

2/24/11

Presentation:

Northern

Rail

Extension

<TARGET><BILL></BILL><SUBJECT>2-24-11 Presentation
Northern Rail Extension</SUBJECT><COMM>HMLV27</COMM></TARGET>

Northern Rail Extension

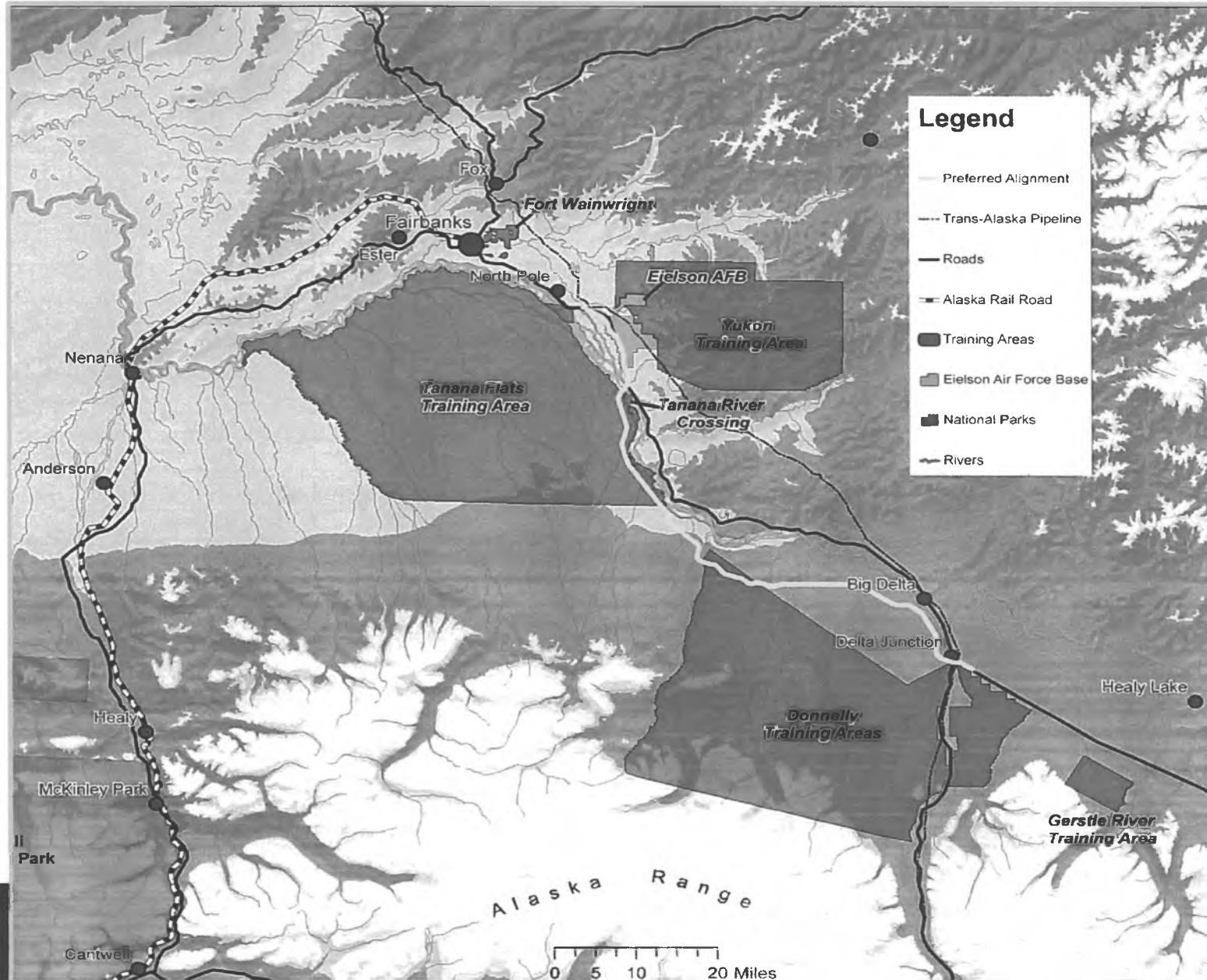
Military and Veterans Affairs Committee
Tanana Access Briefing



AlaskaRailroad.com



Northern Rail Extension



NRE Purpose

Military: Provides year round surface transportation access to training ranges south of the Tanana River

Transportation: Provides a future alternate mode of transportation of freight and eventually passengers between Fairbanks and Delta Junction

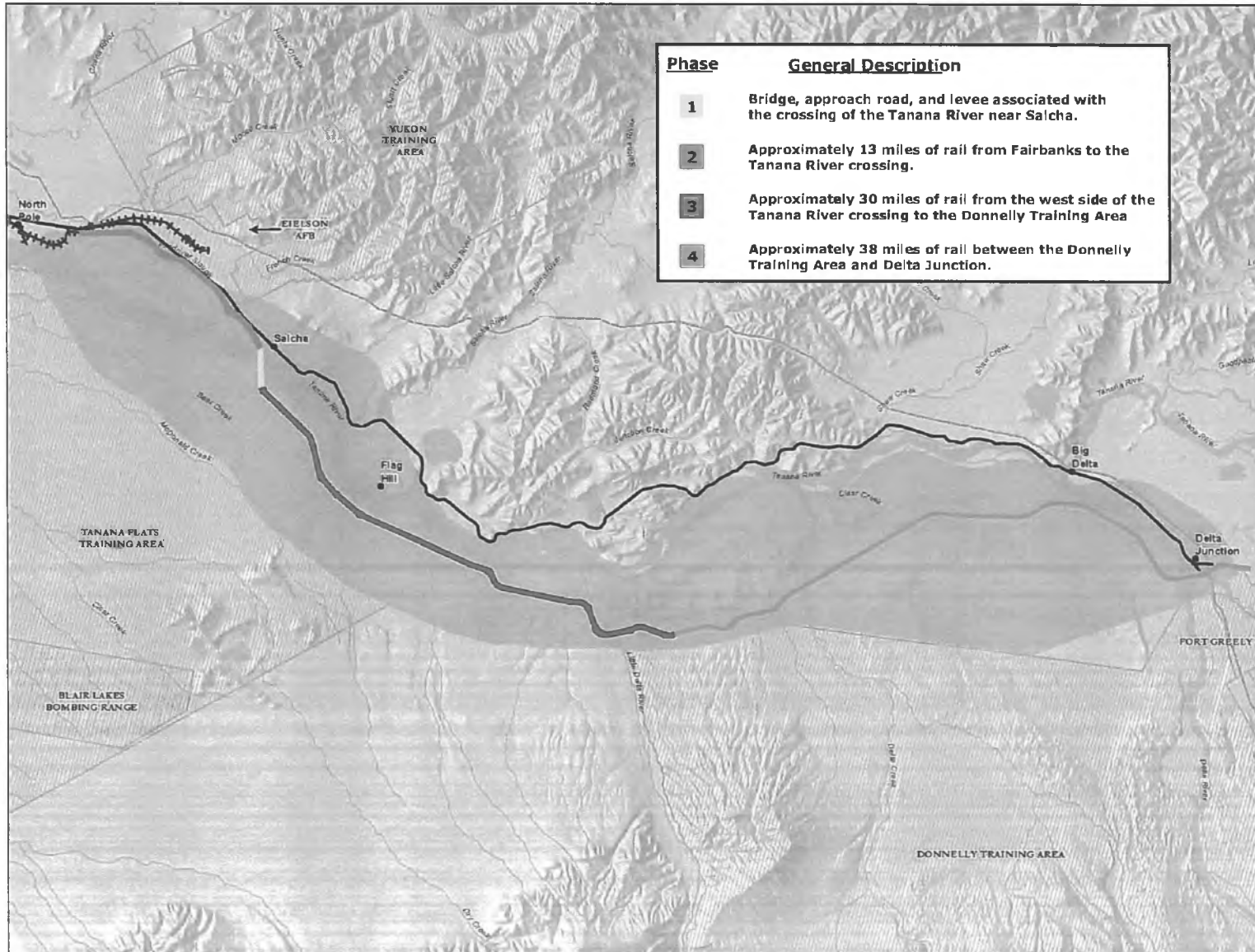
Secondary Benefit: Will improve flooding situation and retard erosion in Salcha area

Project Timeline

- Notice of Intent Filed November 2005
- Draft EIS published December 2008
- Public hearings held January 2009
- Final EIS published September 2009
- EIS Approval (ROD) January 2010
- Kiewit selected as CM/GC April 2010
- Construction Permits submitted June 2010



Project Phases



Phase 1-4

Figure 2.2.2-2

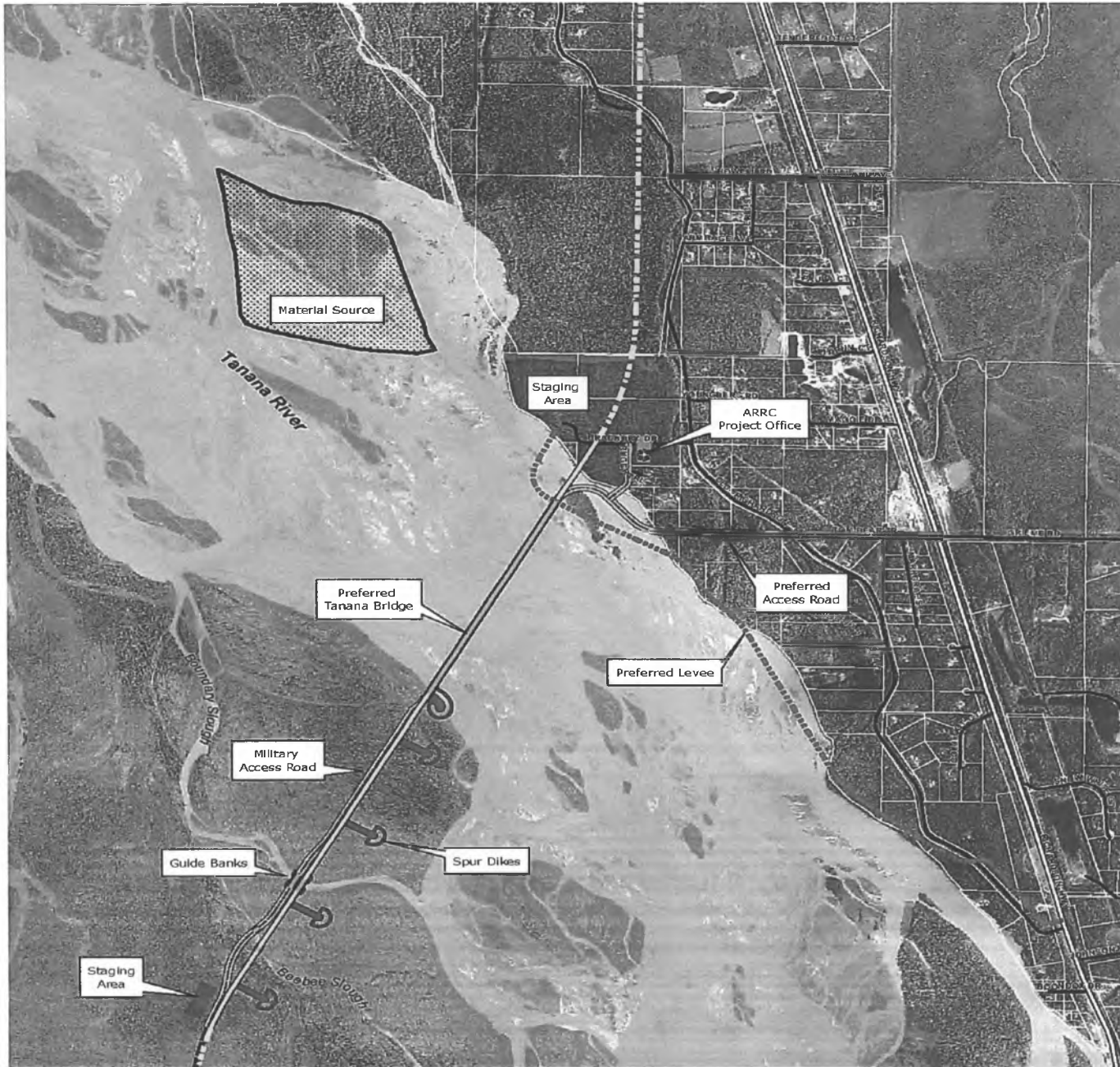
Legend

- Corridor Area
- Military Boundary
- Existing Railroad
- Trans-Alaska Pipeline
- Richardson Highway
- Rivers and Streams



Map Projection: NAD 83 ASP 2 feet
 Date Issued: 1/28/2010
 Author: HDR Alaska, Inc.
 Date: 25 February 2010

The information displayed here is for planning and review purposes only.

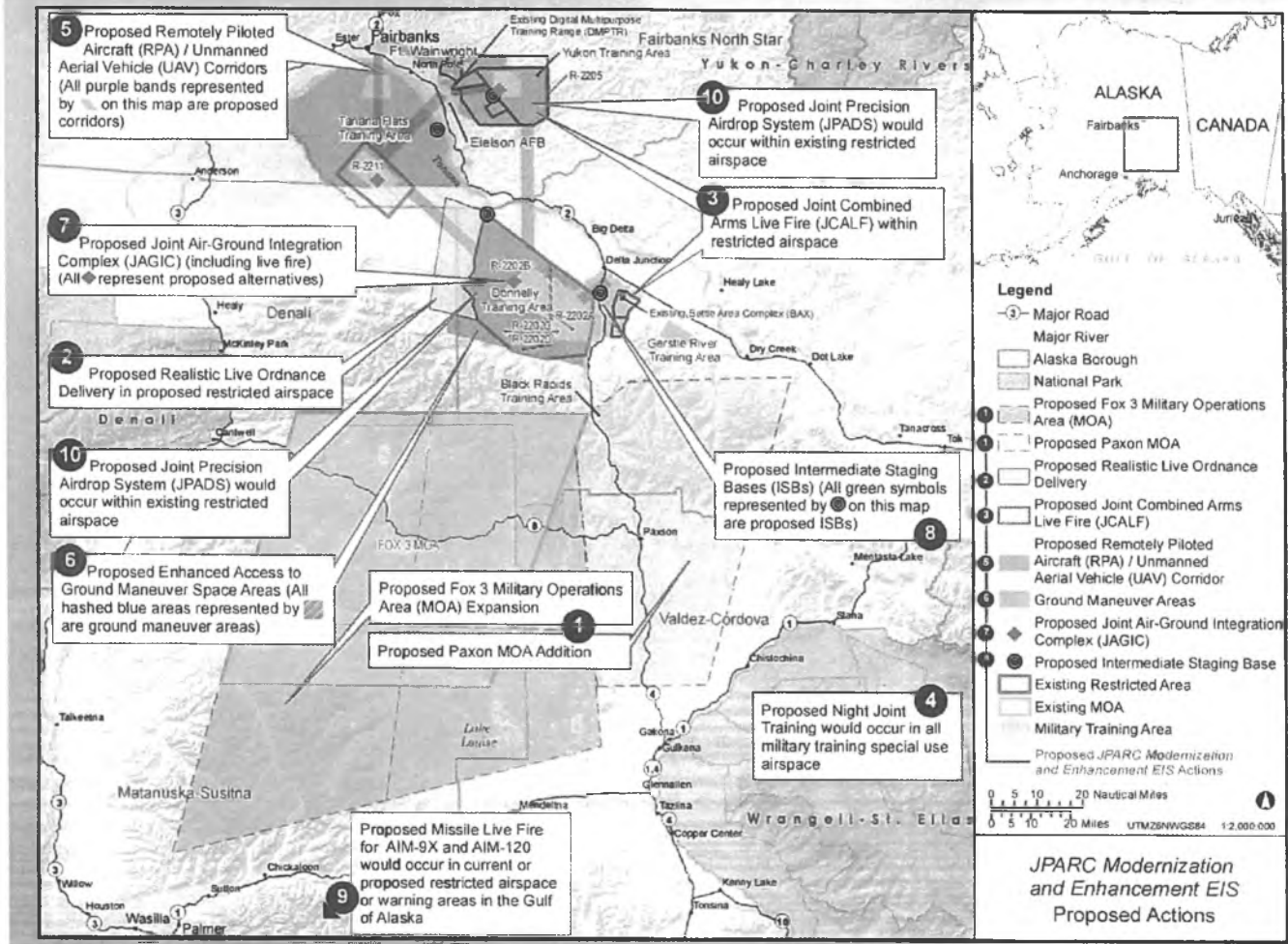


Phase 1:
Tanana
Crossing at
Salcha

JPARC

Joint Pacific Alaska Range Complex

Modernization and Enhancement Environmental Impact Statement



2008 Flood Event

- Largest recorded discharge since 1967 record flood event
- Significant overland flow through Salcha area resulting in disruption of service, loss of property from erosion, and cutting access along the Richardson Highway, the only overland access to Donnelly Training Areas and Ft. Greely military complex



Project Funding

Available Funding:

<i>DOD/FRA</i>	<i>\$ 44.2 Million</i>	<i>(expires 2013)</i>
<i>DOD/FRA</i>	<i>\$ 60.0 Million</i>	<i>(expires 2014)</i>
<i>State of Alaska</i>	<i><u>\$ 40.0 Million</u></i>	<i>(expires 2015)</i>
<i>Total</i>	<i>\$144.2 Million</i>	

In 2010, the project funding anticipated moving a railroad related \$12 million earmark on Fort Wainwright to this project. Changes at the Federal level prevented that from happening

2011 Cost Estimate

Construction	\$149,630,000
Engineering/Permitting/Right-of-Way	\$ 16,500,000
Construction Management	\$ 11,222,000
Contingency	\$ 10,377,000
<hr/>	
Total Phase 1A Cost Estimate	\$ 187,729,000



Cost Escalations

April 2010 Cost Estimate	\$158 Million
River Erosion	\$3 Million
Military and Permit Requirements	\$13 Million
Hydraulic Design Requirements	\$15 Million
	\$ 188 Million



River Erosion



Tanana Crossing Cost Summary

Re-sequenced Cost Estimate **\$ 188 million**

Funding:

2008 Military/FRA Grant (exp. 2013) **\$ 44 million**

2009 Military/FRA Grant (exp. 2014) **\$ 60 million**

2011 State of Alaska Grant **\$ 40 million**

Total Available Funding **\$ 144 million**

Budget Gap/Legislative Request **\$ 44 million**



Getting to Construction

- Additional \$44.0 million funding secured
- Obtain the Permits:
 - Currently a struggle with EPA/USACE
 - Timely issuance
- Federal Funding Agencies Approval:
 - Military: approve final plans
 - Federal Railroad Administration (FRA):
 - Final project plan as approved by military
 - Project financing plan



Thank You





Northern Rail Extension

Phase 1: Tanana Crossing at Salcha

Purpose:

- Provide year-round surface transportation to vast military training ranges on the south side of the Tanana River
- First critical step in the overall 80-mile Northern Line Extension project between North Pole and Delta Junction, providing freight and passenger transportation alternatives to the Richardson Highway

Statistics:

- 3300-foot bridge (20-165 foot steel spans) will be the longest bridge in the state of Alaska
- 2-mile levee will significantly attenuate frequent flooding in the community of Salcha
- Largest transportation infrastructure project in the Alaska interior in nearly 30 years

Funding:

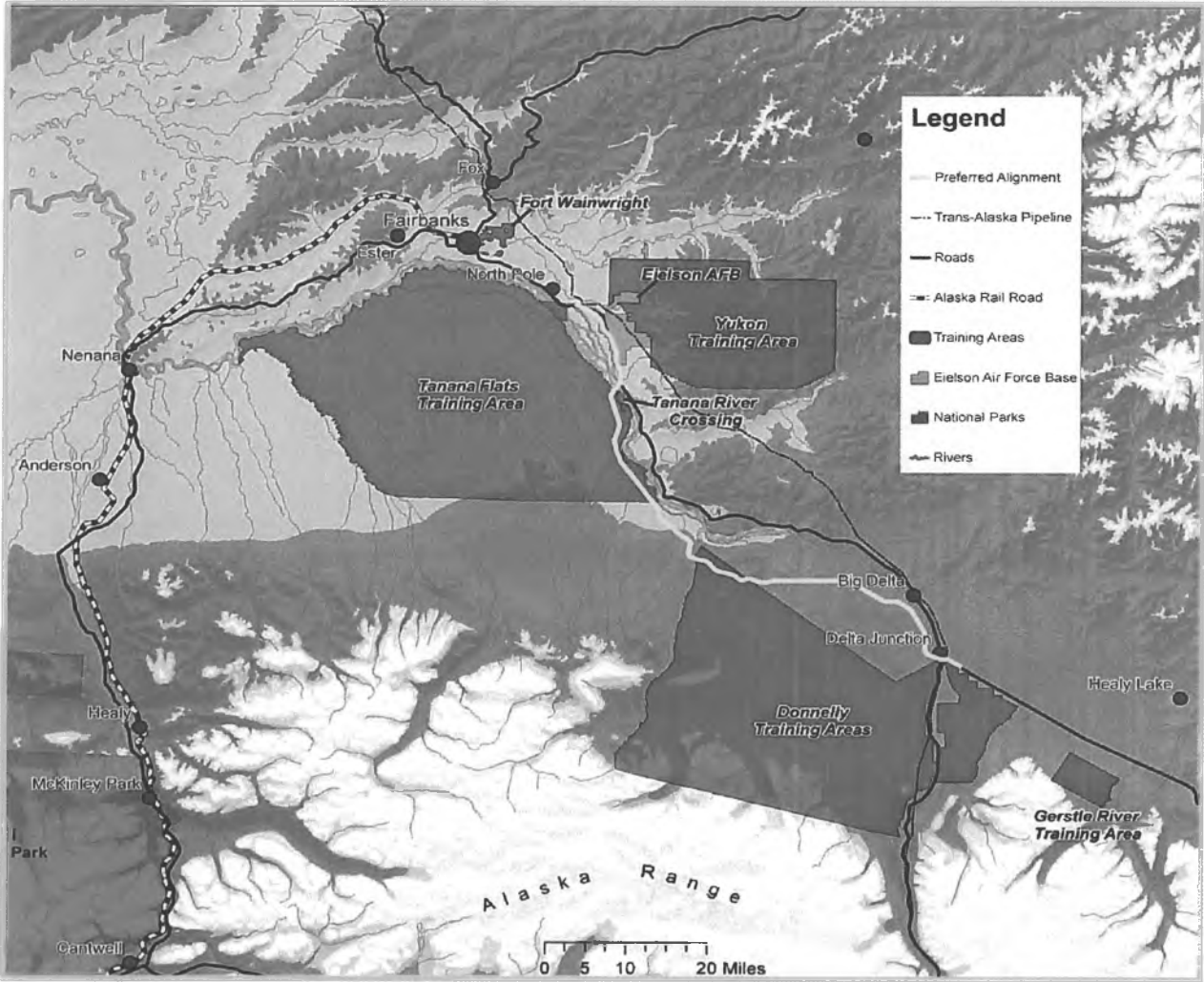
2008 Military/FRA Grant (exp. 2013)	\$ 44 million
2009 Military/FRA Grant (exp. 2014)	\$ 60 million
2011 State of Alaska Grant	\$ 40 million
Total Available Funding	\$ 144 million
Re-sequenced Cost Estimate	\$ 188 million
<i>Budget Gap/Legislative Request</i>	<i>\$ 44 million</i>

- **Construction MUST start this summer or federal funding will be in jeopardy**

Next steps before ARRC can proceed:

- Additional \$44.0 million funding secured
- Obtain the Permits
- Federal Funding Agencies Approval:
 - Military: approve final plans
 - Federal Railroad Administration (FRA)





This map illustrates the proposed preferred alignment for a project in the Fairbanks area of Alaska. The alignment is shown as a solid line, starting from the south and heading north through the Alaska Range. Key features and locations include:

- Training Areas:** Tanena Flats Training Area, Yukon Training Area, Donnelly Training Areas, and Gerstle River Training Area.
- Infrastructure:** Edison Air Force Base, Tanena River Crossing, and the Alaska Rail Road.
- Geography:** The Alaska Range is a prominent mountain range running north-south through the center of the map.
- Towns and Settlements:** Fairbanks, Fort Wainwright, Nenana, Anderson, Healy, and Cantwell.
- Other Features:** The Trans-Alaska Pipeline and various roads are also shown.

A scale bar at the bottom indicates distances up to 20 miles. The map also includes a legend to identify the different symbols used for alignment, infrastructure, and training areas.



Public Scoping Meetings - Please Attend

At present, the JPARC consists of all land, air, and sea training areas used by the Army, Navy, and Air Force in Alaska. The military currently uses the JPARC to conduct testing, training, and to support joint exercises and mission rehearsals. The Army and Air Force, through Alaskan Command, are proposing to modernize and enhance the JPARC to enable realistic joint training for the Army, Navy, Marine Corps, and Air Force.

Pursuant to the National Environmental Policy Act (NEPA), the Army and Air Force are preparing the *Environmental Impact Statement (EIS) for the Modernization and Enhancement of Ranges, Airspace, and Training Areas in the Joint Pacific Alaska Range Complex in Alaska (JPARC Modernization and Enhancement EIS)*. The EIS will analyze potential environmental consequences associated with the JPARC enhancements. Descriptions of the EIS proposed actions and alternatives to be discussed at the scoping meetings are shown below.

Please direct any written comments or requests for information to:

ALCOM Public Affairs
 9480 Pease Avenue, Suite 120
 JBER, AK 99506

Phone: 907-552-2341, fax: 907-552-5411, or www.jpargc.com

You may also request handicap assistance or translation services for the public scoping meetings in advance through ALCOM Public Affairs Office.

You are invited to attend a scoping meeting to:

- Learn about the proposal and the EIS process
- Identify community-specific issues
- Make sure you are included on our mailing list

Scoping Meetings

Meetings are from 6:30 p.m. - 8:30 p.m. with a presentation beginning at 7:00 p.m. except where noted*

Thursday, January 13
 The Millennium Alaskan Hotel
 Turnagain Room
 4800 Spenard Road
 Anchorage, Alaska 99517-3238

Tuesday, January 18
 Caribu Hotel
 Mile 186.5 Glenn Highway
 Glennallen, Alaska 99588

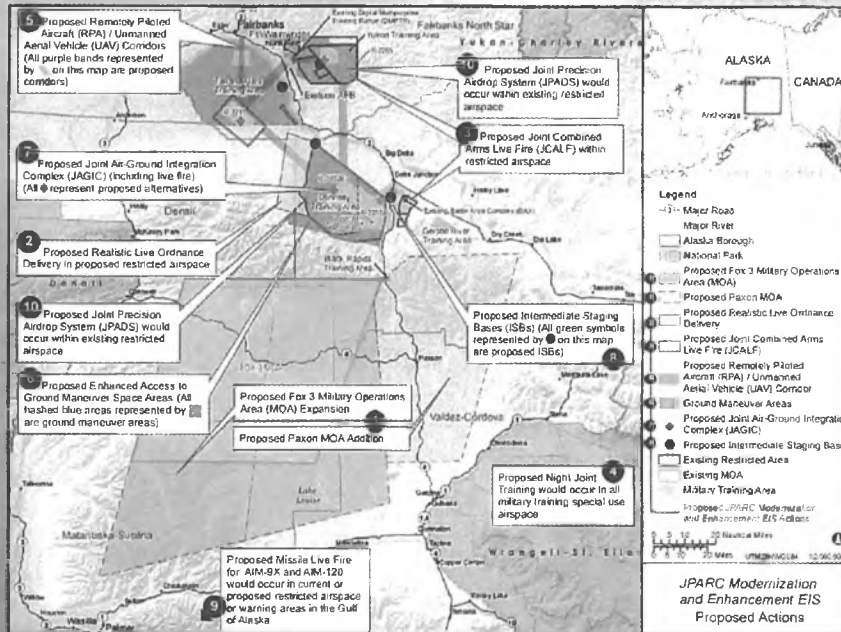
Wednesday, January 19
 Alaska Steakhouse and Motel
 Mile 265 Richardson Highway
 Delta Junction, Alaska 99731

Thursday, January 20
 *12:00 - 2:00 p.m. & 4:00 - 8:00 p.m.
 With presentations at 12:30 and 4:30 p.m.
 Princess Fairbanks Hotel
 4477 Pike 6, Landing
 Fairbanks, Alaska 99709

Monday, January 24
 Motel Nord Haven
 245 George Parks Highway
 Healy, Alaska 99743

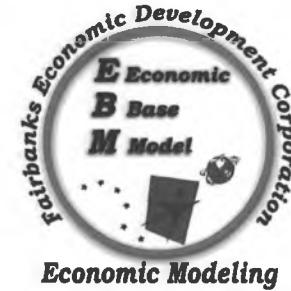
Tuesday, January 25
 Swiss Alaska Inn
 2205B South F Street
 Talkeetna, Alaska 99676

Wednesday, January 26
 McInard Memorial Sports Center
 1001 S. Mack Drive
 Wasilla, Alaska 99654



The JPARC modernizations and enhancements would provide adequate resources to enable the Services to train realistically and jointly for military personnel to succeed in their mutually supportive combat roles when exposed to situations faced in actual combat.


FNSB Base Economy: Economic Drivers –



AMFAST

Military

To use Presentation:

1. Click on **boxes** to navigate to desired category
2. Use "Home" Button to return to this menu page
3. Use "Exit" Button to close the slide show
4. Click on "EBM"-Logo, as well as **notebook** icons to get brief data descriptions. 

Exit

Military FBKs Total

Labor Income Impacts

Employment Impacts

Employment & Avg. Income

Military in Alaska

Current Stats

\$ Impacts

Employment Impacts

Labor Income Impacts

Eielson – Ft. WWR

\$ Impacts

Employment Impacts

Labor Income Impacts

Housing Price Scenario



FNSB Base Economy: Economic Drivers –



AMFAST

Military

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Exit

Economic Base Model:
The economic base model was constructed based on the developed Social Accounting Matrix (SAM) model to determine the drivers of our economy. Economic base theory states that the economic base (export base) determines a region's total level of economic activity (Seung, Waters et al. 2002). The development of a base model requires the definition of endogenous (internal) and exogenous (external) industries, and their demands on the FNSB economy. Parts of government spending (Defense), tourism, investments and exports are exogenous money flows and are used to construct an impact (exogenous shock) matrix of the regional economy. The resulting multipliers reflect features considered in our SAM such as: property type income, intermediate outlay leakages, the permanent fund dividend, military, and government or household transfer payments unique to Alaska and the FNSB.

[Close Info Box](#)

Military FBKs Total

Time Impacts

ment Impacts

& Avg. Income

Ft. WWR

Impacts

\$ Impacts

Employment Impacts

Labor Income Impacts

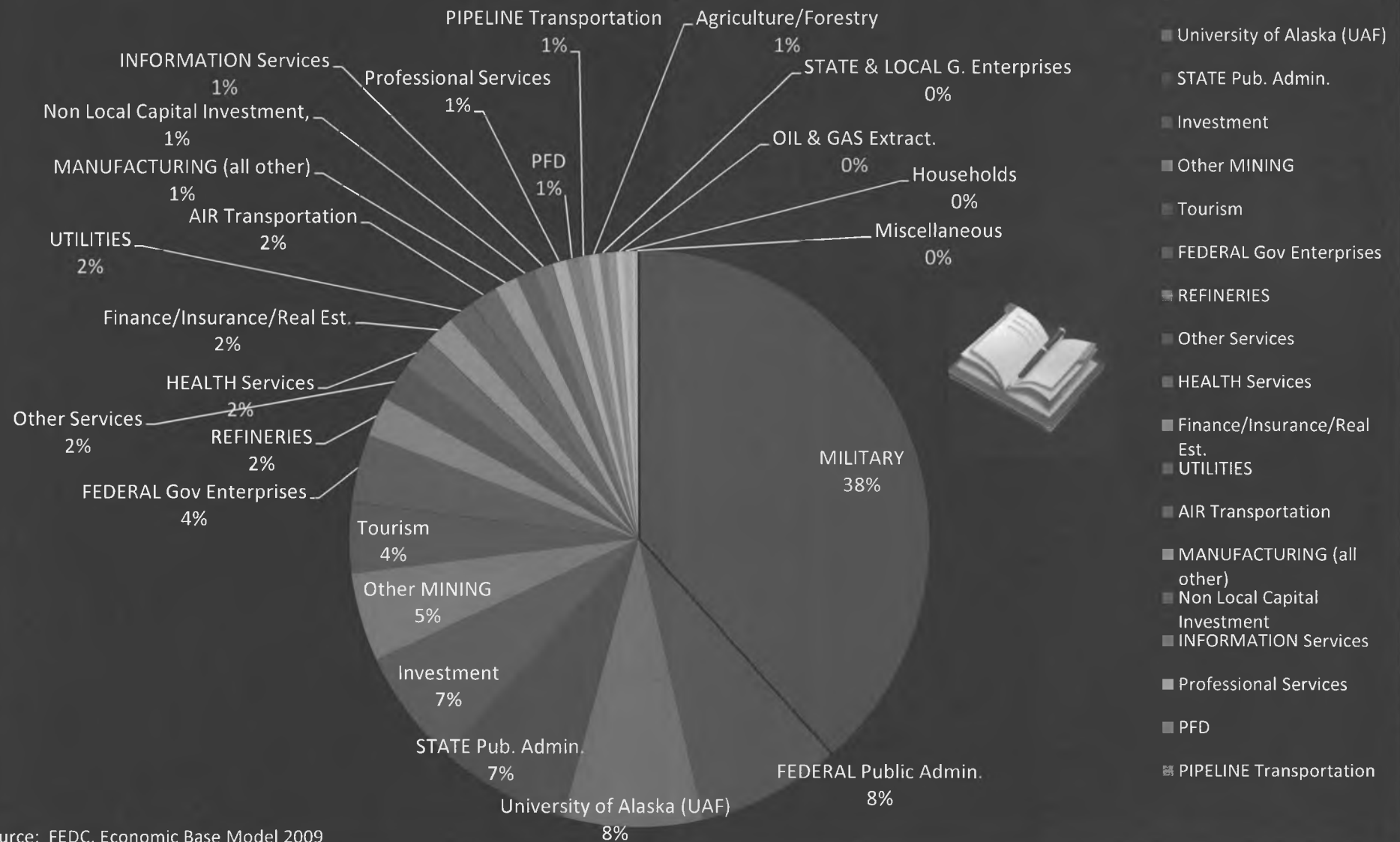
Employment Impacts

Labor Income Impacts

Housing Price Scenario



% of Total Labor Income (direct + indirect + induced) generated by each Industries' and Institutions' Dollars (US) brought into the FNSB Economy

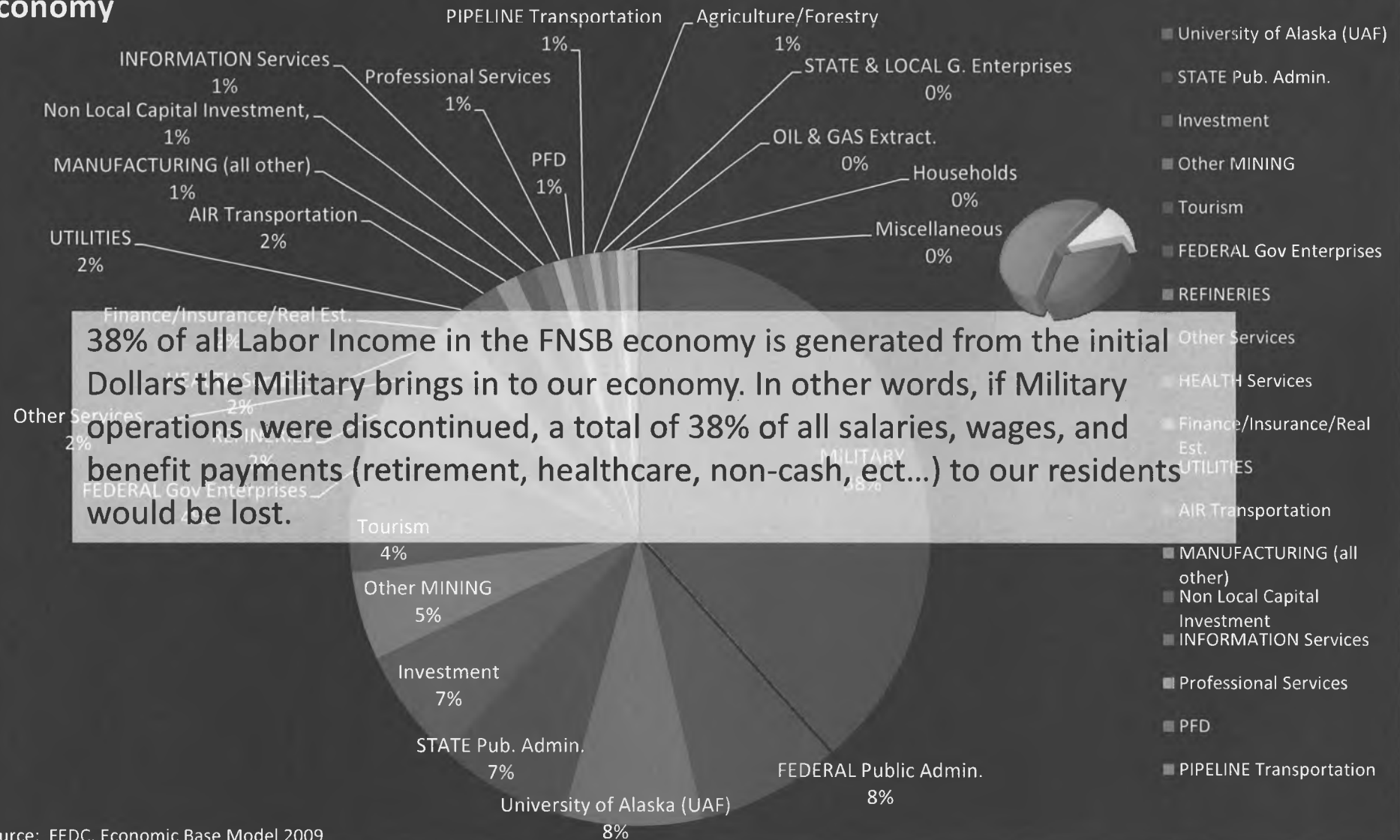


Source: FEDC, Economic Base Model 2009

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% of Total Labor Income (direct + indirect + induced) generated by each Industries' and Institutions' Dollars (US) brought into the FNSB Economy

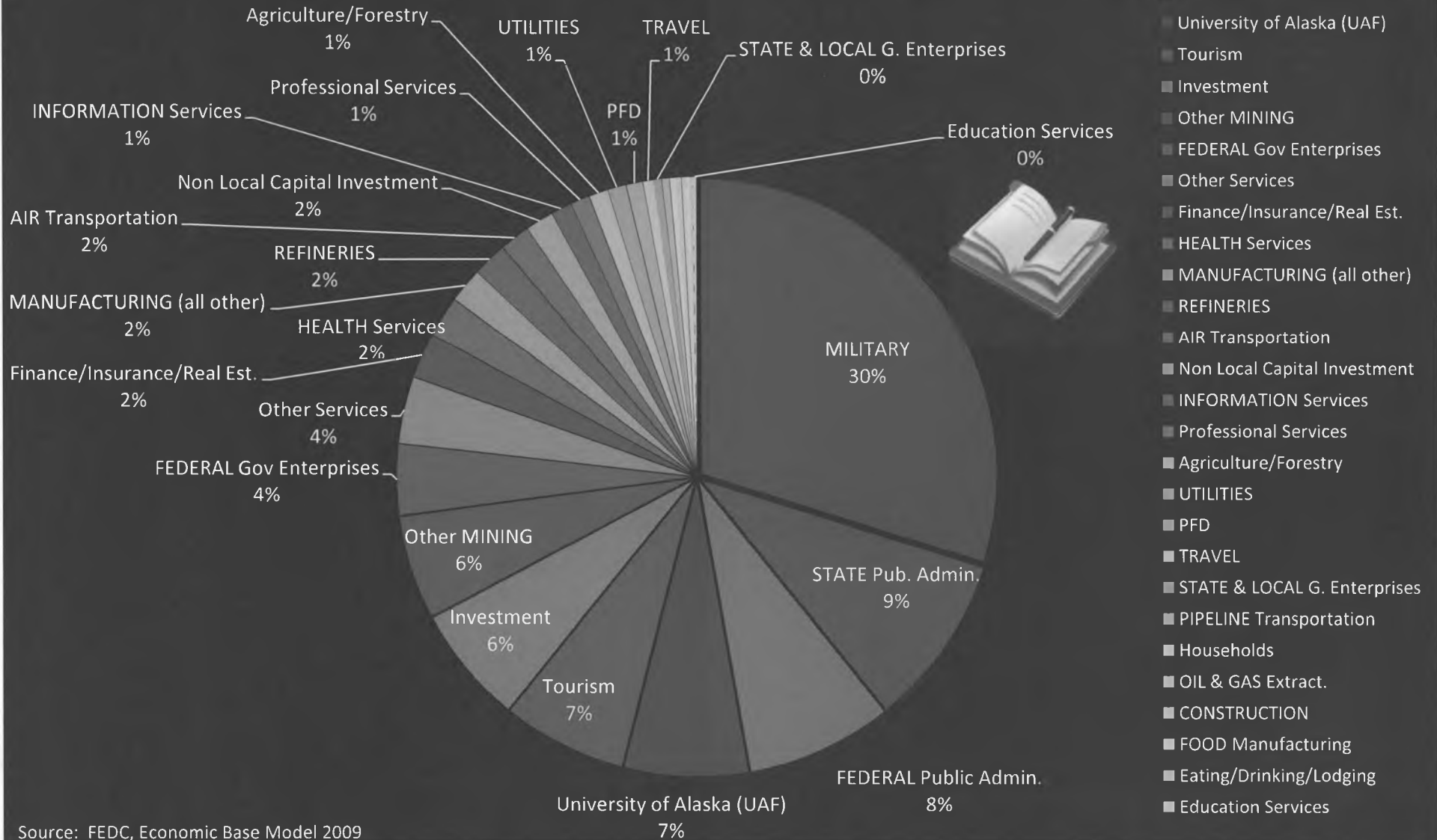


38% of all Labor Income in the FNSB economy is generated from the initial Dollars the Military brings in to our economy. In other words, if Military operations were discontinued, a total of 38% of all salaries, wages, and benefit payments (retirement, healthcare, non-cash, ect...) to our residents would be lost.

Source: FEDC, Economic Base Model 2009



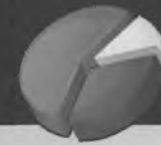
Total Employment Impacts (direct + indirect + induced) from Industries' and Institutions' Dollars (US) brought into the FNSB



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Total Employment Impacts (direct + indirect + induced) from Industries' and Institutions' Dollars (US) brought into the FNSB



- MILITARY
- STATE Pub. Admin.
- FEDERAL Public Admin.
- University of Alaska (UAF)
- Tourism
- Investment
- Other MINING
- FEDERAL Gov Enterprises
- Other Services
- Finance/Insurance/Real Est.
- HEALTH Services
- MANUFACTURING (all other)
- SERVICES
- AIR Transportation
- Non Local Capital Investment
- INFORMATION Services
- Professional Services
- Agriculture/Forestry
- UTILITIES
- PFD
- TRAVEL
- STATE & LOCAL G. Enterprises
- PIPELINE Transportation
- Households
- OIL & GAS Extract.
- CONSTRUCTION
- FOOD Manufacturing
- Eating/Drinking/Lodging
- Education Services

Military:

The public sector, in total, impacts our economy by generating 60% of all jobs in the Fairbanks North Star Borough. In other words, 6 out of 10 jobs in Fairbanks are directly and indirectly created by State and Federal Dollars spent in Fairbanks.

The Military is the dominant driver within the public sector. Our two base operations bring \$1.2 billion into our economy and therefore generate 30% of all jobs in Fairbanks. This means, half of all jobs generated by the public sector are based on the Dollars the Military spends in our community.

Interpreting this data also reveals the potentially devastating impacts a base closure would have; 3 out of 10 jobs in Fairbanks would not exist without the presence of the Military.

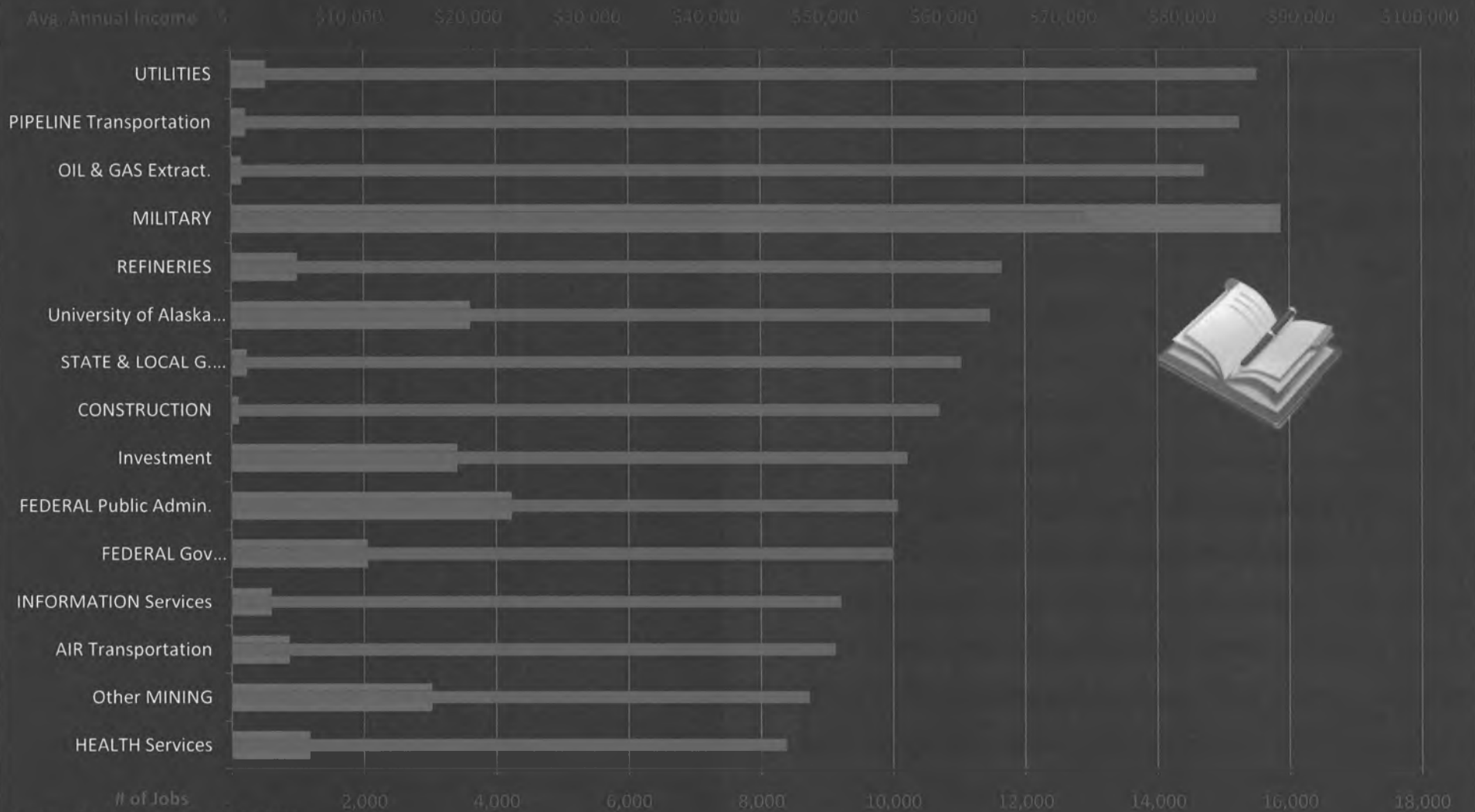
We can clearly see how important the Military bases are to our job creation in Fairbanks.



Source: FEDC, Economic Base Model 2009



Total Employment & Avg. Annual Income per Job (direct + indirect + induced) by Top 15 highest paying Industries in Fairbanks – These Jobs and Income are generated from Dollars (US) brought into the FNSB Economy



Source: FEDC, Economic Base Model 2009

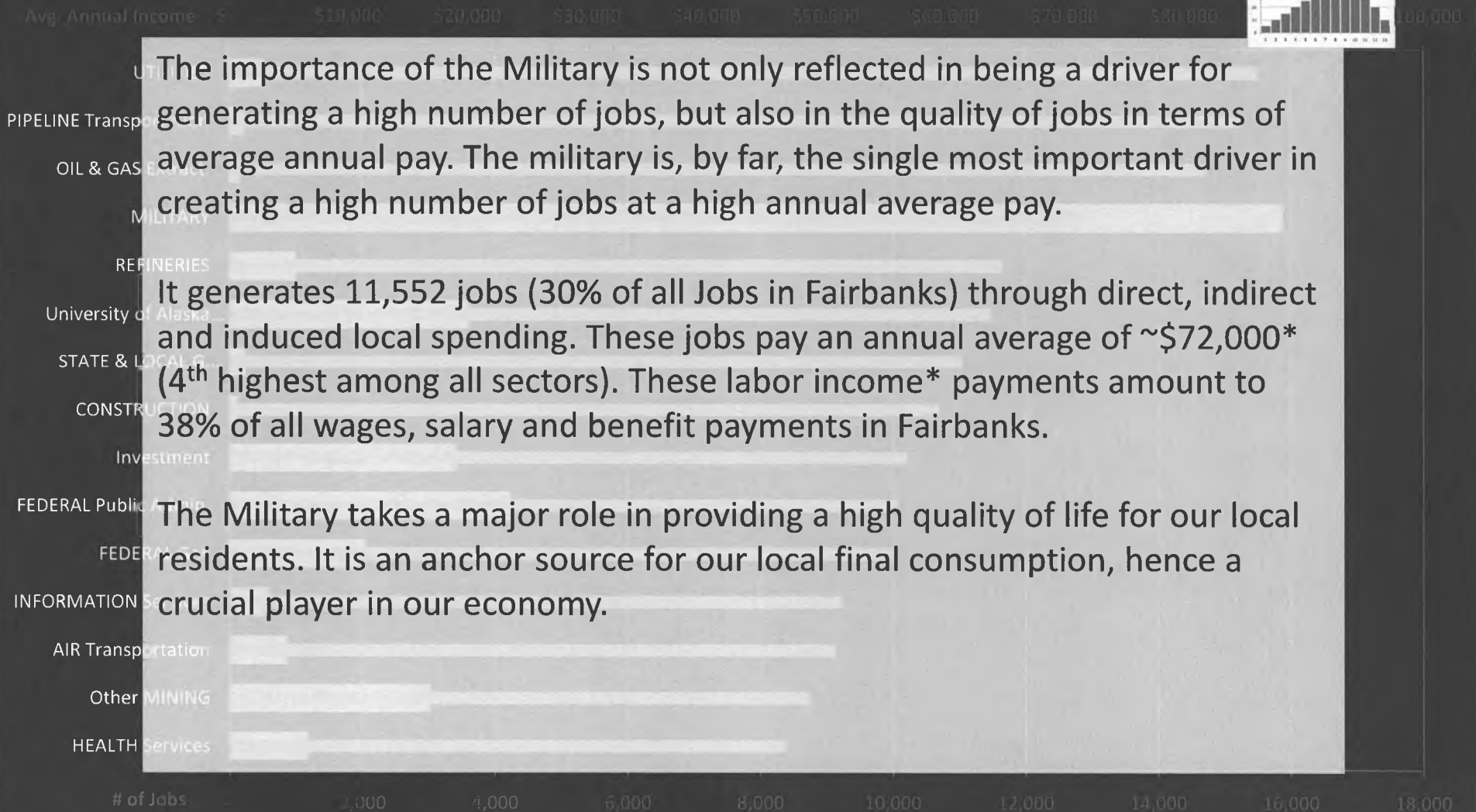
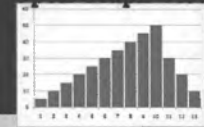
*Payroll plus Proprietors Income

**Institution; including expenses for contractors', transfer payments, and other final (institutions') demand.

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Total Employment & Avg. Annual Income per Job (direct + indirect + induced) by Top 15 highest paying Industries in Fairbanks – These Jobs and Income are generated from Dollars (US) brought into the FNSB Economy



The importance of the Military is not only reflected in being a driver for generating a high number of jobs, but also in the quality of jobs in terms of average annual pay. The military is, by far, the single most important driver in creating a high number of jobs at a high annual average pay.

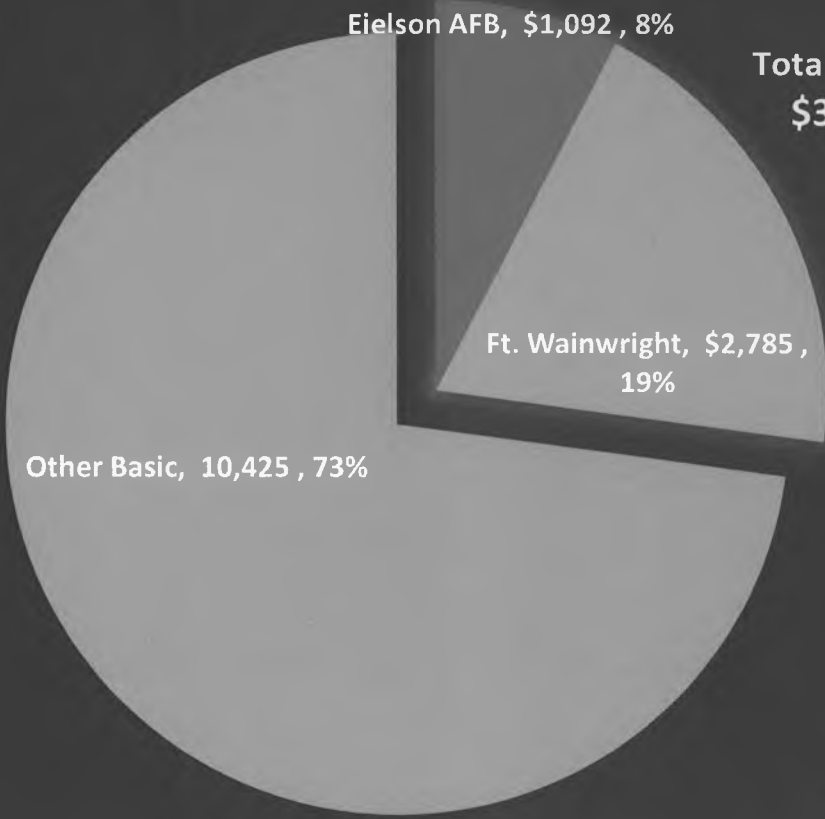
It generates 11,552 jobs (30% of all Jobs in Fairbanks) through direct, indirect and induced local spending. These jobs pay an annual average of ~\$72,000* (4th highest among all sectors). These labor income* payments amount to 38% of all wages, salary and benefit payments in Fairbanks.

The Military takes a major role in providing a high quality of life for our local residents. It is an anchor source for our local final consumption, hence a crucial player in our economy.

Source: FEDC, Economic Base Model 2009
 *Payroll plus Proprietors Income
 **Institution; including expenses for contractors', transfer payments, and other final (institutions') demand.



Dollar Impacts: Total revenue generated by Military Dollars (\$1.2 bill.) in Fairbanks



Total Military Impact: \$3,9 bill. (27%)



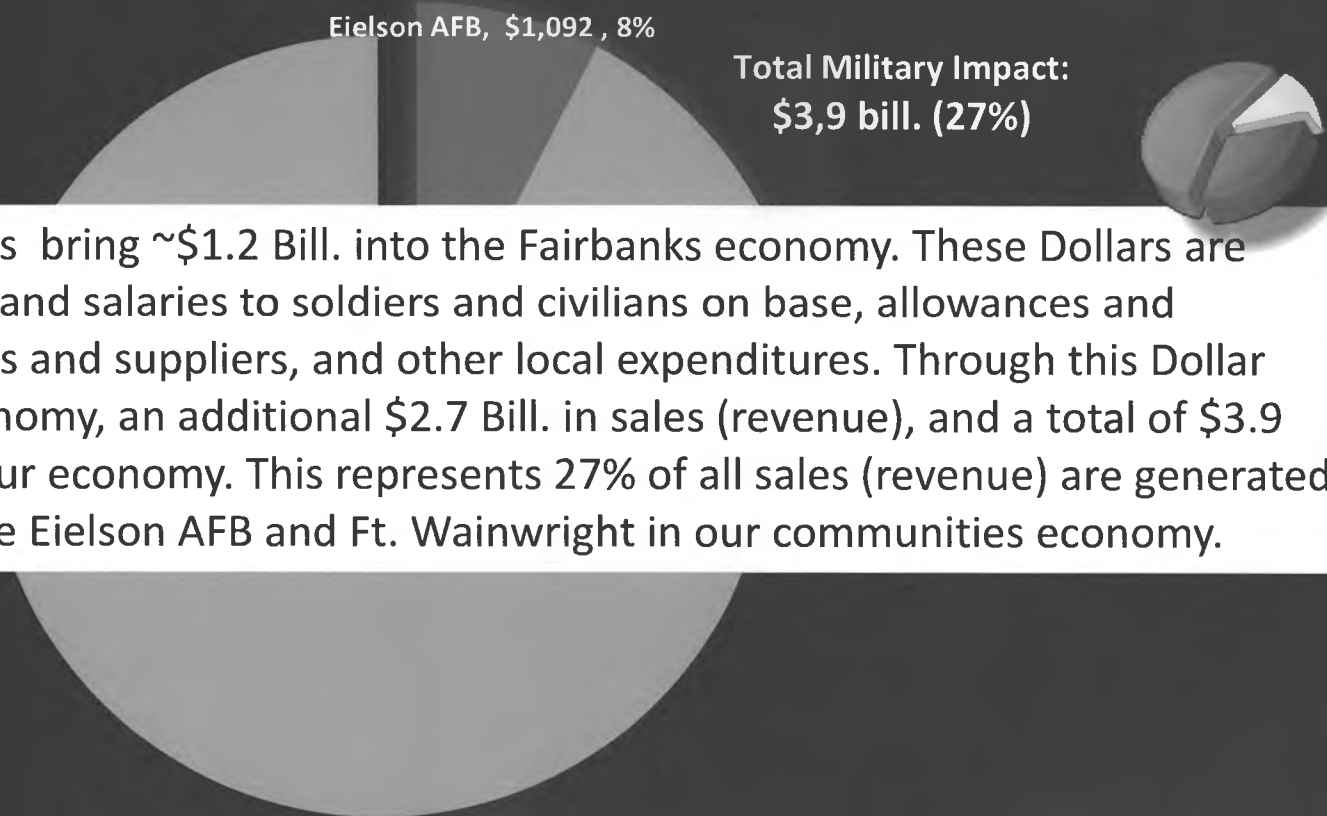
- Eielson AFB
- Ft. Wainwright
- Other Basic

Source: FEDC, Economic Base Model 2009; Values in \$ Million

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Dollar Impacts: Total revenue generated by Military Dollars (\$1.2 bill.) in Fairbanks

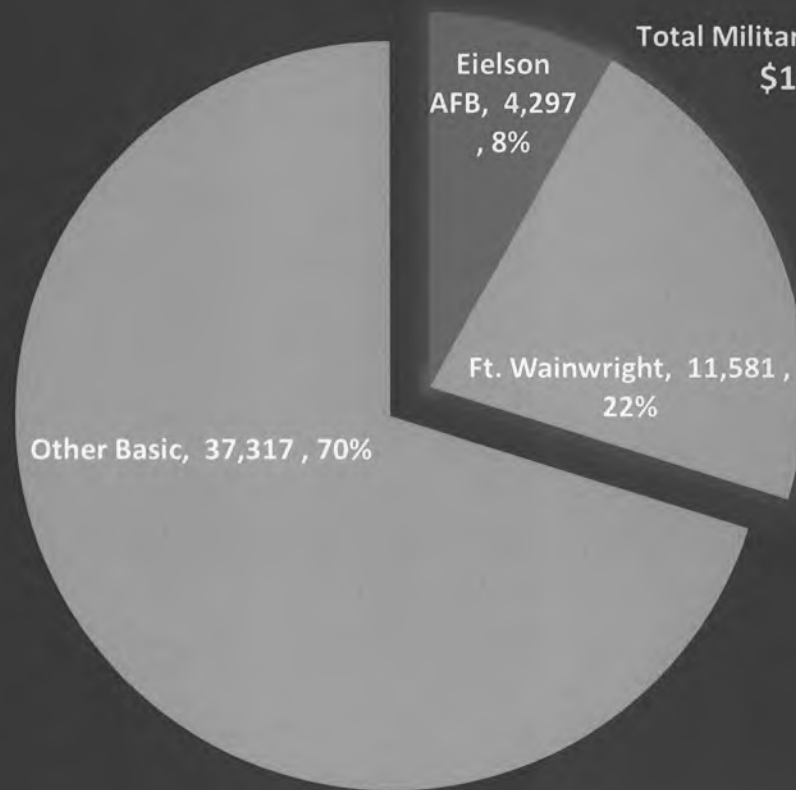


Source: FEDC, Economic Base Model 2009;
Values in \$ Million

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Employment Impacts: Jobs generated by Military Dollars (\$1.2 bill.) in Fairbanks



Total Military Employment Impact:
\$15,878 (30%)



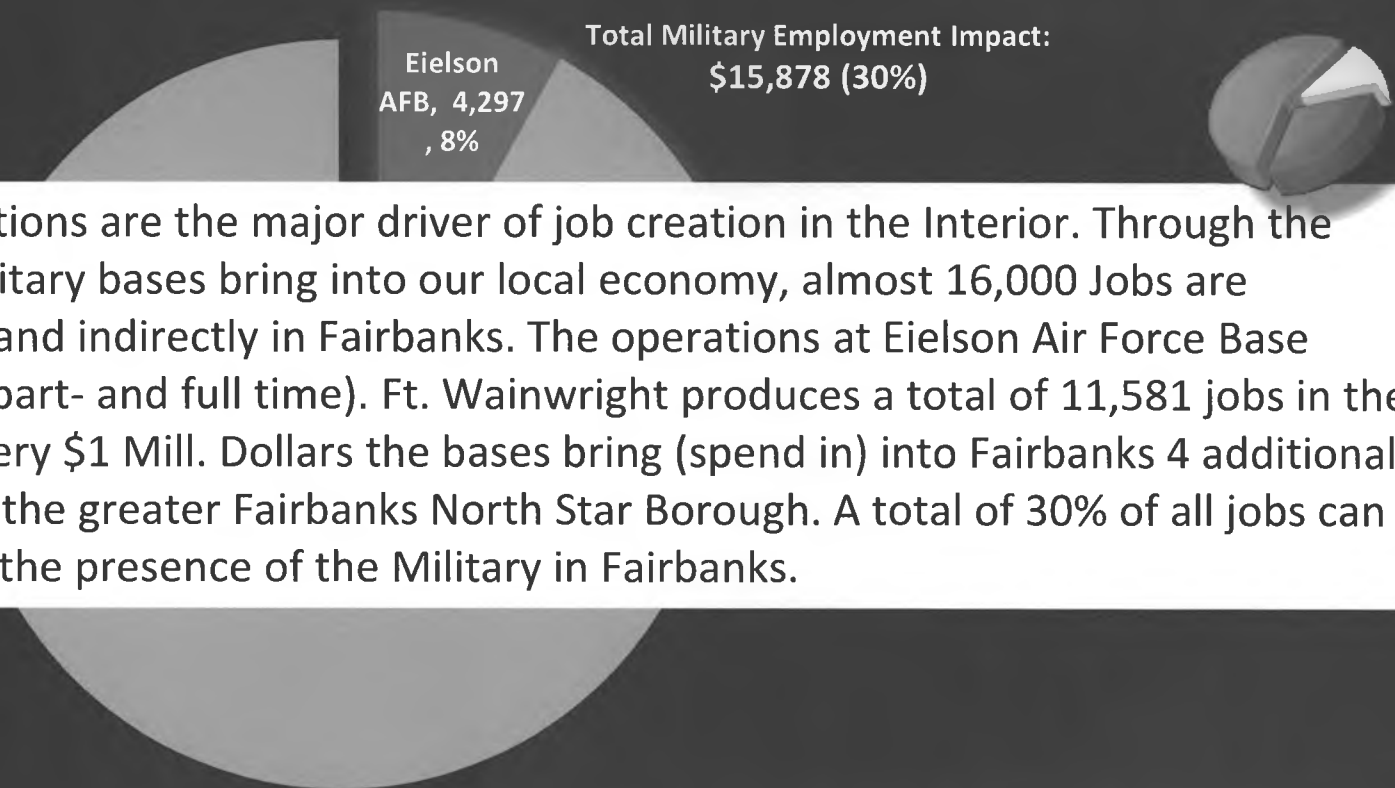
- Eielson AFB
- Ft. Wainwright
- Other Basic

Source: FEDC, Economic Base Model 2009;

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Employment Impacts: Jobs generated by Military Dollars (\$1.2 bill.) in Fairbanks



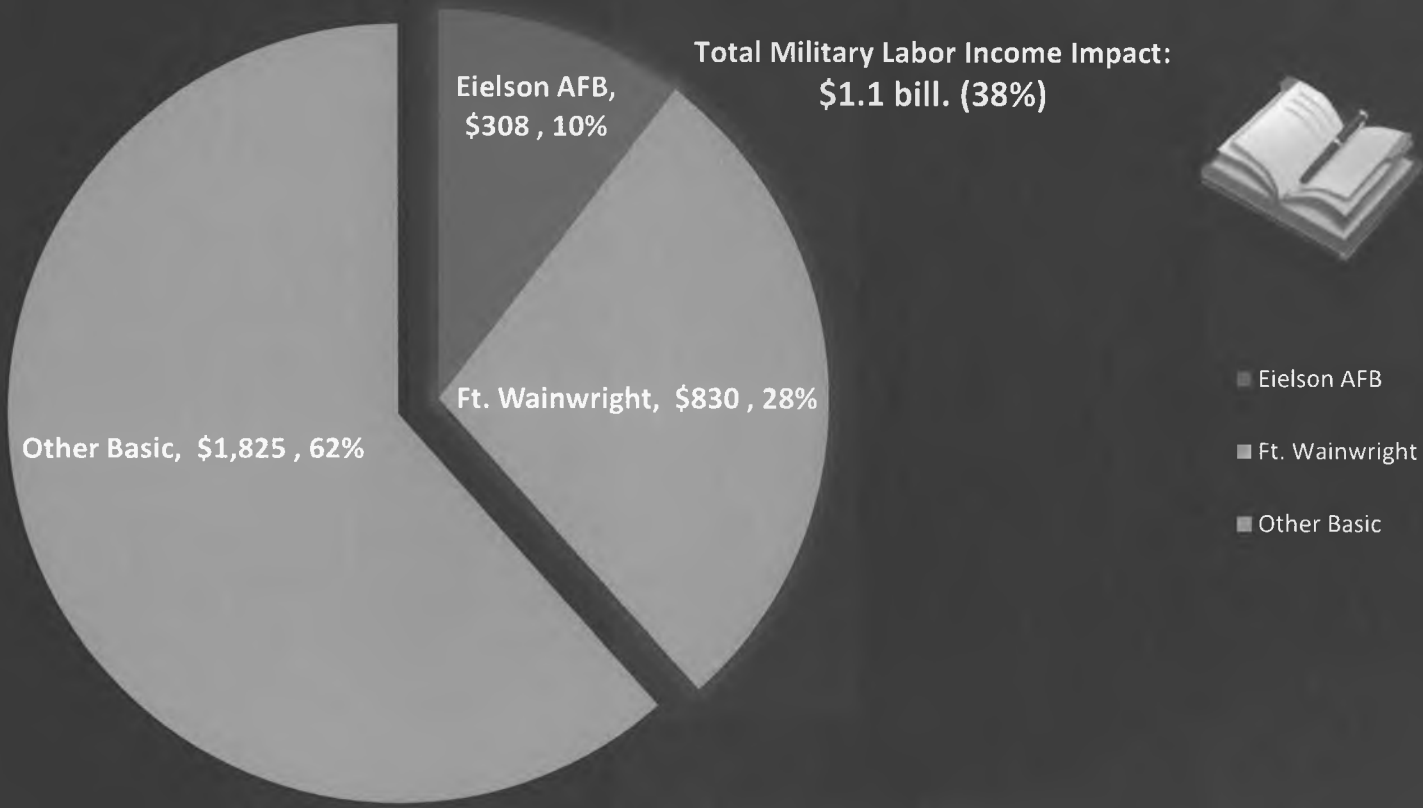
The Defense operations are the major driver of job creation in the Interior. Through the Dollars our two Military bases bring into our local economy, almost 16,000 Jobs are generated directly and indirectly in Fairbanks. The operations at Eielson Air Force Base create 4,300 Jobs (part- and full time). Ft. Wainwright produces a total of 11,581 jobs in the community. For every \$1 Mill. Dollars the bases bring (spend in) into Fairbanks 4 additional Jobs are created in the greater Fairbanks North Star Borough. A total of 30% of all jobs can be associated with the presence of the Military in Fairbanks.

Source: FEDC, Economic Base Model 2009;

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Labor Income Impacts: Total Labor Income generated by Military Dollars (\$1.2 bill) in Fairbanks



Source: FEDC, Economic Base Model 2009; Values in \$ Million, including wage and salary payments, proprietors' income, benefit payments, allowances, non-cash compensations...

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Labor Income Impacts: Total Labor Income generated by Military Dollars (\$1.2 bill) in Fairbanks

Total Military Labor Income Impact:

Eielson AFB, \$308 Mill. (10%), and Ft. Wainwright, \$830 Mill. (28%), are two major drivers for generating labor income paid to Fairbanks residents. The Dollars our Military bases, together bring into our local economy have spin off effects that create \$1.1 billion in wages, salaries, income to proprietors, and benefit payments for 16,000 part and full time jobs. The quality of these jobs is reflected in their above average pay. The resulting average annual pay for a job created through the presence of the Military in Fairbanks is ~72,000* (4th among all industries). A total of 38% of the value of labor income paid to employees and proprietors in our community is produced by the impacts of defense operations at Eielson and Ft.

*Includes: Salaries to employees, wages to proprietors, benefit payments (retirement, health care, allowances, non-cash payments, ect...)

Source: FEDC, Economic Base Model 2009;
Values in \$ Million, including wage and salary payments, proprietors' income, benefit payments, allowances, non-cash compensations...

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DOD – Military in Alaska

Military in Alaska 2010 (March):	Total Active/Civilian Forces
Active Duty Personnel	22,796
Active Duty Family Members	36,894
DOD Civilians	5,315
Non-Appropriated Fund Employees	2,076
Total	67,081

Locations	Active Duty Personnel
EIELSON AFB	1,886
ELMENDORF AFB	5,891
FORT GREELY	39
FORT JONATHAN WAINWRIGHT	4,317
FORT RICHARDSON	8,308
OTHER LOCATIONS	316
USCG ANCHORAGE	189
USCG JUNEAU	219
USCG KETCHIKAN	256
USCG KODIAK	1,067
USCG SITKA	205
USCG VALDEZ	103
Total Active/Civilian Forces	22,796

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DOD – Military in Alaska

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Non-Appropriated Fund Employees	2,076						
Total	67,081						
		Location	Active Duty Personnel	Active Duty Family Members	DOD Civilians	Non-Appropriated Fund Employees	Total
		EIELSON AFB	1,886	3,036	636	236	5,794
		ELMENDORF AFB	5,891	9,379	1,682	885	17,837
		FORT GREELY	39	113	48	0	200
		FORT JONATHAN WAINWRIGHT	4,317	7,710	1,239	560	13,826
		FORT RICHARDSON	8,308	13,031	1,310	336	22,985
		OTHER LOCATIONS	316	508	400	59	1,283
		USCG ANCHORAGE	189	330	0	0	519
		USCG JUNEAU	219	397	0	0	616
		USCG KETCHIKAN	256	300	0	0	556
		USCG KODIAK	1,067	1,642	0	0	2,709
		USCG SITKA	205	291	0	0	496
		USCG VALDEZ	103	157	0	0	260
		Total Active/Civilian Forces	22,796	36,894	5,315	2,076	67,081

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Dollar Impacts: Total revenue generated by Military Dollars (\$4.1 bill.) in Alaska

Military Impacts in Alaska:

Dollar Impacts:	\$8.7 Bill
Employment Impacts:	69,400
Labor Income Impacts:	\$4.5 Bill



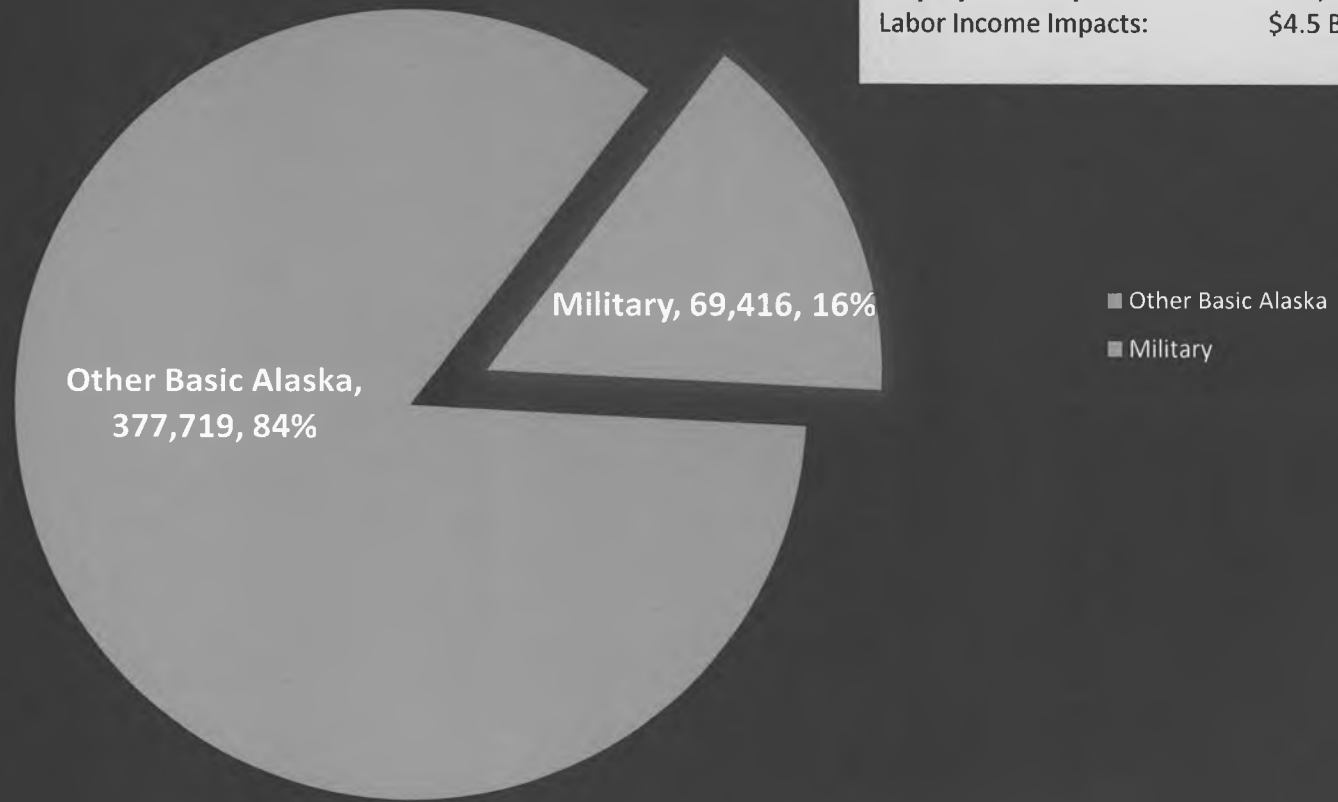
Sources: MIG Inc, IMPLAN data base Alaska 2006; ADOL Anchorage CPI; ADOL, Industry Employment Estimates 2006-2008; Values in \$ Million

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Employment Impacts: Total Employment generated by Military Dollars (\$4.1 bill.) in Alaska

Military Impacts in Alaska:	
Dollar Impacts:	\$8.7 Bill
Employment Impacts:	69,400
Labor Income Impacts:	\$4.5 Bill



Sources: MIG Inc, IMPLAN data base Alaska 2006; ADOL Anchorage CPI; ADOL, Industry Employment Estimates 2006-2008

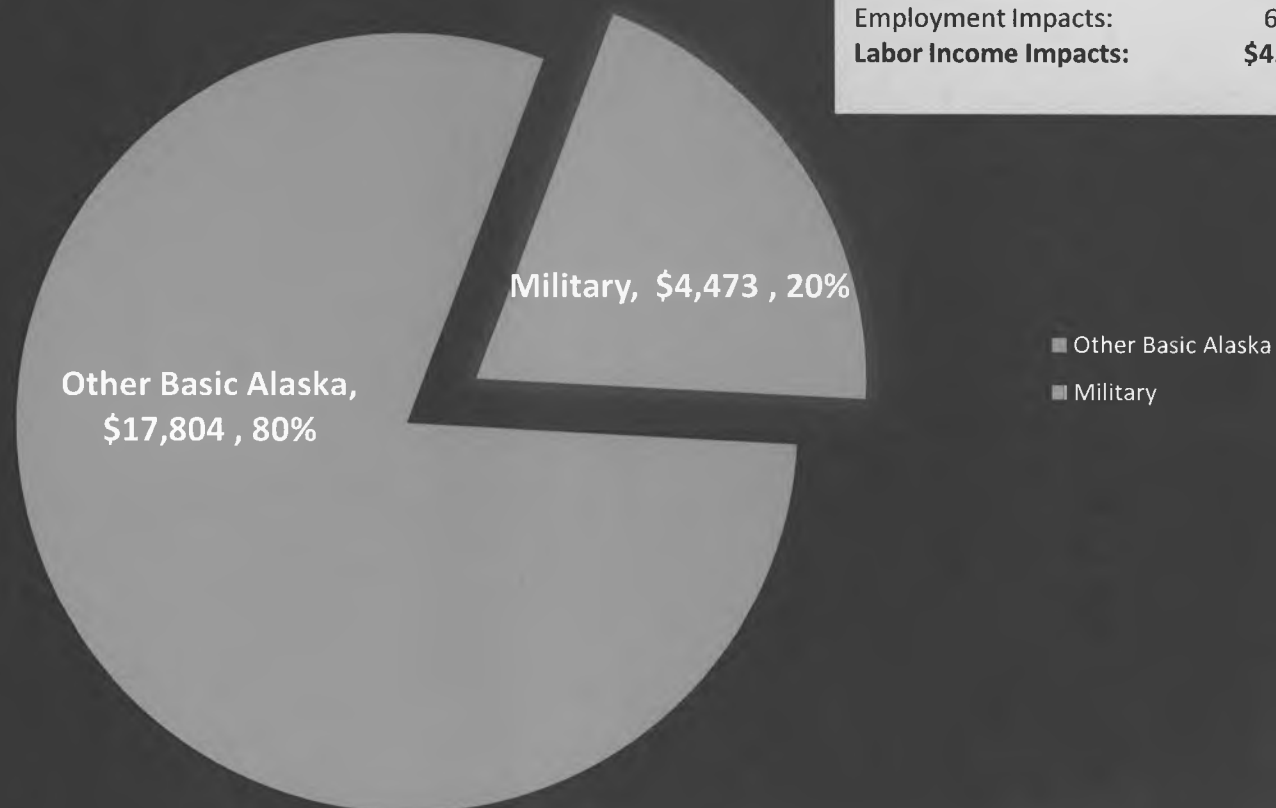
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Labor Income Impacts: Total Labor Income generated by Military Dollars (\$4.1 bill.) in Alaska

Military Impacts in Alaska:

Dollar Impacts:	\$8.7 Bill
Employment Impacts:	69,400
Labor Income Impacts:	\$4.5 Bill

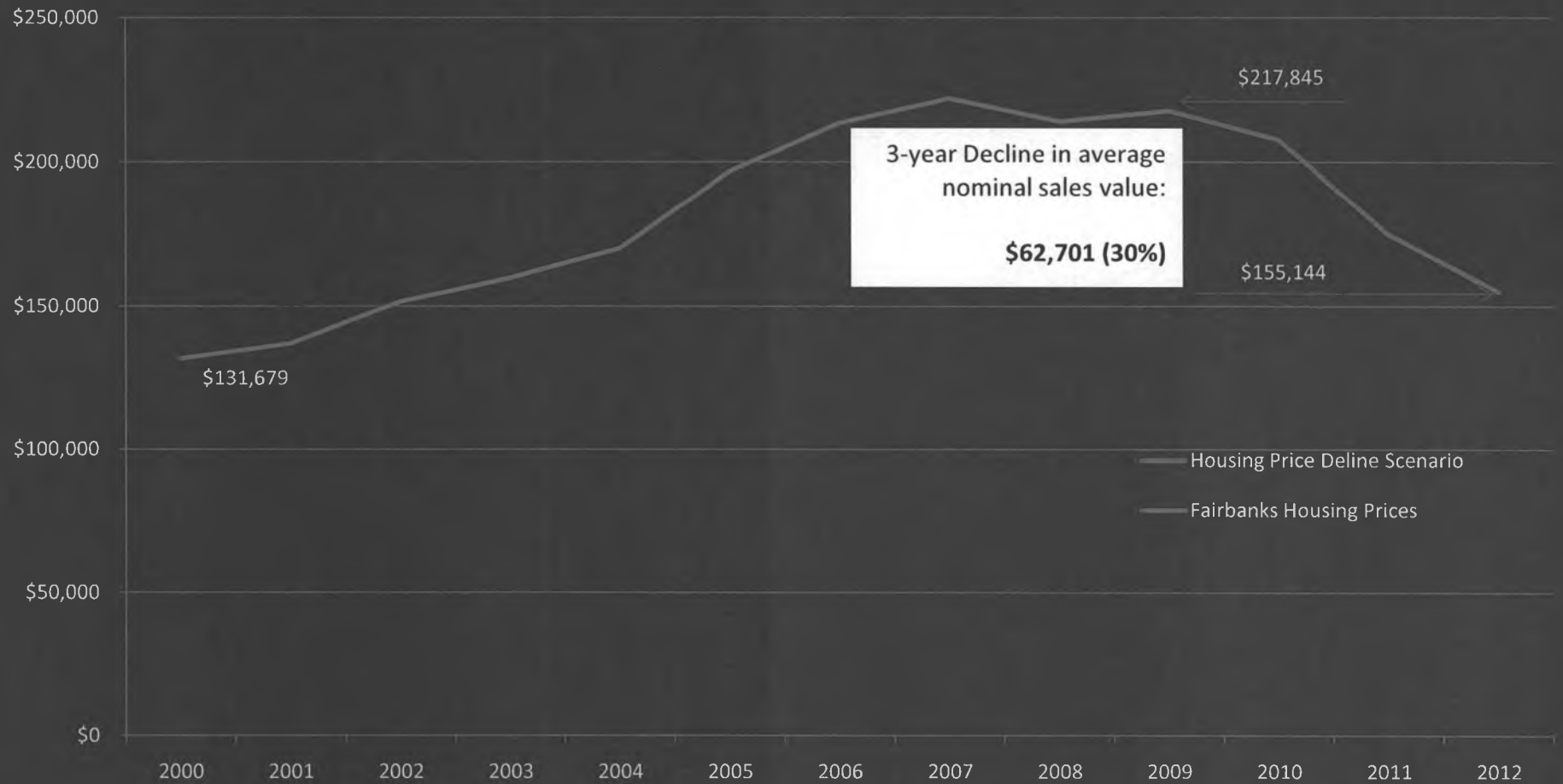


Sources: MIG Inc, IMPLAN data base Alaska 2006; ADOL Anchorage CPI; ADOL, Industry Employment Estimates 2006-2008; Values in \$ Million; including wage and salary payments, proprietors' income, benefit payments, allowances, non-cash compensations...

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Housing Prices Decline Scenario



SOURCE: Greater Fairbanks Board of Realtors and Alaska/Multiple Listing Service, Inc., personal and computer printout communications 2000-2009. Fairbanks Area MLS District data maintained by the Board or its MLS may not reflect all real estate activity in the market, and neither the Board nor its MLS guarantees or is in any way responsible for accuracy of the data.
US Home Price Index. <http://housingbubble.jparsons.net>

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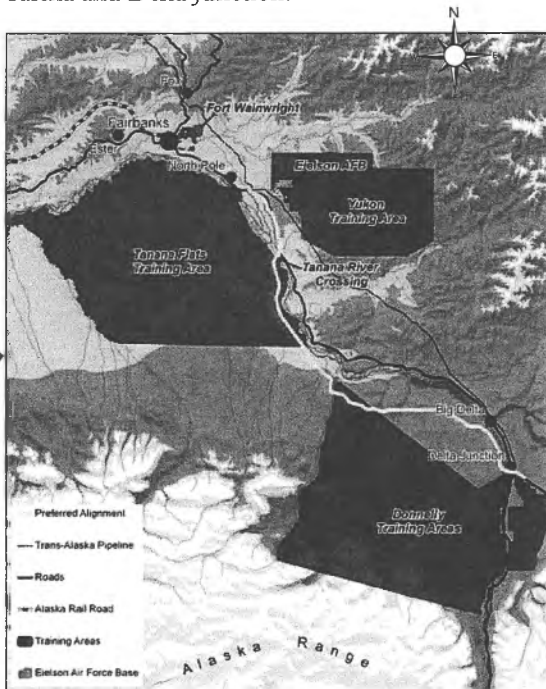
Northern Rail Extension

PROJECT FACTS

Project Scope & Description

The Alaska Railroad Corporation (ARRC) proposes to construct and operate a new rail line in the area between North Pole and Delta Junction. The project would involve approximately 80 miles of new rail line connecting the existing Eielson Branch rail line at the Chena River Overflow Structure to a point near Delta Junction. The proposed rail line would provide freight and potentially passenger rail services serving commercial interests and communities in or near the project corridor.

The new rail line would be operated as part of the Alaska Railroad system. As a common carrier, the line would be available to the general public, commercial, and military shippers including agricultural and resource development businesses. With a top design speed of 79 miles per hour for passenger trains, the track could support public transit operations between Fairbanks, North Pole, Salcha and Delta Junction.



Area map showing the military training areas south and west of the Tanana River.

The project includes development of an Environmental Impact Statement (EIS) as required by the National Environmental Policy Act (NEPA). This work consists of identifying and analyzing feasible alignment alternatives, completing engineering design on alternatives selected for review in the EIS, and estimating anticipated construction costs.

In order to fulfill transport needs and avoid mountainous terrain along the northeast bank of the Tanana River, the project requires a Tanana River crossing. The new rail line may also cross the Salcha, Little Delta and Delta Rivers, as well as Delta Creek.

The Department of Defense (DOD) has large training areas south of the Tanana River between Fairbanks and Delta Junction. Access to the Joint Tanana Training Complex is currently limited to ice roads during a short period of the year. The project scope would develop access from the Richardson Highway to the Tanana River, construct a crossing of the Tanana River, and place a staging area for military use immediately south of the river. Subsequent rail development would also use this crossing. Preliminary conceptual design includes a single traffic lane combined with rail located somewhere south of Salcha.

Purpose and Need

The Northern Rail Extension project would provide essential freight and passenger service to support transportation and mobility needs of the region. The project may provide the following:

- **Commercial freight service supporting communities** and commerce in or near the rail corridor, including existing agricultural, mining, and petrochemical industries, thus reducing reliance and wear and tear on the Richardson Highway. Currently, both the agricultural community located near Delta Junction and mineral resource industries in the area receive materials that are initially shipped by rail. Materials must be off-loaded in or near

Fairbanks, and then transported by truck via the Richardson Highway.

- **Transportation alternative** to the Richardson Highway for passenger transportation, with scheduled station stops proposed between Fairbanks and Delta Junction by way of North Pole and other communities. Passenger rail service would be available for citizens, military personnel, contractors, and dependent families who wish to travel for work, shopping, medical, educational, or other reasons.
- **Military support.** Access to the Joint Tanana Training Complex would accommodate year-round access to large military training areas. The Army and Air Force both use the million-acre complex, and their presence is expanding. The Complex provides unique opportunities for large scale, combined training of military units. The Army, in particular, is interested in rail to mobilize military units in and out of the training areas.
- **Support regional tourism.** Tourism is a major industry in Alaska and the rail line would provide further opportunities for visitors to enjoy the Alaska environment.

Benefits

- Common carrier rail service would provide bulk transport of goods to and from existing agricultural developments, mineral resource developments and other business enterprises. Area freight and transit services would enhance opportunities for economic expansion in a relatively isolated area of Alaska. The Alaska Railroad's tourism support to other parts of the system could potentially be expanded to Delta Junction and provide additional opportunities to see Alaska by rail.
- Additional communities within Interior Alaska would be connected by rail to three ports, including the Port of Anchorage, recently designated as one of 15 strategic ports in the nation.
- Public transit would facilitate additional choices for families and individuals seeking safe, reliable, year-round transportation opportunities between the Delta Junction and Fairbanks areas. Rail transit offers an alternative to driving the Richardson Highway, which presents hazardous driving conditions during long, dark, icy winter months.

- Military units would benefit from year-round multi-modal access to joint training areas south of the Tanana River.
- Rail access would avoid use of military vehicle convoys along the Richardson Highway, thereby reducing congestion, saving fuel and minimizing wear-and-tear.

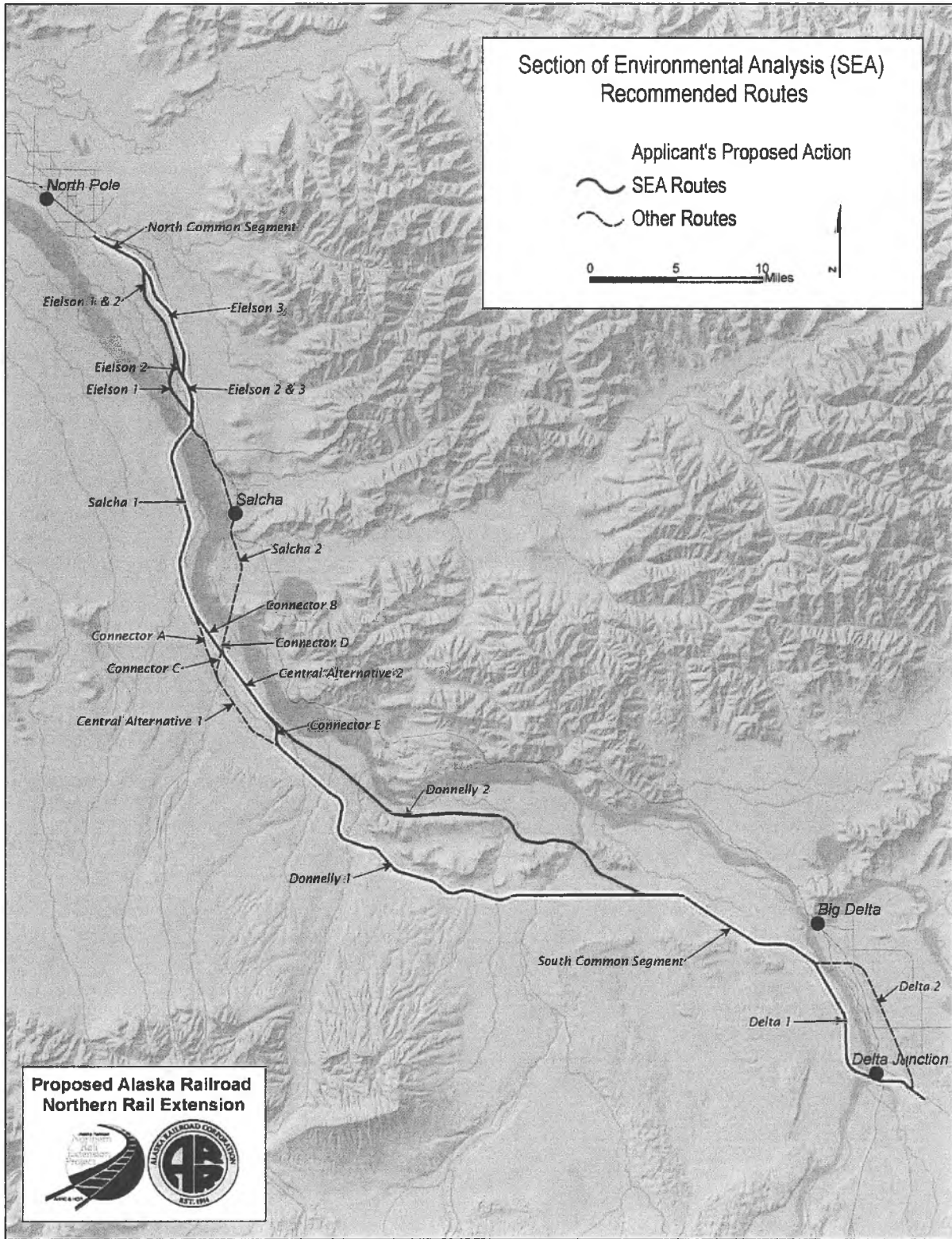
Status/Timeline

- Late 2004, ARRC initiated project conceptual development.
- April 2005, the Surface Transportation Board (STB), the lead federal agency, selected ICF Consulting as the independent third party contractor to prepare the EIS under the STB's direction.
- November 2005, STB published a "Notice of Intent" in the Federal Register.
- December 2005, STB held public and agency scoping meetings.
- December 2008, Draft EIS is released for public review. Public meetings held mid-January in Fairbanks, North Pole, Salcha and Delta Junction. Public comment period ended February 2, 2009.
- STB posts Final EIS September 18, 2009. FEIS is available for review on the STB web site at http://www.stb.dot.gov/stb/environment/key_cases_alaska.html. Scroll down to the links for both the Final EIS and Draft EIS.
- The STB Record of Decision on January 5, 2010, granted authority to construct and operate the rail extension.

Next Steps

- Once the STB's final decision is made, ARRC can move forward with final design and construction. The project will likely progress in four phases, as funding allows:
 - **Phase One** – Tanana River crossing at Salcha
 - **Phase Two** – Rail construction from Moose Creek near North Pole to the Salcha crossing
 - **Phase Three** – Rail construction from the Salcha crossing to the Donnelly Military Training Area
 - **Phase Four** – Donnelly to Delta Junction

Project Area Map: Proposed and Recommended Routes





Cost and Funding

- Preliminary engineering and design and NEPA-mandated environmental assessments and documentation were included in a \$12.5 million budget from an initial Department of Defense (DOD) appropriation in 2005 that was administered as a grant through the Federal Railroad Administration (FRA). DOD appropriations announced in 2006 included \$4 million for NEPA and preliminary engineering work.
- DOD appropriated \$44.2 in 2007 and another \$60 million in 2008, primarily to pursue Phase One, Tanana River access. Funds are being used for planning, environmental work, engineering, final design, permitting, acquiring right-of-way, preparing the construction area and procuring materials.
- Construction costs for the rail line is estimated to be between \$650 and \$850 million, Funding sources may include federal appropriations and financing via the sale of revenue bonds that are secured by advance shipping contracts.

trating agency for the federal grant funding the EIS development. The FRA provides technical oversight for the project.

- **Cooperating Federal Agencies.** In addition to the FRA the following federal agencies will be cooperating on the EIS; The Federal Transit Administration (FTA), The Bureau of Land Management (BLM), The Alaska Command (ALCOM), The U.S. Air Force (USAF) 354th Fighter Wing (Stationed at Eielson Air Force Base), The U. S. Army Corps of Engineers (USACE), and the U. S. Coast Guard (USCG). These agencies provided review and comment on various aspects of the project throughout development of the EIS.

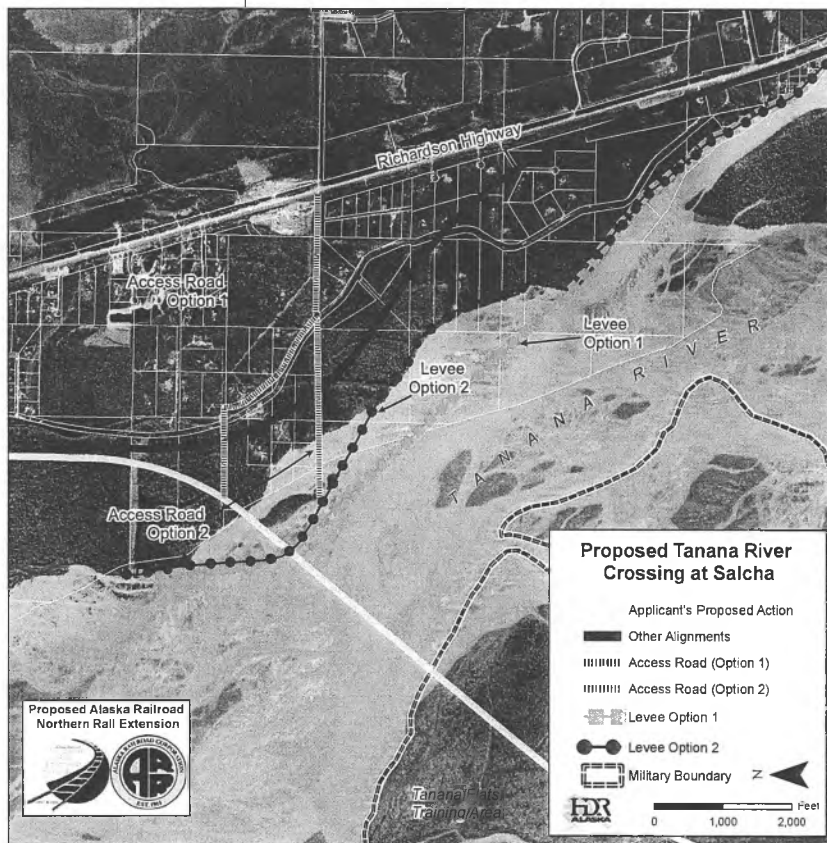
For more information

- E-mail to public_comment@akrr.com
- visit www.northernrailextension.com
- Contact ARRC Corporate Communications Officer Stephenie Wheeler at (907) 265-2671.

Project Participants

A number of players are involved with the project:

- **The Surface Transportation Board (STB)** is the approval authority for all new rail line construction in the United States. As such, the STB is the lead federal agency on the project and oversaw the EIS process.
- **The Alaska Railroad Corporation (ARRC)** is a self sustaining corporation owned by the State of Alaska. ARRC is the project sponsor of the Northern Rail Extension project.
- **The Federal Railroad Administration (FRA)** is a cooperating agency with the STB and the adminis-



Preliminary design concept for the Tanana River crossing at Salcha.

EPA, others balk at Tanana rail bridge

by Christopher Eshleman / ceshleman@newsminer.com

Dec 15, 2010 | 5650 views | 33  | 13  |  | 

FAIRBANKS — Federal environmental regulators said Friday a bridge proposed to span the Tanana River represents too big of an environmental risk.

The concern may not stop the project, which has attracted strong advocacy from public officials in the Interior, but it represents at least a crimp in the plan. Managers hope to start construction next year on a bridge-and-levée project that could last four years.

The U.S. Environmental Protection Agency wrote its letter of objection Friday to the U.S. Army Corps of Engineers. It follows a similar letter sent in November and arrives alongside similar concerns from several other public agencies.

The Corps is processing a permit application for the project's sponsor, the Alaska Railroad Corp. The railroad, with funding from the Department of Defense and the state Legislature, wants the bridge to help the military, a major client, get year-round access to huge military training grounds south of the river.

The 3,300-foot bridge would be the longest in the state.

Rick Parkin, a Seattle-based associate director for the EPA's Office of Ecosystems, Tribal and Public Affairs, said the agency isn't trying to block construction of a bridge or sink its parent project, a proposed railroad extension to Delta Junction.

"We think the location of this bridge is in a problematic location," he said, and will push for justification of the spot versus alternatives. "... We just want it to be done in the least environmentally damaging manner practicable."

The location — the bridge would start near Salcha — emerged as the best option during extended environmental reviews preceding the railroad's permit application. Tom Brooks, a vice president for the railroad, said the long-discussed project has already weathered significant scrutiny and that managers believe the Salcha option is the best spot to build.

"We think we've done what we need to do to mitigate" potential problems, he said. He said the railroad is "doing our best to address" the agencies' concerns.

Pat Richardson, a spokeswoman for the Corps in Alaska, said the state Departments of Natural Resources and Fish and Game also submitted concerns about the project. So did the National Marine Fisheries Service and the federal Fish and Wildlife Service, she said.

"We have forwarded those comments to the Alaska Railroad, and they are currently preparing responses," Richardson said.

Richardson said it will ultimately fall to the Corps to either issue permits, under both the Clean Water Act and the Rivers and Harbors Act, for the project or reject the railroad's application.

The railroad is updating its cost estimate for the bridge, which would accompany construction of a huge levee on the river's northern bank, Brooks said. Past estimates pegged the combined price tag at roughly \$160 million.

Marcia Combes, a state director for the EPA, wrote that the bridge and levee could foul salmon and whitefish habitat. She wrote it could also compound flooding problems in Salcha — although advocates have said the levee could help solve that problem.

Combes said there could be safer options.

"EPA believes there may be practical alternatives — such as crossing at Flag Hill or the Little Delta River — that would not substantially constrict the flood zone, would not require construction of a levee, and would have less adverse effect on the aquatic environment," she said.

The letter indicates EPA began expressing warnings about the project as early as February 2009.

The project is possibly fully financed, given a series of defense grants and a \$40 million contribution this spring from the Legislature. The railroad's updated cost estimate, when complete, will tell.

Brian Lindamood, another manager for the railroad, told a chamber of commerce committee last month that the regulatory review surrounding the bridge project was proving to be a challenge,

with federal agencies pressing to know more about how the work could affect the environment.

Combes wrote that the river is the second-biggest tributary to the larger Yukon River and supports 18 species of fish, including three that travel upriver from salt water to spawn. She said the river produces one-quarter of the Yukon's chinook salmon runs, "a stock of international importance for commercial, subsistence and sport fisheries in Alaska and Canada." She said a study by the University of Alaska Fairbanks cites the river as a major spawning area for whitefish, which in turn represent subsistence food for Alaska Natives and rural residents.

Local governments and the Legislature's Interior lawmakers have lobbied hard for the project, citing the economic benefits of encouraging long-term investment by the military.

Combes said the EPA believed almost two years ago that the railroad's proposed environmental impact statement for the project contained "insufficient information" as her agency tried to gauge the potential impact on water quality, habitats, wetlands and the river's side channels. Almost a year later it wrote another letter saying its concerns had gone unaddressed and last month noted the project includes conflicting accounts of how much of the waterway would be impacted permanently and temporarily during what would amount to a huge construction project in an area with little development.

"The importance of having sufficient data to support all identified project purposes and needs cannot be overemphasized," she said.

Contact staff writer Christopher Eshleman at 459-7582.

Alaska Railroad calls out EPA on Tanana River bridge decision

by Christopher Eshleman/ceshleman@newsminer.com

Jan 24, 2011 | 2286 views | 11  | 6  |  | 

FAIRBANKS — The Alaska Railroad has asked federal engineers to reject a last-minute environmental objection to its plan for a bridge across the Tanana River.

The U.S. Environmental Protection Agency balked late last year at the plan, which has been in the works for more than half a decade.

But the Alaska Railroad Corp., which has lined up more than \$140 million for the project in military and state funding, this week accused the EPA of a flip-flop that could sink the project.

“To say we are disappointed in the EPA’s recent actions would be an understatement,” said Tom Brooks, a top engineer and vice president for the railroad.

He said by statement that the EPA’s “eleventh hour” attempt to bypass years of environmental review with new objections “puts this project in serious jeopardy.”

The plans call for building the 3,300-foot bridge — it would be the state’s longest — from Salcha toward vast military training grounds. It’s also viewed as the first step in an extension project between the North Pole area and Delta Junction, host to Fort Greely Army post.

The EPA in November and December said the project represents too big of an environmental risk, telling the U.S. Army Corps of Engineers it would push for stronger justification of the bridge’s proposed location. But the railroad noted in its release Monday that four years of review preceded a federal transportation panel’s early 2010 approval of the project. The railroad corporation said the EPA had approved of the choice of site as recently as 2009 and its “sudden” reversal essentially challenges findings from a huge environmental impact statement.

“If the EPA has concerns of this magnitude relating to the bridge size, or location, they had ample opportunity to voice those concerns directly to the (Surface Transportation Board) during the EIS process,” Brian Lindamood, a project manager for the railroad, said in the statement. “To our knowledge, they either did not, or failed to make a credible argument as is evident in the STB’s record of decision. We believe as a function of process, and a matter of law, that train has left the station.”

Alaska Railroad now pegs Tanana River bridge at \$185 million

by Dermot Cole / cole@newsminer.com

Jan 27, 2011 | 561 views | 0  | 4  |  | 

FAIRBANKS — The Alaska Railroad figures the half-mile Tanana River bridge at Salcha will cost “plus or minus” \$185 million, more than earlier estimates of \$160 million, the railroad told the Legislature on Thursday.

The railroad has most of the money but still has to come up with anywhere from \$20 million to \$60 million to cover the total before the summer, Railroad President Christopher Aadnesen said.

The federal government has supplied about \$104 million, while the state has chipped in \$40 million for what would be the longest bridge in Alaska, designed to give the military access to lands south of the river.

But the Army Corps of Engineers has yet to issue permits to the railroad to proceed with the project. And the Environmental Protection Agency has raised several objections to the railroad plan.

The railroad said EPA is trying to “subvert” the environmental impact statement process by debating issues that were already settled, such as the justification for the 80-mile railroad extension to Delta. The bridge is a first step in that larger effort.

Aadnesen told the transportation committees in Juneau that unless the railroad gets the permit and straightens out the funding soon, the railroad board may be forced to make a “no go” decision at its meeting in May.

One reason the cost of the bridge has risen is the Tanana River continues to shift in its riverbed, which is increasing the proposed cost of the levee to be built to hold the river within its banks.

Railroad vice president Tom Brooks said the original design was that the bridge would span the main channel, while culverts would be installed at side channels. With comments from the Department of Fish and Game and other agencies, the railroad is proposing some of the culverts be replaced with bridges, which are more expensive.

The planners are considering the idea of having the side channel bridges be built by the military, which would lower the cost of the main bridge.

The big reason for the summer deadline on a financing plan is the authority for the federal funding will expire before the project is finished.

“The funding is needed by early summer in 2011. The reason it’s critical is if we don’t solve the EPA thing and don’t close the funding gap and we have to delay the beginning of the construction of the bridge then we will not have time to spend the federal money by the time it expires and we’ll lose the money up front,” Aadnesen said.