

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

10153 SENATE TRANSPORTATION



RECORDS CERTIFICATION



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A handwritten signature in cursive script, appearing to read "John D. [unclear]".

Signature of Camera Operator

12/5/2001

Date

1999-2000

SENATE TRANSPORTATION COMMITTEE

LIST OF FILES (PAGE 1)

MICROFICHE #

EXECUTIVE ORDER 101

SB 189

SB 203

SB 208

SB 235

SB 288

SB 291

SJR 38

EO

101

FISCAL NOTE

No. 1
 Bill Version: EO101
 (S) Publish Date: 1/10/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Revision Date _____	Dept. Affected <u>Public Safety</u>
Title <u>Executive Order - transferring the</u>	BRU <u>Highway Safety Planning Agency</u>
<u>Highway Safety Planning Agency to DOT/PF</u>	Component <u>HSPA Operations & Federal Grants</u>
Sponsor <u>Rules</u>	
Requester <u>Governor</u>	Component No. <u>498 & 499</u>

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Executive Order takes effect July 1, 2000.

Funding and positions will be transferred from the Department of Public Safety to the Department of Transportation and Public Facilities by submission of an FY2001 budget amendment.

Prepared by: <u>Royce Weller, Special Assistant to the Commissioner</u>	Phone <u>465-4322</u>
Division <u>Commissioner's Office</u>	Date/Time <u>1/4/00 12:00:00 AM</u>
Approved by Commissioner <u><i>Ronald L. Olte</i></u>	Date <u>1/4/00</u>
Agency <u>Ronald L. Olte, Department of Public Safety</u>	

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FISCAL NOTE

No. 2
 Bill Version: EO 101
 (S) Publish Date: 1/10/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected DOT&PF
 Title Executive Order - transferring the BRU Planning
Highway Safety Planning Agency to DOT&PF Component Statewide Planning
 Sponsor Rules
 Requester Governor Component No. 1951

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Executive Order takes effect July 1, 2000.

Funding and positions will be transferred from the Department of Public Safety to the Department of Transportation and Public Facilities by submission of an FY2001 budget amendment.

Prepared by: Dennis Poshard, Special Assistant to the Commissioner Phone 465-3904
 Division Commissioner's Office Date/Time 1/5/00 11:08 AM
 Approved by Joseph L. Perkins Date 1/5/00
 Agency for Joseph L. Perkins, DOT&PF

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January 10, 2000

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:


I am transmitting an Executive Order to transfer the Alaska Highway Safety Planning Agency from the Department of Public Safety to the Department of Transportation and Public Facilities.

This transfer will make the agency more effective by placing it in the department that is ultimately responsible for providing and maintaining safe, well-designed highways and roads. The Department of Transportation and Public Facilities (DOT&PF) already administers many Federal Highway Administration grant programs and may be able to combine staff resources to more efficiently administer the highway safety grant program.

The Highway Safety Planning Agency would become part of the Statewide Planning Division of DOT&PF. Agency duties and responsibilities are well aligned with the Statewide Planning Division, including planning, data collection and program effectiveness analysis. Statewide Planning also programs and administers over \$300 million in federal transportation funding each year.

The program transfer would include funding, personnel and all relevant functions of the agency to DOT&PF. In an effort to enhance our ability to make Alaska's highways safe, I urge your support of this Executive Order.

Sincerely,


Tony Knowles
Governor

SB

189

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE
SIXTEENTH ALASKA LEGISLATURE
EIGHTEENTH ALASKA LEGISLATURE
NINETEENTH ALASKA LEGISLATURE
TWENTIETH ALASKA LEGISLATURE
TWENTY-FIRST ALASKA LEGISLATURE

ALASKA STATE SENATE



SENATOR TIM KELLY

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SPONSOR STATEMENT

SB 189

"An Act relating to the international airports in Anchorage and Fairbanks and establishing The Alaska International Airport Authority; and providing for an effective date."

The public process surrounding the implementation of an Alaska Airport Authority combining Alaska's two international airports promises to be comprehensive. The process will allow the public and affected organizations to review the proposed legislation and begin a thorough discussion of its' merits.

Forming an Airport Authority encourages the development of trade on a statewide level and allows Anchorage International Airport and Fairbanks International Airport to benefit from the economies of scale offered by a single administrative body. The proposed board structure will give this Authority, the long term management stability it needs to more effectively and rapidly respond to fast-changing world market conditions.

Only Alaska and Hawaii currently have regional international airports that are state operated. The other 48 states international airports are run by authority systems.

Concern may rise over some elements of this legislation. The term "Authority" can be misleading and even inaccurate in implying a voracious and autonomous self-sustaining public body. Some "Authorities" do in fact meet that criterion. However, in SB 189, the governor of Alaska will appoint the members of the board of directors and the Legislature will review and appropriate the budget. All things done by the "Authority" are public and the acquisition of land by Eminent Domain may take place only with prior approval of the governor.

Responsibility to repay existing airport bonds is assumed by the "Authority" and the "Authority" also assumes repayment of new bond issues. Existing state employees transferred to the "Authority" become "Authority" employees and transfer with their collective bargaining agreements, for the duration of that contract. These employees continue to participate in their existing retirement benefit programs. The "Authority" may choose to engage in collective bargaining with its employees.

Senate Bill 189 provides for the continuation of litigation, hearings, investigations and other proceedings that were begun under a law that was amended or repealed by this Act, notwithstanding the amendment or repeal of that law. Likewise, regulations adopted under pre-existing law remain in effect for the term adopted or until repealed.

This legislation requires the "Authority" to annually prepare a concise report to the governor, legislature and the mayors of the Municipality of Anchorage, the Fairbanks North Star Borough, and the City of Fairbanks describing the operations, income, and expenditures of the "Authority" for the prior fiscal year.

###

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MEMORANDUM

January 25, 2000

SUBJECT: Sectional Summary of SB 189: An Act relating to the international airports in Anchorage and Fairbanks and establishing the Alaska International Airport Authority. (SB 189)

TO: Senator Tim Kelly
Attn: Ben Grenn

FROM: George Utermohle *GU*
Legislative Counsel

You have requested a sectional summary of SB 189: An Act relating to the international airports in Anchorage and Fairbanks and establishing the Alaska International Airport Authority.

As a preliminary matter, please note that a sectional summary only highlights significant elements of a bill and is neither a detailed review nor an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill sets out the findings of the legislature and the purpose of the bill.

Section 2 of the bill adds a new chapter to AS 02 creating the Alaska International Airport Authority.

CHAPTER 45. ALASKA INTERNATIONAL AIRPORT AUTHORITY. ARTICLE 1. CREATION AND ORGANIZATION.

Sec. 02.45.010 creates the Alaska International Airport Authority as a public corporation and instrumentality of the state in the Department of Transportation and Public Facilities. The authority is the exclusive state agency responsible for the state-owned and state-operated international airports at Anchorage and Fairbanks. The powers of the authority are vested in the board of directors of the authority.

Sec. 02.45.020 creates the board of directors of the authority. The board consists of seven voting members. The commissioner of transportation and public facilities serves as a nonvoting member of the board. The voting members of the board are appointed by the Governor from among persons qualified to serve on the board. Two members of the board shall reside in the Municipality of Anchorage and two members of the board shall reside in the Fairbanks North Star Borough.

Appointed members of the board serve staggered, four-year terms that begin on January 1.

Members of the board are subject to AS 39.50, relating to public official financial disclosure. Members of the board may not be employed by the state or hold elective state or municipal office.

Sec. 02.45.030 describes the grounds and procedure for removing appointed members of the board.

Sec. 02.45.040 sets the maximum amount of compensation for appointed members of the board at \$400 per day while performing the duties of the board for a maximum of 60 days per year. Appointed members of the board are also entitled to per diem and travel expenses authorized under AS 39.20.180.

Sec. 02.45.050 requires the board to hold at least four regular meetings each year and to alternate the location of the regular meetings between Anchorage and Fairbanks. The board may hold special meetings as the chair or three members consider necessary.

Sec. 02.45.060 describes the officers of the board, sets the quorum of the board at four members, prohibits voting by proxy, and allows members of the board to participate in meetings by electronic means.

Sec. 02.45.070 provides that the board may employ officers and employees necessary for the efficient operation of the airports and the authority. The board shall employ an airport manager for each airport at Anchorage and Fairbanks.

Sec. 02.45.080 authorizes the board to adopt rules and emergency rules as necessary to carry out its functions and the purpose of AS 02.45. Procedures for adopting rules and emergency rules are set out.

ARTICLE 2. POWERS AND DUTIES.

Sec. 02.45.100 sets out the powers and duties of the authority.

Sec. 02.45.110 states that the activities of the authority in regard to the international airports are governmental functions and are exercised for a public purpose.

Sec. 02.45.120 provides that the authority has the power to acquire land and easements in land necessary for the purposes of the authority. The authority may exercise this power to abate airport hazards and to obtain sand, gravel, rock, and other materials.

Sec. 02.45.130 provides that the authority has the power to acquire land for the purpose of exchange for other land needed by the authority.

Sec. 02.45.140 provides that the authority has the power to acquire land by eminent domain. The governor must approve the exercise of eminent domain by the authority.

Sec. 02.45.150 provides that the authority may indemnify certain persons associated with the authority for costs incurred in connection with a civil or criminal action arising out of the person's affiliation with the authority. The authority may also purchase insurance to protect its employees, agents, and board members from actions arising out of their performance of duties for the authority.

Sec. 02.45.160 requires the authority to protect its assets, employees, and services by purchasing insurance or by providing for self-insurance retentions. The authority shall also obtain other insurance necessary to protect the authority and state from claims against the authority.

Sec. 02.45.170 requires the authority to obtain a fidelity bond for boards members and each executive officer responsible for accounts and finances.

ARTICLE 3. INTERNATIONAL AIRPORT FACILITIES.

Sec. 02.45.200 grants the authority the power to enter into long term agreements (up to 55 years) for the use of airport facilities or for the privilege of supplying goods, services, and facilities at an airport or air navigation facility. The authority may set the terms, charges, rents, and fees for the use of airport facilities and airport services. The authority may not deny to the public the right to equal use of the airports and air navigation facilities. Procedures for renewal or extension of land leases at the airports are set out. Procedures for disposition of permanent improvements to land leased from the authority are set out.

Sec. 02.45.210 requires the authority to grant an exclusive contract for the sale and delivery of in-bond merchandise at the airports. Existing contracts for the delivery and sale of in-bond merchandise at the Fairbanks and Anchorage international airports may continue until they expire, but no additional contracts for the delivery and sale of in-bond merchandise may be made. When the existing contracts for the delivery and sale of in-bond merchandise expire the authority shall enter into one exclusive agreement for the delivery and sale of in-bond merchandise at each airport.

The authority shall award the exclusive contracts for the delivery and sale of in-bond merchandise by competitive bid.

Deliveries of in-bond merchandise to airlines as cargo are exempt from this section.

Sec. 02.45.220 grants general police powers to certain officers and employees of the authority who are designated by the board.

Sec. 02.45.230 prohibits the authority from excluding ground transportation from airports.

Sec. 02.45.240 provides that the authority may enforce the payment of debts owed to the authority and that the authority has the lien rights allowed by law to collect monies owed for services provided by the authority.

Sec. 02.45.250 provides that the board shall establish an advisory committee for each airport at Anchorage and Fairbanks. Each advisory committee consists of three members of the board of directors of the authority.

ARTICLE 4. FISCAL PROCEDURES.

Sec. 02.45.300 sets out procedures for preparing the authority's program and financial plan.

Sec. 02.45.310 provides that the authority may administer its programs for the management of airports, except as limited by the governor, mission statements, appropriations, and other laws. The governor may direct the authority to withhold or reduce expenditures if external factors make the expenditure factually impossible.

Sec. 02.45.320 provides that the authority may receive money from federal agencies and other public and private sources to accomplish the purposes for which the authority was created, provided that the legislature appropriates the money to the authority. Funds received from the federal government shall be spent under the terms and conditions set out in federal laws and regulations.

Sec. 02.45.330 requires the authority to annually prepare a concise report to the governor, legislature, and the mayors of the Municipality of Anchorage, the Fairbanks North Star Borough, and the City of Fairbanks describing the operations, income, and expenditures of the authority for the prior fiscal year.

Sec. 02.45.340 requires the authority to have its financial records audited annually by a certified public accountant.

Sec. 02.45.350 provides that the authority succeeds to all rights, duties, powers, and obligations of the state bond committee regarding international airports revenue bonds.

ARTICLE 5. GENERAL PROVISIONS.

Sec. 02.45.900 provides that the employees of the authority are not employees of the state. Those employees of the authority who were state employees before they were transferred to the authority continue to participate in the supplemental benefits program under AS 39.30 and the public employee retirement system under AS 39.35 and the authority shall continue to contribute to these systems for those employees. The authority may engage in collective bargaining with its employees.

Sec. 02.45.910 exempts the authority from the State Procurement Code (AS 36.30) except as specifically provided; the Executive Budget Act (AS 37.07); AS 39, except as specifically provided; and portions of the Administrative Procedure Act (AS 44.62.010 - 44.62.300), relating to the adoption of regulations.

Sec. 02.45.990 defines the terms "airport", "authority", and other key terms.

Sec. 02.45.995 designates this chapter as the Alaska International Airport Authority Act.

Sections 3 - 23 of the bill make numerous technical amendments to AS 02.15 allocating responsibility for control, management, and operation of the state-owned and state-operated airports at Anchorage and Fairbanks between the Department of Transportation and Public Facilities and the Alaska International Airport Authority in order to conform with the substance of sec. 2 of the bill.

Sections 24 - 25 of the bill make technical amendments to AS 02.25.110 in order to clarify the responsibility of the Department of Transportation and Public Facilities and the Alaska International Airport Authority in regard to the state-owned or state-operated airports at Anchorage and Fairbanks and to conform with the substance of sec. 2 of the bill.

Section 26 of the bill amends AS 18.65.290(6) by making a technical amendment to the definition of "police officer" to include an officer or employee at an international airport who has been designated by the Alaska International Airport Authority as having general police powers.

Section 27 of the bill makes a technical amendment to AS 19.10.270 relating to the responsibility for approving construction of highways near the airports managed by the Alaska International Airport Authority.

Section 28 of the bill makes a technical amendment to AS 23.10.037(b), relating to the use of lie detectors, by substituting a reference to the Alaska International Airport Authority for a reference to the Department of Transportation and Public Facilities.

Sections 29 - 30 of the bill amend AS 35.27 (art in public places) to make the Alaska International Airport Authority responsible for complying with the chapter as it affects the buildings and facilities of the authority.

Section 31 of the bill makes a technical amendment to AS 36.10.180(a) in order to subject the Alaska International Airport Authority to the preferential hiring requirements for contracts subject to AS 36.10.150 - 36.10.175.

Section 32 of the bill makes an amendment to AS 36.30.015(e) in order to allow the Alaska International Airport Authority to adopt a procurement code that is substantially equivalent to the state procurement code (AS 36.30).

Section 33 of the bill amends AS 36.30.050(c) in order to allow the authority to use the list of contractors compiled by the commissioner of administration under AS 36.30.050.

Section 34 of the bill makes a technical amendment to AS 36.30.850(b)(8) in order to conform with sec. 2 of the bill.

Section 35 of the bill amends AS 36.30.990(l) in order to exempt the Alaska International Airport Authority from the definition of agencies subject to the state procurement code (AS 36.30).

Section 36 of the bill amends AS 37.05 (Fiscal Procedures Act) in order to allow the commissioner of administration to delegate some of the commissioner's functions under AS 37.05 to the Alaska International Airport Authority.

Sections 37 - 53 of the bill make numerous amendments to AS 37.15.415 - 37.15.550 in order to transfer authority from the commissioner of transportation and public facilities and the state bond committee to the board of directors of the Alaska International Airport Authority in regard to international airports revenue bonds.

Sections 54 - 55 of the bill amend AS 38.05.030 in order to exempt land held by the Alaska International Airport Authority from the jurisdiction of the Department of Natural Resources under AS 38.05.

Section 56 of the bill amends AS 39.35 by adding a new section providing that state employees who are transferred to the Alaska International Airport Authority continue to participate in the public employees retirement system. The authority may elect to include new employees of the authority within the coverage of the public employees retirement system.

Section 57 of the bill amends AS 39.50.200(b) in order to make members of the board of the Alaska International Airport Authority subject to AS 39.50 (public official financial disclosure).

Sections 58 - 60 of the bill amend definitions used in the AS 39.52 (Alaska Executive Branch Ethics Act) in order to include the Alaska International Airport Authority within the definition of "agency" and "board or commission" and "instrumentality of the state."

Section 61 of the bill amends AS 44.42.020(a)(7) relating to the duties of the commissioner of transportation and public facilities in order to clarify the responsibility of the commissioner for the state-operated and state-owned airports at Anchorage and Fairbanks and to conform with sec. 2 of the bill.

Section 62 of the bill amends AS 44.88.080(25) in order to authorize the Alaska Industrial Development and Export Authority to enter into agreements with the Alaska International

Airport Authority regarding facilities at the international airports at Anchorage and Fairbanks.

Section 63 of the bill provides for the transfer of real and personal property used or controlled by the Anchorage International Airport and the Fairbanks International Airport to the Alaska International Airport Authority. Employees from the Department of Transportation and Public Facilities that are involved in the management, operation, and maintenance of the international airports at Anchorage and Fairbanks are transferred to the Alaska International Airport Authority. Employees of the Alaska International Airport Authority are no longer state employees on the expiration date of the collective bargaining agreements covering those employees that are in effect on the effective date of certain provisions of the bill.

Section 64 of the bill provides for the interim management of the Alaska International Airport Authority by the commissioner of transportation and public facilities pending the first meeting of the board of directors of the authority.

Section 65 of the bill prescribes the terms of the initial appointments to the board of directors of the Alaska International Airport Authority.

Section 66 of the bill provides for the transfer of responsibility for international airports revenue bonds under AS 37.15.410 - 37.15.550 from the state bond committee to the Alaska International Airport Authority.

Section 67 of the bill is the saving clause. This section provides for the continuation of litigation, hearings, investigations, and other proceedings that were begun under a law that was amended or repealed by this Act, notwithstanding the amendment or repeal of that law. Likewise, regulations adopted under preexisting law remain in effect for the term adopted or until repealed.

Section 68 of the bill repeals AS 02.15.091, 02.15.260(13), and AS 39.25.120(c)(11).

Section 69 of the bill repeals AS 37.15.550(5) - (7).

Section 70 of the bill provides that certain provisions of the bill take effect on the day when the board of directors of the Alaska International Airport Authority convenes its first meeting.

Section 71 of the bill provides that certain sections of the bill, relating to responsibility for international airports revenue bonds, take effect on January 1 after the first meeting of the board of directors of the Alaska International Airport Authority.

Section 72 of the bill provides that, except as provided under secs. 70 and 71, the bill takes effect July 1, 2001.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. SB 189

Revision Date/Time (Note if correction) _____ Dept. Affected DOT&PF
 Title International Airport Authority BRU International Airports
 Component International Airports System
 Sponsor Senator Kelly
 Requester (S) TRA Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	168.0	168.0	84.0	84.0	84.0	84.0
Travel	33.6	33.6	16.8	16.8	16.8	16.8
Contractual	200.0	200.0	100.0	100.0	100.0	100.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	401.6	401.6	200.8	200.8	200.8	200.8

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other	401.6	401.6	200.8	200.8	200.8	200.8
TOTAL	401.6	401.6	200.8	200.8	200.8	200.8

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See Attached.

Prepared by: Dennis Poshard, Special Assistant to the Commissioner

Phone 465-3904

Division Commissioner's Office

Date/Time 1/26/00 11:06 AM

Approved by Commissioner

Date _____

Agency Joseph E. Perkins, DOT&PF

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SB 189 Attachment

Additional Costs

*Board of Directors Cost (Assume 60 days for first two years, thereafter 30 days – 4 members traveling).

1 st and 2 nd years \$400/day x 60 days x 7 members =	\$168,000.00
Following years \$400/day x 30 days x 7 members =	84,000.00

Per diem for four (4) members:

1 st and 2 nd years \$100/day x 60 days x 4 members =	24,000.00
Following years \$100/day x 30 days x 4 members =	12,000.00

Travel cost (between Anchorage and Fairbanks):

1 st and 2 nd years (assume monthly meetings) \$200 x 6 months x 4 members =	9,600.00
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Following years (assume bi-monthly meetings) \$200 x 6 months x 4 members =	4,800.00
--	----------

Subtotal Board of Directors Cost:

1 st and 2 nd years \$201,600	\$201,600.00
Following years \$100,800	\$100,800.00

*Transition Costs:

These costs are difficult to estimate without some in-depth studies but would include items such as:

-Development of bylaws, rules of conduct, code of ethics, personnel rules, procurements;

-inventories and transfer of land, equipment and facilities;

Rough Estimate:	\$200,000.00
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*Long Term Potential Costs (again these costs are difficult to estimate without some in-depth studies):

Developing and maintaining systems, which are presently provided by other branches of state government. For example; risk management and insurance, bonding committee, personnel and labor relations, computer costs, AKSAS and AKPAY.

Rough Estimate	\$100,000.00
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RECAP:

1 st and 2 nd years:	\$201,600.00
Board	<u>200,000.00</u>
Transition Costs	<u>\$401,600.00</u>

Following years:	\$100,800.00
Board	<u>100,000.00</u>
Long Term Costs	<u>\$200,800.00</u>

SB

203

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 1/20/00

FURTHER: Finance

Date of 5-Day Notice: 1/20/00
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 1/27/00

Transportation Committee considered

SENATE BILL NO. 203

"An Act relating to metropolitan planning organizations and to designation of a metropolitan planning organization for the Anchorage metropolitan area; and providing for an effective date."

and recommends:

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

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Pearce</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Alaska State Legislature



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SENATE TRANSPORTATION COMMITTEE

SPONSOR STATEMENT for SB 203 METROPOLITAN PLANNING AUTHORITY

SB 203 codifies that future Metropolitan Planning Organizations (MPOs) within the State of Alaska be designated in statute, and amends the Anchorage Metropolitan Area Transportation Study (AMATS), the Anchorage MPO, operating agreement by increasing the policy committee membership to seven by adding two Anchorage legislators as nonvoting members; one member each from the senate and house.

Last session Senate Bill 135, a version similar to Senate Bill 203, passed the State Senate by 13 yeas to 6 nays, but failed to be adopted by the House. The final version of SB 135 was not opposed by the Department of Transportation or the Anchorage Mayor's Office. The final version of SB 135 represented a concerted effort of compromise between the sponsor, house committee members and the administration.

The Code of Federal Regulation states that "to the extent possible" metropolitan planning organizations should be established under specific state legislation. This federal law is the basis for *section one* of this legislation which codifies that future MPOs be designated in state statute.

AMATS, the Anchorage MPO, was created in 1976 by an agreement between the Governor and the Mayor of Anchorage to comply with federal law requiring communities over 50,000 in population to have a MPO in order to qualify for federal highway funding. It has never been authorized by statute.

Pursuant to that agreement the AMATS Policy Committee is presently composed of two Anchorage Assembly members, one representative from the State Department of Transportation and Public Facilities, one representative from the State Department of Environmental Conservation and the Mayor of Anchorage. **The AMATS Policy Committee has representation from all relevant branches of local and state government except the State Legislature.**

While AMATS policy requires legislative authorization before any federal funds can be expended on AMATS priority projects, no member of the Alaska State Legislature sits on the committee.

Senate Bill
Sponsor Statement
Page 2

The current AMATS format has failed to provide adequate planning for Anchorage road projects and has not provided needed leadership for advocating Anchorage's needs in the state budget process.

During the last 10 years, AMATS, to avoid controversy, ignored and failed to deal with major long term traffic problems. During that time, Anchorage witnessed a dramatic increase in both its traffic volume and congestion. Unfortunately, despite the desperate need for traffic solutions, the AMATS committee, until very recently, had not adequately planned for sorely needed major new surface transportation corridors such as; improvements to the intersection at Lake Otis Parkway and Tudor Road, major improvements to the Glenn and New Seward Highways and the connection of Abbott Loop north to Bragaw.

In 1998, AMATS even increased the ratio of funding allocated to non-road projects to about 15% which is more than 50% above the federal standard despite opposition from the Anchorage Legislative Caucus.

The Federal Highway Administration (FHWA) has stated no objection to changing the composition of the AMATS Policy Committee to include members of the State Legislature. Further, the FHWA has stated that there is no reason the AMATS program would not remain in compliance with federal regulations once the change in membership has been instituted.

An example of a successful Metropolitan Planning Organization with state legislative participation is the Oahu Metropolitan Planning Organization (OMPO) in Honolulu, Hawaii. Under the auspices of the federal government, **created by the State Legislature** in 1975 and reorganized in 1986, the OMPO consists of **six voting state legislators**, five Honolulu City Council members, an appointee of the Governor and an appointee of the Mayor of Honolulu.

SB 203 incorporates the compromises of last session with the standards provided by the FHWA's code of regulations, thus significantly improving the legislation introduced last session.

Alaska State Legislature

Session:
State Capitol, Room 423
Juneau, AK 99801-1182
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SENATE TRANSPORTATION COMMITTEE SECTIONAL ANALYSIS FOR SENATE BILL 203 "AN ACT RELATING TO METROPOLITAN PLANNING ORGANIZATIONS"

Section 1: Amends 19.20 (Chapter 20: Cooperation by and with the State) by adding three sections.

Sec. 19.20.200—Designates Metropolitan Planning Organizations (MPOs) in state Statute.

Rationale: The designation better coordinates transportation planning in urbanized areas and achieves the planning goals of 23 U.S.C. 134 and 49 U.S.C. 5303-5306 when federal law requires an area to participate in a federal transportation program.

Sec. 19.20.210—Sets out the membership of certain MPOs. For a metropolitan area with a population greater than 200,000 persons, the MPO membership will have five voting and two nonvoting members. The nonvoting members will consist of one senator and one representative with districts within the metropolitan area that is required to set up the MPO. The voting members will be appointed by the Governor (2) and by the municipal government of the area (3).

Rationale: It is important to infuse legislators into the MPO process, since they are faced with making decisions concerning the funding of MPO projects with state matching funds. Also, cooperation between the legislature and the MPO will improve the overall process.

Sec. 19.20.220—Requires MPOs to submit their current transportation improvement plan or their updated transportation improvement plan to the legislature by Jan. 15th of each year.

Rationale: This requirement would give the legislature ample time to consider the funding requests within the respective transportation improvement plans, so that those requests can be funded in the legislature's overall budget for that fiscal year.

Section 2: Amends the uncodified law of the State of Alaska by adding a new section which designates the MPO for the Anchorage Metropolitan Area, thus conforming with AS 19.20.200 and AS 19.20.210 added by Sec. 1 of this Act.

Section 3: Sets the effective date of this Act – July 1, 2001.

SB

2008



SENATOR JERRY WARD

ALASKA STATE LEGISLATURE

SB 208 SPONSOR STATEMENT

"An Act establishing the Alaska Marine and Rail Transportation Authority; relating to ferries and ferry terminals; relating to the Alaska Railroad Corporation; and providing for an effective date."

The intent of this Act is to establish a state-owned authority that would be directly responsible for the operation and management of both the Alaska Railroad Corporation and the Alaska Marine Highway.

In 1985 the State of Alaska purchased the Alaska Railroad from the Federal Government for \$20 million dollars. This transaction came with a significant amount of excess land that assists in the operational costs of the railroad. The Alaska Railroad currently has a surplus land base. The Alaska Railroad is not currently under the executive budget act. The Alaska Marine Highway was created under the authority of the Federal Government in 1963 and was not given a land base. For the past several years the Alaska Marine Highway has relied on the general fund for costs because of lack of capital equity base in order to make it self sufficient.

By creating an authority it would allow the excess land to generate revenue and provide a stable funding base for the Alaska Marine and Rail Transportation Authority. The idea is to reduce the requirements to fund the Alaska Marine Highway through the general fund. The overall transportation plan in Alaska would benefit from the re-organization and provide for a system to utilize both services and cut the cost of doing so. Currently the Alaska Marine Highway and the Alaska Railroad share the use of facilities in many locations.

The authority will be a public corporation of the state and a division of the Department of Transportation and Public Facilities. The authority will operate the Alaska marine highway system and the state-owned Alaska Railroad as separate divisions of the authority.

The authority will make all of its financial records available to the legislature and an appointee of the Governor. The authority shall submit an annual budget for the Alaska marine highway system and the Alaska Railroad Corporation to the legislature through the governor.

January-May: STATE CAPITOL • JUNEAU, AK • 99801-1182 • (907) 465-4940 • FAX (907) 465-3766
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Chairman, Senate Transportation Committee • Chairman, Senate State Affairs Committee

Senator_Jerry_Ward@legis.state.ak.us

The primary duties of the authority will be to assist residents, businesses and communities of the state to obtain the highest quality of the marine, rail passenger and freight service. The authority will be responsible to encourage and integrate with other public and private carriers in and outside the state to provide the highest quality of service within the state. The authority is required to employ Alaskan residents to the highest legal level possible.

The authority will operate under the name "Alaska Marine and Rail Transportation Authority." The authority shall prepare a comprehensive long-range plan for the development and improvement of the Alaska marine highway system and the Alaska Railroad.

The authority may acquire by purchase, gift, or exchange land in fee simple or easements that it considers necessary and reasonable for either temporary or permanent public use. The authority may transfer land, other than rail land under AS 44.90.240 that is not considered necessary for use by the marine highway system. The authority will have the power to receive additional land grants from the state. The proceeds of disposal by the Department of Natural Resources shall be credited to the funds from which the purchase of the land was originally made.

It is my hope as sponsor of SB 208 that it becomes legislation in order to ensure a long-term transportation network that serves all Alaskans.

LEGAL SERVICES

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

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Juneau, Alaska 99801-1182
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MEMORANDUM

January 26, 2000

SUBJECT: Sectional Summary of SB 208; An Act establishing the Alaska Marine and Rail Transportation Authority; relating to ferries and ferry terminals; and relating to the Alaska Railroad Corporation. (SB 208)

TO: Senator Jerry Ward
ATTN: Angela Moss

FROM: George Utermohle 
Legislative Counsel

You have requested a sectional summary of SB 208; An Act establishing the Alaska Marine and Rail Transportation Authority; relating to ferries and ferry terminals; and relating to the Alaska Railroad Corporation.

As a preliminary matter, please note that a sectional summary only highlights significant elements of a bill and is neither a detailed review nor an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill sets out the findings of the legislature and the purpose of the bill.

Section 2 of the bill adds a new chapter to AS 44 creating the Alaska Marine and Rail Transportation Authority.

CHAPTER 90. ALASKA MARINE AND RAIL TRANSPORTATION AUTHORITY. ARTICLE 1. CREATION AND ORGANIZATION.

Sec. 44.90.010 creates the Alaska Marine and Rail Transportation Authority as a public corporation and instrumentality of the state in the Department of Transportation and Public Facilities. The authority shall operate the Alaska marine highway system and the state-owned Alaska Railroad as separate divisions of the authority. The powers of the authority are vested in the board of directors of the authority.

Sec. 44.90.020 creates the board of directors of the authority. The board consists of seven voting members. The commissioner of transportation and public facilities and the commissioner of community and economic development serve as nonvoting members of the board. The voting members of the board are appointed by the Governor from among persons qualified to serve on the board.

Appointed members of the board serve staggered, five-year terms and may be removed only for cause.

Members of the board are subject to AS 39.50, relating to public official financial disclosure.

Appointed members of the board are entitled to compensation at a rate of \$350 per day while performing the duties of the board. Appointed members of the board are also entitled to per diem and travel expenses authorized under AS 39.20.180.

Sec. 44.90.030 describes the officers of the board and sets the quorum of the board at four members.

Sec. 44.90.040 provides that the board shall employ a chief executive officer and such other additional administrative staff and officers as necessary. The board shall also employ a chief operating officer for the Alaska marine highway system. All employees of the authority, other than employees of the Alaska Railroad Corporation, are in the exempt service under AS 39.25.110. The board may contract for the services of consultants and advisors as it considers necessary.

ARTICLE 2. POWERS AND DUTIES.

Sec. 44.90.110 sets out the powers of the authority.

Sec. 44.90.120 sets out the duties of the authority.

Sec. 44.90.130 authorizes the authority to operate a ferry system under the name "Alaska Marine Highway system".

Sec. 44.90.140 provides that the authority shall, with the cooperation of the Department of Transportation and Public Facilities, develop, update, and revise plans for the long-range development and improvement of the Alaska marine highway system and the Alaska Railroad.

ARTICLE 3. ACQUISITION AND MANAGEMENT OF PROPERTY.

Sec. 44.90.210 provides that the authority has the power to acquire land and easements in land necessary for the purposes of the Alaska marine highway system and the authority. The authority may exercise this power to obtain sand, gravel, rock, and other materials.

Sec. 44.90.220 provides that the authority has the power to acquire land for the purpose of exchange for other land needed by the authority.

Sec. 44.90.230 provides that the authority may vacate land or interests in land. The authority may transfer excess land, other than rail land, to the Department of Natural Resources for disposal.

Sec. 44.90.240 provides that rail land received by the authority from the Alaska Railroad Corporation may be subject to leases, easements, and other rights granted by the authority. However without legislative approval, rail land may not be sold or otherwise wholly conveyed out of the ownership of the authority and may not be leased for a period of more than 35 years without a reserved right to terminate the lease. The authority may adopt regulations governing the use of land by persons having interests in rail land owned by the authority. The authority may authorize the state or a municipality to use rail land for a public purpose.

Rail land is land formerly owned by the Alaska Railroad Corporation that is not necessary for use, maintenance, or operation of the Alaska Railroad and has been conveyed to the authority under this bill.

ARTICLE 4. VESSELS AND FERRY TERMINAL FACILITIES.

Sec. 44.90.310 provides for the acquisition, maintenance, repair, and use of ferry terminal facilities.

Sec. 44.90.320 provides for the naming of vessels and facilities of the Alaska marine highway system.

Sec. 44.90.330 provides that the authority shall prepare an annual report describing the operations, income and expenditures of the Alaska marine highway system during the prior fiscal year. The report is to be provided to the legislature and the governor.

ARTICLE 5. GENERAL PROVISIONS.

sec. 44.90.910 provides that the authority shall submit an annual budget for operation of the Alaska marine highway system, the Alaska Railroad Corporation, and the administrative functions of the authority in accordance with the Executive Budget Act (AS 37.07).

Sec. 44.90.990 defines terms used in AS 44.90.

Sec. 44.90.995 provides that AS 44.90 shall be known as the Alaska Marine and Rail Transportation Authority Act.

Section 3 of the bill makes a technical change to AS 03.53.010(a), relating to transportation of animals on state ferries, to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Sections 4 - 10 of the bill make technical changes to provisions of AS 19.65, relating to the Alaska marine highway system fund, made necessary by the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Section 11 of the bill makes a technical change to AS 23.40.040, relating to collective bargaining with ferry system employees, to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Sections 12 - 13 of the bill make technical changes to provisions of AS 35.10.015, relating to accessibility of state ferries to disabled persons, to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Sections 14 - 17 of the bill make technical changes to provisions of AS 35.27 (art in public places) to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority. The authority is responsible for compliance with AS 35.27 in regard to implementation of the art in public places program. The Alaska Railroad and vessels of the Alaska marine highway system are not subject to provisions of the art in public places program.

Sections 18 - 20 of the bill make technical changes to provisions of the State Procurement Code (AS 36.30.015(g), 36.30.850(b)(29), and 36.30.990(1)) to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Section 21 of the bill makes a technical change to AS 36.90.049(e)(1), relating to maintenance of marine vessels, to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Section 22 of the bill makes a technical change to AS 37.05.550(a), relating to the Alaska marine highway system vessel replacement fund, to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Section 23 of the bill amends the definition of "agency" in AS 37.07.120(1) to provide that the Alaska Marine and Rail Transportation Authority and the Alaska Railroad Corporation are subject to the Executive Budget Act (AS 37.07).

Section 24 of the bill makes a technical change to AS 39.20.310(8), relating to the exempt status of ship board employees of the Alaska marine highway system, to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Section 25 of the bill amends AS 39.25.100(11) to provide that the employees of the Alaska Marine and Rail Transportation Authority, other than employees of the Alaska Railroad Corporation, are in the state exempt service.

Section 26 of the bill makes a technical change to AS 39.30.150(b), relating to participation of Alaska marine highway system employees in the public employees retirement system, to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Section 27 of the bill makes a technical change to AS 39.35.680(21), relating to the definition of employee for purposes of the public employees retirement system, to conform to the transfer of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Section 28 of the bill amends AS 39.50.200(b) in order to make members of the board of the Alaska Marine and Rail Transportation Authority subject to AS 39.50 (public official financial disclosure).

Sections 29 - 30 of the bill amend definitions used in the AS 39.52 (Alaska Executive Branch Ethics Act) in order to include the Alaska Marine and Rail Transportation Authority within the definition of "agency" and "board or commission".

Section 31 of the bill amends AS 42.40.010 to provide that the Alaska Railroad Corporation is part of the Alaska Marine and Rail Transportation Authority.

Section 32 of the bill repeals and reenacts AS 42.40.020 to provide that the board of directors of the Alaska Marine and Rail Transportation Authority is also the board of the Alaska Railroad Corporation.

Section 33 of the bill amends AS 42.40.100 to provide that the Alaska Railroad Corporation shall submit its requests for operating and capital appropriations for the railroad to the legislature through the Alaska Marine and Rail Transportation Authority. The term "chief operating officer" is substituted for "chief executive officer".

Sections 34 - 36 of the bill make technical changes to provisions of AS 42.40.110 and 42.40.120 to conform to the change in the title of the chief officer of the Alaska railroad from chief executive officer to chief operating officer.

Sections 37 - 40 of the bill make changes to AS 42.40.350, relating to land owned by the Alaska Railroad Corporation, to provide that the corporation shall identify which of its rail land is necessary for the use, maintenance, or operation of the Alaska railroad. Rail land not identified as necessary for the use, maintenance, or operation of the Alaska railroad shall be conveyed to the Alaska Marine and Rail Transportation Authority. The Alaska Railroad Corporation shall retain a permanent easement in land within the railroad right-of-way received by the state under the federal Alaska Railroad Transfer Act.

Section 41 of the bill make technical changes to AS 42.40.380 to conform to the change in the title of the chief officer of the Alaska railroad from chief executive officer to chief operating officer.

Section 42 of the bill amends AS 42.40.500 to protect the Alaska Marine and Rail Transportation Authority from liability for a debt, obligation, or liability of the Alaska Railroad Corporation.

Section 43 of the bill amends AS 42.40.540 to provide that the Alaska Railroad Corporation shall be subject to the Executive Budget Act (AS 37.07) and is required to obtain appropriations from the legislature to carry out its functions.

Section 44 of the bill amends AS 42.40.900(a) to provide that claims against the Alaska Railroad Corporation may not be brought against the state or the Alaska Marine and Rail Transportation Authority.

Section 45 of the bill amends AS 42.40.920(b) to provide that the Alaska Railroad Corporation is subject to the Executive Budget Act (AS 37.07), except in regard to expenditure for debt service of the corporation.

Section 46 of the bill makes technical changes to AS 42.40.980(7) to conform to the change in the title of the chief officer of the Alaska railroad from chief executive officer to chief operating officer.

Sections 47 - 48 of the bill amend AS 44.42.020(a)(1) and (7) relating to the duties of the commissioner of transportation and public facilities in order to clarify the responsibility of the commissioner in regard to facilities of the Alaska Marine and Rail Transportation Authority.

Section 49 of the bill amends AS 44.99.030(a) by adding the Alaska Marine and Rail Transportation Authority to the list of state entities that may not employ lobbyists.

Section 50 of the bill amends sec. 1(b), ch. 153, SLA 1984 to provide that the Alaska Railroad Corporation is subject to the appropriation power of the legislature and the Executive Budget Act (AS 37.07).

Section 51 of the bill provides for the transfer of appropriations, employees, and assets of the Alaska marine highway system to the Alaska Marine and Rail Transportation Authority.

Section 52 of the bill provides for the initial appointment and terms of the persons appointed to serve as members of the first board of directors of the Alaska Marine and Rail Transportation Authority.

Section 53 of the bill provides for the transfer of excess rail land of the Alaska Railroad Corporation to the Alaska Marine and Rail Transportation Authority.

Section 54 of the bill provides for the submission of the first budget prepared under the Executive Budget Act (AS 37.07) by the Alaska Railroad Corporation.

Section 55 of the bill provides for the repeal of certain provisions of AS 19.65 (Alaska marine highway system) and AS 42.40 (board of directors of the Alaska Railroad Corporation) that are made obsolete by other provisions added or amended by the bill.

Senator Jerry Ward
January 26, 2000
Page 7

Section 56 of the bill provides that certain provisions of the bill (secs. 1, 23, 43, 45, 50, 52, and 54) take effect immediately under AS 01.10.070(c).

Section 57 of the bill provides that those provisions that do not take effect under sec. 56 take effect on January 1, 2001.

GU:pl
00-029.plm

SB

235



SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Ste 540, Anchorage AK 99501 258-8189

Session: State Capitol, Juneau AK 99801 465-2095

Sponsor Statement – SB 235

Senate Bill 235 authorizes the Alaska Railroad Corporation (ARRC) to enter into several land exchange agreements needed for a track upgrade and realignment project.

The ARRC wants to improve safety and efficiency of its operations by upgrading and realigning its track to reduce 70 sharp curves between Anchorage and Wasilla. To accomplish this project, ARRC needs legislative approval under AS 42.40.285 to convey the Corporation's entire interest in certain lands in exchange for equivalently valued land owned by the Air Force and Army on Elmendorf and Fort Richardson; Eklutna, Inc.; Chugach Alaska Corporation; and the Municipality of Anchorage. The land exchanges are necessary for the ARRC's realignment project and the Department of Transportation and Public Facilities' highway relocation project near Seward.

Straighter track is inherently safer due to reduced track and equipment wear, consistency in train handling, increased sight distance, and reduced maintenance requirements. Realignment of the track to reduce curvature will decrease the running time between Anchorage and Wasilla from 95 minutes to less than 55 minutes, making future commuter service more viable.

Reduced transit time between Anchorage and Wasilla will mean a potential reduction in the traffic growth on the Glenn Highway. Ultimately, fewer automobiles will reduce the impact on the Glenn and Parks Highways. Increased railroad passenger traffic may lessen some demand for future road maintenance and capital improvements.

The track upgrade and realignment will also reduce train gridlock, create more jobs for Alaskans through additional freight and passenger service, and build a better infrastructure to support future economic development in Alaska. But more important to the communities neighboring the Alaska Railroad, this project includes upgrades to vehicle crossings and additional public access amenities that will enhance safety and access across the tracks. It will also improve service to the northern end of the railbelt.

The proposed track improvements are supported by the Alaska Visitors Association, Palmer Chamber of Commerce, Wasilla Chamber of Commerce, Anchorage Economic Development Corporation, Matanuska-Susitna Convention and Visitors Bureau, Anchorage Convention and Visitors Bureau, and the City of Wasilla.



SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Ste 540, Anchorage AK 99501 258-8189

Session: State Capitol, Juneau AK 99801 465-2095

SB 235 Sectional Analysis

- **Section 1:** Allows the Alaska Railroad Corporation (ARRC) to participate in a land exchange with Eklutna, Inc. for the purpose of realigning the railroad track to improve operating efficiency and enhance safety.
- **Section 2:** Allows the ARRC to enter into a land exchange with the United States Department of the Army and the United States Department of the Air Force for the purpose of track realignment to improve operating efficiency and enhance safety.
- **Section 3:** Allows the ARRC to exchange land with the Chugach Alaska Corporation. The conveyances in this section are for the purpose of the realignment of the railroad to allow relocation of the Seward Highway by the Department of Transportation and Public Facilities to improve highway operations and enhance safety.
- **Section 4:** Allows the ARRC to exchange land with the Municipality of Anchorage in order to realign the track to improve operating efficiency and enhance safety.
- **Section 5:** Provides an immediate effective date.

1-LS1282I
Utermohle
2/8/00

Leman
2/8/00

CS FOR SENATE BILL NO. 235()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS LEMAN, Wilken, Taylor

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the exchange of land between the Alaska Railroad
2 Corporation and Eklutna, Inc., between the Alaska Railroad Corporation and the
3 United States Department of the Army and the United States Department of the
4 Air Force, between the Alaska Railroad Corporation and Chugach Alaska
5 Corporation, and between the Alaska Railroad Corporation and the Municipality
6 of Anchorage; 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
9 section to read:

10 APPROVAL OF THE TRANSFER OF REAL PROPERTY TO EKLUTNA, INC. (a)
11 The Alaska Railroad Corporation is authorized to convey the corporation's entire interest in
12 approximately 384 acres of rail land within Tract 39 of Dependent Resurvey of Rectangular
13 Survey of Township 15 North, Range 2 West, Seward Meridian, officially filed November 10,

1 1992, to Eklutna, Inc., in exchange for the conveyance to the corporation by Eklutna, Inc., of
2 approximately 65 acres of land adjacent to the railroad utility corridor at railroad mileposts
3 129, 130, 133, 140, 142, 146, and 151 and sufficient additional acreage east of Birchwood
4 Airport and adjacent to the railroad between miles 134.5 and 136.3 to equalize the value of
5 lands exchanged.

6 (b) The conveyances described in this section are made for the purpose of realignment
7 of railroad track to improve operating efficiency and enhance safety.

8 (c) The land conveyed by Eklutna, Inc. to the Alaska Railroad Corporation shall be
9 held and managed by the corporation in accordance with AS 42.40.

10 (d) This section constitutes legislative approval under AS 42.40.285(1) for the Alaska
11 Railroad Corporation to convey its entire interest in the land described in (a) of this section.

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

14 APPROVAL OF THE TRANSFER OF REAL PROPERTY TO THE UNITED
15 STATES DEPARTMENT OF THE ARMY AND THE UNITED STATES DEPARTMENT
16 OF THE AIR FORCE. (a) The Alaska Railroad Corporation is authorized to convey the
17 corporation's entire interest in approximately 229 acres of railroad utility corridor between
18 railroad mileposts 118 and 127.5, within Township 13 North, Range 3 West, Seward Meridian,
19 Township 14 North, Range 3 West, Seward Meridian, and Township 14 North, Range 2 West,
20 Seward Meridian to the United States Department of the Army and the United States
21 Department of the Air Force in exchange for the conveyance of approximately 227 acres of
22 land in the same vicinity to the corporation by the United States.

23 (b) The conveyances described in this section are made for the purpose of realignment
24 of railroad track to improve operating efficiency and enhance safety.

25 (c) The land conveyed by the United States to the Alaska Railroad Corporation shall
26 be held and managed by the corporation in accordance with AS 42.40.

27 (d) This section constitutes legislative approval under AS 42.40.285(1) for the Alaska
28 Railroad Corporation to convey its entire interest in the land described in (a) of this section.

29 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section
30 to read:

31 APPROVAL OF THE TRANSFER OF REAL PROPERTY TO CHUGACH ALASKA

1 CORPORATION. (a) Contingent upon the conveyance to the Alaska Railroad Corporation
2 by the Chugach Alaska Corporation of an equivalent interest in real property onto which the
3 railroad utility corridor may be relocated, the Alaska Railroad Corporation is authorized to
4 convey the corporation's entire interest in approximately 6.4 acres of railroad utility corridor
5 between railroad mileposts 14 and 15, within Township 2 North, Range 1 East, Sections 6 and
6 7, Seward Meridian, to the Chugach Alaska Corporation.

7 (b) The conveyances described in this section are made for the purpose of realignment
8 of the railroad to allow relocation of the Seward Highway by the Department of
9 Transportation and Public Facilities to improve highway operations and enhance safety.

10 (c) Land conveyed by the Chugach Alaska Corporation to the Alaska Railroad
11 Corporation shall be held and managed by the Alaska Railroad Corporation in accordance with
12 AS 42.40.

13 (d) This section constitutes legislative approval under AS 42.40.285(1) for the Alaska
14 Railroad Corporation to convey its entire interest in the land described in (a) of this section.

15 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section
16 to read:

17 APPROVAL OF THE TRANSFER OF REAL PROPERTY TO THE MUNICIPALITY
18 OF ANCHORAGE. (a) The Alaska Railroad Corporation is authorized to convey the
19 corporation's entire interest in approximately 9.6 acres of railroad utility corridor between
20 railroad mileposts 133 and 134, within Township 15 North, Range 2 West, Sections 13 and
21 24, Seward Meridian, to the Municipality of Anchorage in exchange for the conveyance of
22 approximately 13.6 acres of land in the same vicinity to the corporation by the Municipality
23 of Anchorage.

24 (b) The conveyances described in this section are made for the purpose of realignment
25 of railroad track to improve operating efficiency and enhance safety.

26 (c) The land conveyed by the Municipality of Anchorage to the Alaska Railroad
27 Corporation shall be held and managed by the corporation in accordance with AS 42.40.

28 (d) This section constitutes legislative approval under AS 42.40.285(1) for the Alaska
29 Railroad Corporation to convey its entire interest in the land described in (a) of this section.

30 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).



EXPLANATION OF DIFFERENCES BETWEEN SB 235 (1-LS1282\G) & BLANK CS FOR SB 235 (1-LS1282\I)

[Page & line numbers refer to Blank CS for SB 235 (1-LS1282\I)]

Page 2, lines 1-5, after "Eklutna, Inc.":

New language added:

"in exchange for the conveyance to the corporation by Eklutna, Inc., of approximately 65 acres of land adjacent to the railroad utility corridor at railroad mileposts 129, 130, 133, 140, 142, 146, and 151 and sufficient additional acreage east of Birchwood Airport and adjacent to the railroad between miles 134.5 and 136.3 to equalize the value of lands exchanged."

Explanation:

This language more precisely defines the area and value of the land that will be conveyed to the Alaska Railroad Corporation (ARRC) by Eklutna, Inc.

Page 2, line 18, after "of approximately":

Change: Delete [225], insert 227

Explanation:

A reassessment of the land proposed for conveyance to the ARRC by the United States Department of the Army and the United States Department to the Air Force indicates that 227 acres is the more precise figure.

Resolutions of Support



ALASKA VISITORS ASSOCIATION

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1999-2000

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Alaska Airlines

Tina Lindgren

Executive Director

99-6

A RESOLUTION SUPPORTING THE ALASKA RAILROAD'S TRACK UPGRADE AND REALIGNMENT PROJECT

WHEREAS, a straighter track promotes safety due to reduced track and equipment wear, consistency in train handling, increased sight distance, and reduced maintenance requirement – all leading to a reduced frequency of train derailments and lower operating costs; and

WHEREAS, this project includes upgrades to vehicle crossings and additional public access amenities that will enhance safety and access across the Alaska Railroad's track; and

WHEREAS, this project will result in reduced train running time between Anchorage and Wasilla from 95 minutes to 50 minutes making future commuter service viable; and

WHEREAS, reduced transit time between Anchorage and Wasilla means more efficient and cost effective service to the interior of Alaska; and

WHEREAS, reduced transit time between Anchorage and Wasilla means a potential reduction in the number of automobiles on the highway; and

WHEREAS, more efficient rail operations reduces train gridlock, creates more jobs for Alaskans through additional freight and passenger service, and builds a better infrastructure to support future economic development in Alaska; and

WHEREAS, this project enhances the value of ARRC's asset which is owned by the State; and

WHEREAS, to accomplish this project, ARRC will need legislative approval to convey the Corporation's entire interest in certain lands in exchange for equivalent valued land with Elmendorf Air Force Base, Fort Richardson Army Base, Eklutna, Inc. and other entities; and

WHEREAS, no funds will be exchanged between the parties in this land trade agreement.

NOW, THEREFORE BE IT RESOLVED that the Alaska Visitors Association supports the ARRC's efforts to upgrade and realign its track between Anchorage and Wasilla to improve safety and efficiency of the Alaska Railroad Corporation's train operations, to enhance the state-owned transportation asset, and to make future commuter service viable; and

BE IT FURTHER RESOLVED that the Alaska Visitors Association seeks to assist ARRC in obtaining legislative approval to exchange equivalent valued land with neighboring entities in order to accomplish the track realignment project.

*Adopted by the Alaska Visitors Association Board of Directors
December 10, 1999*



GREATER PALMER CHAMBER OF COMMERCE

A resolution supporting the Alaska Railroad's track upgrade and realignment project

Resolution 99-06

Whereas, a straighter track promotes safety due to reduced track and equipment wear, consistency in train handling, increased sight distance, and reduced maintenance requirement – all leading to a reduced frequency of train derailments and lower operating costs; and

Whereas, this project includes upgrades to vehicle crossings and additional public access amenities that will enhance safety and access across the Alaska Railroad's track; and

Whereas, this project will result in reduced train running time between Anchorage and Wasilla from 95 minutes to 50 minutes making future commuter service viable; and

Whereas, reduced transit time between Anchorage and Wasilla means more efficient and cost effective service to the interior of Alaska; and

Whereas, reduced transit time between Anchorage and Wasilla means a potential reduction in the number of automobiles on the highway; and

Whereas, more efficient rail operations reduces train gridlock, creates more jobs for Alaskans through additional freight and passenger service, and builds a better infrastructure to support future economic development in Alaska; and

Whereas, this project improves the ARRC's asset which enhances the state's ownership of the railroad; and

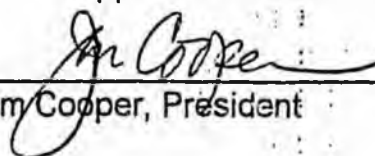
Whereas, to accomplish this project, ARRC will need legislative approval to convey the Corporation's entire interest in certain lands in exchange for equivalent valued land with Elmendorf Air Force Base, Fort Richardson Army Base, Eklutna, Inc. and other entities; and

Whereas, no funds will be exchanged between the parties in this land trade agreement.

Now, Therefore Be It Resolved that the Greater Palmer Chamber of Commerce supports the ARRC's efforts to upgrade and realign its track between Anchorage and Wasilla to improve safety and efficiency of the Alaska Railroad Corporation's train operations, to enhance the state-owned transportation asset, and to make future commuter service viable; and

Be It Further Resolved that the Greater Palmer Chamber of Commerce seeks to assist ARRC in obtaining legislative approval to exchange equivalent valued land with neighboring entities in order to accomplish the track realignment project.

Approved this 17th day of December, 1999.



Jim Cooper, President



415 E. Railroad Avenue * Wasilla, AK 99654
Email: chamber@wasilla.net

Telephone (907) 376-1299 * Fax (907) 373-2560
Home Page: www.chamber.wasilla.net

• Voted "Alaska's Outstanding Local Chamber of Commerce ~ 1998"

RESOLUTION 99-07

A RESOLUTION OF THE GREATER WASILLA CHAMBER OF COMMERCE IN SUPPORT OF THE ALASKA RAILROAD'S TRACK ENHANCEMENTS PROJECT.

Whereas, a straighter track promotes safety due to reduced track and equipment wear, consistency in train handling, increased sight distance, and reduced maintenance requirement all leading to a reduced frequency of train derailments and lower operating costs; and

Whereas, this project includes upgrades to vehicle crossings and additional public access amenities that will enhance safety and access across the Alaska Railroad's track; and

Whereas, this project will result in reduced train running time between Anchorage and Wasilla from 95 minutes to 50 minutes making future commuter service viable; and

Whereas, reduced transit time between Anchorage and Wasilla means more efficient and cost effective service to the interior of Alaska; and

Whereas, reduced transit time between Anchorage and Wasilla means a potential reduction in the number of automobiles on the highway; and

Whereas, more efficient rail operations reduces train gridlock, creates more jobs for Alaskans through additional freight and passenger service, and builds a better infrastructure to support future economic development in Alaska; and

Whereas, this project improves the ARRC's asset which enhances the state's ownership of the railroad; and

Whereas, to accomplish this project, ARRC will need legislative approval to convey the Corporation's entire interest in certain lands in exchange for equivalent valued land with Elmendorf Air Force Base, Fort Richardson Army Base, Eklutna, Inc. and other entities; and

Whereas, no funds will be exchanged between the parties in this land trade agreement.

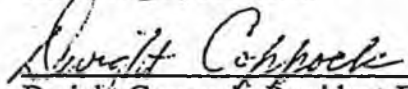
Now, Therefore Be it Resolved that the Greater Wasilla Chamber of Commerce supports the ARRC's efforts to upgrade and realign its tracks between Anchorage and Wasilla to improve safety and efficiency of the Alaska Railroad Corporation's train operations, to enhance the state-owned transportation asset, and to make future commuter service viable; and

Be it Further Resolved that the Greater Wasilla Chamber of Commerce seeks to assist ARRC in obtaining legislative approval to exchange equivalent valued land with neighboring entities in order to accomplish the track realignment project.

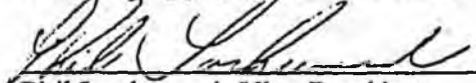
Hereby, adopted by the Greater Wasilla Chamber of Commerce this 15th day of December, 1999.



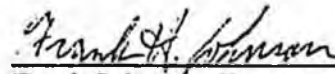
Karl Sleight, President



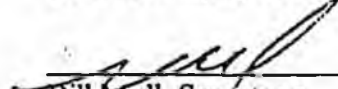
Dwight Coppock, President-Elect



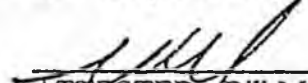
Phil Lockwood, Vice-President



Frank Johnson, Treasurer



Bill Moll, Secretary



ATTESTED: Bill Moll, Secretary



Anchorage Economic Development Corporation
The Center of Opportunity

**AEDC Executive Committee Resolution
Supporting the Alaska Railroad's track upgrade and realignment project**

Whereas, a straighter track promotes safety due to reduced track and equipment wear, consistency in train handling, increased sight distance, and reduced maintenance requirement - all leading to a reduced frequency of train derailments and lower operating costs; and

Whereas, this project includes upgrades to vehicle crossings and additional public access amenities that will enhance safety and access across the Alaska Railroad's track; and

Whereas, this project will result in reduced train running time between Anchorage and Wasilla from 95 minutes to 50 minutes making future commuter service more viable; and

Whereas, reduced transit time between Anchorage and Wasilla means more efficient and cost effective service to the interior of Alaska; and

Whereas, reduced transit time between Anchorage and Wasilla means a potential reduction in the number of automobiles on the highway; and

Whereas, more efficient rail operations reduces train gridlock, creates more ARRC jobs for Alaskans through additional freight and passenger service, and builds a better infrastructure to support future economic development in Alaska; and

Whereas, this project enhances the value of of the state owned railroad; and

Whereas, to accomplish this project, ARRC will need legislative approval to convey the Corporation's entire interest in certain lands in exchange for equivalent valued land with Elmendorf Air Force Base, Fort Richardson Army Base, Eklutna, Inc. and other entities; and

Whereas, no funds will be exchanged between the parties in this land trade agreement.

Now, Therefore Be It Resolved that the Anchorage Economic Development Corporation supports the ARRC's efforts to upgrade and realign its track between Anchorage and Wasilla to improve safety and efficiency of the Alaska Railroad Corporation's train operations, to enhance the state-owned transportation asset, and to make future commuter service viable; and

Be It Further Resolved that the Anchorage Economic Development Corporation seeks to assist ARRC in obtaining legislative approval to exchange equivalent valued land with neighboring entities in order to accomplish the track realignment project.

Passed and approved this 20th day of December, 1999.

Mel Nichols, Chairman

MATANUSKA-SUSITNA

CONVENTION & VISITORS BUREAU

A Resolution Supporting the Alaska Railroad's Track Upgrade and Realignment Project

MSCVB Resolution FY2000-04

WHEREAS, a straighter track promotes safety due to reduced track and equipment wear, consistency in train handling, increased sight distance, and reduced maintenance requirement – all leading to a reduced frequency of train derailments and lower operating costs; and

WHEREAS, this project includes upgrades to vehicle crossings and additional public access amenities that will enhance safety and access across the Alaska Railroad's track; and

WHEREAS, this project will result in reduced train running time between Anchorage and Wasilla from 95 minutes to 50 minutes making future commuter service viable; and

WHEREAS, reduced transit time between Anchorage and Wasilla means more efficient and cost effective service to the interior of Alaska; and

WHEREAS, reduced transit time between Anchorage and Wasilla means a potential reduction in the number of automobiles on the highway; and

WHEREAS, more efficient rail operations reduces train gridlock, creates more jobs for Alaskans through additional freight and passenger service, and builds a better infrastructure to support future economic development in Alaska; and

WHEREAS, this project improves the ARRC's asset which enhances the state's ownership of the railroad; and

WHEREAS, to accomplish this project, ARRC will need legislative approval to convey the Corporation's entire interest in certain lands in exchange for equivalent valued land with Elmendorf Air Force Base, Fort Richardson Army Base, Eklutna, Inc. and other entities; and

WHEREAS, no funds will be exchanged between the parties in this land trade agreement.

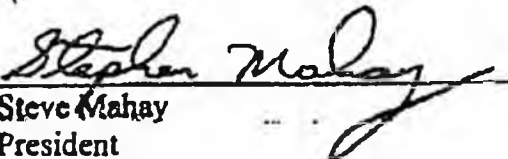
NOW, THEREFORE BE IT RESOLVED that the Mat-Su Convention & Visitors Bureau supports the ARRC's efforts to upgrade and realign its track between Anchorage and Wasilla to improve safety and efficiency of the Alaska Railroad Corporation's train operations, to enhance the state-owned transportation asset, and to make future commuter service viable; and

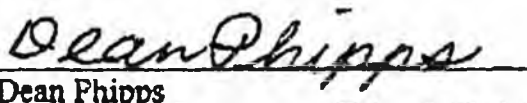
MSCVB Resolution FY2000-04
Supporting the Alaska Railroad's Track Upgrade and Realignment Project

BE IT FURTHER RESOLVED that the Mat-Su Convention & Visitors Bureau seeks to assist ARRC in obtaining legislative approval to exchange equivalent valued land with neighboring entities in order to accomplish the track realignment project.

Passed and approved by a majority of those voting at the regular board meeting on January 8, 2000.

Approved:


Steve Mahay
President


Dean Phipps
Secretary

RESOLUTION 99-3
A Resolution Supporting the Alaska Railroad's Track Upgrade
and Realignment Project

ANCHORAGE CONVENTION & VISITORS BUREAU
BOARD OF DIRECTORS



ANCHORAGE
Convention &
Visitors Bureau

WHEREAS, a straighter track promotes safety due to reduced track and equipment wear, consistency in train handling, increased sight distance, and reduced maintenance requirement - all leading to a reduced frequency of train derailments and lower operating costs; and

WHEREAS, this project includes upgrades to vehicle crossings and additional public access amenities that will enhance safety and access across the Alaska Railroad's track; and

WHEREAS, this project will result in reduced train running time between Anchorage and Wasilla from 95 minutes to 50 minutes making future commuter service viable; and

WHEREAS, reduced transit time between Anchorage and Wasilla means more efficient and cost effective service to the Interior of Alaska; and

WHEREAS, reduced transit time between Anchorage and Wasilla means a potential reduction in the number of automobiles on the highway; and

WHEREAS, more efficient rail operations reduces train gridlock, creates more jobs for Alaskans through additional freight and passenger service, and builds a better infrastructure to support future economic development in Alaska; and

WHEREAS, this project improves the ARRC's asset which enhances the State's ownership of the railroad; and

WHEREAS, to accomplish this project, ARRC will need legislative approval to convey the Corporation's entire interest in certain lands in exchange for equivalent valued land with Elmendorf Air Force Base, Fort Richardson Army Base, Eklutna, Inc., and other entities; and

WHEREAS, no funds will be exchanged between the parties in this land trade agreement.

NOW, THEREFORE BE IT RESOLVED that the Anchorage Convention & Visitors Bureau supports the ARRC's efforts to upgrade and realign its track between Anchorage and Wasilla to improve safety and efficiency of the Alaska Railroad Corporation's train operations, to enhance the State-owned transportation asset, and to make future commuter service viable; and

BE IT FURTHER RESOLVED, that the Anchorage Convention & Visitors Bureau supports ARRC as it seeks to obtain legislative approval to exchange equivalent valued land with neighboring entities in order to accomplish the track realignment project.

Approved by the Board of Directors, this 21st day of December, 1999.

Bruce Bustamante
Chairman

Bill Elander
President & CEO

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Alaska Railroad Corporation

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Hilton Anchorage Hotel

John "Chris" Swalling CPA
Swalling & Associates PC

Tom Tierney
Municipality of Anchorage

Chris von Imhof
Alyeska Resort

524 W. Fourth Avenue
Anchorage, Alaska
9 9 5 0 1 - 2 2 1 2

9 0 7 - 2 7 6 - 4 1 1 8
Fax 9 0 7 - 2 7 8 - 5 5 5 9
E-mail: acvb@alaska.net

Requested and Prepared by: Administration
Meeting date: January 10, 2000
Adopted: January 10, 2000
Vote: Unanimous

**CITY OF WASILLA
RESOLUTION SERIAL NO. 00-03**

A RESOLUTION OF THE CITY OF WASILLA, ALASKA SUPPORTING THE ALASKA RAILROAD'S TRACK UPGRADE AND REALIGNMENT PROJECT.

WHEREAS, a straighter track promotes safety due to reduced track and equipment wear, consistency in train handling, increased sight distance, and reduced maintenance requirement – all leading to a reduced frequency of train derailments and lower operating costs; and

WHEREAS, this project includes upgrades to vehicle crossings and additional public access amenities that will enhance safety and access across the Alaska Railroads track; and

WHEREAS, this project will result in reduced train running time between Anchorage and Wasilla from 95 minutes to 50 minutes making future commuter service viable; and

WHEREAS, reduced transit time between Anchorage and Wasilla means more efficient and cost effective service to the interior of Alaska; and

WHEREAS, reduced transit time between Anchorage and Wasilla means a potential reduction in the number of automobiles on the highway; and

WHEREAS, more efficient rail operations reduces train gridlock, creates more jobs for Alaskans through additional freight and passenger service, and builds a better infrastructure to support future economic development in Alaska; and

WHEREAS, this project improves the ARRC's asset which enhances the state's ownership of the railroad; and

WHEREAS, to accomplish this project, ARRC will need legislative approval to convey the Corporation's entire interest in certain lands in exchange for equivalent valued land with Elmendorf Air Force Base, Fort Richardson Army Base, Eklutna, Inc. and other entities; and

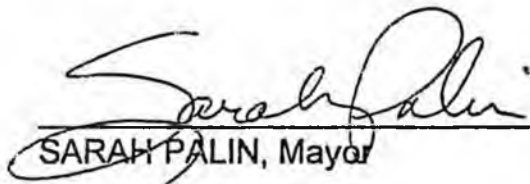
WHEREAS, no funds will be exchanged between the parties in this land trade agreement.

NOW THEREFORE BE IT RESOLVED, that the City of Wasilla supports the ARRC's efforts to upgrade and realign its track between Anchorage and Wasilla to improve safety and efficiency of the Alaska Railroad Corporation's train operations, to enhance the state-owned transportation asset, and to make future commuter service viable; and


BE IT FURTHER RESOLVED, that the City of Wasilla seeks to assist ARRC in obtaining legislative approval to exchange equivalent valued land with neighboring entities in order to accomplish the track realignment project.

ADOPTED by the Wasilla City Council on January 10, 2000.

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 10th day of January 2000.


SARAH PALIN, Mayor

ATTEST:


KRISTIE L. VANGORDER, CMC/AE
City Clerk

[SEAL]



HEADQUARTERS
ALASKAN COMMAND (ALCOM)
ELMENDORF AIR FORCE BASE, ALASKA 99506

JAN 20 2000

COMALCOM
9480 Pease Avenue, Suite 101
Elmendorf AFB AK 99506-2100

JAN 26 2000

The Honorable Loren Leman
Alaska State Legislature
Room 115
State Capitol
Juneau AK 99801-1182

Dear Senator Leman

In 1998, this command and the Alaska Railroad Corporation entered into a cooperative relationship to study the railroad's concept for track upgrade and realignment between Wasilla and the Anchorage rail yard. It is my understanding that because aspects of this project are dependent on Alaska legislative approval and you have requested assurance from this command that we will continue cooperation on the project.

I believe this concept may mutually benefit both the railroad and the defense installations in the greater Anchorage area. In addition to improving railroad efficiency and safety, the potential exists for the project to increase rail traffic safety on Fort Richardson and Elmendorf AFB and to enhance future infrastructure development by the services.

We have been participating in a working group along with the railroad and the Bureau of Land Management to facilitate the effort and address issues of concern raised by the railroad and the Department of Defense. We will continue to work toward the mutual benefit of all parties.

Sincerely

Thomas R. Case

THOMAS R. CASE
Lieutenant General, USAF
Commander

cc:
Rep. Lisa Murkowski
Gov. William Sheffield
MG Dean Cash, Cdr, USARAK
Brig Gen Scott Gration, 3WG/CC



18515 CENTERFIELD DRIVE, SUITE 201
EAGLE RIVER, ALASKA 99577
(907) 696-2829 FAX: (907) 696-2848

William J. Sheffield
Chief Executive Officer
Alaska Railroad Corporation
P.O. Box 107500
Anchorage
AK 99510

November 22, 1999

Re: Memorandum of Understanding
— August 4, 1999

Dear Governor Sheffield:

I understand that there are concerns that the anticipated land exchange will accelerate the development of Clunie Lake as a float plane base or will encourage development in conflict with the military mission on Fort Richardson. I wish to clarify the situation for the record.

Eklutna, Inc. has owned the portion of the Powder Reserve adjacent to Fort Richardson since 1993. The Alaska Railroad (ARRC) assured access across the tracks via a grade-separated crossing and agreed to pay for it in the 1987 Settlement Agreement. Nothing in the land exchange anticipated in the 1999 Memorandum of Understanding between the ARRC and Eklutna, Inc. changes either of these two facts.

A float plane base at Lake Clunie was selected by the Department of Transportation and Public Facilities under the provisions of the North Anchorage Land Agreement should that part of Fort Richardson be surplused. Eklutna already owns the southwest shoreline of Lake Clunie. However, the size, configuration, and wetlands of its holdings make it impractical to develop such a facility on Eklutna lands. We have no plans to develop a float plane base there.

Eklutna, Inc. reserves the right to develop its lands in accord with appropriate regulations. We also want to make it clear that we support the continuation of the Fort Richardson Army Base. In the event, however, that military land is surplused, Eklutna, Inc. intends to ensure that it receives the full benefit of the promises made in the North Anchorage Land Agreement.

Very Truly Yours,

George W. Easley
Chief Executive Officer
Eklutna, Inc.



HEADQUARTERS
ALASKAN COMMAND (ALCOM)
ELMENDORF AIR FORCE BASE, ALASKA 99506

July 10, 1998

The Honorable Frank Murkowski
United States Senate
SH-322, Hart Senate Office Building
Washington DC 20510-0202

Dear Senator Murkowski,

Alaska Railroad Corporation and the Alaskan Command have entered into a cooperative relationship to study the Railroad's concept for improving service between Wasilla and the Anchorage rail yard.

We believe this concept may mutually benefit both the Railroad and the Defense installations in the greater Anchorage area. Improving track alignment will allow for the desired decrease in transit times between Wasilla and Anchorage. In addition to improving railroad efficiency, any project will have as a primary goal to increase rail traffic safety measures on Fort Richardson and Elmendorf AFB.

We have established a working group to facilitate the feasibility study effort and address issues of concern raised by the Railroad and the Department of Defense. We look forward to working toward the mutual benefit of all parties.

Sincerely,

Governor Bill Sheffield
President and Chief Executive Officer
Alaska Railroad Corporation

David J. McCloud
Lieutenant General, USAF
Commander, Alaskan Command

TED STEVENS, ALASKA, CHAIRMAN

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STEVEN J. CORTESE, STAFF DIRECTOR
JAMES H. ENGLISH, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

September 18, 1998

Governor Bill Sheffield
President and Chief Executive Officer
Alaska Railroad Corporation
P.O. Box 107500
Anchorage, AK 99510-7500

WJS	EXECUTIVE OFFICE	PCJ
JBB	RECEIVED	JFA
GLE	OCT 15 1998	JDE
SAB		JWK
RBS		EMR
ACTION INFO FILE		CAS

Dear Bill,

I write now in response to the letter signed by yourself and General McCloud regarding rail traffic safety on Fort Richardson and Elmendorf Air Force Base. Despite the untimely loss of our good friend, I am encouraged by the cooperation between the Alaska Railroad and the Alaskan Command and the progress you have made towards addressing this situation. I believe the track straightening will offer significant benefits to both the military and the Anchorage and the Mat-Su Valley communities.

Thank you again for your recent visit and for your help in hosting this summer's crowd from Washington, DC.

With warmest regards,

Cordially,



TED STEVENS

MEMORANDUM OF UNDERSTANDING

ALASKA RAILROAD CORPORATION

AND

EKLUTNA, INCORPORATED

WHEREAS, the Alaska Railroad Corporation (referred to hereafter as "ARRC") and Eklutna, Incorporated (referred to hereafter as "Eklutna") entered into the "Agreement of the Alaska Railroad Corporation and Eklutna, Inc. Settling Claims of Valid Existing Rights to Rail Properties of the Alaska Railroad and Providing for Conveyances Pursuant to the Alaska Native Claims Settlement Act and the Alaska Railroad Transfer Act of 1982" on January 8, 1987, and as subsequently amended (referred to hereafter as "the 1987 Agreement"); and

WHEREAS, ARRC and Eklutna affirm and acknowledge that the 1987 Agreement remains in full force and effect, except as may be supplemented or modified as set forth herein; and

WHEREAS, ARRC has decided to realign its route to improve service and efficiency and is no longer in need of the property formerly identified as Parcel C of the Powder Reserve in the 1987 Agreement, currently identified as Tract 39, Township 15 North, Range 2 West, Seward Meridian; and

WHEREAS, Eklutna has initiated development of the area known in the 1987 Agreement as Parcel A of the Powder Reserve, and desires to develop the rest of the Powder Reserve in an efficient and orderly manner; and

WHEREAS, ARRC wishes to preserve its option to locate a switching yard in the area near the Birchwood Airport and has found that all or portions of Tract 38, Township 15 North, Range 1 West, Seward Meridian, owned by Eklutna, meet its needs; and

WHEREAS, Eklutna considers the possible location of a switching yard to the property described above and currently owned by Eklutna as compatible with its corporate goals for other land it owns near Birchwood Airport; and

WHEREAS, ARRC wishes to realign trackage through Eklutna lands in Anchorage and the Matanuska Susitna Borough; and

WHEREAS, ARRC and Eklutna have met periodically for several months, have considered numerous alternatives, and have each appraised their respective interests;

THEREFORE, be it resolved, that ARRC and Eklutna do hereby enter into this Memorandum of Understanding, and state their intentions as follows:

1. Land Exchange. ARRC agrees to exchange title to Tract 39, Township 15 North, Range 2 West, Seward Meridian, to which ARRC currently has an exclusive license (BLM File AA 55129), for a portion of Tract 38, Township 15 North, Range 1 West, Seward Meridian, to which Eklutna has title via United States Patent 50-93-601, excepting approximately 17.99 acres located at the north end of ARRC's parcel which are being reserved for ARRC operational needs.

a. For the purposes of this exchange, the parties agree that the value of Tract 39, Township 15 North, Range 2 West, Seward Meridian is \$2,500 per acre or \$0.06 per square foot and the value of Tract 38, Township 15 North, Range 1 West, Seward Meridian is \$9,333 per acre or \$0.21 per square foot.

b. The parties agree that the exchange shall be for equal value, and that the amount of Tract 38, Township 15 North, Range 1 West, Seward Meridian to be conveyed from Eklutna to ARRC will be adjusted to equal values. The general configuration of the land to be conveyed to ARRC is shown on Exhibit 1, attached hereto and incorporated by reference herein. The proposed north-south line between the land to be exchanged with the ARRC and to be retained by the Eklutna shall be moved east or west to equalize values.

c. The parties agree that costs will be shared as follows: ARRC will bear all its costs in acquiring title from the United States and securing the approval of the Alaska Legislature, if required. Each party shall convey title to its interest by warranty deed and shall bear the cost of preparing its own conveying documents and title reports and insurance. The parties will equally divide the cost of surveying and replatting both Tract 38, Township 15 North, Range 1 West, Seward Meridian and the northern portion of Tract 39, Township 15 North, Range 2 West, Seward Meridian. Each shall bear the cost of recording the conveyances they receive.

d. Because it does not yet have patent from the United States to Tract 39, Township 15 North, Range 2 West, Seward Meridian, ARRC agrees to: (1) immediately identify this tract as its highest conveyance priority to the Bureau of Land Management and to do everything in its power to ensure its prompt conveyance; (2) consult with Eklutna regarding the creation of any third party interests in said Tract 39; (3) issue a no-fee permit to Eklutna or its agents to enter on the land for planning, managing, and surveying in advance of conveyance; and, (4) forebear from withholding approvals as requested by Eklutna as may be required by the Municipality of Anchorage, the Bureau of Land Management, and other public or private institutions and agencies for activities involving that tract.

e. Eklutna agrees that it will: (1) consult with ARRC regarding the creation of any third party interests in Tract 38, Township 15 North, Range 1 West, Seward Meridian in advance of conveyance; (2) issue a no-fee permit to ARRC or its agents to enter on its portion of the tract as show in Exhibit 1 for planning, managing, and surveying in advance of conveyance; and, (3) forebear from withholding approvals as requested by ARRC as maybe required by the Municipality of Anchorage, the Bureau of Land Management, and other public or private institutions and agencies for activities involving that tract.

f. The parties agree and acknowledge that this specific land exchange is occurring totally outside the provisions of the 1987 Agreement, and further outside the provisions of ANCSA and/or ANILCA, is not made in partial satisfaction of any outstanding selection rights or any claims to entitlement that Eklutna may yet have under those acts. Any interest in properties acquired by Eklutna pursuant to this exchange shall be acquired subject to the land exchange provisions of those acts. The provisions of P.L.105-333 regarding land bank protections are intended to apply to this exchange.

g. Eklutna acknowledges and understands that ARRC cannot transfer its entire interest in land without prior legislative approval under AS 42.40.285, and that final consummation of the land exchanges contemplated by this agreement cannot occur until ARRC receives such approval. ARRC shall exercise its best efforts to obtain the necessary approval at the earliest possible opportunity and continue such efforts until the legislative authorization is obtained. Eklutna will in good faith support ARRC's request before the legislature.

2. Realignment of ARRC Track.

a. The parties agree to facilitate the realignment of ARRC track as reflected on the plans shown on Exhibit 2, attached hereto and incorporated by reference herein. The proposed realignment at the curve at Mile 129, Drawing 1 dated Feb. 1999 in Exhibit 2, satisfies the realignment envisioned in Paragraph 12 of the 1987 Agreement. Eklutna agrees to convey the lands needed by ARRC in exchange for other consideration as set forth below. ARRC will pay for any surveys and replatting needed to effect the realignment. The cost of appraisal will be split equally. ARRC will propose three appraisers and Eklutna will select one from that proposed group. ARRC will also be responsible for obtaining an archaeological study at the site of the proposed Eklutna Village area realignment. ARRC will be responsible for negotiating directly with Cook Inlet Region, Inc., any necessary or desired permits for the work planned by ARRC and will negotiate a non-development covenant directly with CIRI in the area of the curve at Mile 146, Drawing 13A dated Feb. 1999 in Exhibit 2, if necessary.

b. ARRC will convene and Eklutna will join and participate in a diagnostic team review conducted under the "Alaska Railroad/Highway Crossing Policy" (a jointly adopted ARRC/Department of Transportation and Public Facilities policy) regarding all existing and proposed or potential crossings in the area between Anchorage and Wasilla. The parties recognize that other entities beside themselves, such as adjacent municipalities and the State of Alaska, may have legitimate concerns regarding such crossings and will be participants in the diagnostic team review pursuant to the Policy. The exact location and configuration of each crossing in Exhibit 3 shall be decided and/or negotiated on a case-by-case basis, and it is recognized that other parties, such as the developer, the Municipality of Anchorage, the Department of Transportation and Public Facilities, etc., may be required participants in the funding plan.

c. Notwithstanding the above paragraph, the parties agree that, upon notice by Eklutna, ARRC will provide and build a minimum of one (1) grade-separated roadway crossing in the Powder Reserve in accordance with the requirements of Paragraph 8 of the 1987 Agreement and

will allow other roadway crossings between Anchorage and Wasilla as generally shown in Exhibit 3. Construction of the grade-separated crossing in the Powder Reserve will be completed within 5 years of notice by Eklutna. The exact locations and configurations of all crossings will be identified as required to provide adequate access to Eklutna lands.

3. Further Actions.

ARRC and Eklutna shall work diligently to fulfill the requirements of the above paragraphs, which complement some aspects of, and the intentions underlying, the 1987 Agreement. The parties further commit to review, consider, and identify the parties' remaining outstanding obligations under the 1987 Agreement such that they may be implemented in a more expeditious manner.

4. Miscellaneous.

a. The parties understand that each must secure the approval of their respective Boards of Directors and that this agreement is not binding upon the parties until both Boards have approved this agreement.

b. The parties agree that time is of the essence, and that both parties will bring this agreement to their Boards at the earliest opportunity, but in no case more than 60 days from the date of last signature.

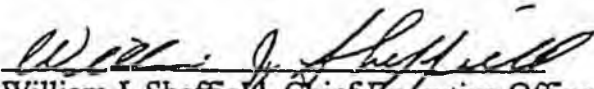
c. If ARRC fails to obtain patent to Tract 39, Township 15 North, Range 2 West, Seward Meridian within two years of the date of the last signature, this agreement is null and void. No transfers will occur until patent to tract 39 has been received by the ARRC.

d. Neither party has an obligation to replat or survey until ARRC has acquired patent to Tract 39, Township 15 North, Range 2 West, Seward Meridian.

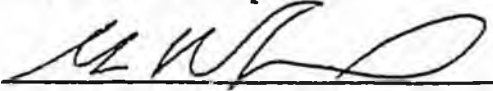
e. This agreement expires automatically and without further action of any kind upon the fifth anniversary of the date it was last signed if the exchanges anticipated herein have not been completed.

Agreed this 4 day of August, 1999.

For the Alaska Railroad Corporation:


William J. Sheffield, Chief Executive Officer

For Eklutna, Incorporated:


George W. Easley, Chief Executive Officer



16515 CENTERFIELD DRIVE, SUITE 201
EAGLE RIVER, ALASKA 99577
(907) 696-2828 FAX: (907) 696-2645

INC.

Resolution 99-17

WHEREAS, Eklutna, Incorporated owns Parcels A and B of the Powder Reserve (S.M. T15N, R2W, Tracts 37, 38 and 40) under Patent Number 50-93-0601; and

WHEREAS, Eklutna, Incorporated wished to acquire Parcel C of the Powder Reserve (S.M. T15N, R2W, Tract 39) to consolidate its holdings, facilitate development, and reach efficiencies of scale; and

WHEREAS, the Alaska Railroad Corporation wants to acquire land needed for realignments and for other industrial purposes in the Birchwood area; and

WHEREAS, the Board of Directors has reviewed the Memorandum of Understanding dated August 4, 1999 and signed by the Chief Executive Officers of both the Alaska Railroad Corporation and Eklutna, Incorporated;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of Eklutna, Incorporated that they find that the land exchange outlined in the Memorandum of Understanding is in the best interest of the Corporation and the Chief Executive Officer, George W. Easley, is authorized to negotiate details of the exchange, to require such conditions as he finds in the best interest of the Corporation, to sign required plats, and to execute conveyances.

Brought to a meeting at which a quorum was present and passed by a majority vote of 4 yeas and 0 nays and 0 abstention votes on September 10, 1999.

Kim L. Zello

Kim L. Zello, President

Daniel Alex

Daniel Alex, Secretary



Submitted by: Chairman of the Assembly
at the Request of the Mayor
Prepared by: Alaska Railroad Counsel
For reading: Feb. 15, 2000

ANCHORAGE, ALASKA
AO NO. 2000-42(S)

1 AN ORDINANCE APPROVING THE CONVEYANCE OF LANDS IN THE MUNICIPALITY'S
2 BEACH LAKE PARK TO THE ALASKA RAILROAD CORPORATION IN EXCHANGE FOR
3 EXISTING ALASKA RAILROAD RIGHT-OF-WAY LANDS IN BEACH LAKE PARK TO
4 ACCOMMODATE STRAIGHTENING OF RAILROAD TRACK CURVES AND SUBMITTING
5 TO THE QUALIFIED VOTERS OF THE MUNICIPALITY AT THE REGULAR MUNICIPAL
6 ELECTION APRIL 4, 2000 A BALLOT PROPOSITION TO APPROVE SAID CONVEYANCES.
7

8
9 WHEREAS, the Alaska Railroad Corporation seeks to improve the safety and efficiency of the
10 Alaska Railroad by realigning and straightening tracks between Anchorage and Wasilla; and
11

12 WHEREAS, certain track curves to be straightened are at Alaska Railroad mile posts 132 and 133
13 and within the Municipality's Beach Lake Park generally near Beach Lake Road off of South Birchwood
14 Loop Road as shown on the diagram attached hereto as Appendix A which is incorporated herein by
15 reference; and
16

17 WHEREAS, the right-of-way required from the Municipality to straighten the curve at milepost 132
18 is approximately 2.29 acres as shown in detail on Page 1 of Appendix B and legally described on Page 2 of
19 Appendix B which is incorporated herein by reference; and
20

21 WHEREAS, the right-of-way required from the Municipality to straighten the curve at milepost 133
22 is approximately 11.23 acres as shown in detail on Page 1 of Appendix C and legally described on Page 2
23 of Appendix C which is incorporated herein by reference; and
24

25 WHEREAS, a portion of the 11.23 acres may in the future be used to construct access to nearby
26 lands of the Eklutna Native Corporation; and
27

28 WHEREAS, by letter dated February 4, 2000 to the Municipal Assembly Eklutna Native
29 Corporation has committed to abide by all municipal regulations and pursue all municipal processes for the
30 development of those lands and further to convey additional land to be incorporated into Beach Lake Park;
31 and
32

33 WHEREAS, the Alaska Railroad right-of-way which will become surplus at mile post 133 and
34 which will be conveyed to the Municipality for incorporation into Beach Lake Park is 4.54 acres as shown
35 on Page 1 of Appendix C which is incorporated herein by reference; and
36

1 WHEREAS, the Alaska Railroad Corporation is obligated pursuant to 45 U.S.C. § 1209(c) to
2 transfer abandoned right-of-way to the United States which is required to reconvey the land to owners of
3 the adjacent private land; and
4

5 WHEREAS, the Alaska Railroad intends to construct valuable public improvements, namely, a new
6 grade-separated crossing at Beach Lake Road and a new pedestrian underpass to connect the Beach Lake
7 trail system on either side of the Railroad all as additional consideration for the conveyance of the municipal
8 park lands to it; and
9

10 WHEREAS, pursuant to Anchorage Ordinance No. 84-199, the Municipality's Beach Lake Park is
11 dedicated to park and recreational uses, the conveyance of which must be approved by the voters of the
12 Municipality pursuant to Anchorage Municipal Charter §10.02(8); now therefore,
13

14 **THE ANCHORAGE ASSEMBLY ORDAINS:**
15

16 **Section 1:** Subject to fulfillment of the conditions in Section 2. of this ordinance and Charter §10.02(8).
17 the Municipality shall convey the fee title to the lands of the Beach Lake Park shown and legally described
18 in Appendices B and C hereto to the Alaska Railroad Corporation in exchange for the conveyance of the fee
19 simple title to the right-of-way which is to be abandoned also as shown and legally described in Appendix
20 C hereto and the construction at the Alaska Railroad Corporation's expense of the following public
21 improvements:
22

- 23 a. A new grade-separated crossing at Beach Lake Road to American Association of
24 State Highway and Transportation Officials standards which will be an underpass
25 with at least a 14.6 foot high clearance; and
- 26 b. Movement of the Beach Lake Road crossing approximately 380 feet north of the
27 existing Beach Lake Road crossing and elimination of the steep approach to the
28 existing crossing; and
- 29 c. A pedestrian underpass to connect the Beach Lake Trail system on either side of the
30 railroad and which will accommodate dog mushers and their teams, skiers and other
31 users of the trail system; and
- 32 d. Contouring of the railroad lands conveyed to the Municipality to accommodate safe
33 pedestrian and/or vehicular traffic connections and multi-use access.
34

35 **Section 2:** The Municipality's obligation described in Section 1 of this ordinance is subject to the
36 following conditions subsequent which shall occur on or before March 21, 2000:
37

- 38 a. The lands to be exchanged pursuant hereto shall be appraised by competent appraiser
39 to be selected and retained by the Municipality, the cost of which shall be reimbursed
40 to the Municipality by the Alaska Railroad Corporation.
- 41
- 42 b. The Alaska Railroad Corporation shall provide the Municipality its written engineers'
43 estimates of cost and value of the improvements described in Section 1 above.
44

c. The Municipal Assembly shall by resolution make a finding, based on the appraisal and engineers' estimate, that the value of the consideration required from the Alaska Railroad Corporation exceeds the fair market value of the fee simple interest of the park land to be conveyed by the Municipality.

Section 3: That, pursuant to Charter §10.02(8), a ballot proposition in substantially the following form shall be submitted to the qualified voters of the Municipality at the regular municipal election to be held April 4, 2000:

Proposition _____
APPROVING CONVEYANCE OF LANDS WITHIN BEACH LAKE PARK TO THE ALASKA RAILROAD CORPORATION TO STRAIGHTEN RAILROAD CURVES AND CREATE POTENTIAL ACCESS TO ADJACENT LANDS

Shall Anchorage Ordinance 2000-42(S) authorizing the Municipality of Anchorage to convey approximately 13.52 acres of land in Beach Lake Park to the Alaska Railroad Corporation to straighten track curves at Alaska Railroad mile posts 132 and 133 to improve safety and efficiency and to create potential access to adjacent lands in exchange for the conveyance to the Municipality of abandoned right-of-way and construction of valuable public improvements by the Alaska Railroad Corporation be approved?

Yes []

No []

Section 4: Upon conveyance of the railroad lands to the Municipality in accordance with this ordinance, said lands are hereby dedicated to park and recreational uses as part of Beach Lake Park.

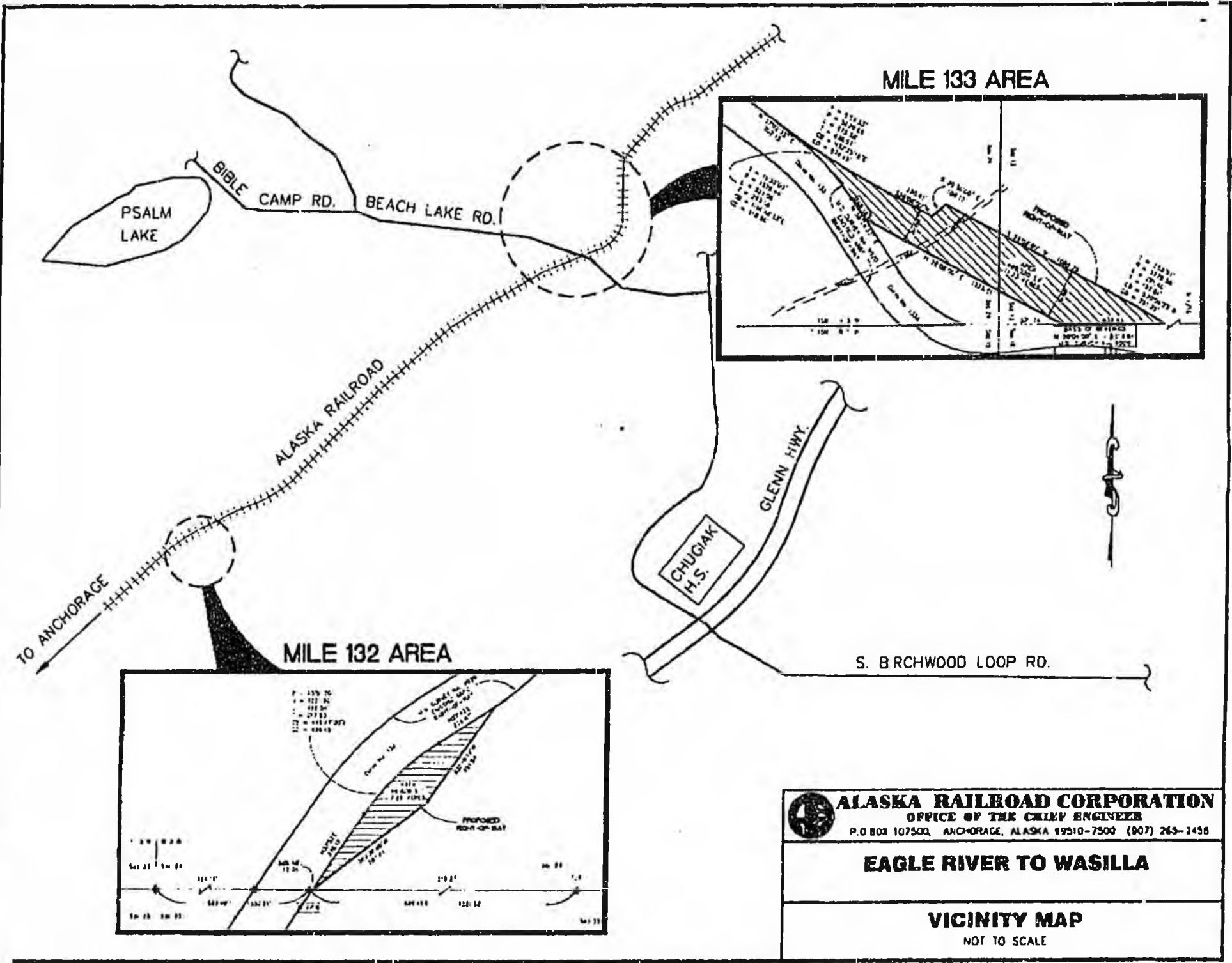
Section 5: The Proposition set forth in Section 3 of this ordinance shall become effective upon certification of the election at which presented if, but only if, said Proposition is approved by a majority of the qualified voters voting on the Proposition. All other Sections of this ordinance shall become effective immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this ___ day of _____, 2000.

Chair of the Assembly

ATTEST:

Municipal Clerk



Appendix A
Page 1 of 1

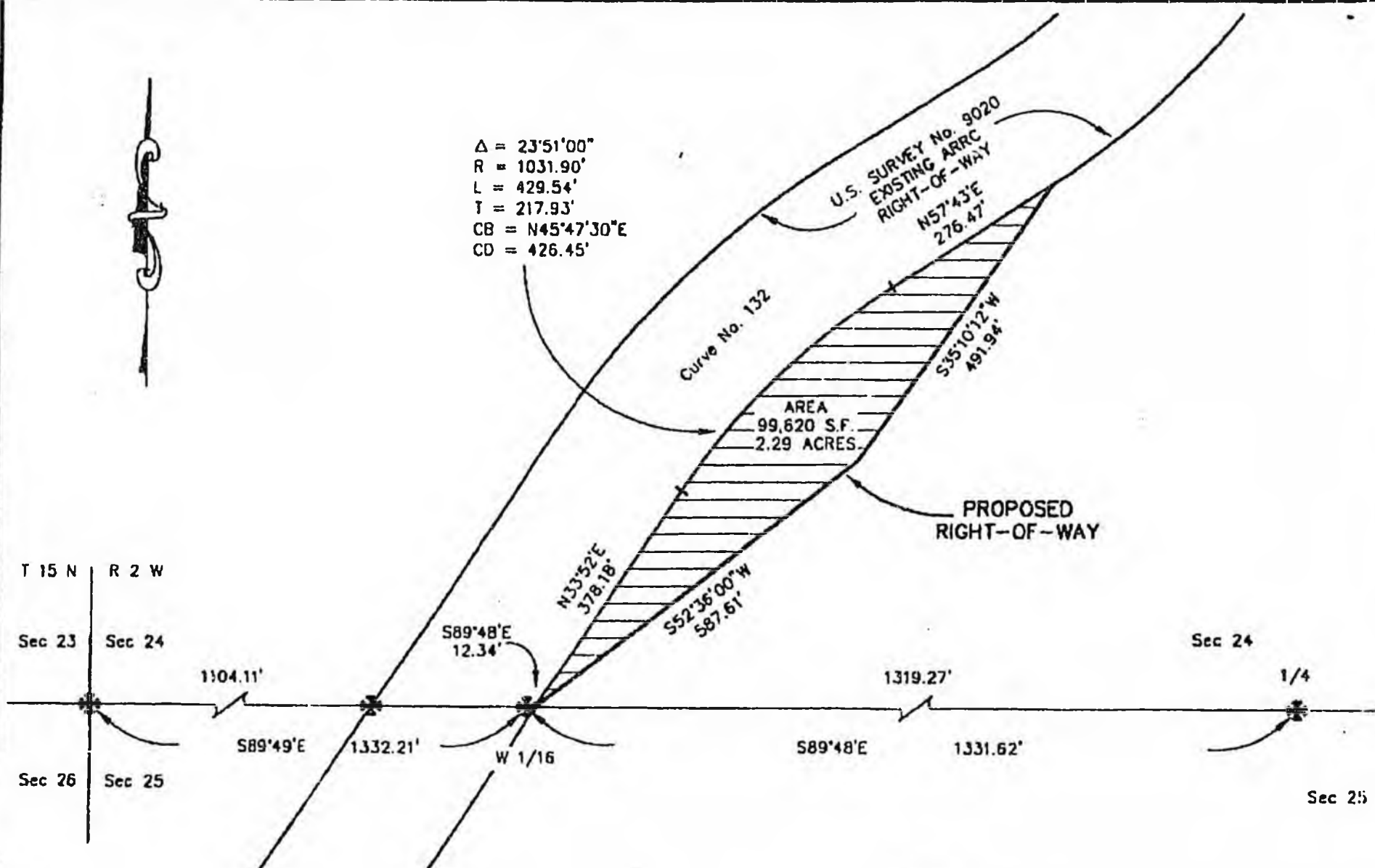
ALASKA RAILROAD CORPORATION
 OFFICE OF THE CHIEF ENGINEER
 P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500 (907) 263-2438

EAGLE RIVER TO WASILLA

VICINITY MAP
 NOT TO SCALE



$\Delta = 23^{\circ}51'00''$
 $R = 1031.90'$
 $L = 429.54'$
 $T = 217.93'$
 $CB = N45^{\circ}47'30''E$
 $CD = 426.45'$



T 15 N R 2 W

Sec 23 Sec 24

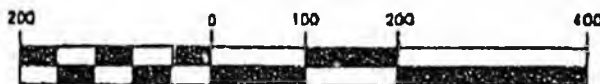
Sec 26 Sec 25

Sec 24

1/4

Sec 25

SCALE



(IN FEET)
1 INCH = 200 FT.



ALASKA RAILROAD CORPORATION
OFFICE OF THE CHIEF ENGINEER
P O BOX 107500, ANCHORAGE, ALASKA 99510-7500 (907) 285-2456

EAGLE RIVER TO WASILLA

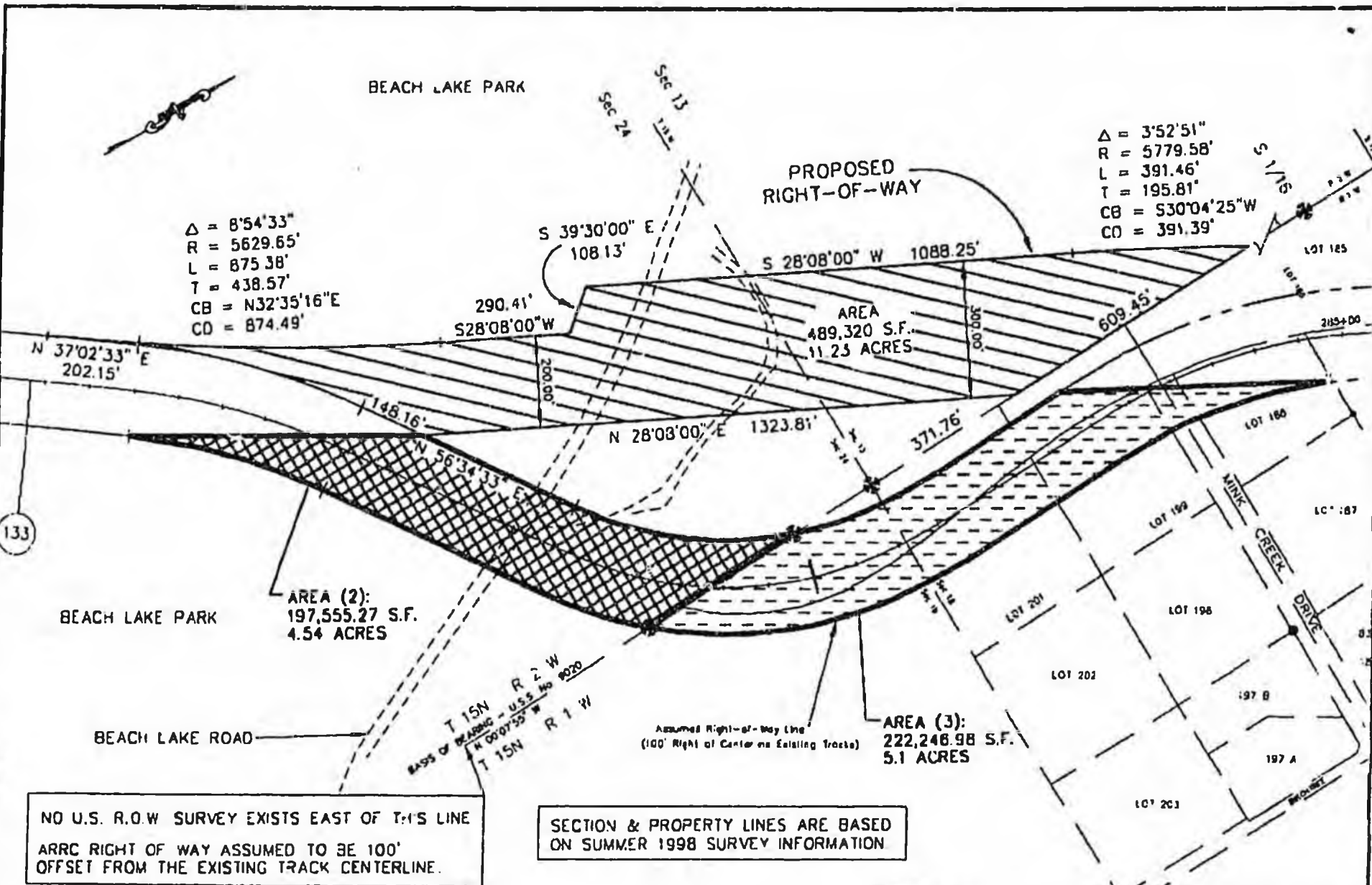
**PROPOSED REALIGNMENTS TO
CURVE 132**

Appendix B
Page 1 of 2

LEGAL DESCRIPTION
CURVE No. 132
PROPOSED RIGHT-OF-WAY

A portion of the SW 1/4, Section 24, Township 15 North, Range 2 West, Seward Meridian, Anchorage Recording District, Alaska and more particularly described as follows:

Commencing at the one-quarter (1/4) corner common to Section 24 and Section 25, Township 15 North, Range 2 West, Seward Meridian, Alaska; Thence N 89°48' W along the line between Section 24 and Section 25 a distance of 1319.27 feet to a point on the easterly boundary of the Alaska Railroad Corporation Right-of-Way shown as Lot 1 on the United States Department of the Interior, Bureau of Land Management plat titled "U.S. Survey No. 9020, Alaska" and dated October 29, 1992, the TRUE POINT OF BEGINNING; Thence N 33°52' E along said easterly Right-of Way a distance of 378.18 feet; Thence continuing along said Right-of-Way a distance of 429.54 feet on the arc of a curve to the right, with a radius of 1031.90 feet, through a central angle of 23°51'00" and whose chord bears N 45°47'30" E a distance of 426.45 feet; Thence continuing along said Right-of-Way N 57°43' E a distance of 276.47 feet; Thence S 35°10'12" W a distance of 491.94 feet; Thence S 52°36'00" W a distance of 587.61 feet to the TRUE POINT OF BEGINNING. Containing 99,620 square feet (2.29 acres) more or less.



LEGAL DESCRIPTION
CURVE No. 133
PROPOSED RIGHT-OF-WAY

A portion of the SE 1/4, Section 13, and the NE 1/4, Section 24, Township 15 North, Range 2 West, Seward Meridian, Anchorage Recording District, Alaska and more particularly described as follows:

Commencing at the Section Corner common to Sections 13 and 24, Township 15 North, Range 2 West, and Sections 18 and 19, Township 15 North, Range 1 West, Seward Meridian, Alaska, marked by an Aluminum BLM Monument dated 1984; Thence N 0°04'00" E along the line between Section 13, T15N, R2W, SM and Section 18, T15N, R1W, SM a distance of 371.76 feet to the TRUE POINT OF BEGINNING; Thence continuing along said section line N 0°04'00" E a distance of 609.45 feet; Thence a distance of 391.46 feet on the arc of a curve to the left, with a radius of 5779.58 feet, through a central angle of 3°52'51", and whose chord bears S 30°04'25" W a distance of 391.39 feet; Thence S 28°08'00" W a distance of 1088.25 feet; Thence S 39°30'00" E a distance of 108.13 feet; Thence S 28°08'00" W a distance of 290.41 feet; Thence a distance of 875.38 feet on the arc of a curve to the right, with a radius of 5629.65 feet, through a central angle of 8°54'33", and whose chord bears S 32°35'16" W a distance of 874.49 feet to a point on, and tangent to, the northwesterly boundary of the Alaska Railroad Corporation Right-of-Way shown as Lot 1 on the United States Department of the Interior, Bureau of Land Management plat titled "U.S. Survey No. 9020, Alaska" and dated October 29, 1992; Thence N 37°02'33" E along said Right-of-Way a distance of 202.15 feet; Thence continuing along said Right-of-Way a distance of 521.08 feet on the arc of a curve to the right, with a radius of 1528.44 feet, through a central angle of 19°32'00", and whose chord bears N 46°48'33" E a distance of 518.56 feet; Thence continuing along said Right-of-Way N 56°34'33" E a distance of 148.16 feet; Thence N 28°08'00" E a distance of 1323.81 feet to the TRUE POINT OF BEGINNING. Containing 489,320 square feet (11.23 acres) more or less.

ALASKA RAILROAD CORPORATION



Corporate Address: P.O. Box 107500, Anchorage, Alaska 99510
327 W. Ship Creek Avenue, Anchorage, Alaska 99501

January 13, 2000

JAN 18 2000

Loren Leman
Alaska State Senate
State Capitol Room 115
Juneau AK 99801

Dear Loren Leman:

Last month, 15 Alaska Railroad tanker cars and three locomotives derailed near Talkeetna. Thousands of gallons of fuel spilled out of five cars, contaminating an area of approximately 75 feet in diameter near the tracks. It was, to say the least, a low point in the 76-year history of the Alaska Railroad, a personal disappointment for me and for all of our employees.

First, let me explain how the derailment occurred. Rail Sciences, a firm from Atlanta specializing in rail transportation investigation, eliminated out-of-tolerance track conditions, mechanical conditions of the locomotive and crew actions as direct causes in this derailment. The firm's preliminary report states, "It appears that this derailment primarily resulted from a lifting action due to a sudden and heavier than expected accumulation of snow and ice under the locomotive wheels. As the train proceeded southward, the rear wheel on Unit 3004 (the locomotive) rode up and over a solid block of snow/ice and derailed to the west."

I assure you we do not take the causes and effects of this derailment lightly. We consider it serious business and believe we must further investigate what happened and our response in order to improve all aspects of our operation.

Since the spill, we have removed the wreckage and all of the contaminated snow. In addition, we have drilled several wells in order to extract fuel where possible. We have also dug a trench to find out how far the fuel has soaked into the soil. Our exploratory and assessment investigations show that fuel is moving downward but has not migrated beyond the boundaries of the railroad right-of-way. This is a serious but slow moving problem and I assure you we are putting the necessary resources and the right professionals on the task.

To make the excavating as effective and environmentally sound as possible, we joined the Department of Environmental Conservation in organizing a committee made up of geologists, hydrologists and civil engineers that will formulate the best plan possible for removing the contaminated soil.

We have undertaken these duties with the full understanding that the cleanup will take months, perhaps even years, before the area is fully restored to its natural state.

The Alaska Railroad has also instituted immediate changes in our operations to help prevent further derailments and promote rail safety in general. They are:

- All loaded fuel trains now have top priority in riding the main line at all times. This will reduce the number of activities a loaded fuel train will conduct while completing its route, thus reducing the chances of a derailment.

- Additional response equipment has been restocked at our current response caches and new caches have been created at strategic locations along the railbelt to increase response time and capability in any future efforts.
- Track and equipment inspections, snow fleet call-outs and switch maintenance have been increased.
- Conditions at sidings will be more frequently assessed during harsh weather conditions and roadmasters have been empowered to order sidings out of service.
- A plan for a night duty officer and a daily operations session has been implemented and supervisors will ride trains daily between Healy and Talkeetna.

In recent years, our trains have grown heavier, larger and longer and we operate more of them each day. We must change the way we operate through better communication, track effort and tougher standards.

In addition to our immediate actions, the Railroad is developing long-term improvements to our response and prevention capabilities. Specifically, I have directed that we undertake the following steps:

- Prepare an oil spill contingency plan that mirrors, as much as possible, plans required of other regulated entities. We have had, for more than six years, a comprehensive emergency response plan. But in light of the recent derailments, we are stepping up our response and prevention measures.
- Implement a formal risk assessment similar in focus and process to the one developed for the State of Alaska regarding crude oil shipping in Prince William Sound.
- Begin Incident Command System training for key operating Alaska Railroad personnel.

I am confident these procedures will improve the overall safety of the Railroad. As a public corporation, we should be leaders in setting the highest standards for safety, going beyond compliance with regulations. There is no greater area in which we can pour our best efforts than into making the Alaska Railroad the safest and most environmentally secure form of transportation in Alaska.

I also hope that your confidence in this important public institution has not waned. We recognize the seriousness of the current situation and understand how important it is that we take every precaution to prevent such an occurrence in the future.

Please be assured that we will continue to keep you apprised of our efforts during the cleanup. If you have any questions about our efforts, please don't hesitate to call or write. Thank you.

Sincerely,



Governor Bill Sheffield
President & Chief Executive Officer

Secretary of Agriculture, as appropriate, shall consult with the Secretary. Approval of an application for a right-of-way, permit, lease, or conveyance described in subsection (a) of this section shall be pursuant to applicable law. Rights-of-way, grounds, and sites granted pursuant to this section and other applicable law shall conform, to the extent possible, to the standards provided in the Act of March 12, 1914 (43 U.S.C. 975 et seq.) and section 603(6) of this title. Such conformance shall not be affected by the repeal of such Act under section 615 of this title.

(c) Reversion to the United States of any portion of any right-of-way or exclusive-use easement granted to the State or State-owned railroad shall occur only as provided in section 610 of this title. For purposes of such section, the date of the approval of any such right-of-way shall be deemed the "date of transfer".

REVERSION

SEC. 610. (a) If, within ten years after the date of transfer to the State authorized by section 604 of this title, the Secretary finds that all or part of the real property transferred to the State under this title, except that portion of real property which lies within the boundaries of the Denali National Park and Preserve, is converted to a use that would prevent the State-owned railroad from continuing to operate, that real property (including permanent improvements to the property) shall revert to the United States Government, or (at the option of the State) the State shall pay to the United States Government an amount determined to be the fair market value of that property at the time its conversion prevents continued operation of the railroad.

45 USC 1209.

(b) If, after the date of transfer pursuant to section 604 of this title, the State discontinues use of any land within the right-of-way, the State's interest in such land shall revert to the United States. The State shall be considered to have discontinued use within the meaning of this subsection and subsection (d) of this section when:

(1) the Governor of the State of Alaska delivers to the Secretary of the Interior a notice of such discontinuance, including a legal description of the property subject to the notice, and a quitclaim deed thereto; or

(2) the State has made no use of the land for a continuous period of eighteen years for transportation, communication, or transmission purposes. Notice of such discontinuance shall promptly be published in the Federal Register by the Secretary, the Secretary of the Interior, or the Secretary of Agriculture, and reversion shall be effected one year after such notice, unless within such one-year period the State brings an appropriate action in the United States District Court for the District of Alaska to establish that the use has been continuing without an eighteen-year lapse. Any such action shall have the effect of staying reversion until exhaustion of appellate review from the final judgment in that action or termination of the right to seek such review, whichever first occurs.

Publication in
Federal
Register.

(c) Upon such reversion pursuant to subsection (b) of this section, the Secretary of the Interior shall immediately convey by patent to abutting landowners all right, title and interest of the United States. Where land abutting the reverted right-of-way is owned by different persons or entities, the conveyance made pursuant to this

subsection shall extend the property of each abutting owner to the centerline of the right-of-way.

(d) If use is discontinued (as that term is used in subsection (b) of this section) of all or part of those properties of the Alaska Railroad transferred to the State pursuant to this title which lie within the boundaries of the Denali National Park and Preserve or the Chugach National Forest, such properties or part thereof (including permanent improvements to the property) shall revert to the United States and shall not be subject to subsection (c) of this section. Upon such reversion, jurisdiction over that property shall be transferred to the Secretary of the Interior or the Secretary of Agriculture, as appropriate, for administration as part of the Denali National Park and Preserve or the Chugach National Forest.

(e) Except as provided in subsections (a) through (d) of this section, if, within five years after the date of transfer to the State pursuant to section 604 of this title, the State sells or transfers all or substantially all of the State-owned railroad to an entity other than an instrumentality of the State, the proceeds from the sale or transfer that exceed the cost of any rehabilitation and improvement made by the State for the State-owned railroad and any net liabilities incurred by the State for the State-owned railroad shall be paid into the general fund of the Treasury of the United States.

(f) The Attorney General, upon the request of the Secretary, the Secretary of the Interior, or the Secretary of Agriculture, shall institute appropriate proceedings to enforce this section in the United States District Court for the District of Alaska.

OTHER DISPOSITION

45 USC 1210.

SEC. 611. If the Secretary has not certified that the State has satisfied the conditions under section 604 within one year after the date of delivery of the report referred to in section 605(a) of this title, the Secretary may dispose of the rail properties of the Alaska Railroad. Any disposal under this section shall give preference to a buyer or transferee who will continue to operate rail service, except that—

(1) such preference shall not diminish or modify the rights of the Cook Inlet Region, Incorporated (as that term is used in section 12 of the Act of January 2, 1976 (Public Law 94-204; 89 Stat. 1150)), pursuant to such section, as amended by section 606(d) of this title; and

(2) this section shall not be construed to diminish or modify the powers of consent of the Secretary or the State under section 12(b)(8) of such Act, as amended by section 606(d)(5) of this title.

Any disposal under this section shall be subject to valid existing rights.

DENALI NATIONAL PARK AND PRESERVE LANDS

45 USC 1211.

SEC. 612. On the date of transfer to the State (pursuant to section 604 of this title) or other disposition (pursuant to section 611 of this title), that portion of rail properties of the Alaska Railroad within the Denali National Park and Preserve shall, subject to the exclusive-use easement granted pursuant to section 604(b)(1)(D) of this title, be transferred to the Secretary of the Interior for administration as part of the Denali National Park and Preserve, except that a

Ante, p. 2564.

SB

288

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ALASKA STATE LEGISLATURE



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SENATOR JERRY MACKIE

SENATE MAJORITY LEADER

SPONSOR STATEMENT

SB 288, Approving Clarke Bay Terminal Agreement.

SB 288 authorizes the Department of Transportation and Public Facilities to enter into an agreement with the Inter-Island Ferry Authority to operate the state's Clarke Bay marine terminal facility.

Rather than rely on the uncertain plans of the state, the communities of Prince of Wales Island took the initiative in 1997 to solve their own ferry service needs. They formed the Inter-Island Ferry Authority to provide daily ferry service from POW to Ketchikan and to provide a northern link to the communities of Petersburg and Wrangell. Currently, the service between Ketchikan and Clarke Bay (Hollis) by Alaska Marine Highway System ferries is five trips a week during the summer and three trips a week during the winter. For a substantial part of the winter, this service is further reduced to once a week.

The Authority is well on its way to establishing a revenue sustaining transportation system that meets the area's need for increased service. Construction of the first ship is scheduled for June of next year. Considerable funds have also been secured to upgrade existing terminal facilities and construct the new ones needed for the northern portion.

A key feature of the Inter-Island Ferry Authority is the use and operation of the Clarke Bay terminal facility. The state is willing to come to an agreement with the Authority to operate the facility since it will be the principal user. Legislative approval, however, is required before such an agreement can be concluded (AS 29.35.722(2)). This approval is provided in SB 288.

Inter-island Ferry Project

Project Description

Project Overview

Introduction

The Inter-island Ferry Authority (IFA) proposes to design and construct a new passenger and vehicle ferry. The purpose of this ferry is to meet the growing demand for ferry transportation between Prince of Wales Island communities and Ketchikan.¹ The IFA is a recently formed port authority; it will own and operate this new ferry.

The proposed new ferry will replace an Alaska Marine Highway System (AMHS) ferry, MV AURORA, to provide service on a route between Prince of Wales Island and Ketchikan. Exhibit 1 includes a map showing the route of the proposed IFA ferry. The proposed IFA route is the same as that over which the State of Alaska operates the MV AURORA.²

The IFA plans to provide year-around twice-daily service on this route. The IFA will use a 17-hour, two-shift operating day to provide this level of service.

The IFA will use existing AMHS ferry terminals at Clark Bay on Prince of Wales Island and in Ketchikan to support its operations. Use agreements between the IFA and the State of Alaska Department of Transportation and Public Facilities will allow the IFA to use AMHS terminals.

Pro-forma financial analysis to date shows that the IFA operation will generate sufficient revenue to pay its operating, maintenance and repair costs. Those revenues will also support debt service sufficient to provide FTA grant matching funds.

¹ See Project Justification elsewhere in this grant application for a more complete discussion of the justification for this project.

² The State of Alaska will reassign the MV AURORA to other AMHS routes once the proposed new IFA ferry begins operation.



March 6, 2000

Senator Jerry Mackie
Room 427 State Capitol
Mailstop: 3100
Juneau, AK 99801-1182

Subject: Legislation for Interisland Ferry Authority Operation of Hollis Terminal

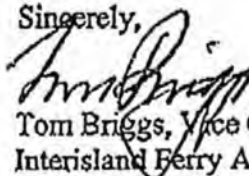
Dear Sen. Mackie:

The Interisland Ferry Authority, a Port Authority under Title 29.35.600, the Alaska Municipal Port Authority Act, is negotiating with the State of Alaska the terms of operation and maintenance of the Clark Bay (Hollis) Ferry Terminal. The need for the terminal is to facilitate the operational support of the daily ferry vessel to be brought online in the spring of 2001.

In a meeting last week, the Alaska Department of Transportation indicated that under state law, the operation of state owned assets by port authorities requires the approval of the Legislature. The Interisland Ferry Authority therefore respectfully requests your assistance in seeking legislative approval for the authority to enter into a long term agreement with the State of Alaska for operation and maintenance of the Clark Bay Ferry Terminal.

Your assistance of the Interisland Ferry Authority in this matter will be greatly appreciated.

Sincerely,


Tom Briggs, Vice Chairman
Interisland Ferry Authority

Cc: IFA Board of Directors

INTER-ISLAND FERRY AUTHORITY
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SENATE BILL NO. 288

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Introduced: 3/3/00

Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Department of Transportation and Public Facilities to
2 enter into an agreement with the Inter-Island Ferry Authority regarding the
3 operation of the Clarke Bay Terminal, Prince of Wales Island."

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

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

7 LEGISLATIVE APPROVAL. (a) In order to provide more frequent and efficient
8 marine ferry service to the residents of Prince of Wales Island and adjacent areas of southern
9 Southeast Alaska, the legislature authorizes the Department of Transportation and Public
10 Facilities to enter into an agreement with the Inter-Island Ferry Authority regarding the
11 operation of the Clarke Bay Terminal, Prince of Wales Island.

12 (b) This section constitutes legislative approval under AS 29.35.722(2) for the
13 Department of Transportation and Public Facilities to enter into an agreement with a port
14 authority for the operation of the Alaska marine highway system terminal on Clarke Bay,