year for 100+ years

- ✓ Lower transport costs of \$5.2M per year vs. Anchorage
 - ✓ \$NPV (30yr) of transport savings of a rail extension to Port MacKenzie equals \$257 million or **92%** of rail extension construction cost

- ✓ Deep Water – 60' MLLW & **No** annual dredging requirements
 - ✓ Can accommodate **Cape and Panamax vessels *today***

- ✓ Provides most reliable and efficient rail operations. Trains do not need to be broken down to off-load

- ✓ Over 9,000 acres to stage minerals resources such as limestone, molybdenum, coal, lead and zinc.



Port MacKenzie Certainties

- ✓ Most cost effective and efficient location for AGIA transport, layout and support
- ✓ Ample area-for-state of the art coal off-loading system
- ✓ Avoids problems related to coal dust and noise
- ✓ Zoned Industrial - No nearby residential neighborhoods
- ✓ 9,000 upland acres & 1,130 tideland acres
- ✓ Relieves rail congestion (Wasilla to Anchorage corridor)

Lost Opportunities & Uncertainties

- Foregoes Statewide Benefits & Opportunities
 - Can not support additional mineral resource development
 - Can not support AGIA
- Limited Uplands: Facilities must be “Shoehorned In”
- Unknown costs of additional sidings, load-out facilities, and labor
- Social and environmental impacts to Government Hill and Central Mat-Su: coal dust, noise, traffic congestion

Lost Opportunities & Uncertainties

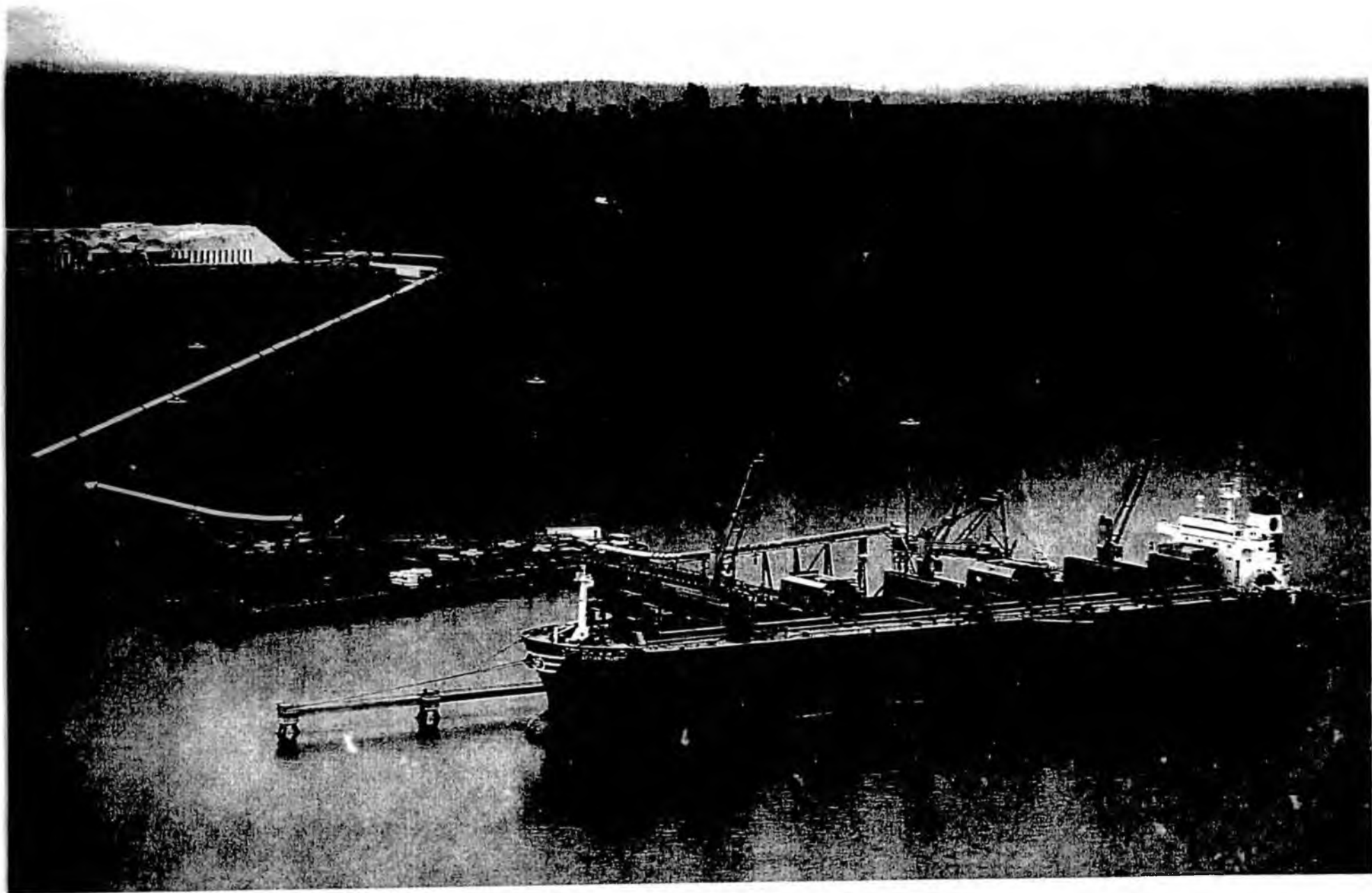
- Aggravates transportation conflicts between rail and auto traffic at Knik Goose Bay Road/Parks Hwy and at 17 other at grade rail crossings (improvement costs ~ \$140M)
- Potential conflicts between containerized cargo and coal
- Reduces ability to provide commuter rail



Rail Line Extension Schedule

- Meets Agrium's Schedule & Alaska's Future -

- Pre-design and Environmental: 2007-2009
- Design: 2008-2009
- Construction: 2009-2010
- Operation: 2011-2012
- Benefits *100+ Years*







MATANUSKA-SUSITNA BOROUGH

Borough Manager

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jduffy@matsugov.us

April 13, 2007

Representative Bill Stoltze
Alaska State Legislature
State Capitol, Rm 501
Juneau, AK 99801-1182

Dear Representative Stoltze,

Please accept these comments on behalf of the Matanuska-Susitna Borough (Borough) regarding House Bill 229, Kenai Gasification Project – Railroad Bonds. The Borough supports the proposed Kenai Gasification Project and believes its economic feasibility is enhanced through the utilization of Port MacKenzie.

Port MacKenzie will provide significant, long lasting benefits for the proposed Kenai Gasification project, as well as the state. Port MacKenzie has a deep draft dock that does not need annual dredging and can already serve the world's largest ships (Panamax and Cape Class vessels). The Port's upland 8,940 acres and 1,300 tideland acres provides sufficient space for bulk resource storage, transport, and processing like no other port in Alaska. It also has the advantage of not shoehorning facilities into existing confined spaces. This ability eliminates potential land use and transport conflicts that other ports may have. The planned three mile oval rail loop will allow trains to load or unload without breaking up into smaller units or having to turn around.

A rail extension will be required to access Port MacKenzie. This can be accomplished and meet the Kenai Gasification project schedule. Constructing a rail extension to Port MacKenzie will significantly assist the Agrium-Kenai Gasification project, expand employment and the availability of high paying jobs statewide, increase the state's industrial tax base, increase natural resource development, and support natural gas pipeline construction and supply.

Over a 30 year period, it is estimated that a rail extension to Port MacKenzie will save \$257 million in freight costs, as compared to the Port of Anchorage.

In addition to supporting the Kenai Gasification project, utilizing Port MacKenzie makes possible several new resource development projects to develop in Interior and Southcentral Alaska. These projects include strategic minerals such as molybdenum, copper, zinc, and lead,

investor excavation and additional coal export, as well as refined fuel products. Moreover, using Port MacKenzie creates the opportunity to establish a new industry, cement manufacturing.

The use of Port MacKenzie to support the Agrium Gasification project creates numerous state-wide benefits. At the same time, using Port MacKenzie will also eliminate potential conflicting land use controversies that are likely at the Port of Anchorage-Government Hill site. Port MacKenzie will also eliminate costly rail operations caused by the need to "break up" trains in order to access the Port of Anchorage.

Moreover, moving a 100 plus rail car on the established tracks through the already-congested Wasilla-to-Anchorage corridor will cause serious auto/rail conflicts along the numerous at-grade rail crossings in the Borough. The 100-car train will compound the congestion headaches and reduce safety on busy Borough roads, in particular at the Knik-Goose Bay Road and Parks Highway intersection, which is in the fastest growing area of the state. Congestion further erodes any opportunity for commuter rail service between the Borough and Anchorage.

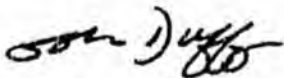
The construction of the rail line will generate over \$350 million in direct, indirect and induced economic output, and over 3,000 jobs (1,700 - 1,900 direct rail line construction jobs). The operation of the new rail line is estimated to generate at least \$2.7 million in wages per year, and between 20 and 35 long term jobs. Associated development projects facilitated and encouraged by the rail line are estimated to generate at least \$56 million in annual economic output.

We can construct the rail line to meet the Agrium schedule to begin operations, as is noted below:

- Pre-Design and Environmental 2007-2009
- Design 2008-2009
- Construction 2009-2011
- Operation 2011-2012

Clearly, Port MacKenzie provides a significantly more reliable and lower risk alternative than the Port of Anchorage. Thank you very much for the opportunity to comment on this important state-wide economic development project.

Sincerely,



John Duffy
Borough Manager

Jody Simpson

From: LoRusso [lorusso@mtaonline.net]
Sent: Saturday, April 14, 2007 9:13 PM
To: Sen. Lyda Green; Sen. Gene Therriault; Sen. Charlie Huggins; Rep. Vic Kohring; Rep. Mark Neuman; Rep. John Harris; Rep. Bill Stoltze; Rep. Carl Gatto
Cc: Cindy Bettine
Subject: FUTURE ECOMOMIC DECISIONS
Follow Up Flag: Follow up
Flag Status: Green

Senators and Representatives,

I have met many of you, if not all of you, at various fundraisers and private functions over the past few years. I have always thought that our best interests are your goal and you have truly represented us. I understand that there has been some discussion about not using a new proposed Port McKenzie to Willow rail route. This would not be in the best interests of Alaskan residents.

The rail link to Port McKenzie will provide for the future of all Alaskans by opening up interior resources currently untapped while providing some relief to the overcrowded scenario soon to develop in the Mat-Su Borough as 50,000 more residents call the Mat -Su home over the next 15 years. The Wasilla rail bypass will never materialize as all of the proposed routes around Wasilla are soon to be densely developed neighborhoods. I know this to be a fact as I am the one who is developing the communities. The cost of relocation will be to high.

Shipping coal through Anchorage to Seward is a short sighted endeavor. We need long term solutions that will benefit all the residents of Alaska and the rail link to Port McKenzie is one of the most important aspects of any statewide plan for long term growth and market stability.

I look forward to seeing all of you again in the near future .

Sincerely,

Gary LoRusso

4/16/2007

Jody Simpson

From: Steve & Marian Charles [mcharles@ak.net]
Sent: Sunday, April 15, 2007 1:02 PM
To: Sen. Charlie Huggins
Subject: Alaska RR/Coal

Attachments: RR Corridor letter to DNR.cwk; ATT1561885.txt



RR Corridor letter to DNR.cwk ...
ATT1561885.txt
(160 B)

Dear Senator Huggins,

I fully support the Alaska Railroad's decision to ship Healy coal to the Kenai via the Anchorage port.

There is absolutely no need to build a \$278 million spur when the infrastructure to Anchorage is already there. It will be a long time before the NEPA process is carried through.

In addition, the Willow community has spoken out against the proposed railroad corridor from Willow to Pt. McKenzie as shown the below. This letter was passed through the Willow Area Community Organization in February.

Jody Simpson

From: jeffnpj [jeffnpj@mtaonline.net]
Sent: Sunday, April 15, 2007 11:06 AM
To: Sen. Charlie Huggins
Subject: Please support the new rail spur from the MSB Port to Willow. This link is needed for AK RR.
Thanks. Jeff Ross 232-0321

Jody Simpson

From: jay [jaynolfi@mtaonline.net]
Sent: Saturday, April 14, 2007 4:23 PM
To: Sen. Lyda Green; Sen. Charlie Huggins
Subject: Rail Extention EIS

Senators Green and Huggins, it's not often I get excited about projects in the Mat-Su Borough, but the development of Port MacKenzie is thee one most important project I hold dear to my heart. Not because I have followed the construction from its inception, but because of the potential tremendous impact it can make not only for the Borough, but throughout the State of Alaska.

With the railroad extension to the Port, a whole new world of natural resources will become accessible to allow the development of everything from coal to zinc, copper, and lead, to mention a few. I need not tell you what a valuable impact this would have on the State of Alaska

The wisest and best interest of the State is to award the \$15 million EIS to the Mat-Su Borough. Why?

- 1. We have the space. Almost 9.000 acres. Anchorage would create extreme traffic congestion since they have precious little space, which in turn would bring about very serious safety problems.**
- 2. Conflicting uses between the POA and Government Hill residents could be resolved.**
- 3. Millions of dollars in savings over the years on freight costs accessing the Agrium/Kenai Gasification project.**
- 4. Planning ahead to reduce the damage which could occur as a result of a natural disaster, earthquake, terrorism or fire. More costly destruction if all facilities are located in one area.**

I could go on and on but I'm sure you know all the reasons why the EIS should be awarded to the Mat-Su Borough.

Since the Alaska Legislature controls the purse strings for all Alaska, I feel the time is now for the Borough's Port MacKenzie to become a major player by starting with the grant of the \$15 million EIS.

**Jay Nolfi
P.O. Box 520309
Big Lake, Ak 99652
jaynolfi@mtaonline.net
Phone: 892-6356**

Jody Simpson

From: Robert Chlupach [rchlupach@mtaonline.net]
Sent: Saturday, April 14, 2007 9:43 AM
To: Sen. Charlie Huggins
Subject: Rail Spur Pt. McKenzie to Willow

Dear Senator Huggins.

My wife and I are adamantly opposed to consideration of this rail spur as it would destroy the integrity of the rural Willow area lifestyle; the incredible impact to sensitive wetlands, anadromous streams, wildlife and fish (sport caught salmon, resident rainbow trout and grayling). Willow Creek itself supports one of the most popular road system sport fisheries on larger than average rainbow trout and grayling. In addition the rail corridor would negatively impact the multitude of summer and winter recreationalists along this corridor that spend significant amounts of money to recreate in this area, negatively affecting a major source of income for local people.

The Mat-Su Borough violated their own codes on numerous occasions in the public notification process not to mention illegal voting done in the decision process by the Mat-Su Borough Assembly by selecting a rail corridor site from Willow to Pt. McKenzie. Code violated was MSB Code 23.05.025 (F).

The "Rail Corridor Study" by Tryck, Nyman and Hayes, adopted by the MSB as part of the MSB Comprehensive Plan in 2003 states: "The railroad associated with Corridor 3 will represent a significant change in the nature of the area and likely interfere with valued aspects of rural living (for example recreational values like trails, and quiet and solitude)". The letter of opposition submitted by the Willow Area Community Organization (WACO) states "Having two railroad lines running through one small community will have undue hardship on residents. Many homes will be displaced and dreams destroyed. Unfortunately, many residents will be disrupted from two different directions. This "surround sound" for their homes is not what was intended when they moved here and will diminish property values and quality of life." In short, it will destroy the dreams of those who choose to live in Willow despite its rural location. To residents, the remote quality of life is worth the commute. This corridor would kill that.

State Parks at both Willow Creek and Nancy Lake will significantly be affected. Both are filled to the gills with people during the summer season camping and fishing, and winter skiing, snowmobiling and dog mushing. In fact, the use of these facilities is frequently akin to "standing room only".

In winter, as witnessed by huge trail usage of groomed trails in the Willow area, this rail corridor would significantly impact those folks with lodges and other vendors who depend on winter traffic, not to mention cabin owners and day trippers whose range is very locally oriented.

Also, the start of the Iditarod Trail Sled Dog Race would be tragically impacted, since development in the Wasilla, Knik, and Big Lake areas have literally forced the start of the race "away from historical Knik" which once served as not only a main supply stop prior to going to the Iditarod "gold fields" but more contemporarily the lack of the race going through Knik, period. Do we too soon forget Joe Redington Sr., Vi Redington, Von and Dorothy Page, Ed Carney, and Al Hibbard who often mortgaged up their own properties to see this race come off? Not to mention the unparalleled economic benefit the entire Southcentral region of Alaska derives from the race annually. And too, not to mention the enormous publicity the State of Alaska gets under the guise of tourism summer and winter. Do we really want to continue to mess with that?

Last, the borough has not developed any concrete uses for this spur. It is all speculative at this time. Any process should be delayed until they have their ducks in a row - REAL ducks, not potential ones. The cost to the state and taxpayers is too huge to push this forward based on "maybe's". This state does not need more negative publicity on how it spends its federal and state dollars.

In summary, there are too many negative factors to give this process any credible air time.

Respectfully submitted,

4/16/2007

Bob Chlupach and Sharon Kosmalski
PO Box 931
Wilow AK 99688
907-495-7206

Jody Simpson

From: Jim Faiks [alaskapaca@matnet.com]
Sent: Saturday, April 14, 2007 8:35 AM
To: Sen. Charlie Huggins
Subject: Fw: Railroad line to Port Mackenzie

----- Original Message -----

From: Jim Faiks
To: senatorcharliehuggins@legis.state.ak.us
Sent: Saturday, April 14, 2007 8:28 AM
Subject: Fw: Railroad line to Port Mackenzie

----- Original Message -----

From: Jim Faiks
To: senator_charlie_huggins@legi
Sent: Saturday, April 14, 2007 7:46 AM
Subject: Railroad line to Port Mackenzie

Hi Charlie,

I appreciate your willingness to serve in the legislature, we need good people in Juneau making decisions for us. I hope you can get things wrapped up soon so you can come home.

I think that there is a real long term benefit of extending the rail line to Port Mackenzie from Willow. I don't think the proposal to run huge amounts of coal through downtown Wasilla (the fastest growing area of the state, and into downtown Anchorage (which is space challenged) is a good plan.

Sincerely,
Jim Faiks

4/16/2007

Jody Simpson

From: Leone [leone@mtaonline.net]
Sent: Friday, April 13, 2007 4:38 PM
To: Rep. Mark Neuman; Sen. Charlie Huggins; Sen. Lyda Green; cindyb@pobox.mtaonline.net
Subject: The Valley needs the Spur
Attachments: leone.vcf

In response to "The Rail Road Bonds Could Bail Out Agrium in Kenai".

I am thoroughly disgusted that the rail road does not want to build a spur from Willow to Pt. Mackenzie. It makes perfect sense to build the Spur as it would relieve the heavy train traffic going through downtown Wasilla, it would give Port MacKenzie the transportation which it so badly needs to build up the industry in the Port area, and along with all that would come more jobs and growth for the Valley. Anchorage has no more room to grow yet they keep trying to cram more stuff into that bowl. It just does not make any good sense to drop the Spur and put more money into the Anchorage Port. Just more bureaucratic BS is what it is.

So, the State can authorize the rail road to sell bonds in the amount of 2.6 billion to relieve Agrium of their troubles, yet, at the same time they are kissing off the Spur from Willow to Pt. MacKenzie which in effect retards the growth and economy of the Valley.

Why is it that although in the Valley we have the fastest growing population yet the State continues to blow us off as if we didn't exist! There is already WAY too much rail traffic going through Wasilla. It is only a matter of time before one of those trains hits somebody on Knik road or one of the other OVER USED roads in the area. Then to add insult to the injury the Rail Road and State are robbing our Valley of the jobs that would be provided as an out come of the Rail Road putting a spur from Willow to Pt. Mackenzie.

I implore you to PLEASE DO something about this injustice. If they don't want to build the spur then may I suggest that Agrium doesn't need to be bailed out of their troubles either?

What do we have to do to get the help and attention that our part of the state needs?

Just more Valley trash, I guess.

Leone Harris
907-775-0226

Jody Simpson

From: Krug [tkrug@gci.net]

Sent: Friday, April 13, 2007 7:45 PM

To: Rep. Bill Stoltze; Rep. Carl Gatto; Rep. John Harris; Rep. Mark Neuman; Rep. Vic Kohring; Sen. Charlie Huggins; Sen. Gene Therriault; Sen. Lyda Green

Cc: Cindy Bettine

Subject: South-Central Alaska Rail Line Extension from Willow to Pt. Mac

Alaska needs to support funding of this route. Ultimately, it will reduce the freight time between Anchorage and Fairbanks and there won't be a need to exchange the train engineers because they went over their time limits. This would also free up the tracks from Wasilla/Palmer and make those tracks more eligible for a commuter train. This would be more beneficial than adding two extra lanes to the Glenn Highway to Anchorage. At the rate we are developing and poor planning, commuters will eventually have to park at parking garage in Eagle River and take a bus into Anchorage. A simillar situation has occurred in Mlnneapolis. Please don't create any more poor planning mistakes.

4/16/2007

Jody Simpson

From: Debra McGhan [debra@naoiak.org]
Sent: Saturday, April 14, 2007 8:59 AM
To: Rep. Bill Stoltze; Rep. Carl Gatto; Rep. John Harris; Rep. Mark Neuman; Rep. Vic Kohring; Sen. Charlie Huggins; Sen. Gene Therriault; Sen. Lyda Green
Cc: Cindy Bettine
Subject: Support of the Willow to Pt MacKenzie rail spur

As a 28 year resident of the Mat-Su Borough, I recognize the critical need for developing diverse, economic projects that are environmentally smart and will help to sustain the Mat-Su Valley and the state of Alaska for generations. I believe a rail spur from Willow to Pt. MacKenzie makes sense on many levels. It will alleviate concerns about increased rail traffic through the already busy downtown Wasilla corridor and the rapidly growing Knik-Fairview community area. I believe this rail extension will provide the most efficient system and route for transporting goods and products to the developing tidewater port at Pt. MacKenzie making projects like the Agrium plant in Kenai more viable as well as contribute to the Matanuska Susitna Borough economy, tax base and employment, ultimately benefiting all residents of Alaska.

Thank you for your consideration and support of the Willow to Pt. MacKenzie rail extension.

Debra McGhan
NAOI President
907-376-2898
www.besnowsmart.org

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No virus found in this outgoing message.
Checked by AVG Free Edition.
Version: 7.5.446 / Virus Database: 269.4.0/759 - Release Date: 04/12/2007 7:58 PM

Jody Simpson

From: jay [jaynolfi@mtaonline.net]
Sent: Sunday, April 15, 2007 12:45 AM
To: Sen. Lyda Green; Sen. Charlie Huggins
Subject: Fw: Rail Extention EIS

Sorry, I know the dollar amount is \$12 million for the EIS, but I've always been taught to ask for more because your chances of getting what you need are much better. Ha. Jay

----- Original Message -----

From: jay
To: Senator Lyda Green ; Senator Charlie Huggins
Sent: Saturday, April 14, 2007 4:22 PM
Subject: Rail Extention EIS

Senators Green and Huggins, it's not often I get excited about projects in the Mat-Su Borough, but the development of Port MacKenzie is thee one most important project I hold dear to my heart. Not because I have followed the construction from its inception, but because of the potential tremendous impact it can make not only for the Borough, but throughout the State of Alaska.

With the railroad extension to the Port, a whole new world of natural resources will become accessible to allow the development of everything from coal to zinc, copper, and lead, to mention a few. I need not tell you what a valuable impact this would have on the State of Alaska

The wisest and best interest of the State is to award the \$15 million EIS to the Mat-Su Borough. Why?

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I could go on and on but I'm sure you know all the reasons why the EIS should be awarded to the Mat-Su Borough.

Since the Alaska Legislature controls the purse strings for all Alaska, I feel the time is now for the Borough's Port MacKenzie to become a major player by starting with the grant of the \$15 million EIS.

**Jay Nolfi
P.O. Box 520309
Big Lake, Ak 99652
jaynolfi@mtaonline.net
Phone: 892-6356**

4/16/2007

Members of the Alaska State Delegation and the Resources Committee:

I am writing to encourage you to oppose HB229-Kenai Gasification Project-Railroad Bonds.

I ask your support of the Willow to Pt. MacKenzie rail extension. I am very concerned about the increased rail traffic through downtown Wasilla and the previous plan to route the rail around Wasilla through the residential communities of Knik Fairview. This growing area can barely handle the road traffic now present and struggles for funding for its need for infrastructure.

The idea of the Alaska State Railroad getting involved for the benefit of Agrium is just absurd! It is my understanding this is new ground for the Alaska Railroad to traverse and one not legally tested before ; i.e. the selling of tax free bonds to a private corporation meaning Agrium.

As far as Agrium goes it is my understanding when Agrium bought the fertilizer plant from the previous owners there were monies set aside during the purchase to subsidize the so-called inexpensive natural gas. Now Agrium claims they need a bail out or they pack up and leave.

Once again the State of Alaska is letting itself be daggled by the threat of leaving if the subsidies for a private corporation are not paid, sounds familiar. Even Agrium at this time is an uncertain and even if this coal gasification plant will work as they are clearly still in the studying stage.

The valley currently has a project that so desperately needs to go forward, the Port MacKenzie Marine Port and Industrial Complex. Now the Alaska Railroad wants to jerk the rug out from under the Port MacKenzie Marine Port and Industrial Complex by taking away one of the key components that have been worked on so long and hard by some of our best state and borough Legislators. That just does not make sense. Too add more traffic to the Anchorage Port and to modify an existing area to handle a new operation that is already over taxed in usage just does not make economical sense.

Please think long and hard on your decisions. I hope you can support the fastest growing area of Alaska and not support HB229.

Thank You

William "Houston" Snyder

PO Box 521595
Big Lake, AK 99652

houston4@mtaonline.net

Jody Simpson

From: jmoses@jerrymoses.com
Sent: Friday, April 13, 2007 3:36 PM
To: Sen. Charlie Huggins
Subject: Railroad's change of plans

Senator Huggins,

I am concerned with the railroads plans to run coal trains through Wasilla to the port of Anchorage in order to ship coal to the Agrium plant on the Kenai. I strongly support having those railroad cars travel on a spur to Port McKenzie, not only for the economic benefit to the valley, but also because it will have the least amount of negative impact to Wasilla and the Knik Fairview area as the trains rumble through our area. I support the following resolution;

**A RESOLUTION OF VALLEY BOARD OF REALTORS SUPPORTING THE
EXTENSION OF THE SOUTHCENTRAL RAILROAD LINE FROM WILLOW TO PORT MACKENZIE**

Whereas, a bulk natural resource development and export is important to the economy of the Fairbanks North Star Borough, the Denali Borough and the Matanuska Susitna Borough and the state of Alaska and;

Whereas, the Matanuska Susitna Borough has invested in infrastructure that has jump started development of a viable endeavor, Port Mackenzie, that will be beneficial to all Alaskans;

Whereas, Port MacKenzie with its 8940 acres of industrial development lands and deep draft dock is a developing port with potential for bulk natural resources transport and;

Whereas, the shipment of Interior Coal, Timber, Limestone, Oil and Gas and other bulk commodities will become less costly.

Whereas, Port MacKenzie is 26 miles closer to Tide Water than Anchorage, 89 miles closer than Whittier and 147 miles closer than Seward.

Whereas, Port MacKenzie is capable of handling panamax and cape size vessels and;

Whereas, a shorter distance to tide water will make resource development in Interior and South-central Alaska more economical by lowering transport cost.

Whereas, the rail extension provides a more efficient system for transporting coal to tidewater and thus will likely make the Agrium Kenai project more feasible, which will benefit the Kenai Borough as well as the rest of Alaska.

Whereas, the economic activity will contribute to the Matanuska Susitna Borough economy, tax base and employment.

Now therefore, be it resolved that the Valley Board of REALTORS strongly supports the Southcentral Alaska Rail Line Extension from Willow to Port MacKenzie and recommends funding for the Environmental Study necessary to expedite construction of the Rail Line Extension.

Thank you for listening and thank you for your support of the many issues important to our valley and to the State of Alaska overall.

Jerry Moses

Jerry Moses CRS, CRB, ABR

Dir: 907-352-1808

Cell: 907-232-1578

Fax: 907-376-5471

E-mail: jmoses@jerrymoses.com

Prudential Jack White Vista Real Estate Inc.
865 N Seward Meridian Pkwy Suite 200
Wasilla, AK. 99654

IMPORTANT/CONFIDENTIAL: This transmission is intended for the sole use of the individual or entity to whom it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. You are hereby notified that any dissemination, distribution, or duplication of this transmission by someone other than the intended addressee or its designee is strictly prohibited. If you have received this transmission in error, please notify our firm immediately and retain no hard copies.

4/13/2007

Jody Simpson

From: Julie Nolen [valleybd@mtaonline.net]
Sent: Friday, April 13, 2007 1:47 PM
To: Rep. Bill Stoltze; Rep. Carl Gatto; Rep. John Harris; Rep. Mark Neuman; Rep. Vic Kohring;
Sen. Charlie Huggins; Sen. Gene Therriault; Sen. Lyda Green
Cc: 'Cindy Bettine'
Subject: Support the Willow to Pt. Mackenzie railroad extension
Attachments: Resolution.pdf

To Whom It May Concern:

Attached is a cover letter and resolution from the Valley Board of REALTORS in support of the railroad extension from Willow to Pt. Mackenzie.

If you have any questions please contact the Valley Board of REALTORS President, Russell Joyce, 376-7804

Thank you,

Julie Nolen
Executive Officer
Valley Board of REALTORS®
907-376-6859
valleybd@mtaonline.net

4/13/2007



Valley Board of REALTORS®

1075 Check St. #102
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Fax 907-376-5081

April 13, 2007

Alaska Legislative Delegation of Mat-Su
Senator Charlie Huggins
Senator Lyda Green
Representative Carl Gatto
Representative Vic Kohring
Representative Mark Neuman
Representative Bill Stolze
Alaska State Capitol
Juneau, AK 99801

Dear members of the Alaska State Legislature Matanuska Susitna Delegate Body,

Let it be known that the Valley Board of REALTORS who represents 365 Realtors and 99 Affiliate Members, strongly supports the extension of the Southcentral railroad line from Willow to Port Mackenzie.

It is our belief that the railroad extension will provide an opportunity for economic development that will benefit the residents of the Matanuska-Susitna Borough as well as all Alaskans.

Ultimately our need is to develop infrastructure that will enhance resource development. In the immediate future we will have the opportunity to export those resources. In the long term we will be able to develop value added investment opportunities that will change the face of Alaska's economy.

Therefore we feel it is vital to invest in the infrastructure that will propel Alaska as a force that can supply those in need of our abundant resources. We support funding of Environmental Studies that are required to responsibly construct that infrastructure. Investments now will benefit the future for all Alaskans.

Russell L. Joyce
President
Valley Board of REALTORS

Members of the Alaska State Delegation and the Resources Committee:

I am writing to encourage you to oppose HB229-Kenai Gasification Project-Railroad Bonds.

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Please think long and hard on your decisions. I hope you can support the fastest growing area of Alaska and not support HB229.

Thank You

William "Houston" Snyder

PO Box 521595
Big Lake, AK 99652

houston4@mtaonline.net

From Cindy Bettine <CindyB@pobox.mtaonline.net>

Sent Friday, April 13, 2007 10:57 am

To cindyb@pobox.mtaonline.net

Subject Fw: Trouble on our Willow to Pt. Mac rail extention.

Attachments adn.com money Railroad bonds could bail out Agrium in Kenai.htm

74K

Hello All,

I need your help. Read the attachment. For three months now, the Borough has worked with the Denali Borough to promote the state funding for an EIS for the rail spur from Willow to Pt. MacKenzie. This is a critical piece to get the Mat Su Port financially feasible and to provide much needed economic development to the Mat Su Borough. Two weeks ago, the rail road was in favor of building the spur; now it appears they have flip flopped. Please communicate to the state delegation that not only do you support the Willow to Pt. MacKenzie rail extension, you are concerned about the increased rail traffic through downtown Wasilla and the previous plan to route the rail around Wasilla through the residential communities of Knik Fairview. Act this weekend. Senator Huggins is chair of the Resources Committee that is hearing this on Monday. Please copy me in on your email. At the bottom of this email, I have attached a sample copy of a resolution that has been passed by many organization in the Valley.

rep_bill_stoltze@legis.state...

E-mail Address(es):

rep_bill_stoltze@legis.state.ak.us

rep_carl_gatto@legis.state.a...

E-mail Address(es):

rep_carl_gatto@legis.state.ak.us

rep_john_harris@legis.state....

E-mail Address(es):

rep_john_harris@legis.state.ak.us

rep_mark_neuman@legis.state....

E-mail Address(es):

rep_mark_neuman@legis.state.ak.us

rep_vic_kohring@legis.state....

E-mail Address(es):

rep_vic_kohring@legis.state.ak.us

senator_charlie_huggins@legi...

E-mail Address(es):

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RESOLUTION OF THE GREATER WASILLA CHAMBER OF COMMERCE SUPPORTING THE EXTENSION OF THE SOUTHCENTRAL RAILROAD LINE FROM WILLOW TO PORT MACKENZIE.

Whereas, a bulk natural resource development and export is important to the economy of the Fairbanks North Star Borough, the Denali Borough and the Matanuska Susitna Borough and the state of Alaska and Whereas,

Whereas, the shipment of Interior Coal, Timber, Limestone, Oil and Gas and other bulk commodities will become less costly.

Whereas, Port MacKenzie with its 8940 acres of industrial development lands and deep draft dock is a developing port with potential for bulk natural resources transport and

Whereas, Port MacKenzie is 26 miles closer to Tide Water than Anchorage, 89 miles closer than Whittier and 147 miles closer than Seward.

Whereas, Port MacKenzie is capable of handling panamax and cape size vessels and

Whereas, a shorter distance to tide water will make resource development in Interior and South-central Alaska more economical by lowering transport cost

Whereas, the rail extension provides a more efficient system for transporting coal to tidewater and thus will likely make the Agrium Kenai project more feasible, which will benefit the Kenai Borough as well as the rest of Alaska.

Whereas, the economic activity will contribute to the Matanuska Susitna Borough economy, tax base and employment.

Now therefore, be it resolved that the Greater Wasilla Chamber of Commerce strongly supports the South-central Alaska Rail Line Extension from Willow to Port MacKenzie and recommends 12 million in fund for the Environmental Study.

Cindy Bettine
Mat Su Borough Assembly
892-8877

Jody Simpson

From: Darcie Salmon [kingfish@alaska.net]

Sent: Friday, April 13, 2007 4:16 PM

To: Sen. Charlie Huggins

Follow Up Flag: Follow up

Flag Status: Green

Dear Senator Huggins,

I am writing today to request, as a constituent that the legislature continue its support of the Pt. MacKenzie to Willow railspur. I think this is an integral piece of the economic and transportation puzzle that will go a long way in satisfying the state of Alaska's infrastructure needs.

Sincerely,

Darcie K. Salmon

Jody Simpson

From: Cross Creek, Inc. [cci1@wwdb.org]
Sent: Monday, April 16, 2007 11:05 AM
To: Sen. Gene Therriault; Sen. Charlie Huggins; Rep. Mark Neuman; Rep. John Harris; Rep. Carl Gatto; Rep. Bill Stoltze; Sen. Lyda Green; Cindy Bettine; Rep. Vic Kohring
Subject: ARR Spur to Point MacKenize
Follow Up Flag: Follow up
Flag Status: Green

Yes

To All:

Because I think this is so important to the Valley I felt I need to weigh in on this issue. My family and I strongly support an Alaska Railroad Spur from the Willow/Houston area to Point Mac. This may seem a little self serving in that the ARR proposed route around Wasilla is within 300 feet of our home and would split property we own in two, but I would still be in favor even without that proposal. The proximity of the Rail never has bothered me. As those of you that know me are aware, I lived 7 years in Talkeetna with the tracks only 250 feet away from the house and now have the tracks only 2200 feet away. I still never can remember if the train has come or not. So the issue of having it in my neighborhood does not matter to me. What does matter is the continued economic well being of the Mat-Su Valley. My wife and I want our children to be able to afford to live here and not move Outside to support their families. The spur to the Port is one more piece of the puzzle that helps cement that in place.

Please do everything in your power to get the ARR back on board to extending the line to the Port and not rerouting by or going through Wasilla.

Sincerely,

B. H. Tilton
(907) 376-2697
cci1@wwdb.org
Po Box 870948
Wasilla, Alaska 99687

adn.com

Anchorage Daily News

Mat-Su officials dispute best route for Agrium coal**CAN'T AGREE: Mat-Su Borough officials prefer the Port MacKenzie route.**By RINDI WHITE
Anchorage Daily News*(Published: April 14, 2007)*

PALMER -- Shipping coal for the Agrium fertilizer plant through Anchorage, as the company prefers, rather than Port MacKenzie is a bad idea, Matanuska-Susitna Borough officials said Friday.

About 100 coal-filled railcars would run through Wasilla every 18 hours, a pace the railroad would have to keep in order to meet a 3 million-ton yearly quota, said Borough Manager John Duffy and planning director Murph O'Brien.

The railroad currently crosses Mat-Su roads in 17 places, borough staff said.

If the plan to move Agrium coal through Anchorage proceeds, those crossings must be upgraded, Duffy said. A particularly troublesome crossing at Knik-Goose Bay Road alone would cost \$40 million to \$50 million to improve, he said.

"The rest of this borough shouldn't suffer in order for this project to move forward," he said.

The state House Finance Committee approved a bill Friday allowing the Nikiski fertilizer manufacturer Agrium to use \$2.6 billion in tax-free bonds issued by the Alaska Railroad Corp. to build a new coal gasification plant. The company needs the plant to replace its reliance on dwindling natural gas supplies.

Alaska Railroad president Pat Gamble said he prefers to ship the coal through Port MacKenzie, citing its ample space to store and ship coal without the environmental concerns that storing coal at the Anchorage port would raise.

He and Duffy agree a 43-mile Port MacKenzie rail spur would open the doors to resource development in Interior Alaska by lowering transportation costs. Shipping to Anchorage by rail would cost \$41 more per ton than shipping through Port MacKenzie, according to borough-funded studies.

"Yet, today we have no funding for the EIS (environmental impact statement), much less the funding for the entire project. No one has stepped up to that. ..." Gamble said.

Duffy said he believes Port MacKenzie could be ready by 2012.

Duffy and Gamble part ways, however, on whether building a coal-shipping facility in Anchorage would kill any Port MacKenzie rail spur.

"Even if opportunity this time around is missed, we will be able to find a way to build that project," Gamble said.

Duffy disagreed, saying building in Anchorage would waste money and would stop momentum for

the Port MacKenzie spur.

"It's short-sighted and it doesn't consider the statewide benefits," Duffy said.

COSTS EQUATE

Gamble said Agrium wanted an estimate to build a coal gasification plant, a coal storage area, part of a coal-fired power plant and to purchase rail cars and locomotives to haul the coal.

The cost to ship coal from Anchorage to Nikiski is about the same as the cost to ship it from Port MacKenzie, he said.

He said the estimates the railroad provided Agrium assume the Port MacKenzie rail spur is built by 2012. The cost to build that spur, which he estimated at \$278 million, is not included in the overall Agrium project. Neither is the cost, which Gamble could not immediately provide, to build a tipple, railcar turnaround and to address environmental concerns at the Anchorage Port, he said.

The project plans also assume environmental concerns at Anchorage are resolved and that space is available there.

Gamble and Agrium make too many assumptions, said Duffy.

"They've made assumptions about us and they don't seem to consider any types of uncertainty on the Anchorage side," Duffy said. "What about the costs of other improvements that have to take place?"

Daily News reporter Rindi White can be reached at rwhite@adn.com or 352-6709.

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Anchorage Daily News

**Railroad bonds could bail out Agrium in Kenai****GAS: Healy coal hauled through Anchorage would energize fertilizer plant.**By TOM KIZZIA
Anchorage Daily News*(Published: April 13, 2007)*

The Legislature is weighing whether to aid the troubled Agrium fertilizer factory in Nikiski by authorizing the Alaska Railroad to sell \$2.6 billion in tax-free bonds for construction of a new coal gasification plant.

The railroad wants to get involved so it can haul coal from Healy through the port of Anchorage to Nikiski, where it would be turned into gas for making fertilizer. Agrium has had to shut down its Nikiski plant periodically because of a shortage of inexpensive natural gas from Cook Inlet. The fertilizer company has threatened to close permanently unless the situation changes.

A two-year study of coal gasification is under way. Initial findings have been favorable, Agrium officials said, but no final decision has been reached on whether to go ahead.

The new financing plan, which could speed the project along, was unveiled Thursday at a hearing before the House Finance Committee. Only Agrium -- not the state or the state-owned railroad -- would be at risk if the project flops and the bonds can't be paid, advocates said.

The unusual use of tax-free bonds by the railroad requires legislative approval.

In presenting the plan, the railroad said it wants to route the coal trains through Anchorage rather than build a new spur line from Willow to Port MacKenzie, as had sometimes been discussed in the past. The Anchorage port would require new loading facilities, but officials said building a new Mat-Su rail line adds too many uncertainties to the plan.

Several Anchorage Democrats raised environmental questions about the project. They asked about coal dust at the Anchorage port. And they feared that replacing gas with coal in Nikiski would sharply increase carbon dioxide emissions into the atmosphere, contributing further to global warming.

Agrium spokeswoman Lisa Parker told the committee the company plans to build covered loading facilities at the Anchorage port. The company also hopes to inject excess carbon dioxide into existing Cook Inlet oil wells, a proven method of enhancing oil recovery. But Parker said the company could not offer written guarantees on those environmental concerns this early in the planning process.

Finance Committee Co-Chairman Kevin Meyer, R-Anchorage, said the bonding measure deals only with financing and was not the place for adding regulatory requirements.

The bond-authorization bill, HB 229, was introduced by the committee's other co-chairman, Rep. Mike Chenault, R-Nikiski. It was held over by the committee for a further hearing today.

The entire plan rests on the Alaska Railroad exercising a unique, and legally untested, power to

issue tax-free bonds. Alaska Railroad president Pat Gamble said the authority, granted by Congress in the act transferring the railroad to the state, has never been used. The IRS has yet to render an opinion.

"We look at this opportunity with Agrium as a first time to really put this to work for the state," Gamble told the house committee.

Normally, tax-free bonds are issued by governments to build public facilities.

Rep. Mike Hawker, R-Anchorage, asked what benefits the state would be getting in return for what he termed "a \$2 billion subsidy to shareholders of a private enterprise?"

The main subsidy, however, would be coming from the federal treasury, which would not receive taxes on income from investors who purchase the bonds. Those investors count on getting paid back by Agrium's future revenues.

Officials said the benefits to Alaska would include jobs and local tax revenues in the Kenai area, increased coal traffic for the railroad, and an undisclosed fee that Agrium would pay the railroad for use of its bonding authority.

The railroad would use \$600 million of the money raised for new facilities, including new cars and locomotives. The rest would be used by Agrium for the coal gasification plant, which would also generate electricity for Agrium and other Kenai Peninsula users.

Parker said Agrium plans to join with other partners if the decision is made to build the coal gasification plant. The Alberta-based company has dubbed the project Operation Blue Sky. Officials say the new plant could be in operation in five to six years.

Agrium had as many as 300 high-paying jobs at its peak of production in his home district, Chenault said. The company has half as many employees today. After shutting down through the winter months, when demand for gas was high around Cook Inlet, the plant resumed partial operations this week, Chenault said.

Rep. Bill Stoltze, R-Chugiak, seemed crestfallen to hear that the railroad had eliminated consideration of a new spur line to Port MacKenzie, where the Mat-Su Borough is trying to build up a shipping center. He touted the Knik Arm port as "a truly vacant industrial area" and referred to the Anchorage port as "gentrified" and subject to planning and zoning concerns.

"That's an uncertainty I wouldn't want to embrace," Stoltze said.

Anchorage Democrats Harry Crawford and Les Gara pressed the railroad and Agrium on coal dust suppression and carbon dioxide emissions.

"I want to be assured (the project) comes out at the other end like it was described at the beginning," Crawford said.

Reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 907-235-4244.

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Jody Simpson

From: Jason Walsh [walshj73@yahoo.com]
Sent: Tuesday, May 01, 2007 8:28 AM
To: Sen. Charlie Huggins
Subject: HB 229

Senator Huggins,

I expect you to represent the interest of your constituency, the Alaskan public, in your consideration of HB 229. It is archaic of you or any other citizen to not consider capping CO2 emissions from coal plants that exist now or shall be built.

It is an economic fact that curbing CO2 emissions from factories and coal burning plants has no negative impact on business. Companies will do what they can to get the biggest bang for their buck. They in no way are looking out for the interest of the local citizens. They are turning a profit for their shareholders.

YOUR JOB IS TO LOOK OUT FOR OUR BEST INTEREST! That means in the case of potential harm you should err on the side of caution and put restrictions on the CO2 emissions from the burning of coal.

Incidentally, there is a plethora of data available that cites mercury fall out from coal burning as the main point for mercury introduction into ecosystems. This is why most of the US cannot eat more than one fresh water fish per week from their local lakes and rivers. If you do not put the onerous of being good environmental stewards on the companies then it falls on the citizens, after the fact. Prevention vs. clean up. I guarantee the company will not stick around to monitor the mercury in our trout and salmon populations. Please, do the research, do the lit review. This is why you were elected. Our best interest is not solely economic.

Thank you for your time. I trust you will champion the people, not the potential investors.

Sincerely,
Jason A. Walsh

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